

FINANCE AND CORPORATE AFFAIRS COMMITTEE MINUTES AND DECISION RECORD

23 June 2025

The meeting commenced at 5.00pm in the Civic Centre, Hartlepool.

Present:

Councillor Brenda Harrison (In the Chair)

Councillors: Councillor Gary Allen, Pamela Hargreaves, Jim Lindridge, Sue Little, Melanie Morley, Amanda Napper, John Nelson, Karen Oliver, Martin Scarborough and Mike Young

Officers: Denise McGuckin, Managing Director
Hayley Martin, Director of Legal, Governance and Human Resources
James Magog, Director of Finance, IT and Digital
Paul Dixon, Assistant Director, Corporate and Financial Services
Laura Griffiths, Assistant Director, Customer Services and IT
John Macilwraith, Interim Executive Director of Children’s and Joint Commissioning Services
Craig Blundred, Director of Public Health
Jill Harrison, Executive Director of Adult and Community Based Services
Kieran Bostock, Assistant Director, Neighbourhood Services
Sylvia Pinkney, Assistant Director, Regulatory Services
Steve Hilton, Communications and Marketing Team
Jo Stubbs, Principal Democratic Services and Legal Support Officer

1. Apologies for Absence

None

2. Declarations of Interest

none

3. Minutes of the meeting held on 7 April 2025

Minutes received.

4. Budget Monitoring Report 2024/25 Outturn *(Director of Finance, IT and Digital Services)*

Type of decision

Budget and Policy Framework

Purpose of report

To inform members of the:

- I. General Fund revenue outturn for 2024/25
- II. Reserves forecasts
- III. Housing Revenue Account outturn for 2024/25
- IV. Corporate Income Collection Performance
- V. Capital Programme Monitoring 2024/25

Issue(s) for consideration

The Director of Finance, IT and Digital outlined the final outturn position for the 2024/25 financial year, which built upon the quarterly budget monitoring reports presented to meetings of the committee throughout the year.

The revenue outturn position was a net overspend of £0.256m. This followed the approved use of £3.166m of the Budget Support Fund to balance the 2024/25 budget meaning that the Council spent £3.422m more in 2024/25 than the in-year resources it received or generated. The outturn represented an improved position to that presented at quarter 3, at which point an overspend of £2.182m was forecast. The financial position of Children's Services continues to be of serious concern however underspend in other service areas has significantly mitigated these cost pressures.

The report went on to set out in detail the position for the Council reserves, the Housing Revenue Account (HRA), Income Collection and the Collection Fund including Business rates and the Capital Budget Outturn.

A member requested further information on the reserves currently held by the Council and expressed concern at the forecast balance for 2029. The Director of Finance, IT and Digital explained that the budget had been set for 2025/26 using £1 million of reserves which was significantly better than expected. He felt it was important to include a reserves forecast but highlighted that this was a 4-year forecast and a lot could change in that time. Details of an anticipated 3-year Government spending review were expected in due course but it was still important to be careful and keep an eye on the reserves.

A member referred to the overspend of Adult and Community Based Services revenue relating to cemeteries and crematoria and temporary closures/cessation of activities at the Borough Hall, Town Hall and Carlton Adventure. The Director of Finance, IT and Digital confirmed that all of

these facilities were now operational and while this would not result in savings for 2025/2026 there would be a reduction in the overspend. In terms of Council Tax single person discount fraud, the Director of Finance, IT and Digital advised between March 2024 and May 2025 single person Council Tax claims had dropped by 837 to 16568 claims at end of May 2025. He confirmed that detailed information on numbers of single person claims and the percentage of this in terms of Council Tax as a whole would be provided in future reports.

A member commended officers for a better than expected financial position. She commented that over the last 14 years Local Government had been stripped of its capacity to manage its budgets and provide services by the previous government but the better than expected settlement from the current administration and the promise of future 3 year settlements and potential changes to Council Tax administration were positive. Another member noted that this financial position had only been aided by the £65 million in reserves which had been built up, but not spent by the previous administration. The Director of Finance, IT and Digital acknowledged that the Council would be in a much worse financial position without these reserves and would potentially have needed Government support had these reserves been used. His advice would always be to protect reserves and these should not be used to balance the budget.

A member highlighted the efforts being made to reduce costs around childrens homes by increasing in-house provision. The Managing Director noted that all departments and staff had contributed to reducing costs across the authority and were often unable to provide the public service they would like to because of this.

A member requested information on the number of staffing vacancies across the Council and queried how staff morale was. The Managing Director acknowledged that morale was not great but the figures contained in the last staff survey were not of concern. Staff to have 1-1 meetings and appraisals with their Line Manager. She did not have detailed information on the number of vacancies

The Chair asked that the Committee's thanks and appreciation be passed on to all staff for their efforts every day. There had been drastic local Government cuts in previous years but the current Government was looking at ways to help Local Authorities in future.

Decision

- I. That the 2024/25 outturn position of £0.256m overspend and accompanying financial forecast for the year be noted;
- II. That the forecast use of reserves be noted;
- III. That the 2024/25 outturn in relation to the Housing Revenue Account be noted and
- IV. That the capital programme position be noted

5. Medium Term Financial Strategy (MTFS) 2026/27 to 2029/30 *(Director of Finance, IT and Digital Services)*

Type of decision

Budget and Policy Framework

Purpose of report

To provide an update on the Council's medium term financial planning position and enable Members to approve the timetable for the 2026/27 budget.

Issue(s) for consideration

The Director of Finance, IT and Digital reported that the updated MTFS covers the 4 financial years 2026/27 to 2029/30. However, in consideration of the position over this period, it is important to recognise that the Council needs to be financially sustainable beyond this period. Decisions taken should reflect the position beyond the medium term and in to the longer term. Based on current information, overall pressures facing the Council will continue. Consultation to inform the Government's Local Authority Funding reforms has commenced and the outcome will be delivered in the 2026/27 funding settlement later this year with a reset of the business rates system.

The report outlined the series of budget pressures the Council would need to address including pay and price inflation, children's social care, waste disposal, capital financing and supported accommodation

In terms of funding the Director of Finance, IT and Digital updated on the recent Spending Review and Fair Funding consultation, the latter coming with the expectation of additional funding that is critical to deliver the proposed Council Tax freeze.

The position on local funding through Business Rates and Council Tax were also reported.

The position on the use of Council Reserves was detailed by the Director of Finance, IT and Digital together with the strategy for balancing the budget position for 2026/27. The gap to be addressed for 2026/27 was currently forecast to be circa £2.5m, with a 4 year gap to 2029/30 of circa £18m. As Council Tax decisions would be made later in the budget setting process, and relied upon the outcome of government funding consultation, the position did not currently take any increase for 2026/27 or future years in to account.

A proposed budget timetable was set out within the report.

A member requested a definition of 'supported accommodation' as referred to within budget pressures. The Director of Finance, IT and Digital

confirmed this was vulnerable people living in single flats or houses of multiple occupancy who need additional support with independent living.

A member commended the MP for his efforts to bring about national change to the Council Tax system. Those who pay Council Tax are facing increasing costs in all areas and the sooner the system is made fairer the better. Decisions on Council Tax rates are difficult in terms of balancing the moral with the financial and the public should be assured that any decisions made by the Council involve multiple factors and are always taken seriously.

A member of the public queried waste disposal costs currently and previously. The Director of Finance, IT and Digital would look into this and provide this information if he was able to without breaching commercial sensitivity.

The Chair echoed the comments around the MP's efforts to amend the current Council Tax system. Members had already indicated their wish to freeze Council tax in the next budget and it was hoped that the Government settlement would help with this.

Decision

- I. That the report be noted;
- II. That the initial assessment of the forecast budget gap and proposed approach to address this gap be noted;
- III. That the risks and scenarios outlined which may impact upon the financial position presented as part of future MTFS updates be noted and
- IV. That the proposal budget timetable be approved

6. Household Support Fund 7 – 2025/26 *(Director of Public Health and Director of Finance, IT and Digital Services)*

Type of decision

Key

Purpose of report

To present information on the delivery of phase 6 of the Government's Household Support Fund and the agreed proposals for delivery of a phase 7 scheme to support those in greatest need of assistance throughout 2025/26.

To seek delegation to the Interim Executive Director of Children's Services in consultation with the Chair of Finance and Corporate Affairs Committee to amend funding pots so as to ensure full utilisation of the grant within the time period.

Issue(s) for consideration

Due to the late announcement of phase 7 of the Household Support Fund Grant a delegated decision was taken by the Executive Director of Children’s Services to allocate the funding in consultation with the Managing Director and Chair of Finance and Corporate Affairs Committee.

Since September 2021 the Government had made available a ‘Household Support Fund’ targeting vulnerable households to help them with food and essentials as the country recovered from the pandemic. The report set out details of the groups previously supported and the numbers of residents that support had reached.

To date, the delivery methods chosen to deliver the previous HSF schemes have proven effective in reaching adults and children on a low income. Officers had met to explore the available options to maximise the impact of this grant to support vulnerable households in Hartlepool in accordance with the new grant conditions. It should be noted that the administration of such a large grant poses significant challenges to the capacity and workload of the local authority and the Third Party Organisations that it works in partnership with.

In March 2025 Council had received formal notification of the arrangements for the administration of the latest HSF. The grant awarded had been 12% less than in previous years.

Details of the groups identified to be delivery partners and the allocation of funds to each was set out in detail in the report. Using this method of delivery this would mean that –

- 22% of the grant would be accessed via an application process where anyone struggling with the cost of living can apply;
- 73% would be allocated to households in receipt of benefits and on a low income;
- 5% of the grant would be used for administration and compliance of the fund including administration payments to voluntary and community sector organisations supporting the delivery of the grant

Should it become clear that individual strands of support were not being fully utilised it was proposed to give delegation to the Executive Director for Children’s Services to amend funding pots to ensure full utilisation within the time period in conjunction with the Chair of Finance and Corporate Affairs Committee

Decision

- I. That the agreed proposals for delivery of the 2025.26 Household Support Fund be noted and
- II. That delegation to the Executive Director of Children’s Services in consultation with the Chair of Finance and Corporate Affairs

Committee be approved to amend funding pots to ensure full utilisation of the grant within the time period

7. Childrens Homes – Provision of Loan (*Director of Finance, IT and Digital Services*)

Type of decision

Key

Purpose of report

To obtain approval in principle to provide a loan to a charitable organisation to support the provision of an additional Childrens Home within Hartlepool.

Issue(s) for consideration

In July 2024 Council had given approval for up to £1m to be set aside to fund the purchase and renovation of existing properties into children's homes to help mitigate the significant increase in Children's social care costs in respect of private sector residential placements. Changing Futures North East (CFNE) intended to open a residential children's home in Hartlepool which would provide up to 4 additional places. While they had secured the majority of funding in principle there was a shortfall which needed to be bridged in order to progress the project. It was suggested that the Council provide a loan to CFNE to bridge this gap. As part of the loan agreement the Council and CFNE would sign a memorandum to prioritise Hartlepool children. Financial details of the funding request, including interest payments and principal repayment were detailed in a confidential appendix.

The Chair of Children's Services Committee requested that she be included as part of the delegation. Members were happy to approve this.

The Chair of Economic Growth and Regeneration advised that Families First, of which she is Chair, were also looking at setting up residential childrens homes. She wished to make it clear that Families First and Changing Futures were in no way connected.

A member raised concerns at the lack of consultation with local residents when previous residential childrens homes had been opened saying the business case needed to take their concerns into account and not solely focus on the cost implications. The Managing Director commented that there was a myth and stigma around residential childrens homes as resulting in anti-social behaviour. As corporate parents the Council was responsible for the welfare of these young people many of whom had been victimised and abused from a young age. A member noted that the majority of the funding had been secured in principle by CFNE and queried what checks the Council would be carrying out. The Director of Finance, IT and Digital confirmed their accounts and financial standing as a charity would be

investigated along with checks on the property valuation. Discussions to support CFNE on this proposal had been ongoing for a number of months.

Decision

- I. That the proposals to release the funding requested as detailed in the confidential appendix be approved and
- II. That agreement on the final sum and loan terms be delegated to the Managing Director in consultation with the Director of Finance, IT and Digital, the Director of Legal, Governance and Human Resources, the Leader of the Council and the Director of Children's Services

8. Free School Meals – Auto-Enrolment (*Director of Finance, IT and Digital Services*)

Type of decision

Key

Purpose of report

To agree to introduce auto-enrolment for free school meals beginning in the academic year 2025/26

Issue(s) for consideration

Families are currently eligible for free school meals should they meet certain criteria around the family income and receipt of specific benefits. Parents apply online before eligibility checks are completed. The benefit team currently charge schools an SLA for administering the scheme and in the previous year all but 5 schools in the Borough had signed up for this. From 2026/27 the Department for Education intended to introduce new eligibility criteria meaning that all children from households in receipt of Universal Credit would be entitled to receive a free meal. Schools and local authorities should recheck pupil eligibility ahead of the October census and that this be done on a yearly basis. A number of local authorities have progressed auto enrolment for free school meals and the Government had indicated that this might be legislated in the future. It was proposed therefore that Hartlepool commence with auto-enrolment from September 2025. Schools will be advised of this proposal and those that do not currently buy into the SLA will be encouraged to do so. The annual cost of this is expected to be approximately £40,000, though the Director of Finance, IT and Digital advised this may be revisited in the light of recent government guidance. This will cover an additional Band 7 benefit officer post with these costs already factored into pay and price increase in the medium term financial plan considered earlier in the meeting.

Decision

That progression to auto-enrolment for Free School meals be agreed beginning in the academic year 2025/26

9. Apprenticeship Policy *(Director of Legal, Governance and HR*

Type of decision

Non-key

Purpose of report

To update members on the new Apprenticeship Policy

Issue(s) for consideration

The Council has successfully offered apprenticeships for several years including in partnership with Hartlepool College of Further Education. However since the introduction of the Apprenticeship Levy it was necessary for the Council to directly employ apprentices. An apprenticeship policy had subsequently been approved by the Executive Leadership Team and Trade Unions and was presented for Members consideration. It was noted that there were certain associated costs which were not funded through the Levy details of which were given within the report.

A member queried the number of adults from day centres and children with SEN who were given employment opportunities within the Council. That information was not available but a report would be going to the next Adult and Community Based Services Committee. All care leavers were offered the opportunity to apply for an apprenticeship with the aim of 25% of apprenticeships going to care leavers.

A member highlighted the importance of apprenticeships in terms of preparing for the future and recruiting into different areas of the Council. They suggested that connections be made with the Government's Trailblazer Scheme. The Managing Director confirmed this was already underway.

A member queried whether there were opportunities for day release to universities or colleges. The Managing Director confirmed that the Council does have links to Universities for some apprenticeships.

A member highlighted that the current Assistant Director for Neighbourhood Services had started as an apprentice at the Council, referring to him as a role model for young people.

Members commended the policy and use of apprenticeships in general as a way to support young people and keep their skills and finances in Hartlepool.

Decision

That the new apprenticeship policy be approved

A member of the public commented that officers' use of laptops disrupted the microphone system and made it difficult for them to hear what was happening. The Managing Director acknowledged this but noted that laptops had been brought in to save money previously spent on printing costs.

The meeting concluded at 6:20pm.

H MARTIN

DIRECTOR OF LEGAL, GOVERNANCE AND HUMAN RESOURCES

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