

FINANCE AND POLICY COMMITTEE

AGENDA



Monday 10 February 2025

at 10.00 am

**in the Council Chamber,
Civic Centre, Hartlepool.**

MEMBERS: FINANCE AND POLICY COMMITTEE

Councillors Allen, Creevy, Feeney (VC), Hargreaves, Harrison (C), Lindridge, Little, Nelson, Oliver, Reeve and Young.

Parish Council Co-opted Member: M Ireland (Dalton Piercy Parish Council)

1. APOLOGIES FOR ABSENCE

2. TO RECEIVE ANY DECLARATIONS OF INTEREST BY MEMBERS

3. MINUTES

3.1 To receive the minutes of the meeting of the Finance and Policy Committee held on 20 January 2025 (*previously published and circulated*)

4. BUDGET AND POLICY FRAMEWORK ITEMS

4.1 Capital Programme 2025/26 to 2027/28 – *Director of Finance, IT and Digital*

4.2 Strategic Financial Management Report as at 31st December 2024 - *Director of Finance, IT and Digital*

4.3 Community Safety Plan 2024-2027 – *Executive Director of Development, Neighbourhoods and Regulatory Services*

5. KEY DECISIONS

5.1 Housing Revenue Account Business Plan Update 2025/26 – *Executive Director of Development, Neighbourhoods and Regulatory Services*

CIVIC CENTRE EVACUATION AND ASSEMBLY PROCEDURE

In the event of a fire alarm or a bomb alarm, please leave by the nearest emergency exit as directed by Council Officers. A Fire Alarm is a continuous ringing. A Bomb Alarm is a continuous tone. The Assembly Point for everyone is Victory Square by the Cenotaph. If the meeting has to be evacuated, please proceed to the Assembly Point so that you can be safely accounted for.

6. OTHER ITEMS REQUIRING DECISION

No items

7. ITEMS FOR INFORMATION

No items

8. ANY OTHER BUSINESS WHICH THE CHAIR CONSIDERS URGENT

FOR INFORMATION

Date of next meeting - Monday 7 April 2025 at 5.00 pm in the Civic Centre, Hartlepool



<p style="text-align: center;">FINANCE AND POLICY COMMITTEE 10 February 2025</p>
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Report of: Director of Finance, IT and Digital

Subject: CAPITAL PROGRAMME 2025/26 to 2027/28

Decision Type: Budget and Policy Framework

1. COUNCIL PLAN PRIORITY

Hartlepool will be a place:
- where people are enabled to live healthy, independent and prosperous lives
- where those who are vulnerable will be safe and protected from harm
- of resilient and resourceful communities with opportunities for all
- that is sustainable, clean, safe and green
- that has an inclusive and growing economy
- with a Council that is ambitious, fit for purpose and reflects the diversity of its community

2. PURPOSE OF REPORT

2.1 The purpose of the report is:

- i) To approve the Capital Strategy for 2025/26 to 2027/28 to be recommended to Council for approval. The strategy is a requirement of the Prudential Capital Code; and
- ii) To approve the Capital Programme new starts 2025/26 to 2027/28, to be recommended to Council for approval.

3. BACKGROUND

3.1 The Council has, in recent years, developed an ambitious Capital Programme, ensuring investment in existing and new assets within the

Borough, to support delivery of the priorities set out in the Council Plan. This report draws together the Capital Programme and Capital Strategy, aligning them with the Medium Term Financial Strategy (MTFS) and Treasury Management Strategy as an integral part of the Councils Strategic and Financial Planning Framework.

- 3.2 For completeness, the capital programme includes planned HRA investment. Decisions on HRA investment are subject to Business Cases and are included as part of the annual HRA Business Plan and updates provided to Finance and Policy Committee on a regular basis.

4. CAPITAL STRATEGY

- 4.1 Under the Prudential Code for Capital Finance in Local Government, Councils are free to determine their own capital investment priorities to meet the needs of their local communities. However, in doing so they must have regard to the prudential code and the key considerations of prudence, affordability and sustainability. An approved capital strategy is a requirement of the code.
- 4.2 The Council has well established processes and governance arrangements in place for its capital programme and Treasury Management including reporting via the Audit and Governance arrangements.
- 4.3 The Chartered Institute of Public Finance and Accountancy strengthened the code in recent years given concern around interpretation of key requirements, including commercial investments and the adverse financial impact these has on some councils. They also provided more guidance on the production of capital strategies and what constitutes “best practice”. In parallel to this strengthening, the Council embarked on a significant capital programme of approximately £162m (2024/25 to 2027/28), demonstrating our ambitions for the borough.
- 4.5 The Capital Strategy refresh is attached at **Appendix 1**. The strategy is designed to provide a framework for which the capital and regeneration objectives of the Council are delivered, enabling the Councils ambitions to be met whilst ensuring that proposals are affordable and risk is minimised. It outlines the planned programme of expenditure, how the programme is governed and risk managed.
- 4.6 The strategy has regard to the Councils wider strategic framework supporting and aligning with the overall Council Plan. It sits alongside the Medium Term Financial Strategy, Treasury Management Strategy and the revenue and capital budgets for the Council. Taking a medium to long term view, it demonstrates that the Council’s capital investment plans have due regard to the Council’s objectives, stewardship of assets, value for money, prudence, sustainability and affordability.

- 4.7 Specifically, the objectives of our Capital Strategy are to ensure it provides:
- An overview of the governance process for approval and monitoring of our capital expenditure, including links to the authority's policies on capitalisation;
 - A long-term view of the Council's capital expenditure plans;
 - An overview of asset management planning including the cost of past borrowing, maintenance requirements and planned disposals; and
 - Any restrictions around borrowing or funding of ongoing capital finance.
- 4.8 The strategy is, an iterative process whereby an annual review, in line with the MTFs and Treasury Management Strategy, is undertaken in order to inform the approach going forward.

5. CAPITAL PROGRAMME

- 5.1 The capital programme detailed at **Appendices 3 to 9**, includes schemes previously approved by relevant Committees and Council. The full programme is included to ensure Members are provided clarity on the depth and breadth of the programme over the medium term and to ensure a point of reference for the quarterly monitoring reports to Finance and Policy Committee.
- 5.2 It should be noted that the programme includes schemes due to conclude in the current financial year. A review of the programme post year end will be undertaken to ensure remaining live schemes are still required, given the need to prioritise capacity for our key capital projects.
- 5.3 Any new schemes or amendments to existing schemes are shown at **Appendix 2**. Please note some schemes which link to recurring annual capital grant allocations are included as estimates, pending confirmation being received. These specific capital grants are for investment in a number of key priority areas including schools, Disabled Facilities Grants and the Local Transport Plan. These resources can only be spent in accordance with specific grant conditions and as such are allocated to those service areas.
- 5.4 The Capital programme (including the new start schemes at appendix 2), for the period 2024/25 to 2027/28 is shown in the table below, with detailed scheme breakdowns for each area shown at **Appendix 3-9**;

4.1

Scheme Description	Gross Budget	Actual to 31/3/24	24/25 Budget	25/26 Budget	26/27 Budget	27/28 Budget	Pending Mandate	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Major Regeneration	120,739	15,229	27,463	53,101	7,000	16,812	1,134	
Adult and Community Based Services	10,753	3,056	2,651	2,014	1,516	1,516	0	
Children's and Joint Commissioning	15,796	1,067	4,168	8,717	922	922	0	
Development, Neighbourhoods and Regulatory	34,178	5,931	7,478	13,717	3,216	3,836	0	
Corporate	2,795	106	865	1,583	241	0	0	
Housing Revenue Accounts (HRA)	7,275	3,597	1,049	2,629	0	0	0	
TOTAL Expenditure	191,536	28,986	43,674	81,761	12,895	23,086	1,134	
					Capital Programme Total 2025/26 - 2027/28		118,876	

5.5 The Funding of the above Capital Programme is summarised in the table below;

Scheme Description	Gross Budget	Actual to 31/3/24	24/25 Budget	25/26 Budget	26/27 Budget	27/28 Budget	Pending Mandate	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	
Funding								
Government Grants	61,065	8,706	11,711	35,772	2,438	2,438	0	
Other Grants and Contributions	72,524	14,118	23,167	19,867	9,536	5,836	0	
Revenue Contributions	4,706	512	2,572	1,381	241	0	0	
Earmarked Reserves	4,940	154	1,340	3,446	0	0	0	
Capital Receipts	579	82	203	144	0	0	150	
Prudential Borrowing	47,722	5,414	4,681	21,151	680	14,812	984	
TOTAL Funding	191,536	28,986	43,674	81,761	12,895	23,086	1,134	
					Capital Programme Total 2025/26 - 2027/28		118,876	

Variations

5.6 In year variations to the capital programme are reported as part of quarterly budget monitoring update reports to Finance and Policy Committee.

6. FUNDING

6.1 The Capital Programme is funded through 3 main sources; external grant funding and contributions, council borrowing and other council resources i.e. reserves and revenue contributions. Full details by area are provided in 5.5 above and **appendices 3-9**.

- 6.2 The Council continues to seek to maximise external funding sources to fund the Capital Programme, in order to limit the amount of financing from borrowing or other council resources. The Programme includes significant funding from Government, the Tees Valley Combined Authority and various other grant funding bodies.
- 6.3 The Council has a low ratio of financing costs to overall net revenue budget, with circa 7% of our net budget spent on servicing borrowing. This is set out in the Capital Strategy and reported to Audit and Governance Committee on a regular basis. This is a key ratio demonstrating the affordability of the Capital Programme.
- 6.4 When a capital asset is no longer needed, we will seek to sell this asset, if appropriate, to generate capital receipts. Capital receipts can be used to provide more flexibility on funding to minimise borrowing costs or under government financial flexibility arrangements be used to fund revenue costs associated with service transformation.
- 6.5 Where applicable, S106 contributions are maximised and allocated to housing and non-housing capital schemes as appropriate. The on-going position with regard to developer contributions is included within the quarterly finance updates.

7. RISK IMPLICATIONS

- 7.1 The risk management of individual schemes and the wider Capital Programme is addressed as part of the capital strategy and recognises that overall capacity to deliver schemes is at a premium which may require future prioritisation. Section 13 of the Capital Strategy outlines areas of risk and current mitigations.

8. FINANCIAL CONSIDERATIONS

- 8.1 There are no direct financial implications arising from adopting the Capital Strategy.
- 8.2 The financial considerations of individual schemes and the wider capital programme are addressed as part of the details contained in this report and as part of the governance and approval process as set out in this strategy.

9. OTHER CONSIDERATIONS

Legal Considerations	No relevant issues
Subsidy Control	No relevant issues
Consultation	No relevant issues
Child / Family Poverty	No relevant issues
Equality and Diversity	No relevant issues
Staff Considerations	No relevant issues

Asset Management considerations	No relevant issues
Environment, sustainability & climate change considerations	No relevant issues

10. RECOMMENDATIONS

10.1 It is recommended that Members;

- i) agree the Capital Strategy for 2025/26 to 2027/28, at **Appendix 1**, to be recommended to Council for approval. The strategy is a requirement of the Prudential Capital Code;
- ii) agree the Capital Programme new starts 2025/26 to 2027/28, as set out at **Appendix 2**, to be recommended to Council for approval;
- iii) agree the delegation to relevant policy committees to approve detailed schemes arising from confirmed specific grant allocations as set out in **Appendix 2**;
- iv) agree that any capital receipts generated will be considered for funding the existing capital programme or financial flexibility arrangements be used to fund revenue costs associated with service transformation as set out in paragraph 6.4; and
- v) note the updated capital programme (including new starts) set out on **Appendices 3-9**.

11. REASON FOR RECOMMENDATIONS

- 11.1 To ensure the Council has a framework, aligned to the Capital Plan and other key strategies, for which the capital and regeneration objectives of the Council are delivered.
- 11.2 To refer the Capital Programme to Council as part of consideration of the 2025/26 technical Budget and Council Tax calculations to Council.

12. BACKGROUND PAPERS

12.1 None

13. CONTACT OFFICER

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Sign Off:-

Managing Director	Date: 27/01/25
Director of Finance, IT and Digital	Date: 27/01/25
Director of Legal, Governance and HR	Date: 27/01/25

Hartlepool Borough Council

Capital Strategy 2025/26 to 2027/28

1. Executive Summary
2. Background
3. Strategic Framework
4. Objectives of the Capital Strategy
5. Strategic Context
6. Investment Priorities
7. Capital Programme
8. Capital Governance
9. Housing Revenue Account
10. Commercial Investment
11. Treasury Management and Affordability
12. Asset Management Planning
13. Risk Management
14. Skills and resources

1. Executive Summary

- 1.1 This strategy provides a framework for which the capital and regeneration objectives of the Council are delivered, enabling the Council's ambitions to be met whilst continuing to ensure that proposals are affordable and risk is minimised. It sets out how the Council will invest £162m (2024/25 to 2027/28) in the town's assets, much of which has been secured through successful external funding bids, helping to regenerate and grow the economy.
- 1.2 It aligns with the Medium Term Financial Strategy (MTFS) of the Council and sets the basis for decisions on capital spend for the 2025/26 budget.

2. Background

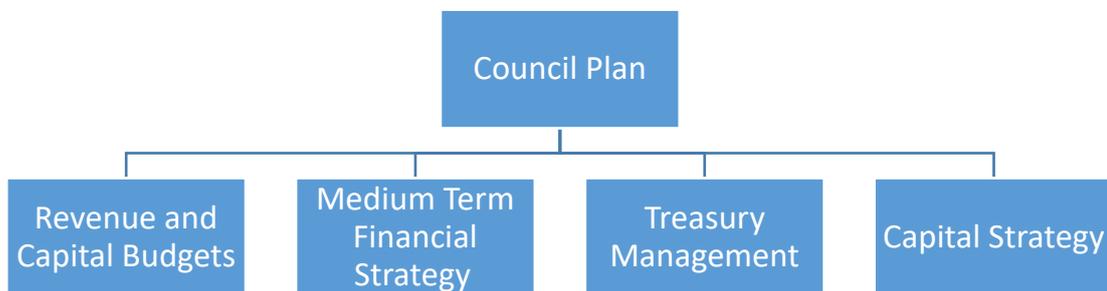
- 2.1 The government recognises that capital investment is essential for enabling local authorities to deliver economic regeneration, housing and school improvements, and to support service transformation, and is used well by many authorities.
- 2.2 The current system to regulate capital finance, in place since 2004, is based on the principle of local decision making and accountability. Local authorities are free to determine their own Capital Strategies and decide how they deliver services on the principle that they are best placed to make the decisions needed to support their local communities.
- 2.3 Local authorities are required by regulation to have regard to the Prudential Code for Capital Finance in Local Authorities when carrying out their duties in England and Wales under Part 1 of the Local Government Act 2003. The key messages from the Code is, in relation to capital expenditure, the consideration of Prudence, Affordability and Sustainability.
- 2.4 CIPFA's Prudential Code provides a framework for the self-regulation of the authority's capital financing arrangements. It requires local authorities to determine that capital expenditure and investment decisions are affordable, prudent and sustainable, and to set limits on the amount they can afford to borrow in the context of wider capital and revenue planning. A Capital Strategy is part of the Prudential Code requirements.
- 2.5 The Financial Management Code of Practice has been issued by CIPFA 'to provide guidance for good and sustainable financial management in local authorities and will provide assurance that authorities are managing resources effectively'. The Financial Management Code applies to all local authorities and brings together statutory requirements and Codes of Practice into one document. Our Capital Strategy needs to reflect the standards outlined in the CIPFA Financial Management Code of Practice.

Capital Expenditure

- 2.6 Capital expenditure is where the Council spends money on assets, such as property, plant or equipment that have a useable life of more than one year. This can include spending on assets owned by the Council, by other bodies, as well as loans and grants to other bodies to enable them to buy or improve assets.

3. Strategy Framework

- 3.1 The Capital Strategy is an integral part of the Council's Strategic and Financial Planning Framework, which sets out to sustainably deliver the Authorities vision, plans and objectives.



- 3.2 In February 2021, a Council Plan was formally adopted. The Council Plan sets out our vision for Hartlepool:

“Hartlepool will be a place...

- where people are enabled to live healthy, independent and prosperous lives;
- where those who are vulnerable will be safe and protected from harm;
- of resilient and resourceful communities with opportunities for all;
- that is sustainable, clean, safe and green;
- that has an inclusive and growing economy; and
- with a Council that is ambitious, fit for purpose and reflects the diversity of its community.”

An update of the Council Plan is currently underway and has been informed by extensive consultation with residents, businesses and wider stakeholders in the Borough. The new plan will be presented to members for approval in the coming months.

Capital Strategy

- 3.3 The Capital Strategy provides that fourth important pillar, linking capital expenditure and financing to the delivery of our vision, priorities and objectives as set out in the Council Plan, to ensure sustainable growth for Hartlepool. The Capital Strategy is therefore the policy framework document that sets out the principles to be used to guide the allocation of capital investment across all the Council's services and informs decisions on capital spending priorities. In

addition as part of the Strategy, the Director of Finance, IT and Digital, reports explicitly on the affordability and risk associated with the Capital Strategy. Inevitably the full picture of the control system around the Council's wide range of capital expenditure and its funding is reflected in a range of documents, monitoring and management arrangements.

4. Objectives of the Capital Strategy

- 4.1 A Local Authority Capital Strategy is intended to give a high level overview of how capital expenditure, capital financing and treasury management activity contributes to the provision of services and ambitions of the Council Plan, along with an overview of how associated risk is managed and what the implications might be for future financial sustainability.
- 4.2 While the strategy should be tailored to Hartlepool Borough Council's individual circumstances, it is required to include detail on capital expenditure, the Council's investments, liabilities and treasury management, along with sufficient detail to allow members, residents and council stakeholders to understand how stewardship, value for money, prudence, sustainability and affordability will be secured, and how the Council will meet legislative reporting requirements.
- 4.3 Consequently, planning and managing the use of the Council's capital resources is vital. This includes understanding the role that these assets play in the delivery of services and ensuring that the authority's asset base remains fit for purpose.
- 4.4 Capital expenditure is technically described as "Expenditure on the acquisition, creation, or enhancement of 'long term assets'". This is items of land, property and plant which have a useful life of more than 1 year. The definition of capital investment is wider than that of capital expenditure. The Ministry of Housing, Communities and Local Government's (MHCLG) Guidance on Local Authority Investment states "The definition of an investment covers all of the financial assets of a local authority as well as other non-financial assets that the organisation holds primarily or partially to generate profit; for example, investment property portfolios. For the avoidance of doubt, the definition of an investment also covers loans made by a local authority to one of its wholly-owned companies or associates, to a joint venture, or to a third party."
- 4.5 The objectives of our Capital Strategy are to ensure it provides:
 - An overview of the governance process for approval and monitoring of our capital expenditure, including links to the authority's policies on capitalisation;
 - A long-term view of the Council's capital expenditure plans, where long term is defined by the financing strategy of and risks faced by the authority with reference to the life of projects/assets;
 - An overview of asset management planning including the cost of past borrowing, maintenance requirements and planned disposals; and
 - Any restrictions around borrowing or funding of ongoing capital finance.

- 4.6 Our strategy will also include:
- The Council's approach to commercial activities including processes ensuring effective due diligence and defining the authority's risk appetite in respect of these, including proportionality in respect of overall resources;
 - Requirements for independent, expert advice and scrutiny arrangements;
 - An overview of our governance process for approval and monitoring and ongoing risk management of other financial guarantees and long-term liabilities; and
 - A summary of the skills and resources available to the Council.

5. Strategic Context

5.1 During its rich history, the town of Hartlepool has played a regionally, nationally and internationally important role in numerous activities and technologies including seafaring, rail travel, coal mining, steel production, nuclear energy, renewables and tourism. Hartlepool today is:

- A productive place, with relative strength in energy, manufacturing and construction. Its ports, power and a producer workforce continue to make an increasing contribution to national and regional productivity;
- An important sub-regional service centre, with large retail, education and healthcare sectors providing services and employment to the local population; and
- A growing visitor destination, attracting over 3.7 million visitors a year bringing £235m in to the local economy.

5.2 Periods of decline have created social and economic challenges for the residents of Hartlepool. The town still suffers from significant socioeconomic challenges linked to economic inactivity, unemployment, a depressed skills market, low levels of productivity and job availability. Maritime, skills, enterprise, innovation, heritage and landscape assets however all present opportunities to transform the town. The Council continues to undertake significant work to engage with wide ranging stakeholders and develop an evidence base to strategically plan the Boroughs growth for the next 10 years.

5.3 As a result, the Council and its key stakeholders set out a vision for:

“.....a modern, connected, vibrant and liveable waterfront town - an inclusive, proud and productive town where aspiration and creativity are valued - a town which supports and welcomes visitors, learners and innovative businesses - where people are inspired and enabled to get more out of their work and investment - which promotes itself with pride and makes its mark in the wider world”

Hartlepool Investment Plan

5.4 This is the vision for the Hartlepool Investment Plan, which the Council and its stakeholders developed and published in January 2020 as the 'Charter for Change'. It sets out that we are prepared to lead the evolution of Hartlepool – providing the up-front investment of time, capital, energy and creativity, to secure the rewards of a modern town with a 360° economy. It is based on the premise

and evidence that wider financial and commercial returns will come once the economic value and wellbeing of the town is on the up - with better skills, healthier people, more visitors and more economic engagement.

The Hartlepool Investment Plan can be viewed at: [Hartlepool Investment Plan](#)

Town Centre Masterplan

- 5.5 Following the success of a partnership approach to the development of the Town Investment Plan in 2020, the Council undertook extensive engagement to develop a focused and ambitious Town Centre Masterplan to begin bringing those investment priorities to life. The Masterplan, adopted by the Council in November 2021, establishes a 20-year vision for rediscovering Hartlepool as:
- 5.6 “A well-connected vibrant and liveable waterfront town”. It outlines opportunities for transformative change in Hartlepool town centre – reimagining the town centre itself and considering ways in which this adapted to better suit the needs and purposes of the residents and visitors it serves.
- 5.7 The investment priorities within both these key strategic documents are described in section 6.
- 5.8 The Town Centre Masterplan can be viewed at: [Summary Masterplan Report | Hartlepool Town Centre Masterplan | Hartlepool Borough Council](#)

Inclusive Growth Strategy 2022-25

- 5.9 Following consultation with businesses and other stakeholders to set out Hartlepool’s economic growth priorities, the Hartlepool Inclusive Growth Strategy 2022-25 was published. A review of the strategy will take place during 2025.
- 5.10 The strategy was developed through consultation with wide ranging stakeholders and in partnership with the Economic Regeneration and Tourism Forum. The strategy draws on data and economic insights to understand the current health of Hartlepool’s economy relating to areas such as business survival rates, employment, education, skills and productivity. It is focused around three themes – developing people; developing business; and developing place.
- 5.11 In addition to the strategy, an action plan has been published detailing the specific projects and initiatives that will deliver the ten point plan.
- 5.12 The Inclusive Growth Strategy can be viewed at: [Hartlepool Inclusive Growth Strategy 2022-25 \(investinhartlepool.co.uk\)](#)

Long Term Plan for Towns (Regeneration Programme)

- 5.13 Announced in Autumn 2023, Hartlepool was identified as one of 55 towns by the Government to be part of their Long Term Plan for Towns (LTPT). A new endowment style funding programme that will release funding over a period of

time giving Council's flexibility to spend up to £20m (split 75% capital and 25% revenue) over 10 years.

- 5.14 The funding conditions include the establishment of a Town Board, responsible for developing the Long-Term Plan, working closely with local people and advising the Council on how best to use the money.
- 5.15 The Government has released £200,000 in capacity funding to support the development of the Long Term plan which should comprise a 10 year vision, identifying longer-term priorities for the town and a 3 year investment plan.
- 5.16 The 10 year vision should be a long-term strategic document, backed by insights gained through engagement with local people to create public buy-in. Detailed interventions do not need to be set out as part of the 10 year plan, however detail about investment and interventions must be included in the 3 year investment plan annex.

Tees Valley Investment Context

- 5.17 In January 2019, the Tees Valley Combined Authority agreed an Investment Plan for 2019-2029, which set out the focus for investments to create new jobs, grow the skills base and improve infrastructure across the 5 Local Authority areas in the region, including Hartlepool. TVCA's Devolution Deal with Government in 2015 provides for the transfer of significant powers for employment and skills, transport, and investment together with the first Mayoral Development Corporation outside London.
- 5.18 Through the deal, the Combined Authority has the power to create an Investment Fund, bringing together funding for devolved powers to be used to deliver a 30-year programme of transformational investment in the region. This includes the control of a new £15m a year funding allocation over 30 years.
- 5.19 To maximise the amount of investment in Tees Valley, a Strategic Economic Plan (SEP) has been developed which sets out the steps that are being taken to overcome the barriers to business growth within Tees Valley, placing SMEs, innovation and individuals at the centre of our region's growth ambitions.
- 5.20 The SEP includes priorities to improve, diversify and accelerate growth in the local economy to benefit businesses and residents with the ambition to create 25,000 jobs and add £2.8bn to the economy by 2026. The aim is to become a high-value, low-carbon, diverse and inclusive economy, and therefore it has been identified that investment will be channelled into five main strategic priorities:
 - Business Growth;
 - Research, Development, Innovation & Energy;
 - Education, Employment & Skills;
 - Culture and Tourism; and
 - Transport & Infrastructure

Hartlepool Destination Management Plan

- 5.21 The creation of a Hartlepool Waterfront Destination Management Plan (DMP) is a condition of the Hartlepool Waterfront Regeneration Programme funding from TVCA. This is to ensure the £50m public sector investment in the area delivers the visitor economy growth that is expected. By identifying a vision for the growth of Hartlepool's tourism economy and creating a strategic focus for the development of the town's tourism offer, a Hartlepool DMP is intended to support Hartlepool Borough Council and its partners to increase visitor numbers and to capture the economic benefits from those visitors.
- 5.22 The Hartlepool DMP identifies the following three core objectives for the visitor economy of Hartlepool:
- To create a coherent, distinctive proposition to take to market which supports the visitor economy in Hartlepool;
 - To create a year-round, all-day destination offering high-quality (and active) experiences for local people and for leisure and business visitors; and
 - To increase economic benefits through increased spend from more day visitors, staying longer – and, over time, more over-night staying visitors.

Hartlepool Development Corporation Masterplan

- 5.23 Established in 2023 the Hartlepool Development Corporation provides an opportunity to accelerate regeneration, influence government policy and leverage private investment to deliver a step change in the local economy and create jobs.
- 5.24 A Development Corporation Board has been established for Hartlepool Development Corporation (HDC). This is chaired by the Tees Valley Mayor and includes representatives from both the public and private sector. It will be responsible for overseeing the HDC to help it reach its goals.
- 5.25 A Masterplan has been developed to guide the transformation of the Hartlepool HDC area. The document is intended to function as a live investment guide and to define place-making objectives for the HDC area. A design guide is being developed to sit alongside the Masterplan providing detail about the quality and characteristics for development. The HDC Masterplan comprises three distinct areas: the town centre and the Oakesway and Queens Meadow Business Parks which exist to the north and south of the town. These areas have been chosen as they represent areas where the HDC, its partners and stakeholders, can accelerate and enhance development which overcomes key spatial, land use and connectivity challenges. The HDC aims to transform Hartlepool town centre and complement existing activity being undertaken by HBC. Link here:
- 5.26 More details can be found here;
[TV Hartlepool-MDC-Report-13-Digital Compressed.pdf \(teesvalley-ca.gov.uk\)](#)

6. Investment priorities

- 6.1 Taken together with the vision set out in the Council Plan, the key strategic documents detailed in section 5 set the foundation, evidence and need for our investment priorities and articulate the pipeline of projects and programmes that need to be delivered to achieve our vision. They strongly shape, and provide the evidence for, our long term investment plans.
- 6.2 Hartlepool Borough Council approved its Capital and Indigenous Growth Investment Plan in 2020 with external grant funding taking the total potential investment to over £50m. The core of the programme will support the ambition for a compact and connected waterfront town. Prudential borrowing, Tees Valley Combined Authority co-funding and other secured grants are being directed towards new developments and enhancements of Hartlepool Waterfront to include:
- Expansion of the National Museum of the Royal Navy including new exhibits and exhibition halls;
 - Council’s new strategic leisure attraction, Highlight, including sports and leisure facilities; and
 - Public realm and public art, including a new events space.
- 6.3 The priorities that the Town Centre Masterplan clearly articulates in establishing a new “Heart of Hartlepool” are:
1. Changes to usage and function of retail space in Middleton Grange Shopping Centre;
 2. Redevelopment potential of the ‘Civic Quarter’;
 3. Increased capacity and connectivity of Hartlepool Rail Station from 2023 through the re-commissioning of a second platform, new northern entrance and new pedestrian rail bridge;
 4. Waterfront visitor and leisure destination; the new strategic leisure facility and events space for the Borough on Jackson’s Landing and expansion and reconfiguration of National Museum of Royal Navy on adjacent site;
 5. Continued growth of skills and education provision through Hartlepool FE College and Northern School of Art – including new film & TV studios in Hartlepool town centre; and
 6. Redevelopment, growth and diversification ambitions of Hartlepool United Football Club.

Town Deal and Levelling Up

- 6.4 The investment plans also define our priorities that are being delivered under the governments Town Deal Fund and Levelling Up programmes.

In 2021 the Council secured £25m in capital funding under Town Deal to deliver five key priority capital projects with a range of delivery partners:

- £13.8m Re-imagining Middleton Grange Shopping Centre;
- £1.4m Wesley Chapel redevelopment;
- £6.2m Waterfront connectivity project;
- £1.25m Development of a Health and Social Care Academy; and
- £2.25m Development of a Civil Engineering Academy

- 6.5 These projects are demonstrating the ambition of the Council to deliver on its bold vision and Masterplans for the town.

- 6.6 The Council has also secured £16.5m from Round 2 of the governments Levelling Up Fund, alongside £2m from TVCA. The project will create a 'Screen Industries Production Village' in Hartlepool's extending Town Centre to engender a step-change in economic growth and development. More specifically, the project will comprise c£18.5 million of regeneration activity to catalyse the development of a Production Village, including:

- Land assembly through targeted acquisition of property;
- Construction of flexible commercial/workshop/accommodation floor space;
- Restoration of strategic heritage assets; and
- Extensive public realm and amenity enhancements

- 6.7 The current economic environment of high inflation and funding uncertainty however is likely to impact on the Council's capital ambitions over the period. This will be kept under close review to ensure priority schemes are best placed to be delivered. Ultimately the size and scope of our capital ambitions is heavily reliant on our ability to lever in external funding sources.

The A19/ Elwick Road/ North Lane junction and Elwick Road/Hartlepool Western Link Project

- 6.8 In 2018 the Hartlepool Local Plan identified two main westward growth areas: the South West Extension and growth in the Elwick Road area. It was recognised that highway improvements to the Elwick Road corridor are necessary to improve road safety whilst supporting development of these growth areas to deliver future growth of the Borough. The junctions at Elwick Village and Dalton Piercy have, historically and on an ongoing basis, given rise to safety concerns and access to these has been restricted in recent years to prevent accidents on the A19.

- 6.9 The A19/ Elwick Road/ North Lane junction and Elwick Road/Hartlepool Western Link Project has developed through the Local Plan in conjunction with discussions between the Local Authority and Highways England (now National Highways). Safety and capacity issues resulted in planning conditions being imposed on planning permissions reflecting Highways England's concerns that the current road network could not fully accommodate all additional traffic movements, and which would otherwise adversely impact on Elwick Village.
- 6.10 Proposed road infrastructure improvements will accordingly address these concerns and improve the quality, safety and reliability of the network over the Local Plan period (2016-31) and beyond. The proposed highway network upgrade will also reduce traffic levels through Elwick Village and improve safety and amenity for residents. The application for Planning Approval went before Planning Committee on the 10th January 2023 where it was approved. A period of detailed design has now commenced and whilst some options to purchase the required land have been secured, other negotiations remain ongoing in parallel with the preparation of the Compulsory Purchase Order application.

Other Capital Priorities

- 6.11 In addition to the significant investment outlined above, the Council will continue to prioritise schemes that align with the vision in the Council Plan, maximising external funding opportunities to do so. Examples include, but are not limited to:
- Investing in schools and education through devolved funding, supporting our aim for resilient and resourceful communities with opportunities for all;
 - Fully utilising Disabled Facilities Grants and investing in the drug and alcohol services to ensure those who are vulnerable will be safe and protected from harm and that people are enabled to live healthy, independent and prosperous lives; and
 - Investing in our Housing provision and optimising warm home initiatives and grants to support a sustainable, clean, safe and green Hartlepool.
- 6.12 Given the extent of the capital programme, there is, however, a recognition that prioritisation is required in order to ensure successful delivery of key projects in the future.

7. Capital Programme

- 7.1 This vision and investment plan has led to an increasingly ambitious capital programme. The current approved on-going capital programme is for over £162m (2024/25 – 2027/28) with a number of significant regeneration projects.
- 7.2 The Capital programme, including new start schemes (appendix 2) for the period 2024/25 to 2027/28 is shown in the table below:

	Spend to 31 March 2024 £000	Current and Future Years £000
Major Regeneration Schemes	15,229	105,510
Adult and Community Based Services	3,056	7,697
Children's and Joint Commissioning	1,067	14,729
Development, Neighbourhoods & Regulatory	5,931	28,247
Corporate	106	2,689
Housing Revenue Account (HRA)	3,597	3,678
Total Capital Programme	28,986	162,550

7.3 The Funding of the above Capital Programme is summarised in the table below;

	Spend to 31 March 2024 £000	Current and Future Years £000
External Funding – Government Grants	8,706	52,359
External Funding – Other Grants and Contributions	14,118	58,406
Revenue Contributions	512	4,194
Earmarked Reserves	154	4,786
Capital Receipts	82	497
Prudential Borrowing	5,414	42,308
Total Capital Programme	28,986	162,550

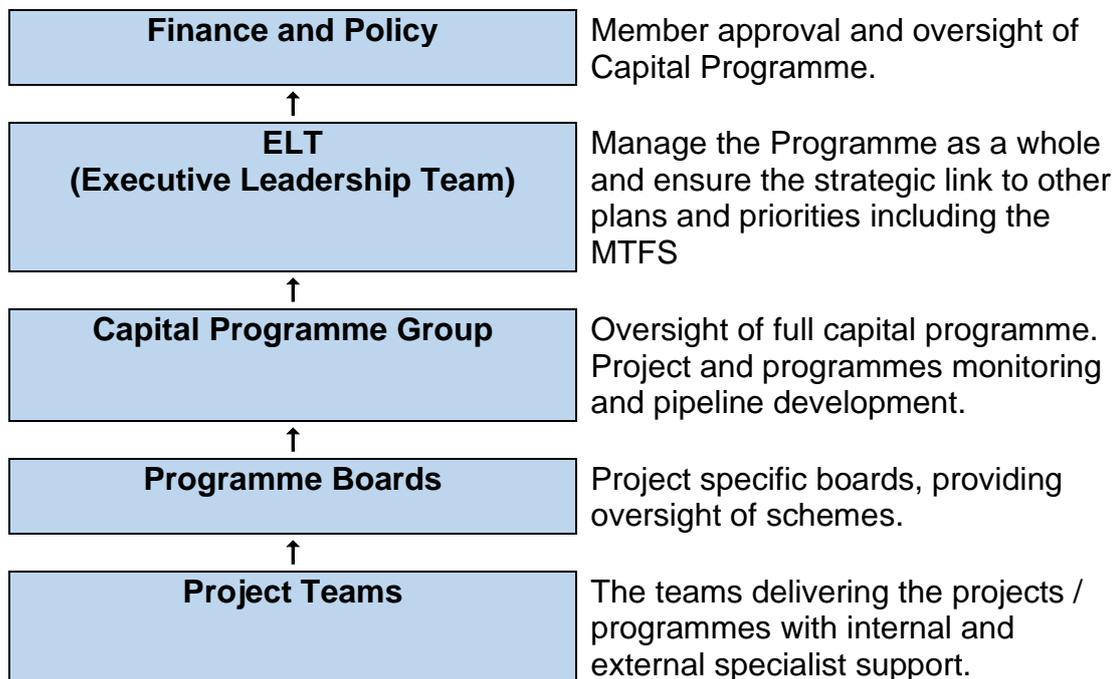
8. Capital Governance

8.1 With such significant ambition and capital investment, the need for strong governance of the capital programme is of paramount importance.

8.2 At a strategic level the Capital Strategy provides members with the opportunity to consider and fully understand the overall strategy, programmes, governance arrangements and risk appetite underpinning it. The strategy and the accompanying detailed capital programme sit alongside the medium term financial strategy given the interlinked revenue implications of capital investment. The strategy should therefore be considered in conjunction with the budget proposals for the following year and over the MTFS period.

8.3 The annual capital programme sets the basis for monitoring arrangements in year, reported to Finance and Policy on a quarterly basis. The monitoring presented provides scheme updates as necessary, as well as the overall financial position. In addition, the Audit and Governance receive quarterly reports to include an update on Treasury Management and Prudential Indicators as required by the Prudential Code.

8.4 Underpinning the monitoring reporting to the Finance and Policy Committee, there sits a formal governance structure, focused primarily on the major schemes, as detailed below:



8.5 Governance arrangements are proportionately resourced to ensure high priority and high risk schemes are suitably supported and managed.

8.6 These governance arrangements also consider any new capital schemes prior to seeking committee / council approval and inclusion in the capital programme. As part of the budget setting cycle, a process of capital scheme identification informs the Capital Programme update, ensuring the financing and revenue implications of any proposed new schemes are fully reflected in the MTFS.

8.7 It is acknowledged that some schemes may be brought forward on an ad hoc basis during the year on urgency grounds or in relation to external funding opportunities. These schemes will also be managed through the above arrangements and brought to committee, as required, as part of the in-year monitoring arrangements.

8.8 For more routine capital activity, existing approval and monitoring arrangements via Directorate, Executive Leadership Team and Policy Committees will continue. This includes;

- Highways maintenance;
- Disabled Facilities Grant; and
- Education spend fully funded by devolved capital grants or equivalent.

9. Housing Revenue Account

- 9.1 The Council began investing in social housing in 2010 and re-opened its Housing Revenue Account (HRA) on the 1 April 2016. The HRA is a separate ring fenced account and all costs, including capital debt servicing, have to be met from rental income. The Council has a current stock of just over 350 properties with further opportunities to purchase and build new homes in Hartlepool being explored.
- 9.2 Decisions on HRA investment plans are approved, through the annual Business Plan presented to Finance and Policy Committee.
- 9.3 The latest HRA Business Plan can be viewed at:
[Agendas, reports and minutes | Hartlepool Borough Council](#)

10. Commercial investment

- 10.1 Commercial investment is an area of both contention and concern within Local Government. Given the reduction in local government grant since 2010, many local authorities sought to mitigate that loss by increasing their property portfolio with the primary purpose being for financial return. In some instances this has been investments outside of their geographic area.
- 10.2 This practice has drawn concern from MHCLG and CIPFA around both the risks and security of these funds. As a consequence CIPFA strengthened the Prudential Code that Local Authorities are required, by regulation, to have regard to. In doing so the Code explicitly requires that Local Authorities must not borrow to invest 'primarily for financial return'. Therefore, should the Council choose to invest primarily for financial return it will be required to set out how it has complied with or had regard to the Code.
- 10.3 To date the Council has not entered into any investment decisions (outside of Treasury Management transactions) that are primarily for financial return. There are no plans to do so.
- 10.4 However, there may be the requirement for Council funding in future regeneration that, as a consequence, provide a commercial return. The scenario may also arise whereby Council funding, with an associated return, is required to make a scheme financially viable. Should such occurrences be proposed, a clear regeneration, economic development or service requirement would be required and demonstrable. Fundamentally there would need to be a socioeconomic benefit for the people of Hartlepool, consistent with how this is defined in the Treasury's green book guidance.
- 10.5 In such instances the governance and approval process set out in Section 8 would be followed.
- 10.6 The Council is required to produce an annual Investment Strategy. This requirement is detailed within the annual Treasury Management Strategy.

11. Treasury Management and Affordability

11.1 Effective Treasury Management ensures that the Council keeps sufficient cash to meet the Council's spending needs whilst ensuring the risks involved are appropriately managed. On a day to day basis the Council tends to be "cash rich" as income (government grants, Council Tax etc.) tends to be received prior to expenditure. Whilst this excess cash is used to temporarily fund capital expenditure, over the medium to long term we are required to borrow to fund the capital programme. An effective Treasury Management strategy is therefore essential in the funding of the capital strategy and programme.

11.2 The Treasury Management strategy is approved by Full Council each year. The continuing objective of the strategy is to fund the core annual borrowing requirement at the lowest possible long term interest rate, thus ensuring costs to the revenue budget are minimised. In doing so the Council uses cash surplus to temporarily reduce overall borrowing, an approach known as internal borrowing.

11.3 Total borrowing therefore remains below our Capital Financing Requirement (CFR). The following table outlines the projection of debt to CFR.

Financing v Debt	2024/25 Estimate £'000	2025/26 Estimate £'000	2026/27 Estimate £'000	2027/28 Estimate £'000
CFR	115,306	135,246	133,397	147,312
Net Debt	83,673	108,468	113,501	129,338
(Under)/Over Financed	(31,633)	(26,778)	(19,896)	(17,974)

11.4 As previously set out, affordability, especially in the current environment, is critical to the Council's capital ambition. Any increase in the Council's revenue budget that is committed to capital financing limits the availability of funding for other services. However, clearly there are nuances to this – capital investment often has an Invest to save business case or levers in other investment / benefits for the revenue budget.

11.5 The indicator below sets out the gross capital financing budget as a percentage of the current net revenue budget and how this is projected to change over the period. Whilst no formal benchmarking exists, informal benchmarking suggests that this remains low. All capital financing is considered affordable prior to any borrowing taking place.

Gross Financing Costs v Net Revenue Budget	2024/25 Estimate	2026/26 Estimate	2026/27 Estimate	2027/28 Estimate
% Indicator	6.24%	6.52%	7.14%	7.31%

11.6 Treasury Investments are made where the Council holds an excess of cash and through cash flow management, and therefore can make short / medium

term investments to generate returns. Investments made for service reasons or financial return (e.g. commercial property) are not considered treasury investments.

11.7 The primary objectives of the Council’s investment strategy in order of importance are:

- Safeguarding the re-payment of the principal and interest of its investments on time (security);
- Ensuring adequate liquidity; and
- Investment return.

12. Asset Management Planning

12.1 To ensure that capital assets continue to be of long-term use, the Council has developed and approved an updated Strategic Asset Management Plan. The plan sets out how the Council will effectively manage, use and review the assets it holds.

12.2 When a capital asset is no longer needed, we will seek to sale this asset, if appropriate, to generate capital receipts that can fund spend on new assets, used to repay borrowing or utilised to fund transformation activity.

13. Risk Management

13.1 Any capital programme carries risk. However risk should not prevent the progression of an ambitious capital strategy and programme. Instead there needs to be an understanding of the level of risk involved on projects and clear mitigation where possible. Risk comes in many forms, including financial, reputational, social, staffing, legal and environment. These all need managing as part of projects.

13.2 The financial position of the Council means that financial risk has to be a key consideration and area where mitigation is required.

13.3 Ultimately the risk is managed by the project boards and project manager/sponsor following the governance arrangements outlines in Section 8 above.

13.4 Key risks and associated mitigation are set out in the table below.

Risk	Detail and Mitigation
Funding	The Council’s financial position necessitates that external funding opportunities are explored and maximised in order to ensure affordability of projects, particular major regeneration projects. The funding risk is mitigated by ensuring that external funding is confirmed or is highly likely prior to contract tender stage. Where conditions are attached these are clearly understood and adhered to.

Interest Rate	Where borrowing is required to finance the capital programme the Council is exposed to interest rate risk. An increase in interest rates would add an additional cost to the revenue budget. This risk is mitigated by pro-active Treasury Management and temporary use of cash reserves where available. However, the risk remains.
Inflation	Delivering capital projects are vulnerable to inflation. This is has been particularly pertinent in recent years as the economic recovery from Covid, and the wars in Ukraine and the Middle East impacts prices, particularly within the construction sector. Project costs include a latest estimate of inflation as well as a contingency for major projects. For minor works there is often the ability to flex the programme to minimise this risk.
Legislation	Any changes in legislative requirements and regulations has the potential to impact on capital projects, given the need to comply with latest legislation. The Council ensures that capital schemes comply with current legislation and horizon scans to ensure that any likely future changes are fed into capital schemes as appropriate.
Cost Estimate	A significant risk on major schemes is project cost estimates. As more information comes to light, for example ground conditions, utility requirements or diversions, material requirements, cost estimates are revised accordingly. The Council mitigates this risk by ensuring appropriately qualified staff and external organisations are utilised, “optimism bias” is considered and external requirements are complied with, and a suitable contingency is held at the various design stage. Ultimately this risk is only addressed when contracts for works are tendered and let.
Project delivery / capacity	Successful delivery of major capital projects requires significant staff input that can lead to capacity constraints. The Council has increased capital capacity through the Assistant Director – Development and Growth and project team, in addition to bringing in external support as appropriate. Capacity issues will require careful monitoring to ensure any impact on delivery is mitigated.

13.5 Ultimately the risk is managed by the project boards and project manager and /or sponsor following the governance arrangements outlines in Section 8 above.

14. Skills and resources

14.1 Section 8 set out the governance arrangements underpinning the capital strategy, approval and monitoring arrangements. To support these arrangements, the Council ensures that all the respective disciplines involved in the process have the necessary qualifications, experience and skills to carry out their roles.

- 14.2 Officers are encouraged to undertake necessary training courses and Continued Professional Development so as to ensure qualifications and skills are up to date and emerging issues, regulatory changes and best practice are understood and implemented where necessary.
- 14.3 Where appropriate, external support is utilised to ensure the capacity and the capital programme can be delivered to the best possible outcome. These engagements may cover individual work packages for example business case development, project appraisal, regulatory compliance, as well as specialist technical advice and support.
- 14.4 Members are provided with financial overview training on induction. Where future gaps or demand for additional training are identified, this will be provided either in house or externally as appropriate.

FORECAST ADDITIONAL CAPITAL RESOURCES AND EXPENDITURE COMMITMENTS 2025/26 TO 2027/28

	Forecast Resources 2025/26 (Grants Provisional)				Forecast Resources 2026/27 (Grants Provisional)				Forecast Resources 2027/28 (Grants Provisional)			
	Prudential Borrowing	Other Capital Funding	Capital Grants	Total	Prudential Borrowing	Other Capital Funding	Capital Grants	Total	Prudential Borrowing	Other Capital Funding	Capital Grants	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Service Specific Capital Grants												
Devolved Formula Capital (Schools) - Note 1	0	0	86	86	0	0	86	86	0	0	86	86
Disabled Facilities Grant (Better Care Fund) - Note 2	0	0	1,516	1,516	0	0	1,516	1,516	0	0	1,516	1,516
Local Transport Plan - Structural Highways Maintenance - Note 3	0	0	1,526	1,526	0	0	1,526	1,526	0	0	1,526	1,526
Local Transport Plan - Integrated Transport Block - Note 3	0	0	725	725	0	0	725	725	0	0	725	725
Local Transport Plan - Pot Hole - Note 3	0	0	285	285	0	0	285	285	0	0	285	285
Schools Capital Programme - Note 4	0	0	836	836	0	0	836	836	0	0	836	836
	0	0	4,974	4,974	0	0	4,974	4,974	0	0	4,974	4,974
Departmental Prudential Borrowing - Funded from Specific Business Cases												
Replacement Wheelie Bins	90	0	0	90	90	0	0	90	90	0	0	90
Vehicle Procurement - Note 5	2,279	0	0	2,279	590	0	0	590	1,210	0	0	1,210
Tofts Farm Solar Project (subject to external funding)	132	0	132	264	0	0	0	0	0	0	0	0
	2,501	0	132	2,633	680	0	0	680	1,300	0	0	1,300
Total Forecast Resources	2,501	0	5,106	7,607	680	0	4,974	5,654	1,300	0	4,974	6,274

Note 1 - Devolved Formula Capital allocation for Schools is an estimate based on the 2024/25 allocation. Government has stated that the 2025/26 allocations can be used as an indication of future allocations.

Note 2 - Allocations for 2025/26 have been confirmed. For planning purposes, it has been assumed that that Better Care Fund will continue in to future years and the funding will remain at 2025/26 levels and can be used as an indication of future allocations.

Note 3 - Allocations for 2025/26 and future years have not yet been confirmed. For planning purposes it has been assumed that LTP funding will remain at 2024/25 levels.

Note 4 - Schools Capital Programme includes an estimate of £0.565m Schools Condition Grant and £0.271m High Needs Provision Capital Allocation (HNPCA) - will be announced early 2025 for 2025/26. The forecasts from 2025/26 onwards are based on the 2024/25 allocation of Schools Condition Grant which the Government has stated is indicative of future allocations.

Note 5 - Vehicles programme replaces previously approved programme.

Capital Programme - Summary

Scheme Description	Gross Budget	Actual to 31/3/24	24/25 Budget	25/26 Budget	26/27 Budget	27/28 Budget	Pending Mandate
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Major Regeneration	120,739	15,229	27,463	53,101	7,000	16,812	1,134
Adult and Community Based Services	10,753	3,056	2,651	2,014	1,516	1,516	0
Children's and Joint Commissioning	15,796	1,067	4,168	8,717	922	922	0
Development, Neighbourhoods and Regulatory	34,178	5,931	7,478	13,717	3,216	3,836	0
Corporate	2,795	106	865	1,583	241	0	0
Housing Revenue Accounts (HRA)	7,275	3,597	1,049	2,629	0	0	0
TOTAL Expenditure	191,536	28,986	43,674	81,761	12,895	23,086	1,134

Capital Programme Total 2025/26 - 2027/28 **118,876**

Funding							
Government Grants	61,065	8,706	11,711	35,772	2,438	2,438	0
Other Grants and Contributions	72,524	14,118	23,167	19,867	9,536	5,836	0
Revenue Contributions	4,706	512	2,572	1,381	241	0	0
Earmarked Reserves	4,940	154	1,340	3,446	0	0	0
Capital Receipts	579	82	203	144	0	0	150
Prudential Borrowing	47,722	5,414	4,681	21,151	680	14,812	984
TOTAL Funding	191,536	28,986	43,674	81,761	12,895	23,086	1,134

Capital Programme Total 2025/26 - 2027/28 **118,876**

Capital Programme - Major Regeneration

Code	Scheme Description	Gross Budget	Actual to 31/3/24	Total 24/25 Budget	25/26 Budget	26/27 Budget	27/28 Budget	Pending Mandate
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
8958	The A19/ Elwick Road/ North Lane junction and Elwick Road/Hartlepool Western Link Project	24,497	1,585	600	1,500	4,000	16,812	0
7550	CIP - Highlight	34,650	3,725	17,608	13,317	0	0	0
9101	CIP - Borough Hall Improvement	2,300	109	0	2,191	0	0	0
NEW	CIP - Town Hall Improvement	700	0	200	500	0	0	0
9159	CIP - Wingfield Castle works	4,027	527	389	3,111	0	0	0
9161	CIP - NMRN & Museum of Hartlepool	8,500	3,678	658	1,164	3,000	0	0
9130	CIP - Business Park Investment	760	451	14	295	0	0	0
7536	CIP - SEMH Free School Access Road	549	464	85	0	0	0	0
TBC	CIP - Bowling Club Refurbishment	600	0	0	0	0	0	600
TBC	CIP - Brierton Sports Complex	534	0	0	0	0	0	534
9165	Towns Fund - Middleton Grange	13,860	202	1,500	12,158	0	0	0
9231	Towns Fund - Waterfront Connectivity	6,200	366	1,300	4,534	0	0	0
7715	Towns Fund - Wesley Chapel	1,400	402	998	0	0	0	0
9234	Towns Fund - Health and Care Academy	1,250	266	984	0	0	0	0
9235	Towns Fund - Civil Academy	2,250	1,108	1,142	0	0	0	0
9247	Levelling Up - Production Village	18,662	2,346	1,985	14,331	0	0	0
Major Regeneration Schemes - Total		120,739	15,229	27,463	53,101	7,000	16,812	1,134

	External Funding - Government Grants							
	Towns Fund	24,960	2,344	5,924	16,692	0	0	0
	Levelling Up Fund	16,540	2,346	1,985	12,209	0	0	0
	DFE	42	42	0	0	0	0	0
	Sub Total	41,542	4,732	7,909	28,901	0	0	0
	External Funding - Other Grants and Contributions							
	TVCA	37,283	8,565	14,021	7,037	7,000	660	0
	Arts Council	1,800	0	0	1,800	0	0	0
	LTP	100	0	100	0	0	0	0
	Changing Places	65	0	65	0	0	0	0
	Sport England	2,500	0	2,500	0	0	0	0
	S106	2,797	7	150	0	0	2,640	0
	Sub Total	44,545	8,572	16,836	8,837	7,000	3,300	0
	Internal Funding							
	Revenue Contributions	2,527	0	1,987	540	0	0	0
	Earmarked Reserves	1,128	0	0	1,128	0	0	0
	Capital Receipts	207	0	57	0	0	0	150
	Prudential Borrowing	30,790	1,925	674	13,695	0	13,512	984
Major Regeneration Schemes - Funding Total		120,739	15,229	27,463	53,101	7,000	16,812	1,134

Capital Programme - Adult and Community Based Services

Code	Scheme Description	Gross Budget	Actual to 31/3/24	Total 24/25 Budget	25/26 Budget	26/27 Budget	27/28 Budget	Pending Mandate
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
7218	Disabled Facilities Grant	7,757	1,651	1,558	1,516	1,516	1,516	0
7576	Seascapes - Seaton High & Lowligh	103	101	2	0	0	0	0
7711	Carlton Adventure Centre	434	8	79	347	0	0	0
7811	Summerhill Cycle Hub	513	497	0	16	0	0	0
8108	Centre for Independent Living	50	0	25	25	0	0	0
9212	Relocate Cemetery Office	90	82	8	0	0	0	0
8088	Community Hub South - Kitchen Replacement	55	47	0	8	0	0	0
8088	Community Hub Central - Internal Alterations	56	34	0	22	0	0	0
9232	Playground Equipment - Levelling Up Parks Fund	97	73	24	0	0	0	0
Allot	Other Allotment Schemes	192	44	68	80	0	0	0
8700	Waverley Allotments - Adult Education Scheme	51	50	1	0	0	0	0
8828	Crematorium refurbishment	848	311	537	0	0	0	0
9311	Changing Places - Community Hub Central	105	76	29	0	0	0	0
7716	Seaton Library refurbishment	255	82	173	0	0	0	0
8534	Church Street Townscape Heritage Project	147	0	147	0	0	0	0
Adult and Community Based Services - Total		10,753	3,056	2,651	2,014	1,516	1,516	0

External Funding - Government Grants								
	Disabled Facilities Grant	7,812	1,706	1,558	1,516	1,516	1,516	0
External Funding - Other Grants and Contributions								
	Seascapes Grant	91	91	0	0	0	0	0
	Sport England Grant	345	329	0	16	0	0	0
	Heritage Lottery Fund	147	0	147	0	0	0	0
	Miscellaneous Grant	92	68	24	0	0	0	0
	Arts Council LIF	200	27	173	0	0	0	0
	Developers S106 Contributions	52	52	0	0	0	0	0
	Changing Places	50	21	29	0	0	0	0
	Sub Total	977	588	373	16	0	0	0
Internal Funding								
	Revenue Contributions	466	407	29	30	0	0	0
	Earmarked Reserves	0	0	0	0	0	0	0
	Capital Receipts	90	82	8	0	0	0	0
	Prudential Borrowing	1,408	273	683	452	0	0	0
Adult and Community Based Schemes - Funding Total		10,753	3,056	2,651	2,014	1,516	1,516	0

Capital Programme - Children's and Joint Commissioning

Code	Scheme Description	Gross Budget	Actual to 31/3/24	Total 24/25 Budget	25/26 Budget	26/27 Budget	27/28 Budget	Pending Mandate
		£'000	£'000		£'000	£'000	£'000	£'000
7384	Devolved Schools Capital	621	181	182	86	86	86	0
9238	Energy Efficiency Capital Funding	136	71	65	0	0	0	0
7355	CECA IT Infrastructure and Technology	42	18	24	0	0	0	0
7355	CECA TVCA Grant Unallocated	31	0	31	0	0	0	0
7142	Schools General - Fire Safety Modifications (Conditions) 23/24	44	0	0	44	0	0	0
7142	Kingsley - Fire Safety Modifications	246	71	0	175	0	0	0
7142	Throston - Fire Safety Modifications	314	232	82	0	0	0	0
7474	High Tunstall 3G Pitch	23	22	0	1	0	0	0
7478	High Tunstall Grass Pitch	15	0	1	14	0	0	0
7521	Two Year Old FNE Capacity Funding	23	0	0	23	0	0	0
7770	St Helens Primary School Main Entrance Access	56	48	8	0	0	0	0
9004	Schools General - Conditions unallocated	142	0	0	142	0	0	0
9004	Schools General - Contingency	13	0	0	13	0	0	0
9004	Schools General - Suitability Unallocated (SEMH)	743	0	39	704	0	0	0
9004	Schools General - Special Provision	1,438	0	0	896	271	271	0
9004	Schools General - Basic Need	1,716	0	0	1,716	0	0	0
New	Schools General - Schools Condition - 24/25 onwards	1,717	0	0	587	565	565	0
7768	Supporting Treatment and Recovery Together (START) - Substance Misuse Service	3,600	0	350	3,250	0	0	0
8072	ICS Case Management Improvement	37	0	0	37	0	0	0
9246	Children's Centre - Family HUB	75	4	71	0	0	0	0
9325	Clavering Primary School - Roofing Works	9	2	7	0	0	0	0
9313	Golden Flatts Primary School - Demolish Caretakers Bungalow	39	13	26	0	0	0	0
9313	Lynnfield Primary School - Roofing Works	48	27	21	0	0	0	0
9315	Lynnfield Primary School - Heating Renewal	48	20	28	0	0	0	0
9312	Throston Primary School - Heating, Pipework, Radiator renewal	50	42	8	0	0	0	0
9389	Throston Primary School - Heat Source	29	0	29	0	0	0	0
9243	Rossmere Youth Centre Refurbishment	1,300	54	1,246	0	0	0	0
7727	Throston Youth Project Centre Refurbishment	96	5	91	0	0	0	0
7149	Star Centre Children's Home	700	257	443	0	0	0	0
7731	Early Years	121	0	121	0	0	0	0
NEW	Early Years North West Area	127	0	0	127	0	0	0
9397	Clavering Primary School Fan Convectors	28	0	28	0	0	0	0
9391	Fens Primary School - Heating and Boiler Plant	110	0	110	0	0	0	0
9383	Fens Primary School - Electrical Rewire (Phase 5)	66	0	66	0	0	0	0
NEW	Golden Flatts Primary School - Heating Emitters / ventilation	26	0	0	26	0	0	0
NEW	Golden Flatts Primary School - Lintel Replacements	30	0	0	30	0	0	0
NEW	Golden Flatts Primary School - Building Stonework	20	0	0	20	0	0	0
NEW	Golden Flatts Primary School - Kitchen Floor Replacement	10	0	0	10	0	0	0
NEW	Golden Flatts Primary School - Mains Water & Gas	112	0	0	112	0	0	0
NEW	Horizon School - Heating, Pipework	76	0	0	76	0	0	0
7772	Horizon School - Window Replacement	90	0	90	0	0	0	0
9384	Lynnfield Primary School - Electrical Rewire (Phase 2)	63	0	63	0	0	0	0
7739	Lynnfield Primary School - Heating Pipework Renewal	32	0	32	0	0	0	0
9399	Lynnfield Primary School - Toilet Cubicle Replacement	31	0	31	0	0	0	0
9398	Lynnfield Primary School - Hall Flooring Renewal	10	0	10	0	0	0	0
9384	Miers Avenue Childrens Centre - Lighting Renewal	12	0	12	0	0	0	0
7773	Rift House Primary School - Window Replacement	58	0	58	0	0	0	0
9393	Rift House Primary School - Electrical Rewire (Phase 1)	87	0	87	0	0	0	0
9392	Rift House Primary School - Fire Alarm Renewal	18	0	18	0	0	0	0
7740	High Tunstall College of Science (North Building) - Fire Alarm Renewal	55	0	55	0	0	0	0
NEW	High Tunstall College of Science (North Building) - Electrical Rewire	88	0	0	88	0	0	0
NEW	High Tunstall College of Science (Shine Centre) - Electrical Rewire	40	0	0	40	0	0	0
NEW	Purchase Childrens Home	1,000	0	500	500	0	0	0
NEW	Springwell Special School Create Classroom	69	0	69	0	0	0	0
NEW	Greatham ARP	19	0	19	0	0	0	0
NEW	Rossmere Family Hub - Boiler replacement	9	0	9	0	0	0	0
NEW	Horizon School - Student Entrance Door Replcmnt	38	0	38	0	0	0	0
Children's and Joint Commissioning - Total		15,796	1,067	4,168	8,717	922	922	0
External Funding - Government Grants								
	DEVCAP	770	340	172	86	86	86	0
	Special Provision	1,453	0	-95	1,006	271	271	0
	School Conditions	3,545	287	874	1,254	565	565	0
	Basic Need	1,789	0	73	1,716	0	0	0
	Other	34	11	0	23	0	0	0
	DFE	276	90	186	0	0	0	0
	Sub Total	7,867	728	1,210	4,085	922	922	0
External Funding - Other Grants and Contributions								
	Misc Grants	179	0	153	26	0	0	0
	S106	127	0	0	127	0	0	0
	Youth Investment Fund	1,366	59	1,307	0	0	0	0
	Sub Total	1,672	59	1,460	153	0	0	0
Internal Funding								
	Revenue Contributions	113	0	113	0	0	0	0
	Earmarked Reserves	1,275	0	311	964	0	0	0
	Capital Receipts	130	0	130	0	0	0	0
	Prudential Borrowing	4,739	280	944	3,515	0	0	0
Children's and Joint Commissioning - Funding Total		15,796	1,067	4,168	8,717	922	922	0

Appendix 7

Capital Programme - Development, Neighbourhoods and Regulatory

Code	Scheme Description	Gross Budget	Actual to 31/3/24	Total 24/25 Budget	25/26 Budget	26/27 Budget	27/28 Budget	Pending Mandate
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
8306	Schools - Kitchen Refurbishment	249	22	55	172	0	0	0
S106	Developers Contribution Fund	7,038	129	209	6,700	0	0	0
7272	Wheelie Bin Purchase (current year allocation only)	437	77	90	90	90	90	0
7344	NIP - Brougham (was Hindpool Close) Play Area	77	5	72	0	0	0	0
7437	NIP - Sinking Fund	62	0	0	62	0	0	0
7440	NIP - Central Park	120	114	6	0	0	0	0
7466	DSO Vehicle Purchase (updated for revised programme)	7,241	1,058	2,092	2,291	590	1,210	0
7553	Seaton Toilets	456	337	119	0	0	0	0
7561	Green Homes Grant	663	660	3	0	0	0	0
7577	Hartlepool North NDIP Study	50	0	0	50	0	0	0
7900	EDM Hartlepool Marina - North Pier	379	4	300	75	0	0	0
9403	Headland Seawall Coping Repairs	100	0	100	0	0	0	0
7902	EDM Hartlepool Drainage Schemes	36	6	0	30	0	0	0
8444	EDM Town Wall Strengthening	46	25	21	0	0	0	0
8578	EDM Management Unit Study	28	0	5	23	0	0	0
9331	Hartlepool Easington Road Storage & Screen Study	60	0	60	0	0	0	0
9332	Hartlepool Bamburgh Rd Surface water drainage study	60	0	0	60	0	0	0
8996	NIP - Improvements to Parks	277	252	25	0	0	0	0
9147	NIP - CCTV in parks	34	16	18	0	0	0	0
9429	EA West Park Flood Scheme	825	0	600	225	0	0	0
LTP	LTP Integrated Transport Block - Indicative	7,553	1,055	1,920	1,526	1,526	1,526	0
LTP	LTP Scheduled reconstruction - Indicative	5,639	1,884	1,580	725	725	725	0
LTP	LTP Potholes - Indicative	1,140	285	0	285	285	285	0
9396	Waste Transfer Station	200	0	0	200	0	0	0
7272	Food Waste Capital Transitional Grant	807	0	0	807	0	0	0
LTP/8722	LTP Road Resurfacing Fund - Indicative	203	0	203	0	0	0	0
7066	Avondene Accom, Church St	67	0	0	67	0	0	0
7220	Private Sector Housing Grants	67	2	0	65	0	0	0
New	Tofts Farm Solar PV (subject to external funding)	264	0	0	264	0	0	0
Development, Neighbourhoods and Regulatory - Total		34,178	5,931	7,478	13,717	3,216	3,836	0
External Funding - Government Grants								
	Changing Places Funding	101	101	0	0	0	0	0
	Department for Business, Energy & Industrial Strategy Grants	641	641	0	0	0	0	0
	Disabled Facilities Grant	25	25	0	0	0	0	0
	Environment Agency	1,408	1	944	463	0	0	0
	Safer Street Grant	0	0	0	0	0	0	0
	DEFRA	807	0	0	807	0	0	0
	Sub Total	2,982	768	944	1,270	0	0	0
External Funding - Other Grants and Contributions								
	Thirteen Group Funding	77	5	72	0	0	0	0
	TVCA	14,743	3,432	3,703	2,536	2,536	2,536	0
	Developers Contributions	7,189	215	215	6,759	0	0	0
	Seascapes - Coast to Clavering	0	0	0	0	0	0	0
	Other	220	85	3	132	0	0	0
	Sub Total	22,229	3,737	3,993	9,427	2,536	2,536	0
Internal Funding								
	Revenue Contributions	734	77	218	439	0	0	0
	Earmarked Reserves	27	27	0	0	0	0	0
	Capital Receipts	7	0	0	7	0	0	0
	Prudential Borrowing	8,199	1,322	2,323	2,574	680	1,300	0
Development, Neighbourhoods and Regulatory - Funding Total		34,178	5,931	7,478	13,717	3,216	3,836	0

Capital Programme - Corporate

Code	Scheme Description	Gross Budget	Actual to 31/3/24	Total 24/25 Budget	25/26 Budget	26/27 Budget	27/28 Budget	Pending Mandate
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
7036	Uncommitted CCF	222	0	0	222	0	0	0
7041	Corporate Planned Unallocated	561	0	79	241	241	0	0
7065	Fire Risk Assessments	100	15	0	85	0	0	0
7200	Civic Centre Capital Project	75	13	0	62	0	0	0
8970	Historic Quay Dilapidation Work	97	0	0	97	0	0	0
7771	Borough Hall - Lighting Replacement	60	41	0	19	0	0	0
7730	Art Gallery - Roof Replacement	126	33	93	0	0	0	0
7728	Exmoor Grove - Replace external windows and doors	50	2	48	0	0	0	0
9329	Crematorium Rewire	85	2	83	0	0	0	0
9394	Printer Unit Equipment	66	0	66	0	0	0	0
NEW	Health and Safety Maintenance Fund	842	0	116	726	0	0	0
9400	8-9 Church Street	158	0	158	0	0	0	0
NEW	Exmoor Grove - Replace Boiler	128	0	128	0	0	0	0
NEW	Borough Hall - Heating and Distribution	101	0	0	101	0	0	0
NEW	Boys Welfare - Replace Water Heater	4	0	4	0	0	0	0
NEW	Exmoor Grove - External Access Ramp	20	0	0	20	0	0	0
NEW	Brierton Sports Centre - Replace Lighting	10	0	0	10	0	0	0
NEW	Community Recovery	90	0	90	0	0	0	0
	CORPORATE- Total	2,795	106	865	1,583	241	0	0
	External Funding - Government Grants							
	MHCLG	90	0	90	0	0	0	0
	Sub Total	90	0	90	0	0	0	0
	External Funding - Other Grants and Contributions							
	Miscellaneous Grants	66	0	66	0	0	0	0
	Sub Total	66	0	66	0	0	0	0
	Internal Funding							
	Revenue Contributions	838	0	225	372	241	0	0
	Earmarked Reserves	1,455	93	433	929	0	0	0
	Capital Receipts	145	0	8	137	0	0	0
	Prudential Borrowing	201	13	43	145	0	0	0
	CORPORATE - Funding Total	2,795	106	865	1,583	241	0	0

Capital Programme - Housing Revenue Account (HRA)

Code	Scheme Description	Gross Budget	Actual to 31/3/24	Total 24/25 Budget	25/26 Budget	26/27 Budget	27/28 Budget	Pending Mandate
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
7182	Empty Properties Phase 3	618	103	0	515	0	0	0
7450	Hill View (Greatham) Development	2,240	2,182	58	0	0	0	0
8106	New Build	256	1	0	255	0	0	0
S106	Affordable Housing	1,432	0	223	1,209	0	0	0
8799	Major Repairs	210	34	76	100	0	0	0
7726	Resettlement Accommodation	1,418	1,194	224	0	0	0	0
9294	HRA Adaptations	200	0	100	100	0	0	0
9317	Social Housing Decarbonisation Phase 2	451	83	368	0	0	0	0
NEW	Social Housing Decarbonisation Phase 3 (subject to external funding)	450	0	0	450	0	0	0
	HRA - TOTAL	7,275	3,597	1,049	2,629	0	0	0
	External Funding - Government Grants							
	Homes England Grant	772	772	0	0	0	0	0
	Sub Total	772	772	0	0	0	0	0
	External Funding - Other Grants and Contributions							
	Developers Contributions	1,937	447	281	1,209	0	0	0
	TVCA Brownfield Housing Fund	1	1	0	0	0	0	0
	TVCA SHW2 Decarbonisation Grant	241	83	158	0	0	0	0
	TVCA SHW3 Decarbonisation Grant (subject to confirmation)	225	0	0	225	0	0	0
	TVCA Resettlement Grant	631	631	0	0	0	0	0
	Sub Total	3,035	1,162	439	1,434	0	0	0
	Internal Funding							
	Revenue Contributions	28	28	0	0	0	0	0
	Earmarked Reserves	1,055	34	596	425	0	0	0
	Capital Receipts	0	0	0	0	0	0	0
	Prudential Borrowing	2,385	1,601	14	770	0	0	0
	HRA - TOTAL FUNDING	7,275	3,597	1,049	2,629	0	0	0

FINANCE AND POLICY COMMITTEE
10TH FEBRUARY 2025



Subject: STRATEGIC FINANCIAL MANAGEMENT REPORT - AS AT 31ST DECEMBER 2024

Report of: Director of Finance, IT and Digital

Decision Type: Budget and Policy Framework

1. COUNCIL PLAN PRIORITY

Hartlepool will be a place:
- where people are enabled to live healthy, independent and prosperous lives.
- where those who are vulnerable will be safe and protected from harm.
- of resilient and resourceful communities with opportunities for all.
- that is sustainable, clean, safe and green.
- that has an inclusive and growing economy.
- with a Council that is ambitious, fit for purpose and reflects the diversity of its community.

2. PURPOSE OF REPORT

2.1 The purpose of this report is to inform Members of:

- i) Forecast General Fund outturn for 2024/25;
- ii) Reserves forecasts;
- iii) Forecast Housing Revenue Account outturn for 2024/25;
- iv) Corporate Income Collection Performance; and
- v) Capital Programme Monitoring 2024/25.

3. BACKGROUND

- 3.1 The previous reports to the Finance and Policy Committee in September and November highlighted the significant and continued financial pressures being experienced by the Council. In addition to the historic underfunding of the Council, these are largely from inflated costs of goods and services, pressures on income generation and significant pressures within Children's Social Care. The third quarter of 2024/25 has seen a continuation of these pressures and are detailed further in this report.
- 3.2 General inflationary has continued at the 2.0% to 2.5% level during 2024/25 but the profound impact of the now permanent inflation increases over the last 2 years continue to be felt. The Bank of England continue to set their policy approach to support their objective of reducing inflation at their 2% target.
- 3.3 The in-year forecast overspend and wider financial position of the Council again necessitated in-year action. The Managing Director continued strong messaging to all staff and in particular budget managers during 2024, reinforcing spend efficiency measures, reviewing staff vacancies and ceasing non-essential spend. Additional information and training sessions have been held with budget managers.
- 3.4 The new Government's first budget delivered by the Chancellor on the 30th October 2024 provided for planned increases in expenditure in public services, largely funded through increased taxation. Local government is to receive a £1.3 billion increase in government grant funding in 2025/26. Further detail was provided, through the provisional financial settlement issued by Government in late December. This directs an increased amount of resource for 2025/26 to reflect deprivation and those councils less able to generate local income through council tax - this approach benefits Councils like Hartlepool.
- 3.5 The latest 2024/25 forecast outturn position for the Council is outlined below.

4. GENERAL FUND REVENUE OUTTURN 2024/25

- 4.1 The current forecast outturn for 2024/25 is a forecast overspend of £2.182m. Importantly, it should be noted that this position is after the approved use of £3.166m of the Budget Support Fund to balance the 2024/25 budget (i.e. in 2024/25 the council is forecast to spend £5.348m more than the in-year resources we will receive or generate).
- 4.2 The forecast position by Directorate is detailed in **Appendices A to E**, with a summary commentary set out from section 4.3 onwards. The forecast overspend is a £0.512m worsening from the position reported at the end of quarter 2 (£1.670m), and of significant concern given the continued deterioration of the Children's Social Care budget position. As shown in the table below the worsening of the financial position within Children's Services, has been partially mitigated by improvements, through increased underpends in a number of other areas.

Summary of 2024/25 Forecast General Fund Outturn			
Q1 Forecast Outturn - Overspend/ (Underspend) £'000	Q2 Forecast Outturn - Overspend/ (Underspend) £'000	Departmental Budgets	Q3 Forecast Outturn - Overspend/ (Underspend) £'000
275	205	Adult & Community Based Services	200
4,790	5,880	Children's & Joint Commissioning	6,938
(300)	(300)	Finance, IT and Digital	(320)
(65)	(65)	Legal, Governance and HR	(55)
200	(250)	Development, Neighbourhoods & Regulatory Services	(585)
(2,000)	(2,800)	Corporate	(2,757)
0	0	Business Rates Levy Distribution	(239)
0	(1,000)	Provision for Pay Award	(1,000)
2,900	1,670	Total Forecast Budget Overspend	2,182

Adult and Community Based Services

- 4.3 The forecast outturn is a net departmental overspend of £0.200m, consisting of a projected £0.710m overspend within Preventative & Community Based Services, offset by a projected £0.510m underspend within Adult Social Care. The projected departmental overspend of £0.200m represents less than 1% of the department's overall net budget and is a minor improvement on the position at the end of quarter 2 (£0.205m).
- 4.4 The forecast underspend within Adult Social Care includes the use of some one-off grant funding, staff vacancies and incremental drift and is based on current client numbers and costs. However, as the winter period continues, these projections will be closely monitored and updated as necessary. This underspend fully offsets the pressure from the reduced income arising from delaying the implementation of charging for Telecare until 1st October 2024.
- 4.5 The forecast overspend within Preventative & Community Based Services mainly relates to reduced income across the following areas; Cemeteries and Crematoria, arising from the capital works impacting on the operating days/hours of the chapel until October 2024, the Borough Hall and Town Hall Theatre temporary closures and the temporary cessation of activities at Carlton Adventure. All of the noted facilities are now operational.

Children and Joint Commissioning Services

- 4.6 The current forecast outturn is an overspend of £6.938m. This has increased since the position reported at Q2 (£5.880m) mainly as a result of further increases in the number of children requiring external residential and independent fostering agency placements. This reflects the increasing complexity of their needs and the significant fees being charged by the external care market. These increases also have associated adverse impacts on social work staffing budgets.

- 4.7 This area continues to be a risk for all councils owing to a range of external factors and the budget position will continue to be monitored closely. As such, at this stage, there is a real risk that the budget position could deteriorate further over the remainder of the financial year. The council has invested in increased “Edge of Care” provision through the transformation fund, and it is hoped this initiative will help mitigate and potentially reduce demand and costs. The council has set aside capital funding to progress two additional in-house childrens homes, however, despite best efforts, only one suitable property has been identified to date, with legal due diligence currently being progressed for purchase. Increased in-house provision will reduce our exposure to the significant fees being charged by the external care market.
- 4.8 Although the overall number of children in our care has remained relatively stable, it is important to note that some children move out of our care and in to special guardianship or child arrangement order arrangements, which, although no longer classified as within our care, still retain financial support payments from the Council.
- 4.9 In addition, there has been increased demand for temporary accommodation linked to homelessness, resulting in a forecast overspend for the area.

Development, Neighbourhoods and Regulatory Services

- 4.10 The current forecast outturn for the department is an underspend of £0.585m.
- 4.11 The department continues to face pressure in a number of areas and the position in relation to Streetlighting, Coast Protection, Car Parking and Reprographics has worsened slightly as detailed in Appendix C. However, these are volatile areas and the position will continue to be closely monitored.
- 4.12 The above noted pressures are more than offset by an improved position elsewhere in the department and the salary abatement target. This has been achieved through a combination of actively managing budgets to offset pressures elsewhere, generation of additional income and benefiting from one off grants, such as UK Shared Prosperity Fund, as detailed in Appendix C.
- 4.13 The department will continue to monitor its position closely for the remainder of the financial year.

Finance, IT and Digital

- 4.14 The current forecast outturn is an underspend of £0.320m. This is mainly owing to favourable variances from staffing vacancies and staff not being at the top of their grade, which is offsetting a pressure in income generation.

Legal, Governance and HR

- 4.15 The current forecast outturn is an underspend of £0.055m which mainly relates to vacant posts and staff not being at the top of their grade, offsetting reductions in income generation.

Corporate Areas

- 4.16 Interest income generated from the investment of the council's reserves, continue to provide a vital revenue stream to support the overall budget position. Interest of c£3.000m is now forecast to be generated in 2024/25, with the council taking advantage of temporarily high rates of interest. As previously noted, these returns will not be achievable into future years as reserve cash balances reduce, coupled with the expected downwards trend on interest rates.
- 4.17 The national pay offer for 2024/25 was agreed during October. Following ballots, the trade unions accepted the pay offer, which equates to £1,290 per employee regardless of grade, up to spinal point 43. This increase equates to a 5.77% increase at spinal point 2 and 2.50% at point 43. Spinal points above 43 will receive a 2.5% increase. The agreed pay award is below the value provided for when setting the 2024/25 budget, resulting in a saving of approximately £1.000m in 2024/25 and into future years.
- 4.18 The Ministry of Housing, Communities and Local Government (MHCLG) have confirmed a one-off distribution from the national business rates levy account. The £100m account balance will be distributed via formula and the estimated sum to be received by the Council is £0.239m. This income will support the 2024/25 outturn position.

Budget Savings Monitoring

- 4.19 Progress is being made in the implementation of the £1.885m approved savings plans for 2024/25. The position is positive given the demands and pressures services are experiencing. Directors continue to take the necessary action to mitigate any delays or issues with implementation.
- £1.439m (76%) of the savings have been fully realised to date.
 - £0.005m (1%) of savings where good progress is being made, with a good prospect that full savings will be achieved.
 - £0.441m (23%) is in respect of areas where delays and issues have been encountered, it is deemed unlikely they will be delivered as planned during 2024/25. For budget monitoring purposes these are included as a forecast outturn pressure and further information on the main areas are noted below – these are unchanged from quarter 2.
- 4.20 The implementation of charging for the Telecare service was delayed from the 1st April until 1st October 2024. As such only £0.160m of the £0.400m forecast saving is anticipated to be achieved in 2024/25. The £0.240m shortfall is categorised as red in the above monitoring, however, a full year charging period in 2025/26 is forecast to generate income towards the target budget level.

- 4.21 A partnership arrangement for the block booking of children's social care provision with a local provider ceased earlier in the year due to the provider not accepting HBC referrals. Two children are still living in the 3 bedroom home, but the forecast saving of £0.312m has now reduced to £0.130m. The £0.182m reduction is categorised as red in the above monitoring.
- 4.22 Property holding costs pending the transfer of Bevan House continue to be incurred, impacting on the forecast saving for 2024/25. The forecast £0.015m savings reduction is categorised as red in the above monitoring.

Dedicated School Grant

- 4.23 Until the 2022/23 financial year, the Council had successfully managed High Needs Block (HNB) costs within the available annual grant allocation and HNB reserves. This has been achieved despite a significant increase in demands on this service, including the impacts arising from the pandemic.
- 4.24 The 2023/24 outturn was an overspend of £2.348m. This overspend was considered necessary to invest in Hartlepool provision and so avoid placement of pupils with SEND outside the town, wherever possible. In time, this approach will reduce costs for independent and out of town provision and provide an improved outcome for Hartlepool children.
- 4.25 Applying all DSG reserves, the final DSG outturn for 2023/24 was an overspend of £1.589m. Accounting regulations covering the period up to 31st March 2026 do not allow this balance to be included in the General Fund. In accordance with accounting regulations this balance was transferred to the Dedicated Schools Grant Adjustment Account which is an unusable reserve.
- 4.26 Owing to this deficit position the Council had to produce a DSG Management Plan for submission to the Education Skills and Funding Agency (ESFA). This was a complex spend, demand and demographics data exercise, which documented 4 years of actual data, the current years budgeted data and 6 years predicted data. Following meetings with the ESFA the plan has been agreed and will continue to be updated and monitored. This plan will be presented to a future meeting of the Children's and Joint Commissioning Services Committee alongside the 2025/26 High Needs Block budget proposals.
- 4.27 The 2024/25 High Needs Budget exceeded the funding allocation by £3.115m. A one year recovery plan, which included; limiting inflation on Top Up Funding and Special Schools funding, putting in place a target to reduce the Out of Area and Independent School places by meeting need in Hartlepool provision and the transfer of the Growth Fund from the Schools Block to the High Needs Block was agreed by Children's Services Committee. These measures reduced the budget requirement by £0.944m, resulting in a funding shortfall of £2.171m for 2024/25.
- 4.28 The current outturn projection for 2024/25 is an overspend of £4.475m (i.e. £2.304m beyond the originally identified 2024/25 shortfall), owing to increases

in children being educated in independent or out of town provision, overspends on Individual Pupil Support payments, the cost of exclusions and the lag in funding for the Free School which opened in September 2024.

- 4.29 Taken together, this results in an overall DSG deficit of £6.064m, which poses a significant risk to the council should the accounting regulations override be removed in March 2026. Additional funding has been provided through the settlement for 2025/26, and the on-going position is being closely monitored.

Reserves

- 4.30 The current reserves position and the forecast usage of reserves by year is summarised in the table below, with a more detailed analysis included at **Appendix M**.

Reserve Area	Balance as at 31st March 2024 (Revised)	Forecast Usage		Forecast Balance 31/3/28
		2024/25	2025/26 to 2027/28	
		£'000	£'000	£'000
Unearmarked General Fund	5,500	0	0	5,500
Budget Support Fund	11,094	(5,348)	(2,500)	3,246
Budget Support – Transformation and Invest to Save	3,750	(700)	(3,050)	0
Other Revenue Reserves	19,410	(5,040)	(7,976)	6,394
Revenue Reserves Total	39,754	(11,088)	(13,526)	15,140
Capital Reserves	25,917	(18,060)	(7,857)	0
TOTAL	65,671	(29,148)	(21,383)	15,140

- 4.31 Please note the information provided excludes any ring-fenced School, HRA and unusable reserves given their restricted nature.

5. HOUSING REVENUE ACCOUNT (HRA)

- 5.1 There is a forecast nil outturn variance in relation to the HRA. The position is summarised below with further details provided at **Appendix F**.
- 5.2 Rental income is forecast to be lower than budgeted as new Afghan Resettlement properties have not come on line as quickly as anticipated at the time of setting the budget. This is because of the presence of some asbestos detected in the properties that require additional works.
- 5.3 There is also an adverse variance in relation to Net Interest Payable owing to an increase in the Capital Finance Requirement and interest rates.
- 5.4 The adverse variance can be mitigated through a combination of the following:

- Reduction in contribution to Right to Buy Reserve; and
- Reduction in voluntary contribution to the Major Repairs Reserve (MRR).

It should be noted that this reduces the future resilience of the HRA, as there will be less funding available for Major Repairs and mitigation of the potential impact of Right to Buy properties

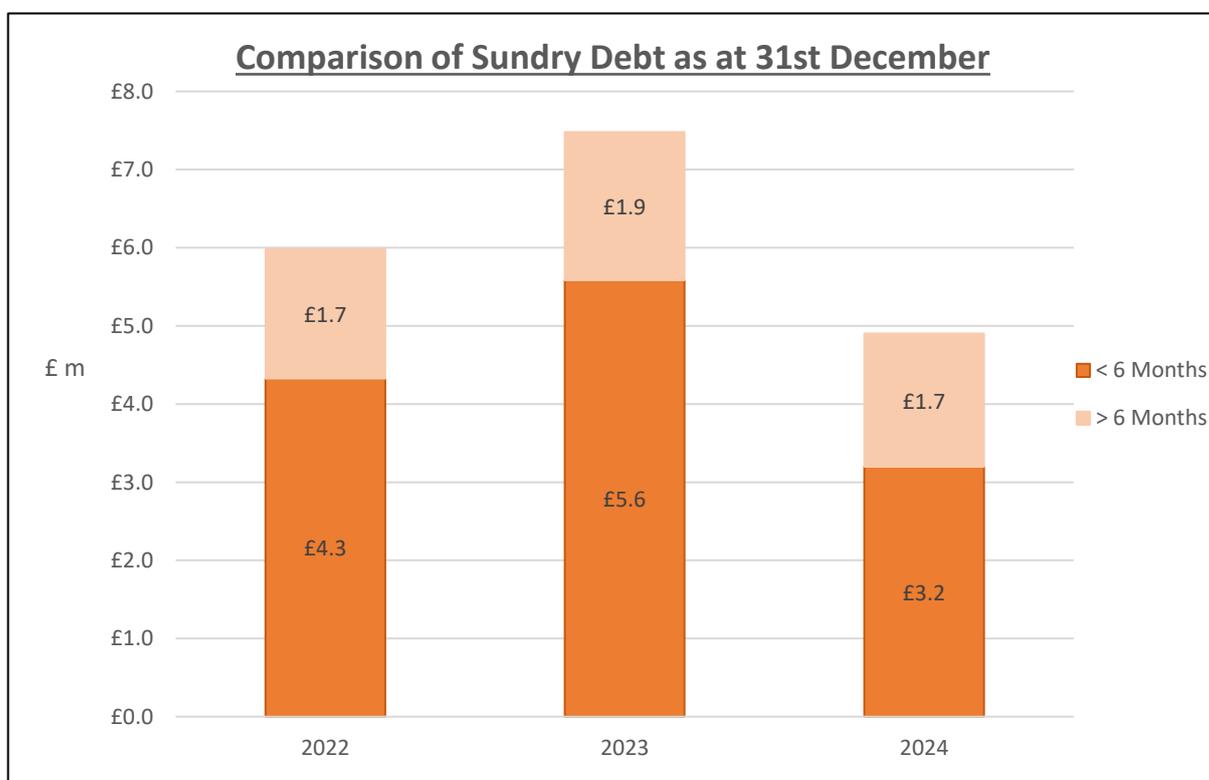
5.5 The HRA capital position is outlined in **Appendix G**. There is an increase in S106 Affordable Housing of £0.003m to reflect receipt of additional S106 monies.

6. INCOME COLLECTION AND COLLECTION FUND

Sundry Debts

6.1 The Council collects significant Sundry Debts income for the payment of services provided by the Council. In total 20,000 Sundry Debt invoices with a value of £27.9m were raised in the first nine months of 2024/25. As at 31st December 2024, £25.6m (91.76%) of this amount had been collected.

6.2 Robust procedures for collecting the remaining outstanding debt are in place. The following graph shows the comparable positions at 31st December for the last three years for long term debt and current debt which has been outstanding for less than six months.



6.3 Debtors totaled £4.9m as at 31st December 2024, of which £3.2m (65%) relates to current debts (less than 6 months old). Included within current debts

(less than 6 months old) is debt where the customer has been invoiced for the whole of 2024/25 but payment is to be received in instalments throughout the year.

- 6.4 Debts greater than 6 months old total £1.7m. 99.4% of this amount is under recovery action and 0.6% (£10.2k) is now considered unrecoverable.

Council Tax

- 6.5 The in-year performance to the end of December is slightly down on 2023/24, though at this stage it is expected that the rate will increase over the remainder of the year. As at the 31st December 2024 the Council had collected 77.28% of the 2024/25 liability, compared to 77.40% for the previous year. Arrears collection remains positive and consistent with 2023/24, which had record collections.
- 6.6 Members may recollect that increased efforts were to be made targeting potential single person discount fraud. An initial target of a 400 reduction during 2024/25 was agreed. In the first nine months of the year the number claiming single person discount has reduced by 619. Efforts will ramp up further as we progress through the year with the expectation that numbers reduce further through the year.
- 6.7 As at the end of December the Local Council Tax Support claimant count was 12,976 of which there were 8,584 working age claimants.
- 6.8 The Collection Fund in respect of Council Tax continues to be closely monitored.

Business Rates

- 6.9 At the 31st December 2024 the Council had collected 79.21% of the 2024/25 liability compared to 80.59% for the previous year. However, business rate collection tends to be volatile during the year and is also impacted by changes to liability for businesses.
- 6.10 Two debts in excess of £50,000 are set out in Appendix N for write off approval. **This item contains exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, (para 3). Information relating to the financial or business affairs of any particular person (including the authority holding that information).**

7 CAPITAL OUTTURN

7.1 Details of actual expenditure, budget variations and reprofiling of budget are provided in **Appendices H to L** and summarised below. Where applicable expenditure has been reprofiled into future years. Resources will also be carried forward to fund these commitments.

Department	Gross Budget	Actual to 31/3/24	Actual to 31/12/24	Budget (from Q2)	Addition Schemes & Cost Variations to Existing Projects 2024/25	Reprofiling of Expenditure	Revised Budget
	£'000	£'000	2024/25 £'000	2024/25 £'000	£'000	2024/25 £'000	2024/25 £'000
Major Regeneration Schemes	120,739	15,229	15,085	27,904	0	(441)	27,463
Adult & Community Based Services	9,234	3,641	1,770	2,542	290	(181)	2,651
Children's & Joint Commissioning Services	14,701	1,436	2,437	5,878	157	(1,862)	4,173
Development, Neighbourhoods & Regulatory Services	31,975	5,931	4,214	12,501	1,902	(6,925)	7,478
Corporate	2,795	106	299	1,551	60	(746)	865
Total Capital Expenditure	179,444	26,343	23,805	50,376	2,409	(10,155)	42,630

7.2 As shown in the above table, actual 2024/25 in-year capital expenditure to 31st December 2024 totals £23.805m and reprofiling of expenditure into future years totals £10.155m. After taking account of the reprofiling and budget variations the forecast capital expenditure in 2024/25 now totals £42.630m.

7.3 The main areas of cost variation during quarter 3, included within the £2.409m total variation shown above are; an in-year increase in the disabled facilities grant from government, further receipts of developer contributions (s106) and the inclusion of a West Park flood scheme to be delivered on behalf of the environment agenda. Full details of any variances and reprofiling of expenditure are shown in **appendices H to L**.

7.4 In addition to the above highlighted variations, the student entrance door at the Horizon School is structurally unsound and requires the wall rebuilding either side with a new lintel and security door/frame. The estimated cost of the emergency works is £38,000 and will be funded by School Conditions Allocation and a 10% contribution from the school. This was approved in consultation with the chair of Children's Services Committee and will be reported retrospectively to Children's Services Committee in March. The capital programme has been updated accordingly.

Capital Receipts

7.5 There were no significant capital receipts received in Quarter 3.

8. OTHER CONSIDERATIONS/IMPLICATIONS

RISK IMPLICATIONS	No relevant issues.
FINANCIAL CONSIDERATIONS	The financial implications are fully set out in the main body of the report.
SUBSIDY CONTROL	No relevant issues.
LEGAL CONSIDERATIONS	No relevant issues.
CHILD AND FAMILY POVERTY	No relevant issues.
EQUALITY AND DIVERSITY CONSIDERATIONS	No relevant issues.
STAFF CONSIDERATIONS	No relevant issues.
ASSET MANAGEMENT CONSIDERATIONS	No relevant issues.
ENVIRONMENT, SUSTAINABILITY AND CLIMATE CHANGE CONSIDERATIONS	No relevant issues.
CONSULTATION	No consultation required.

9. RECOMMENDATIONS

9.1 It is recommended that Members:

- i) Note the 2024/25 forecast outturn position of £2.182m overspend and the accompanying financial performance for the year;
- ii) Note the forecast use of reserves at paragraph 4.30;
- iii) Note the 2024/25 forecast outturn in relation to the Housing Revenue Account detailed within Section 5 of the report;
- iv) Note the capital programme position; and

- v) Approve the write offs as detailed in Section 6 of the report and confidential Appendix N.

10. REASONS FOR RECOMMENDATIONS

- 10.1 To inform Finance and Policy Committee of the Council's 2024/25 financial forecast outturn position.

11. BACKGROUND PAPERS

- 11.1 The following background paper was used in the preparation of this report:-

Finance and Policy Committee - Strategic Financial Management Report – as at 30th June 2024 - 16th September 2024.

Finance and Policy Committee - Strategic Financial Management Report – as at 30th September 2024 - 25th November 2024.

12. CONTACT OFFICERS

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Paul Dixon
 Assistant Director, Corporate and Financial Services
 Email: paul.dixon@hartlepool.gov.uk

Sign Off:-

Managing Director	Date: 27/01/2025
Director of Finance, IT and Digital	Date: 27/01/2025
Director of Legal, Governance and HR	Date: 27/01/2025

REVENUE FINANCIAL MONITORING REPORT FOR FINANCIAL YEAR 2024/25 as at 31st December 2024

Approved 2024/25 Budget £'000	Description of Service Area	Actual Outturn Adverse/ (Favourable) £'000	Director's Explanation of Variance
	Adult Social Care		
74	Carers	0	
2,680	Commissioning - Adults	60	Relates to a combination of historic income pressures relating to Court of Protection administration fees and increased spend across supplies and services budgets.
255	Departmental Running Costs	15	Minor Variances
93	Direct Care & Support (including Telecare)	195	The projected overspend mainly relates to the impact of Telecare charging implementation being delayed until 1 October 2024.
766	LD & Transition Social Work	(85)	The underspend relates to staff savings from incremental drift and vacancies over and above the departmental salary abatement target.
2,333	Locality & Safeguarding Team	(245)	The underspend relates to staff savings from incremental drift and vacancies over and above the departmental salary abatement target.
1,213	Mental Health Services	0	
1,575	OT & Disability Equipment	(100)	The underspend relates to staff savings from incremental drift and vacancies over and above the departmental salary abatement target.
29,037	Packages of Care	(210)	Packages of Care forecast outturns reflect use of one-off grants and are based on current projections.
150	Transformation & Digital	(95)	The underspend relates to staff savings from incremental drift and vacancies over and above the departmental salary abatement target.
1,315	Working Age Adult Day Services	(45)	The underspend mainly relates to savings within transport costs and incremental drift within staffing budgets.
39,491	Adult Social Care Sub Total	(510)	
	Preventative & Community Based Services		
73	Adult Education	(60)	Mainly relates to increased income from grants and core staffing underspends.
88	Allotments	5	Minor Variances
27	Archaeology	10	The projected overspend mainly relates to reduced income against the historic income targets.
(255)	Coast, Countryside, Heritage and Cemeteries & Crematoria	365	The projected overspend mainly relates to the loss of income from the reduced operating days at Stranton Chapel which are the results of the capital improvement works. Works were completed in October 2024.
1,196	Community Hubs	50	The projected overspend mainly relates to budget reductions linked to branch libraries.
90	Cultural - Events and Theatres	140	The projected overspend mainly relates to the loss of income arising from the temporary closure of the Town Hall Theatre and the Borough Hall.
591	Cultural - Museums and Galleries	(15)	Relates to various minor underspends across a number of areas.
638	Sports, Leisure & Recreation Facilities	215	The projected overspend mainly relates to the loss of income arising from the temporary closure of Carlton Adventure.
2,448	Preventative & Community Based Services Sub Total	710	
41,939	Adult & Community Based Services Total	200	

REVENUE FINANCIAL MONITORING REPORT FOR FINANCIAL YEAR 2024/25 as at 31st December 2024

Approved 2024/25 Budget £'000	Description of Service Area	Actual Outturn Adverse/ (Favourable) £'000	Director's Explanation of Variance
	Children's Services		
2,849	Children & Families	1,150	Forecast overspend mainly relates to increases in the number of children subject to Child Arrangement Orders, Special Guardianship Allowances or receiving a Direct Payment.
21,170	Children in our Care	5,540	Forecast overspend mainly relates to an increase in the number of children in our care requiring external residential and independent fostering agency placements. This reflects the increasing complexity of their needs and the significant fees being charged by the external care market.
9	Early Intervention	(60)	Forecast favourable variance mainly relates to the receipt of grant funding.
452	Housing, Hardship & Welfare	(365)	Forecast favourable variance mainly relates to the receipt of a number of 'one-off' grants which are offsetting increased temporary accommodation housing costs.
25	Play & Care	50	Forecast overspend mainly relates to historic income pressures.
5,403	Safeguarding Children	710	Forecast overspend mainly relates to increased staffing costs.
635	Standards, Engagement & Development	205	Forecast overspend mainly relates to increased staffing costs.
2,037	Strategic Commissioning	(240)	Forecast favourable variance mainly relates to the receipt of a number of temporary, 'time limited', grants.
316	Youth Justice Service	0	Any underspend will be transferred to the ring-fenced YJS Partnership Reserve.
32,896	Children's Services Sub Total	6,990	
	Education (excluding DSG)		
168	Access to Education	14	Reduction in School Buy Back income.
157	Central Support Services	0	
487	Other School Related Expenditure	20	Adverse variance is owing to inflationary pressures on historic pension payments.
455	Raising Educational Achievement	(43)	Forecast variance relates to savings in supplies and services.
422	Special Needs Services	(32)	Forecast variance relates to savings in supplies and services.
431	Strategic Management	(15)	Forecast variance relates to savings in supplies and services.
351	Youth Service	4	
2,471	Education Sub Total	(52)	
35,367	Children's and Joint Commissioning Services Sub Total	6,938	
	Public Health Grant		
3,933	Children's Services	(5)	Minor variances
2,624	Substance Misuse Services	(190)	Underspend mainly relates to staff vacancies; any underspend will be transferred into the ring-fenced Public Health reserve at year end.
1,874	General Public Health Support Services	(30)	Mainly relates to staff vacancies and incremental drift.
633	Sexual Health Services	5	Includes planned spend of £44k funded from Public Health reserve.
0	Smoking Cessation	0	New specific Stop Smoking Services and Support grant is being supplemented in 24/25 by use of Public Health reserves.
451	Physical Activity	0	
14	Mental Health	0	
56	Health Checks	15	Minor variances.
208	Obesity	0	
(9,793)	Public Health Grant	0	
0	Contribution to ring-fenced Public Health Grant reserve (Substance Misuse)	190	This relates to the forecast underspend on Substance Misuse Services and will be transferred to the Public Health Grant reserve.
0	Contribution to ring-fenced Public Health Grant reserve (General)	15	Any underspend is transferred to the ring-fenced Public Health grant reserve.
0	Public Health Grant	0	
35,367	Children's and Joint Commissioning Services Total (including Public Health Grant)	6,938	

	Dedicated Schools Grant	Actual Outturn Adverse/ (Favourable)	
9,797	Early Years Block	(80)	
19,845	High Needs Block	4,475	
595	Schools Block	0	
30,237	TOTAL Dedicated Schools Grant	4,395	

REVENUE FINANCIAL MONITORING REPORT FOR FINANCIAL YEAR 2024/25 as at December 31st 2024

Approved 2024/25 Budget £'000	Description of Service Area	Actual Outturn Adverse/ (Favourable) £'000	Director's Explanation of Variance
	Neighbourhood Services		
(15)	Building Design Team	(100)	Surplus relates to increased productivity in relation to large capital schemes.
133	Construction Team	0	
359	Engineering Services (including Coastal Protection and Contaminated Land)	30	Adverse variance reflects funding required for additional costs in relation to storm damage within the Coast Protection budget.
3,154	Environmental Services	(100)	Income is anticipated to be higher than budgeted and fleet costs are lower than budgeted. The service has also benefited from the UK Shared Prosperity Fund (UKSPF) and Recovery grant funding during the year.
2,781	Highways	90	Forecast variance mainly relates to an increase in Insurance Premiums in relation to Highways and higher than budgeted expenditure in relation to Unscheduled Highways Maintenance. Action will be taken to mitigate this variance but at present an adverse variance is anticipated.
2,197	Passenger Transport	(100)	Favourable variance reflects SEN transport savings as a result of the new SEN school and the cost of tenders for the September cohort were lower than anticipated. There has also been an increase in fees to reflect costs of service provision.
371	Planning & Development	60	Forecast adverse variance reflects shortfall in planning income, the number of large planning applications is down compared to previous years.
179	Road Safety	0	
999	Street Lighting	100	Relates to ongoing maintenance costs and column replacements. Action will be taken to mitigate this variance but at present an adverse variance is anticipated.
2,478	Sustainable Transport	(590)	Reflects favourable contract negotiations in relation to Concessionary Fares.
(96)	Vehicle Fleet	50	Adverse variance reflects use of agency and overtime to cover work and staff sickness
6,249	Waste Services	(110)	Forecast favourable variance reflects positive uptake of the green waste subscription service. This is likely to be a one-off surplus owing to potential future increases in step costs in relation to running the service that will off-set this additional income in future years.
18,789	Neighbourhood Services Sub Total	(670)	
	Regulatory Services		
(841)	Car Parking & Enforcement	140	Reflects a reduction in car parking income due to parking concessions and the residual impact of the pandemic, which has not only affected visitor numbers but also many workers who would have used the car parks but now work from home for part of the week. The reduction in car park usage is a national trend.
954	Community Safety & Engagement	(100)	Favourable variance is linked to vacancies and the service actively managing the budgets to offset pressures elsewhere. The service has also benefited from UKSPF and Recovery grant funding during the year.
1,228	Facilities Management	0	
232	Health & Safety	0	
648	Public Protection	0	
2,221	Regulatory Services Sub Total	40	
	Development & Growth		
435	Economic Growth	(100)	Favourable variance reflects the service actively managing the budgets to offset pressures elsewhere.
48	Procurement & Reprographics	90	Forecast adverse variance reflects income shortfalls in relation to Reprographics.
(106)	Strategic Asset Management	210	Forecast adverse variance reflects shortfall in relation fee income and unforeseen additional one off costs in relation to an investment property.
96	Strategic Development & Sustainability	0	
473	Development & Growth Sub Total	200	
	Strategic Management & Admin		
280	Strategic Management & Admin	(155)	Reflects posts kept vacant to mitigate adverse variances and create opportunities for Modern Apprentices upon completion of their training.
21,763	Development, Neighbourhoods & Regulatory Services Total	(585)	

REVENUE FINANCIAL MONITORING REPORT FOR FINANCIAL YEAR 2024/25 as at 31st December 2024

Approved 2024/25 Budget £'000	Description of Service Area	Actual Outturn Adverse/ (Favourable) £'000	Director's Explanation of Variance
	Development and Growth		
232	Communications and Marketing *	(10)	Favourable variance owing to vacant posts and posts not being at the top of the grade.
165	Public Consultation & Diversity *	0	
397	Development and Growth Sub Total	(10)	
	Corporate and Financial Services		
(1,047)	Central Administration Recharges	0	
1,407	Corporate Finance	(50)	Favourable variance owing to vacant posts and posts not being at the top of the grade.
219	Internal Audit	5	Note, the budget has been reduced by £52k following the retirement of an officer prior to the start of the financial year. The adverse variance is owing to additional assessment fees.
740	Shared Services	(100)	Favourable variance owing to vacant posts and posts not being at the top of the grade, this includes some advance savings for the 2025/26 budget.
265	Corporate Management Running Expenses	(25)	Favourable variance owing to savings on the corporate subscriptions budget.
1,584	Corporate and Financial Services Sub Total	(170)	
	Customer Services and IT		
338	Benefits	(110)	Favourable variance owing to vacant posts, posts not being at the top of the grade, additional income generation and non pay savings.
280	Corporate ICT	(20)	Favourable variance owing to vacant posts and posts not being at the top of the grade.
1,216	Customer and Support Services	(55)	Favourable variance owing to vacant posts and posts not being at the top of the grade.
(133)	Registration Services	20	The adverse variance is owing to a reduction in income generation on both birth and death registration resulting from services being transferred to North Tees Hospital, along with a reduction in ceremonial certificates.
1,300	Revenues	(45)	Favourable variance owing to vacant posts and posts not being at the top of the grade.
(701)	Revenue & Benefits Central	70	The adverse variance is owing to additional costs on printing and postage and reduced court costs income.
2,300	Customer Services and IT Sub Total	(140)	
4,281	Finance, IT & Digital Total	(320)	

* These budgets report to the Managing Director via the Assistant Director for Development and Growth

REVENUE FINANCIAL MONITORING REPORT FOR FINANCIAL YEAR 2024/25 as at 31st December 2024

Approved 2024/25 Budget £'000	Description of Service Area	Actual Outturn Adverse/ (Favourable) £'000	Director's Explanation of Variance
	Legal		
49	Civic Attendants	5	
188	Democratic	(50)	Favourable variance owing to vacant posts, this is an advance saving for 2025-26.
483	Human Resources	15	The adverse variance is owing to a reduction in income generation.
707	Legal Services	(10)	The favourable variance is owing to savings on supplies and services costs and additional income generation.
201	Managing Director's Office	(20)	Favourable variance owing to a vacant post, this is an advance saving for 2025-26.
171	Municipal Elections and Registration of Electors	25	The adverse variance is owing to additional cost of elections.
34	Other Office Services	10	The adverse variance is owing to a reduction in income generated from local land searches.
112	Scrutiny	0	
145	Support to Members	(20)	Favourable variance owing to reduced civic expenses and conference fees expected during the year.
33	Trade Union	(15)	The favourable variance is owing to less staff time recharged against union duties.
10	Training & Equality	5	
2,133	Legal, Governance and HR Total	(55)	

HOUSING REVENUE ACCOUNT for 2024/25 as at 31st December 2024

2023/24 OUTTURN		2024/25 BUDGET	2024/25 Forecast Outturn as at 31/12/2024	Variance	COMMENTS
£'000		£'000	£'000	£'000	
	Income				
(1,637)	Dwelling Rents	(1,962)	(1,916)	46	Reflects new Afghan Resettlement properties not coming on line as quickly as anticipated at budget build, owing to the presence of asbestos in the properties that require additional works.
(13)	Non-dwelling Rents - Other Income	(24)	(24)	0	
(3)	Charges for services and facilities	(5)	(7)	(2)	
(1,653)	Income sub total	(1,991)	(1,947)	44	
	Expenditure				
506	Repairs and maintenance	498	569	71	Adverse variance reflects the increase in both quantity and higher value repairs for damp issues.
517	Supervision and management	454	490	36	Adverse variance reflects increased insurance costs and salary costs from the pay award.
24	Rents, rates, taxes and other charges	27	19	(8)	
0	Right to Buy Reserve	50	5	(45)	Reflects reduction in contribution to mitigate adverse variances.
(86)	Provision for bad or doubtful debts	0	0	0	
349	Depreciation (Major Repairs Allowance)	529	381	(148)	Reflects reduction in the voluntary contribution to mitigate adverse variances.
1	Discretionary Housing Payments	5	3	(2)	
10	Debt Management costs	12	13	1	
332	Net Interest payable	388	439	51	Adverse variance owing to an increase in the Capital Finance Requirement and interest rates.
1,653	Expenditure sub total	1,963	1,919	(44)	
0	HRA (Surplus) / Deficit for the year	(28)	(28)	0	
	Movement on the HRA Reserve				
(500)	HRA Reserve Opening Balance	(500)	(500)		
0	(Surplus)/Deficit for the year	(28)	(28)		
(500)	HRA Reserve Closing Balance	(528)	(528)	0	

COUNCIL HOUSING CAPITAL SCHEMES

CAPITAL MONITORING REPORT PERIOD ENDING 31st December 2024

Code	Scheme Description	Gross Budget	Actual to 31/3/24	2024/25 Actual to end Q3 (31/12/24)	Budget 2024/25 (adjusted for prior year reprofiling)	Additional Schemes and Cost Variations to Existing Projects 2024/25	Reprofiling of Expenditure 2024/2025	Revised Budget 2024/25	Comments
S106	Affordable Housing	1,432	0	0	423	3	(203)	223	S106 Developer Contributions. A small proportion of this funding may be required to meet costs associated with the 'Resettlement Accommodation' scheme pending confirmation of final grant funding. £203,000 further slippage as at QTR 3.
7182	Empty Homes - Phase 3	618	103	0	0	0	0	0	Existing funding approval - individual business case approval required for each scheme. No current plans to utilise this borrowing approval.
7450	Hill View Development	2,240	2,182	0	58	0	0	58	Final account still to be confirmed. Funded from S106 contributions.
7726	Resettlement Accommodation	1,418	1,194	143	224	0	0	224	The remaining grant funding is still to be confirmed as this varies depending on the number of occupants accommodated. S106 funding is available to fund any shortfall.
8106	New Build	256	1	0	0	0	0	0	Existing funding approval - individual business case approval required for each scheme. No current plans to utilise this borrowing approval.
8799	Major Repairs	210	34	52	76	0	0	76	HRA capital work funded from the MRR reserve.
9294	HRA Adaptations	0	0	28	100	0	0	100	
9317	Social Housing Decarbonisation	451	83	0	368	0	0	368	Contractor appointed, work will be completed by end March 2025 as per grant conditions.
COUNCIL HOUSING - CAPITAL SCHEMES		6,625	3,597	223	1,249	3	(203)	1,049	

MAJOR REGENERATION SCHEMES

APPENDIX H

CAPITAL MONITORING REPORT PERIOD ENDING 31st December 2024

Code	Scheme Description	Gross Budget	Actual to 31/3/24	2024/25 Actual to end Q3 (31/12/24)	Revised Budget 2024/25 (From Q2)	Additional Schemes and Cost Variations to Existing Projects 2024/25	Reprofiling of Expenditure 2024/2025	Revised Budget 2024/25	Comments
		£000	£000	£000	£000	£000	£000	£000	
8958	A19/ Elwick Road/ North Lane Junction and Elwick Road/Hartlepool Western Link Project	24,497	1,585	289	1,041	0	(441)	600	Reprofiled to align with latest scheme delivery forecast.
7550	CIP - Highlight	34,650	3,725	10,813	17,608	0	0	17,608	
9101	CIP - Borough Hall Improvement	2,300	109	0	0	0	0	0	
NEW	CIP - Town Hall Theatre Improvement	700	0	0	200	0	0	200	
9159	CIP - Wingfield Castle and Dam Board	4,027	527	203	389	0	0	389	
9161	CIP - NMRN & Museum of Hartlepool	8,500	3,678	133	658	0	0	658	
9130	CIP - Business Park Investment	760	451	4	14	0	0	14	
7536	CIP - SEMH Free School Access Road	549	464	26	85	0	0	85	
TBC	CIP - Bowling Club Refurbishment	600	0	0	0	0	0	0	
TBC	CIP - Brierion Sports Complex	534	0	0	0	0	0	0	
9165	Towns Fund - Middleton Grange	13,860	202	0	1,500	0	0	1,500	
9231	Towns Fund - Waterfront Connectivity	6,200	366	14	1,300	0	0	1,300	
7715	Towns Fund - Wesley Chapel	1,400	402	853	998	0	0	998	
9234	Towns Fund - Health and Social Care Academy	1,250	266	910	984	0	0	984	
9235	Towns Fund - Civil Academy	2,250	1,108	1,142	1,142	0	0	1,142	
9247	Levelling Up - Screen Production Village	18,662	2,346	698	1,985	0	0	1,985	
	Major Regeneration Schemes	120,739	15,229	15,085	27,904	0	(441)	27,463	

ADULT & COMMUNITY BASED SERVICES

APPENDIX I

CAPITAL MONITORING REPORT PERIOD ENDING 31st December 2024

Code	Scheme Description	Gross Budget £000	Actual to 31/3/24 £000	2024/25 Actual to end Q3 (31/12/24) £000	Revised Budget 2024/25 (From Q2) £000	Additional Schemes and Cost Variations to Existing Projects 2024/25 £000	Reprofiling of Expenditure 2024/2025 £000	Revised Budget 2024/25 £000	Comments
7218	Disabled Facilities Grant	5,653	1,651	1,256	1,415	143	0	1,558	Received additional grant of £0.183m in 2024/25 Adjustment for DFG contribution towards Highlight (£65k). Other minor changes £25k.
7522	Stranton Cemetery Flood Alleviation	583	583	0	0	0	0	0	
7576	Seascapes - Seaton High & Lowlight	103	101	2	2	0	0	2	
7711	Carlton Adventure Centre	434	8	20	159	0	(80)	79	Scheme rephased to 2025/26.
7811	Summerhill Cycle Hub	513	497	0	16	0	(16)	0	Scheme rephased to 2025/26.
8088	Community Hub South - Kitchen Replacement	55	47	0	8	0	(8)	0	Scheme rephased to 2025/26.
8088	Community Hub Central - Internal Alterations	56	34	0	22	0	(22)	0	Scheme rephased to 2025/26.
8108	Centre for Independent Living	50	0	0	0	0	25	25	Works brought forward to 2024/25.
9212	Relocate Cemetery Office	90	82	0	8	0	0	8	
9232	Playground Equipment - Levelling Up Parks Fund	97	73	5	24	0	0	24	
Allot	Other Allotment Schemes	192	44	62	148	0	(80)	68	Scheme rephased to 2025/26.
8700	Waverley Allotments - Adult Education Scheme	51	50	0	1	0	0	1	
8828	Crematorium refurbishment	848	311	373	537	0	0	537	
9310	Changing Places - Summerhill	2	2	0	0	0	0	0	
9311	Changing Places - Community Hub Central	105	76	0	29	0	0	29	
7716	Seaton Library refurbishment	255	82	38	173	0	0	173	
8534	Church Street Townscape Heritage Project	147	0	14	0	147	0	147	Additional works on previously closed scheme.
Total Adult & Community Based Services		9,234	3,641	1,770	2,542	290	(181)	2,651	

CAPITAL MONITORING REPORT PERIOD ENDING 31st December 2024

Code	Scheme Description	Gross Budget	Actual to 31/3/24	2024/25 Actual to end Q3 (31/12/24)	Revised Budget 2024/25 (From Q2)	Additional Schemes and Cost Variations to Existing Projects 2024/25	Reprofiling of Expenditure 2024/25	Revised Budget 2024/25	Comments
		£000	£000	£000	£000	£000	£000	£000	
7384	Devolved Schools Capital	535	181	10	182	0	0	182	
9238	Energy Efficiency Capital Funding	136	71	21	65	0	0	65	
7355	CECA IT Infrastructure and Technology	42	18	0	24	0	0	24	
7355	CECA TVCA Grant Unallocated	31	0	0	31	0	0	31	
7142	Schools General - Fire Safety Modifications (Conditions)	0	0	0	0	0	0	0	
7142	Schools General - Fire Safety Modifications (Conditions) 23/24	44	0	0	44	0	(44)	0	Scheme rephased to 2025/26.
7142	Kingsley - Fire Safety Modifications	246	71	0	0	0	0	0	
7142	Throston - Fire Safety Modifications	314	232	81	82	0	0	82	
7474	High Tunstall 3G Pitch	23	22	0	1	0	(1)	0	Scheme rephased to 2025/26.
7478	High Tunstall Grass Pitch	15	0	0	15	0	(14)	1	Scheme rephased to 2025/26.
7521	Two Year Old FNE Capacity Funding	23	0	0	23	0	(23)	0	Scheme rephased to 2025/26.
7770	St Helens Primary School Main Entrance Access	56	48	3	2	6	0	8	Scheme complete, overspend met from Schools Conditions Unallocated.
9148	Springwell School Increase Capacity	351	351	0	0	0	0	0	
9004	Schools General - Conditions unallocated	142	0	0	142	0	(142)	0	Scheme rephased to 2025/26.
9004	Schools General - Contingency	13	0	0	74	(61)	(13)	0	Scheme rephased to 2025/26.
9004	Schools General - Suitability Unallocated (SEMH)	743	0	0	39	0	0	39	
9004	Schools General - Special Provision	625	0	0	628	(3)	(625)	0	Scheme rephased to 2025/26.
9004	Schools General - Basic Need	1,716	0	0	116	0	(116)	0	Scheme rephased to 2025/26.
New	Schools General - Schools Condition - 24/25 onwards	1,152	0	0	0	22	(22)	0	Scheme rephased to 2025/26.
7768	Supporting Treatment and Recovery Together (START) - Substance Misuse Service	3,600	0	149	350	0	0	350	
8072	ICS Case Management Improvement	37	0	0	37	0	(37)	0	Scheme rephased to 2025/26.
9246	Children's Centre - Family HUB	75	4	6	71	0	0	71	
9325	Clavering Primary School - Roofing Works	9	2	21	9	(2)	0	7	Scheme complete, underspend returned to Schools Conditions Unallocated.
9313	Golden Flatts Primary School - Demolish Caretakers Bungalow	39	13	26	19	7	0	26	Scheme complete, overspend taken from Schools Conditions Unallocated.
9313	Lynnfield Primary School - Roofing Works	48	27	20	23	(2)	0	21	Scheme complete, underspend returned to Schools Conditions Unallocated.
9315	Lynnfield Primary School - Heating Renewal	48	20	21	24	4	0	28	Scheme complete, overspend taken from Schools Conditions Unallocated.
9312	Throston Primary School - Heating, Pipework, Radiator renewal	50	42	1	10	(2)	0	8	Scheme complete, underspend returned to Schools Conditions Unallocated.
9389	Throston Primary School - Heat Source	29	0	9	29	0	0	29	
9243	Rossmere Youth Centre Refurbishment	1,300	54	1,019	1,216	30	0	1,246	Additional funding transferred from Corporate Capital to fund additional costs.
7727	Throston Youth Project Centre Refurbishment	96	5	37	91	0	0	91	
9324	Golden Flatts Primary School RAAC Remedial Works	18	18	0	0	0	0	0	
7149	Star Centre Children's Home	700	257	353	443	0	0	443	
7731	Early Years	121	0	81	121	0	0	121	
NEW	Early Years North West Area	127	0	0	0	127	(127)	0	S106 funding for Early Years provision in the North West Planning Area. Rephased to 2025/26
9397	Clavering Primary School Fan Convectors	28	0	23	31	(3)	0	28	Scheme complete, underspend returned to Schools Conditions Unallocated.
9391	Fens Primary School - Heating and Boiler Plant	110	0	106	110	0	0	110	
9383	Fens Primary School - Electrical Rewire (Phase 5)	66	0	38	70	(4)	0	66	Scheme complete, underspend returned to Schools Conditions Unallocated.
NEW	Golden Flatts Primary School - Heating Emitters / ventilation	26	0	0	26	0	(26)	0	Scheme rephased to 2025/26.
NEW	Golden Flatts Primary School - Lintel Replacements	30	0	0	30	0	(30)	0	Scheme rephased to 2025/26.
NEW	Golden Flatts Primary School - Building Stonework	20	0	0	20	0	(20)	0	Scheme rephased to 2025/26.
NEW	Golden Flatts Primary School - Kitchen Floor Replacement	10	0	0	10	0	(10)	0	Scheme rephased to 2025/26.
NEW	Golden Flatts Primary School - Mains Water & Gas	112	0	0	112	0	(112)	0	Scheme rephased to 2025/26.
NEW	Horizon School - Heating, Pipework	76	0	0	0	0	0	0	
7772	Horizon School - Window Replacement	90	0	89	94	1	0	95	Additional Budget from Schools Conditions Unallocated.
NEW	Kingsley Primary School - Window Replacement	0	0	0	0	0	0	0	
9390	Lynnfield Primary School - Electrical Rewire (Phase 2)	63	0	45	67	(4)	0	63	Scheme complete, underspend returned to Schools Conditions Unallocated.
7739	Lynnfield Primary School - Heating Pipework Renewal	32	0	30	29	3	0	32	Scheme complete, overspend taken from Schools Conditions Unallocated.
9399	Lynnfield Primary School - Toilet Cubicle Replacement	31	0	31	37	(6)	0	31	Scheme complete, underspend returned to Schools Conditions Unallocated.

9398	Lynnfield Primary School - Hall Flooring Renewal	10	0	10	8	2	0	10	Scheme complete, overspend taken from Schools Conditions Unallocated.
9384	Miers Avenue Childrens Centre - Lighting Renewal	12	0	11	13	(1)	0	12	Scheme complete, underspend returned to Schools Conditions Unallocated.
7773	Rift House Primary School - Window Replacement	58	0	55	62	(4)	0	58	Scheme complete, underspend returned to Schools Conditions Unallocated.
9393	Rift House Primary School - Electrical Rewire (Phase 1)	87	0	73	80	7	0	87	Scheme complete, overspend taken from Schools Conditions Unallocated.
9392	Rift House Primary School - Fire Alarm Renewal	18	0	17	20	(2)	0	18	Scheme complete, underspend returned to Schools Conditions Unallocated.
7740	High Tunstall College of Science (North Building) - Fire Alarm Renewal	55	0	51	54	1	0	55	Scheme complete, overspend taken from Schools Conditions Unallocated.
NEW	High Tunstall College of Science (North Building) - Electrical Rewire	88	0	0	0	0	0	0	
NEW	High Tunstall College of Science (Shine Centre) - Electrical Rewire	40	0	0	0	0	0	0	
9421	Childrens Homes Purchase	1,000	0	0	1,000	0	(500)	500	Scheme rephased to 2025/26.
NEW	Springwell School Create Classroom	69	0	0	66	3	0	69	Scheme complete, overspend taken from Schools Special Provision Unallocated.
NEW	Greatham Primary School ARP	19	0	0	19	0	0	19	
NEW	Rossmere Family Hub - Boiler Replacement	9	0	0	9	0	0	9	
NEW	Horizon School - School Entrance Door Replacement	38	0	0	0	38	0	38	Emergency works required, funding from Schools Conditions Unallocated Contingency.
Total Children's and Joint Commissioning Services		14,701	1,436	2,437	5,878	157	(1,862)	4,173	

DEVELOPMENT, NEIGHBOURHOODS & REGULATORY SERVICES

APPENDIX K

CAPITAL MONITORING REPORT PERIOD ENDING 31st December 2024

Code	Scheme Description	Gross Budget	Actual to 31/3/24	2024/25 Actual to end Q3 (31/12/24)	Revised Budget 2024/25 (From Q2)	Additional Schemes and Cost Variations to Existing Projects 2024/25	Reprofiling of Expenditure 2024/2025	Revised Budget 2024/25	Comments
		£000	£000	£000	£000	£000	£000	£000	
8306	Schools - Kitchen Refurbishment	249	22	15	55	0	0	55	
S106	Developers Contribution Fund	7,038	129	40	5,832	1,077	(6,700)	209	S106 Developer Contributions. £6.7m rephased to 2025/26
7272	Wheelie Bin Purchase	347	77	63	90	0	0	90	
7272	Food Waste Collection Capital Transitional Grant	807	0	0	0	0	0	0	
7344	Neighbourhood Improvement Programme (NIP) - Brougham (was Hindpool Close) Play Area	77	5	54	72	0	0	72	
7437	NIP - Sinking Fund	62	0	0	0	0	0	0	
7440	NIP - Central Park	120	114	4	6	0	0	6	
7553	Seaton Toilets	456	337	120	119	0	0	119	
7561	Green Homes Grant - LAD2	663	660	0	3	0	0	3	
8996	NIP - Improvements to Parks	277	252	0	25	0	0	25	
9147	NIP - CCTV in parks	34	16	7	18	0	0	18	
9396	Waste Transfer Station	200	0	0	0	0	0	0	
7466	DSO Vehicle Purchase	7,928	1,058	1,767	2,092	0	0	2,092	
7577	Engineering Design Management (EDM) Hartlepool North NDIP Study	50	0	0	0	0	0	0	
7900	EDM Hartlepool Marina - North Pier	379	4	50	300	0	0	300	
9403	EDM Headland Seawall	100	0	0	100	0	0	100	
7902	EDM Hartlepool Drainage Schemes	36	6	0	0	0	0	0	
8444	EDM Town Wall Strengthening	46	25	0	21	0	0	21	
8578	EDM Management Unit Study	28	0	0	5	0	0	5	
LTP	Local Transport Plan (LTP) Schemes	11,999	3,224	2,079	3,703	0	0	3,703	
9331	Environmental Agency (EA) Hartlepool Easington Road Storage & Screen Study	60	0	0	60	0	0	60	
9332	EA Hartlepool Bamburgh Rd Surface water drainage study	60	0	0	0	0	0	0	
7066	Avondene Accom, Church St	67	0	0	0	0	0	0	
7220	Private Sector Housing Grants	67	2	4	0	0	0	0	
9429	EA West Park Flood Scheme	825	0	11	0	825	(225)	600	Scheme is being delivered on behalf of Environment Agency.
Development, Neighbourhoods & Regulatory Total		31,975	5,931	4,214	12,501	1,902	(6,925)	7,478	

CAPITAL MONITORING REPORT PERIOD ENDING 31st December 2024

Code	Scheme Description	Gross Budget	Actual to 31/3/24	2024/25 Actual to end Q3 (31/12/24)	Revised Budget 2024/25 (From Q2)	Additional Schemes and Cost Variations to Existing Projects 2024/25	Reprofiling of Expenditure 2024/2025	Revised Budget 2024/25	Comments
		£000	£000	£000	£000	£000	£000	£000	
7036	Uncommitted Corporate Capital Fund	222	0	0	0	0	0	0	
7041	Corporate Capital Pot	561	0	0	109	(30)	0	79	£0.030m transferred to Rossmere Youth Centre scheme (Children & Joint Commissioning)
7065	Fire Risk Assessments	100	15	0	0	0	0	0	
7200	Civic Centre Capital Project	75	13	0	0	0	0	0	
8970	Historic Quay Dilapidation Work	97	0	0	0	0	0	0	
7771	Borough Hall - Lighting Replacement	60	41	0	0	0	0	0	
7730	Art Gallery - Roof/ Drainage Replacement	126	33	93	93	0	0	93	
7728	Exmoor Grove - Replace external windows and doors	50	2	19	48	0	0	48	
9329	Crematorium - Rewire	85	2	35	83	0	0	83	
9394	Printer Unit - Equipment	66	0	62	66	0	0	66	
NEW	Health and Safety Maintenance Fund	1,000	0	89	1,000	0	(726)	274	Schemes rephased to 2025/26
NEW	Exmoor Grove - Replace Boiler	128	0	1	128	0	0	128	
NEW	Borough Hall - Heating and Distribution	101	0	0	0	0	0	0	
NEW	Boys Welfare - Replace Water Heater	4	0	0	4	0	0	4	
NEW	Exmoor Grove - External Ramp	20	0	0	20	0	(20)	0	Scheme rephased to 2025/26
NEW	Brierton Sports Centre - Replace Lighting	10	0	0	0	0	0	0	
NEW	Community Recovery	90	0	0	0	90	0	90	MHCLG Capital Grant for Community Recovery.
	Corporate Total	2,795	106	299	1,551	60	(746)	865	

RESERVES FORECASTS (EXCLUDING SCHOOL BALANCES, HRA AND UNUSABLE RESERVES)

APPENDIX M

	Balance as at 31st March 2024 (Revised)	Forecast Use of Reserves				Forecast Balance as at 31st March 2028
		2024/25	2025/26	2026/27	2027/28	
		£'000	£'000	£'000	£'000	
Revenue Reserve	5,500	0	0	0	0	5,500
Budget Support Fund (BSF) 24/25-26/27	11,094	(5,348)	(1,000)	(1,500)	0	3,246
BSF - Transformation Costs	2,000	0	(1,000)	(500)	(500)	0
BSF - Invest to Save	1,750	(700)	(700)	(350)	0	0
Revenue Grants Unapplied	5,740	(663)	(1,405)	(924)	(931)	1,817
Business Rates Risk Reserve	1,000	0	0	0	0	1,000
Insurance Fund	2,965	(50)	(50)	(50)	(50)	2,765
Children in our Care Reserve	1,230	(475)	(500)	(255)	0	0
BSF - Treasury Management Income	1,150	(650)	(500)	0	0	0
Asset Management Reserve	1,000	(274)	(726)	0	0	0
Earmarked Revenue Reserves under £1m	6,325	(2,928)	(1,413)	(731)	(441)	812
Revenue Reserves Total	39,754	(11,088)	(7,294)	(4,310)	(1,922)	15,140
Earmarked Capital Reserves	9,606	(4,262)	(2,772)	(2,572)	0	0
Capital Grants Unapplied	16,311	(13,798)	(2,513)	0	0	0
TOTAL	65,671	(29,148)	(12,579)	(6,882)	(1,922)	15,140

FINANCE AND POLICY COMMITTEE

10TH FEBRUARY 2025



Subject: COMMUNITY SAFETY PLAN 2024 – 2027

Report of: Executive Director of Development, Neighbourhoods and Regulatory Services

Decision Type: Budget and Policy Framework

1. COUNCIL PLAN PRIORITY

Hartlepool will be a place:

- where people will be safe and protected from harm.

2. PURPOSE OF REPORT

- 2.1 For Members to consider and agree the Safer Hartlepool Partnership's Community Safety Plan 2024-2027 (see **Appendix 1**) for referral to Full Council for final approval and adoption.

3. BACKGROUND

- 3.1 Under the Crime and Disorder Act 1998 and the Crime and Disorder Regulations 2007, Community Safety Partnerships (CSP's) have a statutory responsibility to develop and implement a 'Community Safety Strategy' setting out how it intends to address crime and disorder, substance misuse, and re-offending issues in the area. In Hartlepool the Community safety Strategy is known as the 'Community Safety Plan'.
- 3.2 CSP's are made up of representatives from the 'Responsible Authorities'. These include the Local Authority, Police, Fire Brigade, National Probation Service and Clinical Commissioning Group. CSP's have a number of statutory duties which include:

- Producing a **Community Safety Strategy** that details how the CSP will tackle the crime, disorder, anti-social behaviour, substance misuse and re-offending priorities in its local area;
- Producing an annual partnership **strategic assessment** to help identify and better understand local community safety priorities; and
- **Consulting** with local residents and organisations on community safety priorities.

3.3 In Hartlepool the CSP is known as the ‘Safer Hartlepool Partnership.’

3.4 On the 26th February 2024, the Safer Hartlepool Partnership were presented with a draft Community Safety Plan for 2024-2027 which they approved for public consultation.

3.5 Following consultation, at its meeting on 31st January 2025, the Safer Hartlepool Partnership considered the consultation responses and approved the Community Safety Plan 2024-2027 for referral to this Committee in accordance with the Council’s Budget and Policy Framework rules.

4. DEVELOPMENT OF THE COMMUNITY SAFETY PLAN 2024-2027

4.1 The Community Safety Plan 2024-2027 will provide an overview of some of the recent activities undertaken to improve community safety in Hartlepool, along with key findings from the Partnership’s Strategic Assessment and consultation with the public.

4.2 The proposed strategic objectives and priorities for the 2024-2027 Plan as recommended in the annual strategic assessment are as follows:

Strategic Objective	Priorities 2024 - 2027
<p>To make Hartlepool a safe, prosperous and enjoyable place to live, work and visit.</p>	<p>Anti-social Behaviour</p> <p>Drugs and Alcohol</p> <p>Domestic Violence and Abuse</p> <p>Serious Violence</p>

5. CONSULTATION

5.1 Following agreement of the Safer Hartlepool Partnership strategic objective and priorities in February 2024, the first draft of the Community Safety Plan was published for public consultation from 16th September to 11th November 2024.

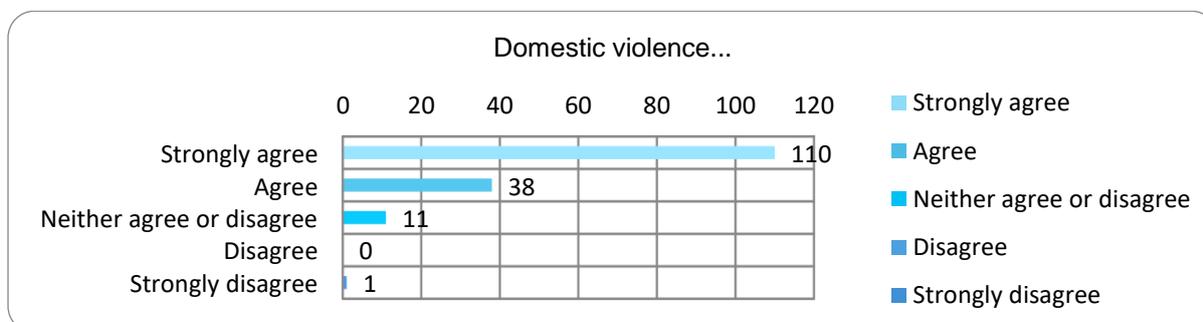
5.2 The public consultation comprised of the following:

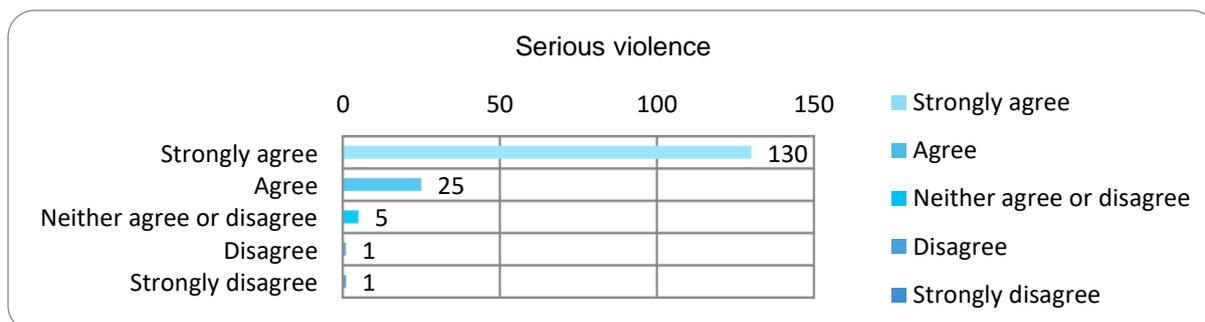
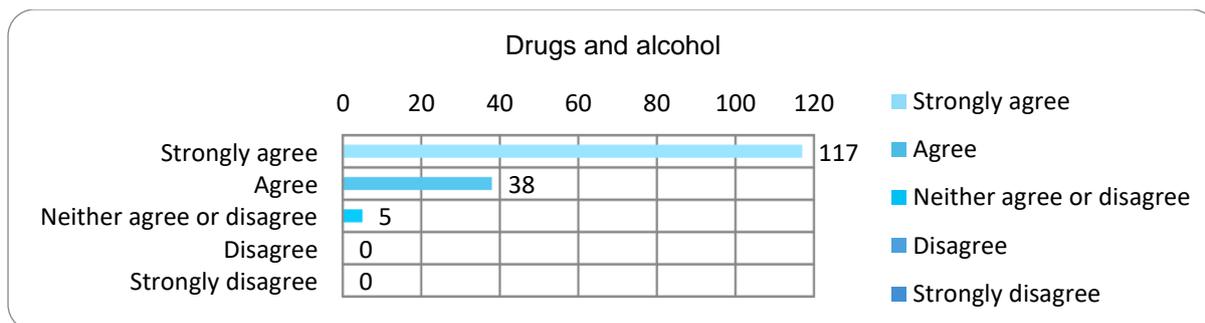
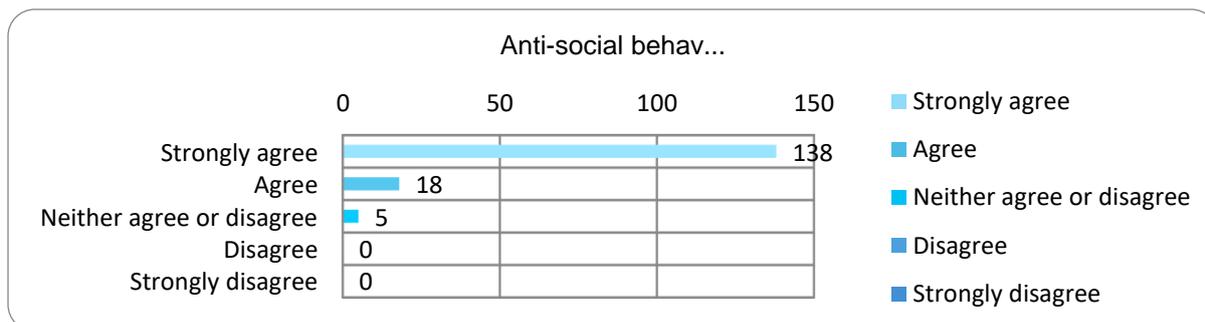
- An online consultation survey – with links published on the Safer Hartlepool Partnership web page, Hartlepool Borough Council website, Hartlepool Borough Council Facebook page and Hartlepool Borough Council Twitter page. The use of local media mechanisms including but not limited to Hartlepool Mail;
- Paper copies of the survey were made available in Community Hubs;
- Targeted emails to a range of public, private, community and voluntary sector representatives and groups containing a link to the online consultation survey; and
- Presentation of the draft Plan to the Council’s Audit and Governance and Finance and Policy Committees.

5.3. The Council’s digital engagement platform, “Your say, our future” enabled participants to:

- Read the draft Community Safety Plan for 2024-2027;
- Complete an online survey – which included questions on the draft plan;
- Use the ideas board to make suggestions as to how the Safer Hartlepool Partnership can work with residents and partners to deliver on the priorities identified in the draft Community Safety Plan; and
- Ask a question of the Safer Hartlepool Partnership.

5.4 The Majority of those who did respond to the survey either agreed or strongly agreed with each of the priorities identified in the Community Safety Plan for 2024-27 as can be seen below.





5.5 Examples of what the respondents felt were missing from the priorities included:

- Reducing crime and reoffending;
- Provide greater visible Police and Warden presence;
- Hate Crime; and
- Challenge behaviours that make women and girls feel unsafe.

5.6 Examples of how respondents felt that the CSP could work with residents and partners to deliver the priorities include:

- Meetings with residents and Community Sector;
- Involve communities with more Community Safety Days;
- Better communications to inform residents of the work being carried out; and
- Better funding for services, particularly preventative and youth services.

5.7 These survey responses will be taken into consideration when developing plans and delivering activity to tackle the priorities.

6. DELIVERY AND PERFORMANCE MONITORING

- 6.1 Delivery of the Community Safety Plan will be via existing agencies, organisations and partnerships and, where necessary, the development of new working groups shall be monitored by the Safer Hartlepool Partnership.
- 6.2 Performance against the Community Safety Plan will be monitored by the Safer Hartlepool Partnership, through the Community Safety Action Plan.
- 6.3 Once approved by this Committee, it will be referred to Full Council for adoption in February 2025 before then being published on the Safer Hartlepool Partnership web pages.
- 6.4 Subject to approval of the document by Full Council, an Action Plan will then be produced in consultation with all partners, with updates reported biannually to the Safer Hartlepool Partnership.

7. RISK IMPLICATIONS

- 7.1 Delivery of the Plan is a shared responsibility across all the agencies who are members of the Safer Hartlepool Partnership to mitigate the risk of delivery falling on one organisation. This will be monitored through the Safer Hartlepool Partnership meetings.

8. FINANCIAL CONSIDERATIONS

- 8.1 Any work to be undertaken by the Council in relation to the Community Safety Plan will be funded by existing budgets and grant funding.

9. LEGAL CONSIDERATIONS

- 9.1 In accordance with section 6 of the Crime and Disorder Act 1998 (and associated Regulations) CSP's are required to produce a Community Safety Strategy to set out how they intend to address crime and disorder, substance misuse, and re-offending issues in the area.

10. EQUALITY AND DIVERSITY CONSIDERATIONS (IMPACT ASSESSMENT FORM TO BE COMPLETED AS APPROPRIATE.)

- 10.1 The Plan has been developed in consultation with residents and stakeholders to consider the needs of all sections of the community.

11. STAFF CONSIDERATIONS	No relevant issues
12. ASSET MANAGEMENT CONSIDERATIONS	No relevant issues
13. ENVIRONMENT, SUSTAINABILITY AND CLIMATE CHANGE CONSIDERATIONS	No relevant issues
14. CHILD AND FAMILY POVERTY CONSIDERATIONS (IMPACT ASSESSMENT FORM TO BE COMPLETED AS APPROPRIATE).	No relevant issues

11. SECTION 17 CONSIDERATIONS

- 11.1 Failure to develop a Community Safety Plan would undermine the Safer Hartlepool Partnership's ability to fulfil its statutory responsibilities around reducing crime and disorder, substance misuse, and re-offending in Hartlepool.

12. RECOMMENDATIONS

- 12.1 That the Finance and Policy Committee considers and agrees the content of the Community Safety Plan 2021-2024 for referral to Full Council in February.

13. REASONS FOR RECOMMENDATIONS

- 13.1 As a Responsible Authority, the Local Authority has a statutory duty to develop and implement strategies aimed at reducing crime and disorder, substance misuse, and re-offending behaviour.
- 13.2 There are no alternative options proposed as the Council is legally obliged under section 6 of the Crime and Disorder Act 1998 to formulate and implement a strategy for the reduction of crime and disorder in the area. The Community Safety Plan is included in the Council's Policy Framework and therefore requires Finance and Policy agreement before being referred to Full Council for final approval.

14. BACKGROUND PAPERS

14.1 Safer Hartlepool Partnership 26th February 2024 Strategic Assessment 2022 – 2023

Safer Hartlepool Partnership 26th February 2024 Draft Community Safety Plan 2024-2027

Finance & Policy Committee 16th September 2024 Draft Community Safety Plan 2024-2027

Audit & Governance Committee 24th September 2024 Draft Community Safety Plan 2024-2027

Safer Hartlepool Partnership 31st January 2025 Community Safety Plan 2024-2027

15. CONTACT OFFICERS

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Sign Off:-

Managing Director	Date: 29/01/2025
Director of Finance, IT and Digital	Date: 29/01/2025
Director of Legal, Governance and HR	Date: 29/01/2025



Safer Hartlepool Partnership



Community Safety Plan

2024 - 2027



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1. FOREWORD

As Chair, I am pleased to present the Community Safety Partnership (CSP) Plan for 2024 – 2027 on behalf of The Safer Hartlepool Partnership (SHP).

The Partnership Plan brings together our aims, ambitions and priorities for the next three years. We will work in Partnership to tackle the issues which impact on, and matter to local people.

The Community Safety Plan retains the strategic objective and priorities of the 2021/24 plan, with an additional priority of serious violence, reflecting the outcomes of the 2022 - 2023 SHP Strategic Assessment and ongoing analysis of emerging issues across the Town. Utilising this data and information enables the SHP to deliver a holistic approach to address the priorities, with a greater emphasis on prevention and reducing harm.

In recent years, there has been a significant change in issues that are presented to partners to address, whilst also tackling substantial resource pressures. Important matters such as anti-social behaviour, serious violence, substance misuse, domestic violence and responding to those members of our communities with specific vulnerabilities understandably take priority.

The SHP will continue to look at new and innovative ways of working collaboratively to reduce crime and disorder, substance misuse and re-offending, and most importantly, improving the quality of life for the people who live and work in and visit Hartlepool.

Chair, Safer Hartlepool Partnership

2. INTRODUCTION

The Safer Hartlepool Partnership (SHP) brings together a number of agencies and organisations concerned with tackling crime and disorder in Hartlepool. As defined by the Crime and Disorder Act 1998, the Partnership comprises members from each of the “responsible authorities”; Hartlepool Borough Council, Cleveland Police, Cleveland Fire and Rescue Service, The Probation Service and Hartlepool and Stockton Clinical Commissioning Group. In addition, a range of other stakeholders from the public and voluntary sectors are also represented and include Thirteen Group, Safe In Tees Valley and the Police and Crime Commissioner for Cleveland.

Our key role is to understand the kind of community safety issues Hartlepool is experiencing; decide which of these are the most important to deal with; and then decide what actions we can take collectively, adding value to the day-to-day work undertaken by our individual agencies and organisations.

We detail these actions in our Community Safety Plan. To help us do that we undertake a Strategic Assessment which analyses a range of detailed information that exists about crime, disorder, substance misuse, re-offending and other community matters that are affecting Hartlepool.

The outcomes of the assessment form recommendations about how to keep the Community Safety Plan priorities relevant.

In producing our plan we are also mindful of the pledges of the Police and Crime Commissioner in the Police and Crime Plan and the requirement to ‘have regard’ to the priorities established by this plan.

The community safety landscape continues to evolve and partners continue to face challenges in having to adapt the way services and initiatives are delivered. Since the introduction of the Crime and Disorder Act 1998, legislative changes have amended our focus, and also the statutory partners we work with, but the principles of working together remain at the heart of tackling crime and disorder.

The strategic objective of the Safer Hartlepool Partnership remains unchanged and is still as important as it ever has been:

“To make Hartlepool a safe, prosperous and enjoyable place to live, work and visit”

3. LOCAL CONTEXT

Hartlepool is the smallest unitary authority in the North East region with a population of approximately 95,366 people; 51% female and 49% male.

There are approximately 40,434 households with 58% of homes owned outright / owned with a mortgage.

The average age in Hartlepool is 40 with 7% of the population aged 55-59.

The largest ethnic group is White British (98%).

 Population	Hartlepool's population has increased slightly over the past 5 years from 92,401 in 2019 to 95,366 in 2023.	Hartlepool's population is becoming more diverse with increasing numbers of ethnic minority residents.	Twenty percent of the population are aged 65 or over; whilst 21% are age 18 and under.
 Unemployment	Unemployment rates in Hartlepool are above the national and regional averages. Almost 70% of Universal Credit claimants in Hartlepool are not in employment.	The unemployment rate of young people aged 18-24 remains above the national average.	
 Deprivation	Hartlepool has pockets of high deprivation where communities experience multiple issues: higher unemployment, lower incomes, child poverty, ill health, low attainment, poorer housing conditions and higher crime rates.	Hartlepool is the 25 th most deprived local authority area out of 317 local authority areas.	Inequality within Hartlepool is getting worse, with the gap between the most deprived and the least deprived parts of the town widening.
 Health & Wellbeing	Hartlepool residents spend a higher proportion of their lives in poor health than in other local authority areas.	Hartlepool has the highest rate of alcohol-related hospital admissions in the northeast region at 3,629 per 100,000 population. This is significantly higher than the national rate.	At 14.8 per 100,000, the rate of drug-related deaths in Hartlepool is significantly higher than the regional rate and almost three times the national rate.
 Housing	Over half of the properties in Hartlepool are within the lowest "Band A" Council Tax bracket. 31% of pensioners in Hartlepool live alone, which is associated with multiple adverse outcomes.	Geography	Community safety problems are not evenly spread and tend to be concentrated in geographic hotspots, particularly in the most deprived wards in Hartlepool.

4. SUMMARY OF THE 2021/24 PLAN

Over the last 3 years we have focused on ensuring Hartlepool is a safe, prosperous and enjoyable place to live, work and visit by undertaking activity to address the issues that are likely to have most effect on people during their day to day lives.

Community Safety Priority: Anti-social Behaviour

- **Operation Endurance** is an ongoing campaign which tackles anti-social behaviour caused by off-road bikes in local communities. Responding to community intelligence, numerous targeted operations have resulted in offenders being identified and off-road bikes subsequently seized and destroyed
- **Effective use of Anti-Social Behaviour Tools and Powers** including obtaining premise closure orders, issuing of Community Protection Warnings, engaging young people in Acceptable Behaviour Contracts and undertaking reviews of ASB cases through the Community Trigger process
- **Publicity campaigns** to increase awareness of environmental crime, such as fly-tipping and deliberate fires, and encourage the reporting of these issues.
- **Robust enforcement** in relation to individuals illegally dumping waste in the Town

Community Safety Priority: Drugs and Alcohol

- **Drug and Alcohol Needs Assessment** undertaken to identify any gaps in treatment and support services.
- **Development of a Drug and Alcohol Strategy** which focuses on prevention and early intervention, reducing drug and alcohol related harms, supporting wider health needs and reducing drug and alcohol related crime
- **Execution of warrants** under the Misuse of Drugs Act resulting in the recovery of controlled drugs amounting to millions of pounds in street value
- **Presentations and targeted interventions** delivered in schools and colleges across Hartlepool on key themes including County Lines and anti-social behaviour and drink spiking

Community Safety Priority: Domestic Violence and Abuse

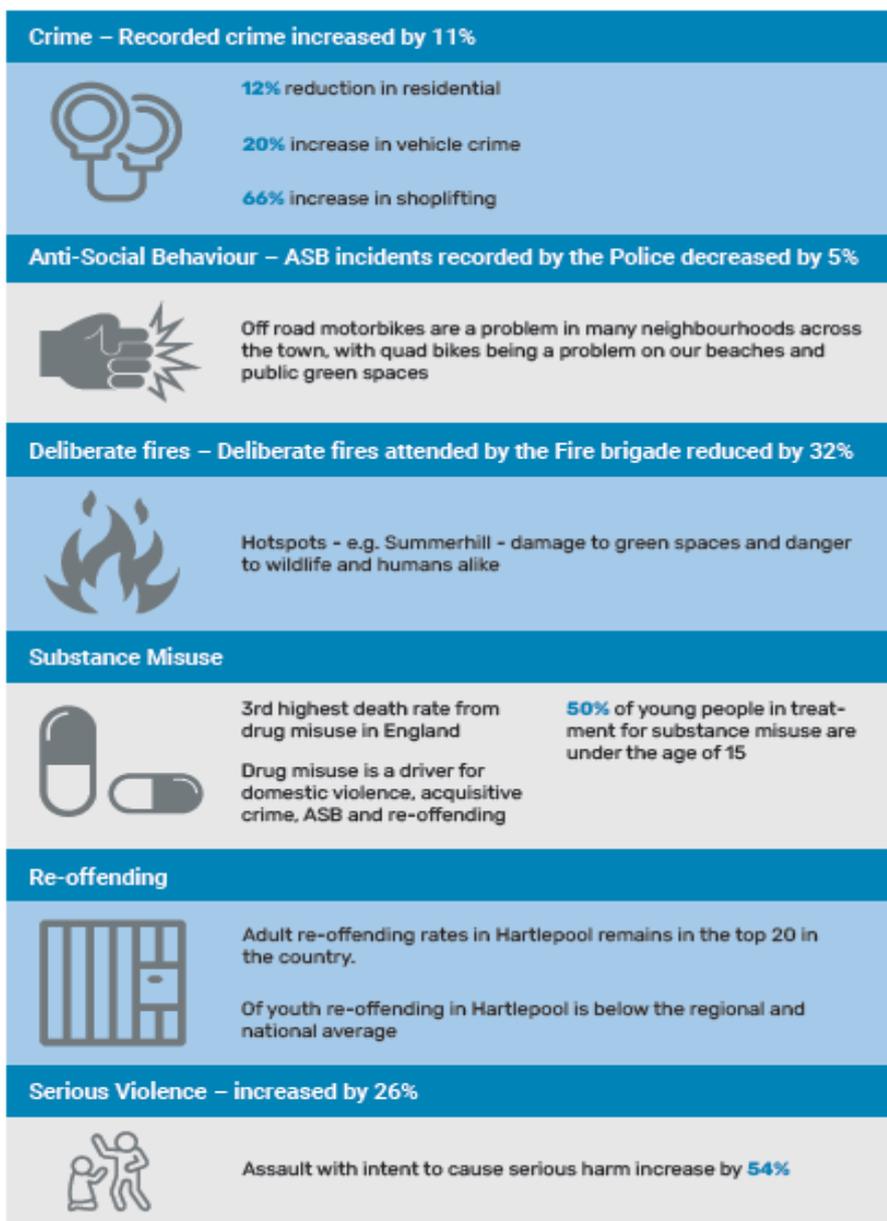
- **Domestic Abuse Needs Assessment** undertaken and Domestic Abuse Strategy developed.
- **Improved provision** of safe accommodation for victims of Domestic Abuse
- **Re-commissioned** specialist domestic abuse services based on lived experiences



- **Publicity campaigns to raise awareness** of domestic abuse and promote initiatives including “ask for ANI”, a code word scheme that enables victims of domestic abuse to discreetly ask for immediate help in participating pharmacies, and “ask for Angela”, a code word scheme for women to seek help from staff in pubs and bars if they are feeling unsafe on a night out.

5. STRATEGIC ASSESSMENT

The Partnership conducts an annual assessment of the levels and patterns of crime and disorder, substance misuse and re-offending in Hartlepool to identify and address the community safety issues that impact upon and really matter to the local community. The following provides an overview of the key findings from the assessment which covers the period from October 2022 to September 2023.



Community Safety Partnerships are arranged in “Most Similar Groups¹” with 14 other CSPs, determined by various measures including population figures and

¹ Most Similar Group (MSG) Community Safety Partnerships – I-Quanta: Walsall, Sunderland, South Tyneside, Halton, Barrow-in-Furness, Rochdale, St Helens, Newport, Knowlesley, Stoke-on-Trent, Middlesbrough, North East Lincolnshire, Bradford, Thanet, Hartlepool.



deprivation levels. Positions in these groups are ranked with 1 being the lowest (fewest offences) and 15 the highest (most offences).

The crime rate in Hartlepool is above the Most Similar Group (MSG) average of 118 per 1,000 population, standing at 154. (July 2023). (Table 1)

Crime Type	Hartlepool	MSG Average	Hartlepool Position	MSG Comparison
All Crime	154.006	117.497	15	Above
Violence against the Person				
Homicide	0.054	0.013	15	Above
Violence with Injury	13.492	12.661	11	Above
Violence without Injury	21.130	17.855	13	Above
Sexual Offences				
Rape	1.577	1.286	12	Above
Other Sexual Offences	3.025	2.461	15	Above
Acquisitive Crime				
Burglary Residential*	10.404	6.418	15	Above
Burglary Bus & Com	1.707	1.513	9	Above
Bicycle Theft	1.113	0.967	11	Above
Theft from the Person	0.0605	0.574	9	Above
Robbery - Personal	1.145	0.858	12	Above
Robbery - Business	0.162	.0125	13	Above
Vehicle Crime	6.449	6.040	11	Above
Shoplifting	17.576	8.159	15	Above
Other Acquisitive	10.208	8.290	13	Above
Criminal Damage				
All Criminal Damage	16.938	12.309	15	Above
Arson	1.015	0.804	13	Above



6. PUBLIC CONSULTATION

The Safer Hartlepool Partnership has a statutory obligation to engage and consult with the communities of Hartlepool about community safety priorities.

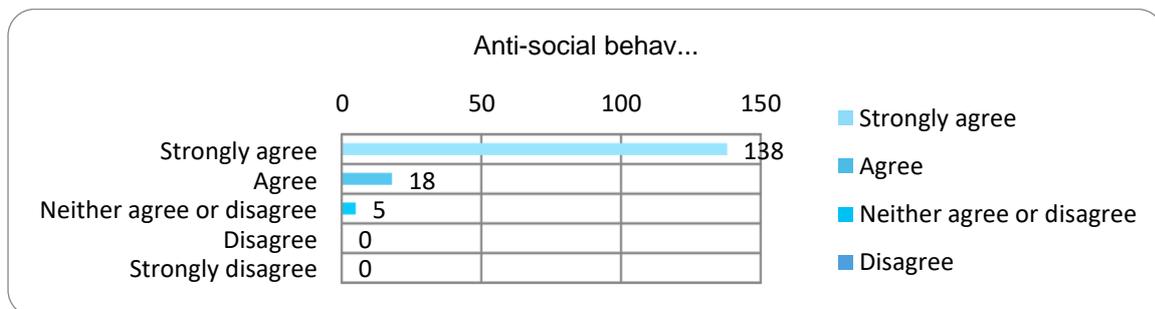
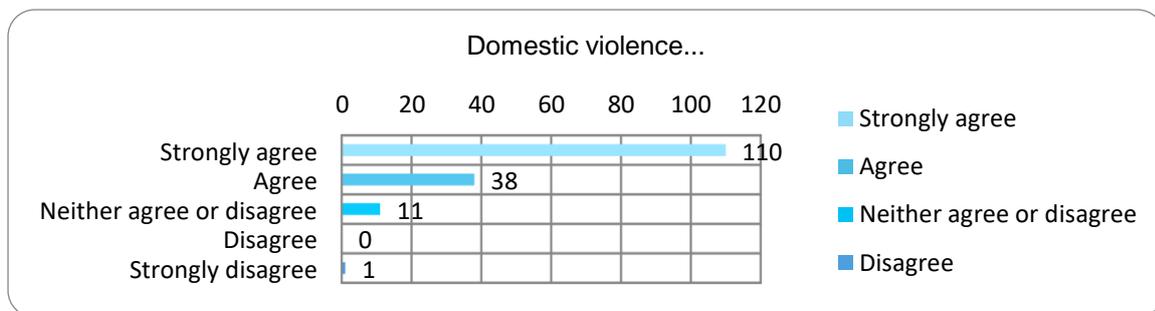
The Community Safety Survey is designed to assist the Partnership to:

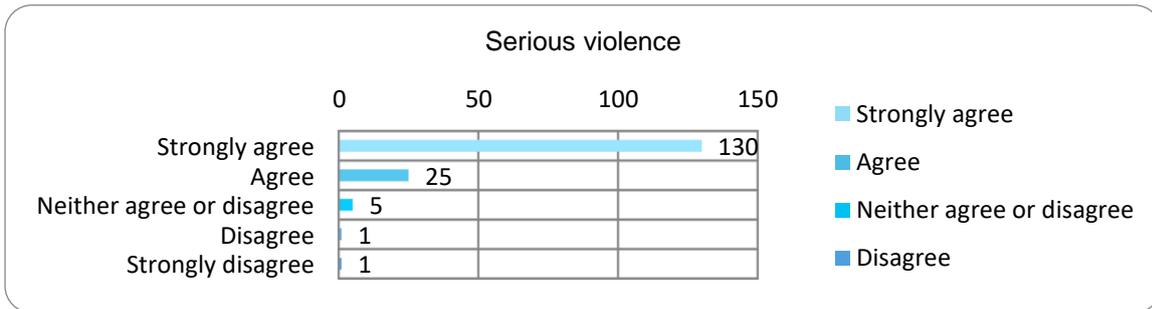
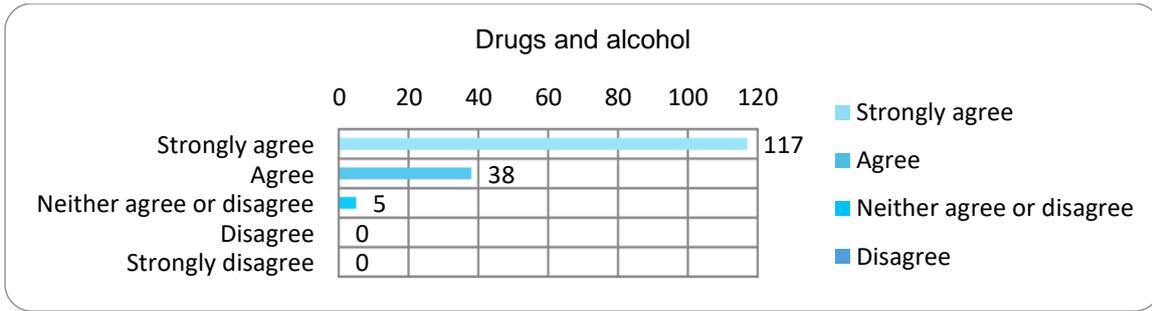
- Gain a wider understanding of public perception of crime and anti-social behaviour in the local area;
- Understand what makes people feel safe and unsafe; and
- Understand which issues cause most concern

Analysis of the results of the survey conducted in 2024 highlighted that, although many residents perceive crime and anti-social behaviour to be a problem in their area, with off road bikes being highlighted as the biggest concern. More than half of respondents said they had not been a victim of crime in the previous 12 months.

When asked about feelings of safety, whilst most respondents said they feel safe being outside during the day the majority felt unsafe at night. Those who said they felt unsafe stated this was due to poor street lighting, lack of police, suspicious people hanging around and people dealing drugs.

Respondents were asked to what extent they agree with each of the priorities identified in the Community Safety Plan 2024-27 and gave clear support to these priorities.





7. STRATEGIC OBJECTIVE 2021-2024

Based on the findings of the 2022 - 2023 Strategic Assessment and consultation with the local community and other stakeholders, the Safer Hartlepool Partnership's Strategic Objective 2024-2027 is: -

**To make Hartlepool a safe, prosperous and enjoyable
place to live, work and visit**

8. PRIORITIES 2024 - 2027

As with any town, Hartlepool faces many challenges and must work within an environment of conflicting demands and limited resources.

The Partnership recognises that there are many issues that impact on the lives of some, or all, of Hartlepool's residents and continued efforts will be made by all Partnership members to address these in a focussed and effective manner.

Issues such as violence (particularly serious violence) and exploitation are significant in both the local and national context and the Partnership recognises the need to work both individually and collectively to address them.

However, the Partnership also recognises the benefits of identifying those issues that have the greatest impact on the town and the need to target resources and efforts to deal with them effectively and efficiently.

To do this, the Safer Hartlepool Partnership will focus activity on four key priority areas:

Anti-Social Behaviour

By adopting an intelligence led problem solving approach, the Partnership will work to tackle anti-social behaviour (ASB) across the town by deploying resources and undertaking targeted activity to address the issues that cause concern for our residents and communities and negatively impact on their quality of life.

Drugs and Alcohol

Through targeted partnership working, focussed efforts will be made to reduce both the demand for, and the supply of, illegal drugs in Hartlepool.

The Partnership will also work together to reduce the negative social, personal and health consequences caused by the misuse of alcohol in the town.



Domestic Violence and Abuse

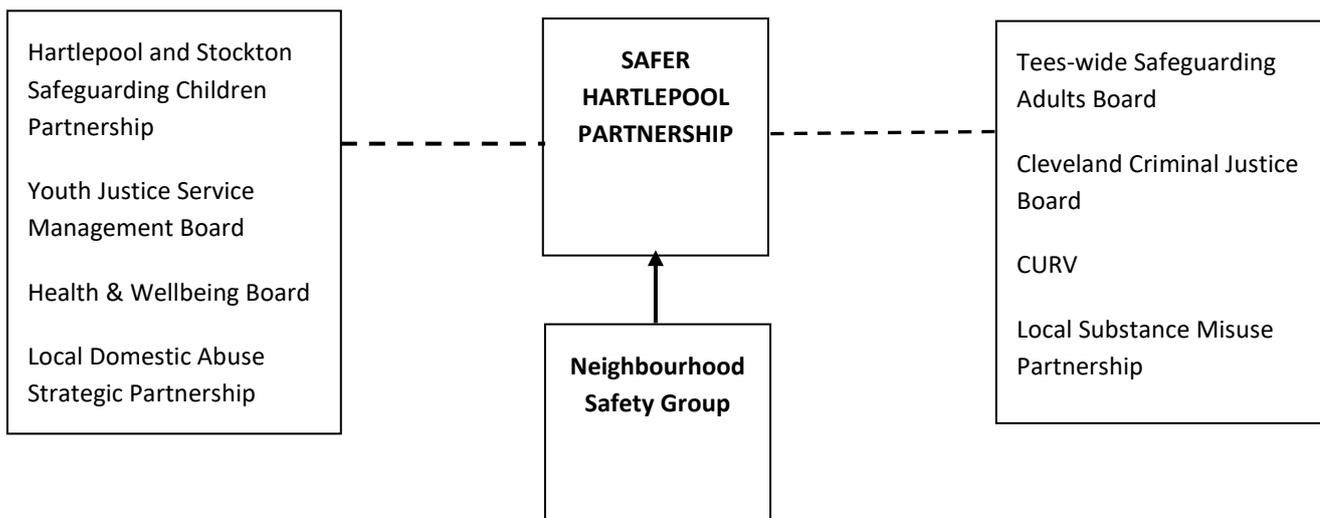
The Partnership will work together to safeguard individuals and their families from domestic violence and abuse. Working with the Office and the Police and Crime Commissioner, the development of a perpetrator strategy is a key priority for 2024/25.

Serious Violence

The Partnership will continue to work with the Cleveland Unit for the Reduction of Violence (CURV) to deliver the objectives contained in its Response Strategy at a local level.

9. DELIVERING THE PLAN

The Safer Hartlepool Partnership has the responsibility to deliver the priorities that are set out within this plan. There are governance structure is outlined below. This chart outlines the Partnership delivery and reporting structure. Recognising its responsibility to reduce re-offending, the SHP sub groups will include re-offending as a specific area of focus. Performance monitoring will be undertaken on a quarterly basis to assess progress against key priorities drawn from the strategic assessment and identify any emerging issues.





10. MONITORING PERFORMANCE

Performance reporting will be in the form of an action plan covering each priority with the Community Safety Plan. The action plan will outline the work being carried out by partners and updates will be reported to the Safer Hartlepool Partnership every six months. The action plan is a living document which will allow partners to include new initiatives to fully reflect the work being carried out.



Links to other plans/documents relevant to this Plan:

- Hartlepool Borough Council Community Safety Team

[Community safety | Hartlepool Borough Council](#)

- Police and Crime Commissioner Police and Crime Plan

[2024-27-Police-and-Crime-Plan.pdf](#)

- Teeswide Safeguarding Adults Board Strategic Plan:

<https://www.tsab.org.uk/wp-content/uploads/2024/06/Strategic-Business-Plan-2022-25-V3-Final-April-2024-Accessible.pdf>

- Hartlepool Borough Council Domestic Abuse Strategy

[Domestic Abuse Strategy 2021 - 2025 | Hartlepool Borough Council](#)

- Hartlepool and Stockton-on-Tees Safeguarding Children Partnership Annual Report

[hsscp-annual-report-2023-24.pdf](#)



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<p>FINANCE AND POLICY COMMITTEE</p> <p>10TH FEBRUARY 2025</p>
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Subject: HOUSING REVENUE ACCOUNT BUSINESS PLAN UPDATE 2025/26

Report of: Executive Director of Development, Neighbourhoods and Regulatory Services

Decision Type: Key (DNRS 10/23)

1. COUNCIL PLAN PRIORITY

Hartlepool will be a place:
- where people are enabled to live healthy, independent and prosperous lives.
- of resilient and resourceful communities with opportunities for all.
- that has an inclusive and growing economy.

2. PURPOSE OF REPORT

2.1 This report provides an updated Housing Revenue Account (HRA) Business Plan and a performance update of the HRA activity.

2.2 It proposes a rent increase for 2025/26 and seeks approval to refer this decision to Council.

2.3 The report also seeks approval of the expenditure budget for the HRA.

3. BACKGROUND

3.1 The 2025/26 business plan covers our key council housing priorities, showing how we intend to develop and deliver our services to tenants, how we intend to address key Government policy changes and how we intend to

grow and develop the HRA portfolio in future years. This year's plan provides an update on our key priorities and challenges for Council housing, how we aim to deliver and achieve these over the coming years, and importantly an overview of the financial sustainability of the HRA. The report builds on the context and issues impacting the HRA set out in the Business Plan Report approved at Finance and Policy Committee on the 22nd January 2024.

4. KEY POLICY CHANGES

- 4.1 The Social Housing (Regulation) Act 2023 is a law that aims to improve safety, standards and operation of social housing in the United Kingdom, which came into effect from April 2024. The act strengthens the powers of the Regulator of Social Housing to ensure housing associations are compliant with consumer standards by allowing regular inspections, unlimited fines, proactive enforcement and the ability to create performance improvement plans. The Act also introduces new consumer standards that cover health and safety, landlord transparency and housing management staff qualifications (the final details yet to be published). The Act also aims to improve property conditions with the introduction of 'Awabb's Law' in honour of Awaab Ishak, who died in 2020 from exposure to damp and mould in his parents' social rented home. These policy changes have had an impact on the Council's housing management services.
- 4.2 As part of this regulatory change the Housing Ombudsman's Complaint Handling Code came into force, setting out best practice for landlord's complaint handling procedures, to enable a positive complaints culture across the social housing sector, regardless of the size or type of landlord. The Code encourages landlord-tenant relationships so that residents can raise a complaint if things go wrong. We have introduced our stand-alone complaints policy, which came into force from the 1st April 2024. Not only does the policy comply with the requirements of the Act, but it also emphasises our positive complaint handling culture.
- 4.3 In addition we are preparing for changes which are likely to come into effect through the Renters Rights Bill. One of the key changes will be relating to fixed term tenancies which are likely to be abolished for social landlords when the Bill is enacted.

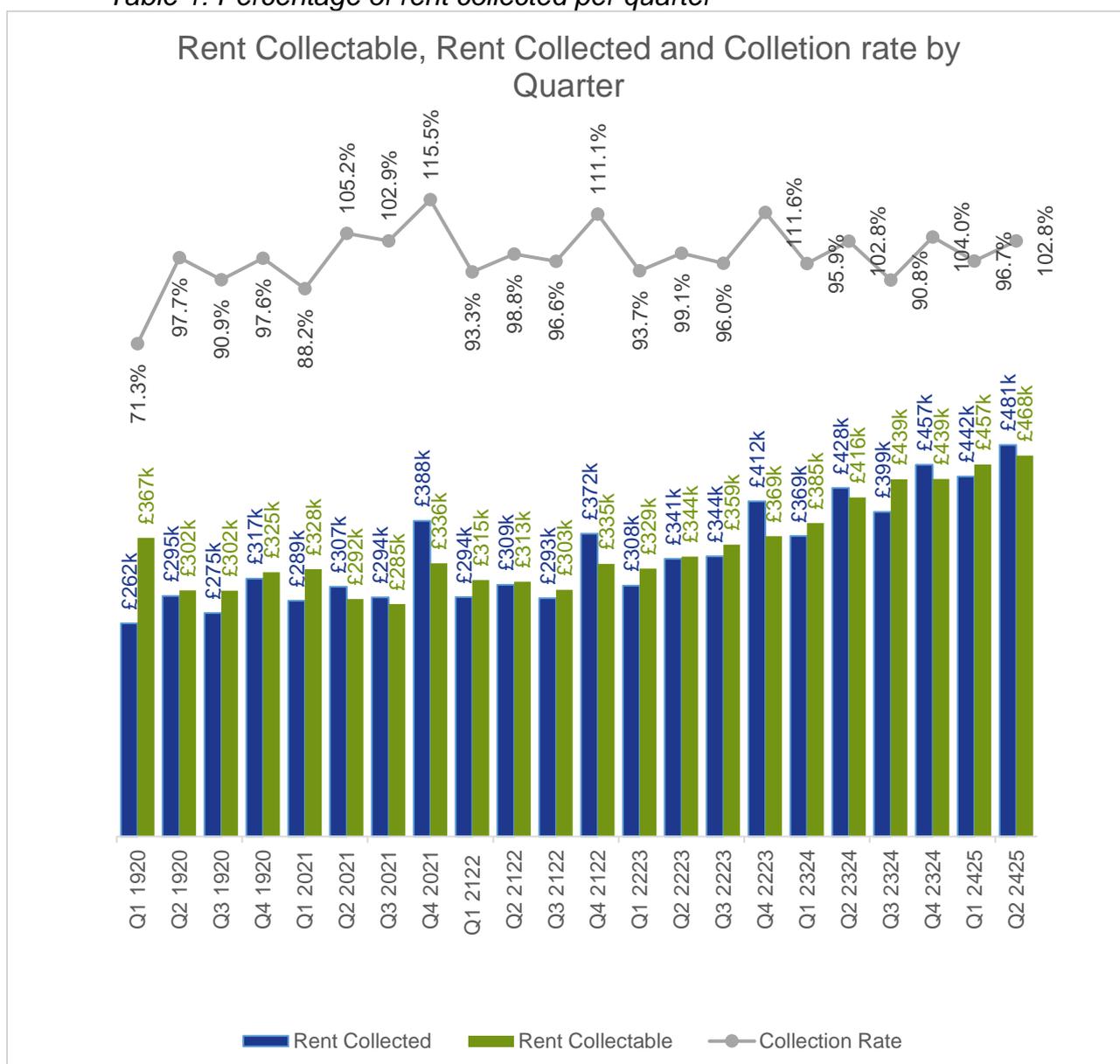
5. HRA PERFORMANCE

- 5.1 The Council's housing stock now has a total of 356 properties located throughout Hartlepool. Since the last business plan update in January 2024 we have acquired 8 properties through the Afghan Relocation Programme, which are all 3 and 4 bedroom family homes, while two homes have been sold through Right to Buy.

5.2 The Council aims to deliver an effective and efficient housing management service and monitors several indicators to track performance and improve services.

5.3 Efficient collection of rent is essential to the financial health and sustainability of the HRA. Table 1 below demonstrates that our rates of rent collection are strong at 102.8% (Q2 24/25) and higher than the average rent collection rate for social housing across the UK which was 97.2%. The above 100% collection rate is due to rent arrears collection. While collecting rent is a challenge, the housing management team work with tenants to resolve rent account issues and maximise tenants' income and we engage with tenants to provide affordable payment plans when accounts fall into arrears with the aim of sustaining tenancies. There have been no evictions this financial year on rent arrears grounds due to this approach.

Table 1: Percentage of rent collected per quarter



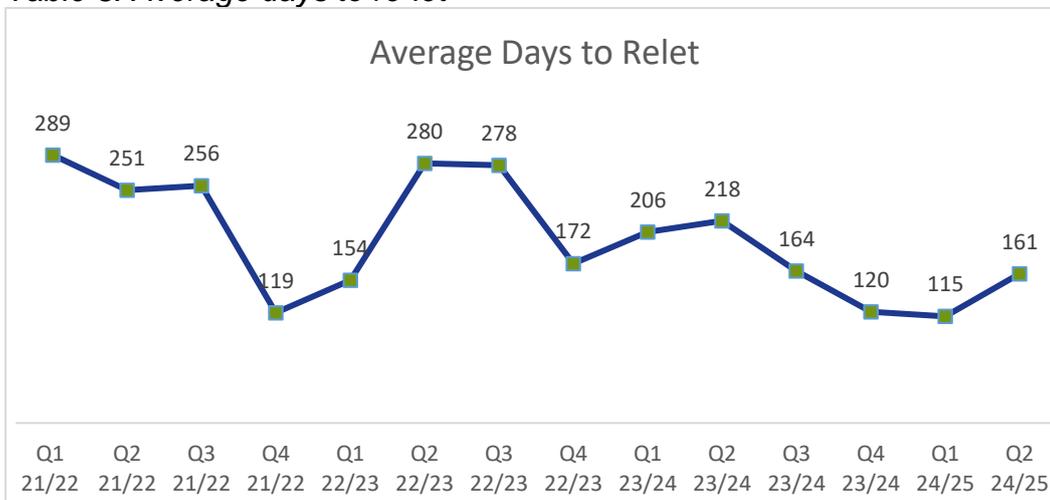
5.4 In order to maximise income to the HRA and provide accommodation to meet the needs of local residents, we must deliver an effective void management process to ensure that when tenancies end, properties are ready to re-let quickly and that these properties are of a high standard. As you can see from Table 2 below, void property numbers have decreased since 2022 with the current void rate being 4.2% of stock. This is slightly higher than the standard void rate for social housing stock which is 4%.

Table 2: Number of Void Properties



5.5 Table 3 below demonstrates the number of days taken to re-let a void property within our housing stock. This is calculated from the date the property becomes void to the date a new tenancy commences. The current figure of 161 days is significantly higher than the industry target of 2-4 weeks as difficult to let properties, such as our older Victorian terraced properties, disproportionately impact on this figure. Improvements to the speed of void properties being let will impact on the financial health of the HRA and there will be an emphasis on improving this in 2025/26 by working with the building construction team to deliver void repairs in a more efficient manner and inspecting and advertising properties quickly once void.

Table 3: Average days to re-let



Lettings Overview

- 5.6 The Housing Management Team is responsible for allocating and letting Council homes. Between April 2023 and September 2024, there have been 71 properties let and we have entered into 3 MOU (Memorandum of Understanding)/lease agreements. On Hartlepool Home Search we have advertised and let 61 properties since its launch in April 2023 up until the end of September 2024.

Lettings by band

- 5.7 By allocating and letting 48% of our stock to band one applicants we are contributing to addressing homeless priorities in the Borough by providing good quality accommodation to those applicants in the highest level of housing need. Definitions of the four bands are set out in **Appendix 3**.

Table 4: Breakdown of these lettings by priority banding

Band 1	48%
Band 2	31%
Band 3	11%
Band 4	10%

Lettings by house type

- 5.8 We let 61 properties via Hartlepool Home Search between April 2023 and September 2024 and these covered a range of property types.

Table 5: Breakdown of property types from April 2023 to September 2024

1 bed house	5%
2 bed house	48%
3 bed house	26%
4 bed house	1.5%
2 bed bungalow	18%
2 bed flat	1.5%

Average number of bids per property type

- 5.9 The below data sets out the average number of bids placed for each property type since we began advertising homes on Hartlepool Home Search – to September 2024 (applicants must place a bid on preferred properties on Hartlepool Home Search to be considered). The data demonstrates the popularity of the new build homes. The data also demonstrates the lack of demand for our older two bedroom terraced homes in particular, which have very few bids overall.

Table 6: Average bids per property type

1 bed house (other)	average 32 bids
2 bed house (new build)	average 94 bids

2 bed house (other)	average 24 bids
3 bed house (new build)	average 81 bids
3 bed house (other)	average 51 bids
4 bed house (new build)	average 33 bids
2 bed bungalow (new build)	average 38 bids
2 bed flat (new build)	average 35 bids

- 5.10 In addition to the information provided above we have implemented a more direct approach to estate management, with regular inspections, maintenance of any communal areas and enforcement being carried out, where necessary, to improve the visual appearance of areas such as Golden Meadows, Gladys Worthy Close and Empire Square. These regular inspections are having a positive impact on the area and for residents living within Council properties. However this has resulted in increased costs due to more reporting of maintenance issues which are subsequently addressed.

6. KEY CHALLENGES AND FUTURE PRIORITIES FOR THE HRA

- 6.1 The overall challenge for the HRA is to maintain financial viability while delivering good quality homes and services to tenants. The HRA is required to be self-sustaining and not go into deficit. There are a number of key challenges being faced by the HRA, which by being addressed, therefore will improve the HRA offer accepting this will have a financial impact. Since the last business plan update in January 2024, the impact of the requirements of the Social Housing Regulation Act are now fully implemented and costs associated with delivering these services are increasing.

Repairs and Maintenance

- 6.2 The Council has the responsibility to maintain its housing stock to a good standard and provide a responsive repairs service. This service is delivered in house by the housing maintenance team. The HRA is under financial pressure from the costs associated with delivering this service, as they have increased annually, and quite significantly in recent years, as show in table 7 below.

Table 7: Average cost of repairs per property

Financial Year	Average cost per dwelling
2021/22	£706
2022/23	£655
2023/24	£1,560
2024/25 (part year figures – only 9 months)	£1,285*

**Estimate for full year £1750 per dwelling*

- 6.3 While our housing stock has increased year on year the table demonstrates that the average cost of repair per property is increasing as more repairs are

being reported and the cost of delivering this repair service increases. This is due to a number of factors. Firstly, properties acquired through empty homes funding that we refurbished are now requiring more extensive repairs, and in addition properties built in 2009/10 are also requiring more significant repairs as the lifespan of some of the elements within the property are coming to the end of their serviceable life. The quantity of major repairs are therefore significantly higher than in previous years and likely to increase further.

- 6.4 The housing management team are currently carrying out annual inspection visits of all properties. This has resulted in repair issues being identified by our staff and reported. While this is beneficial to the residents, it does result in increased number of repairs and increased costs to the HRA.
- 6.5 In addition to general repairs we have seen increased costs in relation to tackling damp and mould, particularly in older terraced properties. A serious approach is taken with this issue, providing a responsive service to tackle any causes of damp and mould in tenants' homes. This approach includes the installation of mechanical ventilation systems to ventilate properties and tackle condensation, while also carrying out any structural works required to a property. This action is resulting in increased costs to the HRA and is pressure that is likely to continue. Table 8 demonstrates the year-on-year increase relating to tackling damp and mould in Council properties, and how this is impacting the financial position of the HRA.

Table 8- Costs of damp and mould related interventions

Year	Cost
2021/22	£11,561
2022/23	£31,008
2023/24	£41,700
2024/25 (costs to date)	£89,055

- 6.6 As noted, a programme of carrying out stock condition surveys is currently underway with a third of properties already surveyed. A requirement of the new Safety and Quality Consumer Standard published by the regulator for social housing in April 2024 requires Registered Providers to have an 'accurate record of an individual property level of condition of their homes, based on a physical assessment of all homes'. Our programme of stock condition surveys has been established to meet this standard and will also provide valuable data in terms of financial planning for major repairs and improvements over the lifetime of the property.

Delivering Disabled Adaptations

- 6.7 There has been 3 major adaptations in our homes in 2024/25 to date which include two replacement kitchens and one level access shower, costing £27,790. In order to meet the needs of Council tenants in their homes we may be required to carry out adaptations to the housing stock, which can range from minor adaptations, such as handrails, to major adaptations, which could include property extensions. The HRA is required to fund reasonable

adaptations where they have been approved following an Occupational Therapist Assessment (Equality Act 2010). Disabled Facilities Grant funding for such adaptations is not permitted due to HRA self-financing regulations, therefore this becomes a financial risk to the HRA. In addition, there is uncertainty around the number of adaptations that may be required each year as this depends on the changing needs of tenants. A budget funded from existing major repairs reserve has therefore been allocated for this work, but this does place increasing financial pressure on the HRA.

Improving energy efficiency

- 6.8 Due to the nature of earlier property acquisition of empty homes, many of our homes are older stock which tend to perform poorly in respect of energy efficiency. The Council has been successful in securing funds through the Social Housing Decarbonisation Fund, where funding is provided to retrofit energy efficiency measures to 40 of our homes over the course of the project, including air-source heat pumps, solar photovoltaics and insulation.
- 6.9 The aim is to improve properties to an EPC Band C, thereby delivering warm, energy-efficient homes, reducing carbon emissions and fuel bills, tackling fuel poverty, and supporting green jobs. An allocation of £209,800 for further capital measures has been secured and the project is match funded by HRA resources.
- 6.10 While the match funding is a pressure on HRA resources, in particular the major repairs reserve, it facilitates additional investment from grant funding to improve Council homes that would be required in any event to improve the energy efficiency of its homes in line with its obligations to meet relevant standards. Subsequent phases of this project, if implemented, will require additional contributions from the HRA.

Loss of homes through Right to Buy

- 6.11 We continue to plan for the loss of homes through Right to Buy (RTB), with two sales this financial year to date. The impact of each RTB sale will be detrimental to the HRA, with a typical average loss of net rental income of approximately £2,300 per house and an average overhanging debt of £38,000 as the HRA is left with outstanding debt without rental income to cover the cost of borrowing.
- 6.12 This is particularly challenging for Hartlepool as these properties cross subsidise the empty properties. Due to already implemented legislation changes, the forecast RTB sales have been reduced to one per year in the business plan. There is a further Government consultation currently underway regarding right to buy legislation and should discounts be even less favorable to tenants in the future, fewer Right to Buys are likely to progress, therefore helping the financial viability of the HRA.

Tenancy management and support

- 6.13 Over the past two years we are seeing an increased number of complex management cases involving tenants requiring support on a range of welfare issues who have a number of vulnerabilities. While the current housing management team structure has capacity to deliver these services, this will need to be reviewed on a regular basis and when the Council's housing stock increases. Any additional staff required would be funded directly from the HRA. In addition, a policy to reflect the management of tenancies with vulnerabilities will be developed in 2025 to set out our approach to management and support, which also fits with the Government agenda of getting to know your tenants.

Delivering new homes

- 6.14 One of the key principles of the HRA is to grow the stock, increasing the number of good quality homes and improving the financial robustness of the HRA. We have delivered a number of new build schemes in recent years and the team are exploring all opportunities to purchase and build new homes in Hartlepool.
- 6.15 However any new housing development proposed by the Council must be approved individually by Finance and Policy Committee and is subject to a robust business case identifying a surplus of £500 per unit per annum. This ensures that new developments contribute positively to the health and viability of the HRA in the longer term.
- 6.16 Therefore the house type and quality must meet an identified housing need to reduce the long term maintenance liability. Homes England grant for new properties will be sought on an individual scheme basis to support scheme viability. Subject to demonstrating viability new development schemes will be brought to Finance and Policy Committee in 2025 for approval, which aim to make best use of Council owned sites to deliver affordable homes that directly meet the needs of Hartlepool residents.

Compliance Audit Report

- 6.17 The HRA is subject to annual compliance audits from Homes England. The purpose of the Compliance Audit is to assess whether grant recipients have met Homes England's funding conditions, contractual requirements and have properly exercised their responsibilities as set out in the Capital Funding Guide. Homes England use the audit outcomes to inform future investment decisions and to reassure the Homes England Chief Accounting Officer that public funds have been properly used.
- 6.18 In January 2025, Homes England confirmed that the Council received a Green rating in the compliance audit for the Brenda Road development in 2024/25. This means that requirements were met and on review of the evidence provided, the outcome of the audit has shown that the Council has

complied with all the programme requirements and guidance. A green grade has been assigned and no breaches were identified. This is positive news and puts the Council in a strong position when submitting future grant applications.

7. HRA BUSINESS PLAN FINANCIAL MODEL

- 7.1 Income into the HRA mainly comes from tenant rents, with other income received from Government grant for development. HRA income is used to provide services to Council housing tenants such as housing management services, repairs and maintenance and a capital investment programme. The HRA is a separate ringfenced account and all costs must be met from rental income. There can be no cross subsidy between the HRA and General Fund Revenue Budget, and vice versa. The health of the HRA is thus paramount and is subject to specific Government regulations.

Revised Business Case

- 7.2 The Council uses a sophisticated financial model to facilitate the budget and business planning process, forecasting over a 40-year period and is a member of a 'HRA User Group' with 26 other Councils. This has been beneficial for ensuring key assumptions used in the model are reasonable and up to date. A considerable amount of work has been undertaken to update the original business case assumptions in line with the actual experience and updating variables for rent levels and inflation experienced in 2024/25. A summary of this business case and budget for 2025/26 is set out in **Appendix 1**.
- 7.3 In recent years there have been several factors which have put the HRA under extreme pressure but have been managed through the prudent and resilient business case model underpinning it. However, this is becoming increasingly difficult and some adjustments to the business plan will be necessary to ensure continued sustainability. These pressure factors include new Government policies and an increasingly challenging operating environment. The factors have been summarised above but include:
- Cost inflation out of sync with retail price index (RPI);
 - Cost inflation out of sync with consumer price index (CPI);
 - Right to Buy levels;
 - Cost of repairs;
 - Rent arrears and the impact of benefit changes;
 - Void Levels which impact on rent and repairs;
 - Interest rate changes;
 - Requirements around Decent Homes plus including safeguarding against damp and mould within our properties; and
 - The cost of delivering disabled adaptations in our properties.

7.4 In addition to the pressures highlighted above, there are several factors which create additional pressure on the financial viability of the HRA and reduce the ability to make prudent voluntary contributions to the Major Repairs Reserve, resulting in increased risk in future years:

- Capital financing costs are increasing and will continue to increase in future years;
- The staff pay award, and other inflationary pressures have an impact as the management charges for each HRA property are fixed; and
- Higher repairs and capital costs associated with major repairs and adaptations have an impact on overall resources and also impact on the fixed asset charge to the HRA.

Rent setting for 2025/26

7.5 Government rent policy introduced from 2020/21 allowed for rents to increase by a maximum of 1% plus CPI inflation. Council took a decision to approve a rent freeze at that time and rents remained at their 2019/20 level. In April 2023 Members approved a rent increase of 5% which was below the maximum level of 7%. The impact of this reduced rental income continues to negatively affect the health of the HRA.

7.6 It is proposed that a rent increase of 2.7% (CPI 1.7% + 1% increase) is approved in line with the maximum allowable under current rent policy. The HRA model has assumed this level of increase, and this results in a minimal surplus to the HRA of £8,000 as **Appendix 1** demonstrates. Without this proposed rent increase the HRA budget becomes unsustainable and would go into deficit.

7.7 The Government will provide additional funding for those tenants receiving Housing Benefit and Universal Credit to meet this increased rent demand. Approximately two thirds of HRA tenants will therefore have all or part of their rent increase funded by the Government. This increase would also likely be in line with other social housing providers operating in Hartlepool. Maximising the rent increase will fund some of the measures being introduced to address the policy changes highlighted above, such as delivering an efficient repairs service, improving energy efficiency and tackling damp and mould.

8. HRA RESERVE

8.1 The HRA ring-fence means that the HRA reserve can only be used for the purposes of the HRA. It is also the only source of funding available to fund deficits and therefore must be kept at a level which ensures the HRA remains viable. The Local Government and Housing Act 1989 section 76 requires that Councils must ensure that the HRA budget does not allow for the HRA Reserve to become 'overdrawn'.

8.2 In 2018/19 there was a £0.190m depletion of the HRA reserve, which was a significant reduction in a single financial year and not sustainable. This position was stabilised in 2019/20 and 2020/21, when the HRA reserve was largely reinstated. The current HRA reserve at 1st April 2024 is £500,000 and is forecast to rise to £528,000 at 1st April 2025 and £536,000 by 31st March 2026 if the 2.7% rent increase is approved. This is required to provide financial resilience to withstand future potential and unexpected pressures.

Robustness Advice

8.3 The Local Government and Housing Act 1989 section 76 requires that Councils must ensure that the HRA budget does not allow for the HRA Reserve to become ‘overdrawn’.

8.4 To ensure this position does not arise a robust approach is taken to assess forecast HRA income and costs. On this basis the recommended 2.7% rent increase provides the most robust and sustainable basis for the HRA and the continued delivery of the Council’s housing objectives.

Capital Implications

8.5 An Expression of Interest has been submitted for the Social Housing Decarbonisation Fund Phase 3 as part of the TVCA led consortium application. Should this be successful the Council would be required to contribute match funding of up to £225,000, equating to 50% of the total cost of works over a two-year programme. As this relates to the Council’s social housing stock, the HRA would fund this from the Major Repairs Reserve (MRR).

8.6 The HRA capital programme and approved resources are outlined in **Appendix 2** along with proposed additions to the capital programme for 2025/26.

RISK IMPLICATIONS	All risks are set out in section 6.
FINANCIAL CONSIDERATIONS	Outlined in sections 7 and 8.
SUBSIDY CONTROL	No relevant issues.
LEGAL CONSIDERATIONS	No relevant issues.
CHILD AND FAMILY POVERTY	Issues of affordability and fuel poverty outlined in section 6. The Housing Team support vulnerable families as set out in section 6.

EQUALITY AND DIVERSITY CONSIDERATIONS	No specific considerations.
STAFF CONSIDERATIONS	No further staff are required at present to implement the changing workload set out in the report. The Housing Team has all positions currently filled following the restructure in 2022. Should additional staff be needed as the HRA stock grows or workloads increase due to policy pressures this will be identified in future reports and costs covered by the HRA.
ASSET MANAGEMENT CONSIDERATIONS	All housing related asset management considerations have been detailed in the report.
ENVIRONMENT, SUSTAINABILITY AND CLIMATE CHANGE CONSIDERATIONS	The SHDF work detailed in section 6 contributes towards the Council's newly adopted Net Zero Strategy.
CONSULTATION	None.

9. RECOMMENDATIONS

- 9.1 Members are asked to agree to the recommended rent increase of 2.7% for 2025/26 and refer the decision to Council on 20th February 2025 for approval, noting the overall contents and strategy of the HRA Business Plan 2025/26.
- 9.2 Members are also asked to approve the full HRA expenditure budget for 2025/26 detailed in **Appendix 1**.
- 9.3 Approve the use of up to £225,000 of the Major Repairs Reserve as match funding towards the Social Housing Decarbonisation Fund Phase 3, subject to the grant bid being successful.

10. REASONS FOR RECOMMENDATIONS

- 10.1 To ensure the financial health of the Council's HRA is maintained as effectively as possible.

11. BACKGROUND PAPERS

- 11.1 Finance and Police Committee report and minutes of 21st November 2022, 13th March 2023 and the 22nd January 2024.

12. CONTACT OFFICERS

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Sign Off:-

Managing Director	Date: 29/01/2025
Director of Finance, IT and Digital	Date: 29/01/2025
Director of Legal, Governance and HR	Date: 29/01/2025

APPENDIX 1

Housing Revenue Account (HRA) 2025/26**Proposed Budget for 2.7% Rent Increase**

	2025/26 BUDGET £'000
Income	
Dwelling Rents	(1,915)
Non-dwelling Rents - Other Income	(30)
Charges for services and facilities	(4)
Income sub total	(1,949)
Expenditure	
Repairs and maintenance	538
Supervision and management (Note 2)	487
Rents, rates, taxes and other charges	20
Right to Buy Reserve	5
Depreciation (Major Repairs Allowance, Note 3)	431
Discretionary Housing Payments	4
Debt Management	13
Expenditure sub total	1,498
Interest payable	465
HRA investment income	(22)
	443
(Surplus) / Deficit for the year	(8)
HRA Balance B/F (Note 4)	(528)
HRA Balance C/F	(536)

Note 1 – Recommended Rent increase of Max 2.7% (CPI 1.7% + 1% increase) to be approved by Council.

Note 2 - Includes staffing costs, insurance, IT and support services.

Note 3 - This relates to amounts set aside to fund capital expenditure on major repairs.

Note 4 - As per forecasted 2024/25 closing balance.

APPENDIX 2

HRA Capital Resources

Code	Scheme Description	Revised Budget 2024/25	Resources rephased into future years	25/26 Proposed Additions to the capital programme	Total Capital Programme
		£'000	£'000	£'000	£'000
5106	Affordable Housing	423	1,006	0	1,429
7182	Empty Homes - Phase 3	0	515	0	515
7450	Hill View Development	58	0	0	58
7726	Resettlement Accommodation	224	0	0	224
8106	New Build	0	255	0	255
8799	Major Repairs	76	0	100	176
9294	HRA Adaptations	100	0	100	200
9317	Social Housing Decarbonisation Phase 2	368	0	0	368
TBC*	Social Housing Decarbonisation Phase 3	0	0	450	450
COUNCIL HOUSING - CAPITAL SCHEMES		1,249	1,776	650	3,675

MEMO	Forecast uncommitted Major Repairs Reserve 1 April 2025	0	1,483	0	1,483
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Funding Source				
S106	Major Repairs reserve	Prudential Borrowing	TVCA Grant	Total
£'000	£'000	£'000	£'000	£'000
1,429				1,429
		515		515
58				58
	210	14		224
		255		255
	176			176
	200			200
	210		158	368
	225		225	450
1,487	1,021	784	383	3,675

0	1,483	0	0	1,483
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* subject to confirmation of external funding

APPENDIX 3

Banding Assessment (from 11th November 2024)

Hartlepool Borough Council uses a Banding system to assess housing need. An applicant's current housing circumstances will be assessed and provided with a Band that reflects how urgently they need to move. There are 4 Bands.

Band 1+

- People owed the relief duty and in priority need currently placed in temporary accommodation

Band 1

- People living in Hartlepool who are losing their home due to a Council led demolition or regeneration scheme
- People assessed as statutorily homeless and in priority need
- People who are owed the homelessness prevention or relief duty and in priority need
- People at risk of domestic abuse
- People leaving HM Armed Forces community
- People who need to move on emergency medical grounds

Band 2

- People who need to move on urgent medical grounds
- People who are owed the homelessness prevention or relief duty but not in priority need
- People assessed as ready for independent living
- A household with a child in need or Care Leaver
- Adoptive parents or prospective adoptive parents/foster carers
- People living in unacceptable housing conditions
- Applicants who are under-occupying 3 or 4+ bedroom family homes (social rented) by 1 or more bedrooms
- People who are overcrowded by 2 or more bedrooms
- HM Armed Forces Personnel identified as having an urgent need for housing within 5 years of discharge

Band 3

- People who need to move due to high medical grounds
- People who need to move on hardship grounds
- People sharing facilities with persons not of the same household
- People who are overcrowded by 1 or more bedroom

Band 4

- People whose current home is adequate to meet their housing needs
- People who have refused a reasonable offer of accommodation or worsened their own circumstances
- People who are in rent arrears or have any housing related debt at the time that they apply to the housing register.
- People with recent unspent convictions* or history of anti-social behaviour** at the time that they apply to the housing register.

- People who do not meet the local connection criteria to Hartlepool.
- * Recent unspent convictions will be considered those that have occurred in the 2 years prior to their housing application.
- ** Anti-social behaviour that has occurred more than 2 years prior to their housing application will be disregarded.

<h1 style="margin: 0;">FINANCE AND POLICY COMMITTEE</h1> <p style="margin: 0;">10 February 2025</p>



Subject: RECOVERY GRANT UPDATE

Report of: Executive Director of Adult and Community Based Services

Decision Type: Non-key Decision

1. COUNCIL PLAN PRIORITY

Hartlepool will be a place:
- where people are enabled to live healthy, independent and prosperous lives.
- where those who are vulnerable will be safe and protected from harm.
- of resilient and resourceful communities with opportunities for all.
- that is sustainable, clean, safe and green.
- that has an inclusive and growing economy.
- with a Council that is ambitious, fit for purpose and reflects the diversity of its community.

2. PURPOSE OF REPORT

- 2.1 To provide the Finance & Policy Committee with an update on allocation of the Recovery Grant which was received after the violence and disorder in Hartlepool in August 2024.
- 2.2 To seek approval for authorisation of proposed spend and further spend to be delegated to the Assistant Director of Preventative and Community Based Services in consultation with members of the Finance and Legal Group operating within the governance of the Recovery Coordination arrangements that have been established.

3. BACKGROUND

- 3.1 On Wednesday 1 August Hartlepool experienced civil unrest resulting in violence and disorder. This primarily affected the town centre with most of the

violence experienced in Murray Street. Individuals that participated in this disorder were primarily from within Hartlepool and from all areas of the town. The impact and effects of this disorder have been widespread and there is an ongoing process of recovery.

- 3.2 A multi-agency approach to recovery has been established and this is led by a Recovery Coordinating Group. Several operational groups have also been established to ensure a comprehensive response to the impact the violence and disorder has had, to build community cohesion and resilience and to prevent future occurrences of this level of disorder.
- 3.3 The governance structure is shown below. Each group has multi-agency representation and key objectives have been identified, work is ongoing to identify if funding is required from the recovery grant from each group to deliver on objectives.



- 3.4 A £600k recovery grant was allocated to each local authority where violence and disorder occurred. There are four key priorities for the investment:
 1. Immediate action to safeguard life or property
 2. To prevent suffering or severe inconvenience
 3. To reduce the risk of further disorder in the future
 4. To rebuild social trust and promote cohesion between communities

The grant is made up of 15% capital and 85% revenue funding and there is an expectation that this is spent by 31 March 2025.

4. PROPOSALS/OPTIONS FOR CONSIDERATION

- 4.1 Finance & Policy Committee on 25 November 2024 approved the allocation of £50k to the immediate tidy up and response and £60k for a financial wellbeing commission to support those experiencing or at risk of financial exclusion.
- 4.2 The £60k was invested with three local Voluntary Sector Organisations (Advice @ Hart, Citizens Advice Bureau and West View Advice & Resource Centre) to increase capacity over a six month period to support residents to maximise their income. In the first three months, this funding enabled 295 people to receive advice about maximising their benefits. 245 of the people seen were found not to be receiving the benefits they were entitled to, and

benefits claims have subsequently been submitted with an annual value of £1.4m.

- 4.3 An officer decision was approved on 20 January 2025 in consultation with the Leader of the Council and Chair of Adult & Community Based Services Committee, to commit a further £70k to the development of a comprehensive engagement process and development of a Cohesion Strategy for Hartlepool. Consultation with a broad range of stakeholders and elected members informed and supported this work to progress. Belong: Social Cohesion and Integration Network are leading this work with local Voluntary and Community Sector organisations and engagement from all sectors.
- 4.4 Belong: Social Cohesion and Integration Network are the UK's leading membership organisation for social cohesion. Belong offer a diverse level of support, providing expert leadership in cohesion and ensuring it is reflective of each place and local need. Belong have worked with government, many local authorities and community organisations across the UK to realise the importance of building social cohesion. There is an anticipation that there will be a focus on social cohesion and resilience coming through from government in 2025.
- 4.5 The development of a Cohesion Strategy for Hartlepool will provide a comprehensive evidence base to inform future strategic plans, decision making, support to secure investment and strengthen cross sector working for the benefit of our communities. Cohesion and resilience need to be embedded in all that we do, to ensure communities are able to live together positively irrespective of difference.
- 4.6 The Pride in Place Operational Group has been working to establish key physical, environmental and community projects to support the recovery efforts and has identified projects to the value of £125k (a proportion of which will be capital spend). The works will need to start immediately to ensure they are completed at the earliest opportunity in line with grant conditions. Projects include improvements in street lighting, days of action in targeted communities, environmental maintenance and improvements to some areas of disrepair.
- 4.7 Further plans are being developed by Operational Groups, therefore based on emerging discussions and identified priorities it is proposed that indicative allocations be made to each group.
- Welfare and Health - £30,000 to develop health impact assessment, some work focusing on adult safeguarding issues and understanding community perception on long term health needs.
 - Restorative Justice - £30,000 to increase capacity in the Safer Communities Service to further develop the restorative justice approach at a local level. This will include training and engagement of key stakeholders as well as targeted work with victims and perpetrators.
 - Racism and Hate Crime - £30,000 for some targeted work with young people relating to raising awareness of racism and hate crime, in conjunction with the Young People's Group. The group is also exploring

some targeted campaigning and myth busting with the media and comms group. Further work includes looking at organisational challenge in relation to commitment to this agenda and a zero tolerance approach to hate crime.

- Business and Economic - £50,000 to support businesses affected by the disorder and support investment into properties as needed through assessment. To conduct a business impact assessment to consider the wider impact disorder has had on the reputation of Hartlepool and explore opportunities to connect businesses and communities through events.
- Young People - £40,000 to work with young people to develop education and awareness of some of the issues affecting young people and celebrating difference. Using creative means to tell the story of difference and develop opportunities for cultural exchange. Develop opportunities for young people to invest more in their local areas (adopt a park or open space) and work with local businesses and services to explore this.
- Media and communications - £40,000 to develop a campaign, training and education around misinformation and digital literacy. To connect to all other operational groups to ‘tell the story’ of the community efforts of recovery work and build positive news.

4.8 This leaves £75,000 that needs further consideration, which may be used to implement the cohesion work, prioritising collaborative approaches with Voluntary and Community Sector CSE partners, or to contribute to other emerging key priorities as operational groups further develop their plans.

5. OTHER CONSIDERATIONS/IMPLICATIONS

<p>RISK IMPLICATIONS</p>	<ul style="list-style-type: none"> • Grant requirement to spend by 31 March 2025 • Allocation of resources to ensure capacity to deliver on key outcomes • Demand on stakeholders to be part of the recovery governance and work at pace
<p>FINANCIAL CONSIDERATIONS</p>	<ul style="list-style-type: none"> • The recovery grant conditions require the council to spend the full allocation by the 31 March 2025. The approach set out in the report supports this requirement, with no additional costs falling on the council. • This is expenditure which is inevitable as a result of the Government providing a Section 31 grant (‘New Burden’ Funding) to help fund the impact of specific legislative commitments where there is no in year cost, or future commitment for the General Fund.
<p>SUBSIDY CONTROL</p>	<ul style="list-style-type: none"> • None at this time, no grant process has been established.

LEGAL CONSIDERATIONS	<ul style="list-style-type: none"> • There are obligations within the Civil Contingencies Act for a multi-agency to the planning, response and recovery of emergencies. • There are grant obligations attached to the recovery funding allocated by government.
CHILD AND FAMILY POVERTY	<ul style="list-style-type: none"> • The impact of the violence and disorder is wide spread and it is expected there has been an impact on those living in poverty. • The Community Cohesion work will look at societal issues contributing towards tensions and challenges in Hartlepool.
EQUALITY AND DIVERSITY CONSIDERATIONS	<ul style="list-style-type: none"> • The work is fully considerate of equality and diversity with a focus on celebrating difference and ensuring difference does not contribute towards tensions or risk within Hartlepool communities.
STAFF CONSIDERATIONS	<ul style="list-style-type: none"> • There is no dedicated resource attached to the management and coordination of the recovery process which has been managed within existing staffing resources. The work is multi agency and there has been significant contribution of time and input from all organisations involved.
ASSET MANAGEMENT CONSIDERATIONS	<ul style="list-style-type: none"> • There will be some community asset improvement as part of the work proposed by the Pride in Place Operational Group.
ENVIRONMENT, SUSTAINABILITY AND CLIMATE CHANGE CONSIDERATIONS	<ul style="list-style-type: none"> • This will be considered as part of the Community Cohesion development work.
CONSULTATION	<ul style="list-style-type: none"> • There has been wide ranging engagement with stakeholders as part of the initial impact and scoping work. • A number of organisations have been engaging communities and stakeholders in relation to this issue and there has been risk of engagement fatigue. • A comprehensive and methodical engagement plan will be developed as part of the Community Cohesion work and consideration will be given to engagement and consultation that has already been conducted with key areas of the community. • Wider engagement will be relevant for targeted impact assessments that are being proposed.

6. RECOMMENDATIONS

- 6.1 It is recommended that Members:
- note the approach that has been taken to the coordination of recovery in Hartlepool;
 - authorise allocation of £125k to the Pride in Place Group to progress with key improvement schemes as part of the recovery process; and
 - delegate authorisation for approval and amendment of the remaining spend to the Assistant Director of Community Based Services in consultation with members of the Finance and Legal Group (Leader of the Council, Chair of Adult & Community Based Services Committee, Managing Director, Executive Director of Adult and Community Based Services, Director of Finance and Digital and Director of Legal and HR) to ensure that timely decisions can be made, for spend that meets the grant outcomes and is relevant to the recovery process.

7. REASON FOR RECOMMENDATIONS

- 7.1 To endorse progress of the recovery work and to enable the grant to be allocated in advance of the 31 March 2025 deadline.

8. BACKGROUND PAPERS

Finance and Policy Committee Reports and Minutes – 20 January 2025

Finance and Policy Committee Reports and Minutes – 25 November 2024

9. CONTACT OFFICERS

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Sign Off:-

Managing Director	Date: 5 February 2025
Director of Finance, IT and Digital	Date: 5 February 2025
Director of Legal, Governance and HR	Date: 5 February 2025