

FINANCE AND CORPORATE AFFAIRS COMMITTEE MINUTES AND DECISION RECORD

24 November 2025

The meeting commenced at 10.00 am in the Civic Centre, Hartlepool.

Present:

Councillor Pamela Hargreaves (In the Chair)

Councillors: Councillor Gary Allen, Rachel Creevy, Jim Lindridge, Melanie Morley, Amanda Napper, Karen Oliver, Owen Riddle and Martin Scarborough,

Parish Council Co-opted Member
Minna Ireland (Dalton Piercy Parish Council)

Officers: Denise McGuckin, Chief Executive
Kieran Bostock, Executive Director of Development, Neighbourhoods and Regulatory Services
Jill Harrison, Executive Director of Adult and Community Based Services
James Magog, Director of Finance, IT and Digital
Hayley Martin, Director of Legal, Governance and Human Resources
Tim Wynn, Strategic Asset Manager
Steve Hilton, Communications and Marketing Team
Gemma Jones, Scrutiny and Legal Support Officer
Jo Stubbs, Principal Democratic Services and Legal Support Officer

21. Apologies for Absence

Apologies were submitted by Councillors Sue Little and John Nelson

22. Declarations of Interest

None

23. Minutes of the meeting held on 8 September 2025

Received

24. Budget Monitoring Report – Quarter 2 2025/26 *(Director of Finance, IT and Digital)*

Type of decision

Budget and Policy Framework

Purpose of report

To inform members of:

- I. General fund forecast revenue outturn for 2025/26
- II. Reserves forecasts
- III. Housing Revenue Account forecast outturn for 2025/26
- IV. Corporate Income Collection Performance
- V. Capital Programme Monitoring 2025/26

Issue(s) for consideration

The Director of Finance, IT and Digital reported that the financial circumstances facing the council remained challenging particularly given significant pressures within Children's Social Care. These pressures had continued into the second quarter of the 2025/26 financial year and were detailed in the report. The overall position for the General Fund Outturn for 2025/26 identified a forecast overspend of £3.260m. However, it was highlighted that this position was after the approved use of £1m of reserves to balance the 2025/26 budget.

The Director of Finance, IT and Digital highlighted salient points included in the report which included a summary of the forecast position by Directorate, budget savings monitoring arrangements, Pride in Place funding, dedicated school grant, reserves position, housing revenue account position, income collection, council tax, business rates and capital monitoring.

Members noted the high children's social care costs and the impact these were having on all local authorities. The Chair of Children's Services Committee highlighted the work being undertaken by the Director of Children's Services to reduce these costs as much as possible. However there was a legal and moral obligation to provide this support.

Decision

- I. That the 2025/26 forecast outturn position of £3.260m overspend and accompanying financial position for the year be noted
- II. That the £25,000 contribution to the Tees Valley Multibank for 2025/26 be approved
- III. That the virements be approved

- IV. That the Pride in Place accountable body arrangements and progress update be noted
- V. That the forecast use of reserves be noted
- VI. That the 2025/26 forecast outturn in relation to the Housing Revenue Account be noted
- VII. That the capital programme position be noted and budget variations approved

25. Hartlepool Investment Zone – Memorandum of Understanding *(Director of Finance, IT and Digital)*

Type of decision

Budget and Policy Framework

Purpose of report

To agree the memorandum of understanding, including the reinvestment strategy, between Hartlepool Borough Council and Tees Valley Combined Authority (TVCA) with regard to the investment zone within Hartlepool

Issue(s) for consideration

In April 2025 an investment zone was established in the Tees Valley bringing with it £160m of government funding over 10 years. The final proposal included a Business Rates Retention site within Hartlepool, broadly covering the production village site, part of the town centre and Oakesway Industrial Site. A memorandum of understanding was attached to the report outlining plans for the additional retained growth which was anticipated as a result. 50% of any growth above baseline would be retained by Hartlepool with 50% going to the Tees Valley Combined Authority. All of these retained rates would be utilised to deliver one of the programme objectives as set out in the reinvestment strategy. During the 10 year period the Council would retain and ringfence their share and projects for spend would be developed in line with the reinvestment strategy.

A member requested further information on the TVIZ Programme Group as referenced in the report and queried the overview and scrutiny process for these monies. The Chief Executive advised that this would be the responsibility of the TVCA Monitoring Officer.

Decision

That the memorandum of understanding between Hartlepool Borough Council and Tees Valley Combined Authority with regard to the Investment Zone within Hartlepool be agreed including the reinvestment strategy.

26. Council Tax Base 2026/27 *(Director of Finance, IT and Digital)*

Type of decision

Budget and Policy Framework

Purpose of report

To seek member approval as required by statutory regulations of a calculated Council Tax Base for 2026/27 which will be used for Council Tax billing purposes.

Issue(s) for consideration

The Director of Finance, IT and Digital reported that the Council was required by law to calculate its Council Tax Base for the forthcoming year, and inform the major precepting authorities, Police and Crime Commissioner for Cleveland and Cleveland Fire Authority, and local precepting authorities (Parish Councils), before 31 January 2026. The Council Tax Base was expressed as the number of Band D equivalent properties.

The proposed Tax Base for the Council area for 2026/27 was 26,975. This was an increase of 520 (1.97%) from the current base. The forecast included a best estimate of the anticipated number of households eligible for LCTS.

Councils were also required to determine and operate their own local schemes for providing support with Council Tax, which would be considered later in the meeting. The calculated Council Tax Base assumes that this scheme will be approved and there is no additional uptake in those eligible for Local Council Tax Support.

Decision

- I. That a Council Tax Base for 2026/27 of 26,975 be approved.
- II. That a Council Tax Base for 2026/27 for Parishes who may levy a precept upon the Council's Collection Fund be approved as follows:

Brierton	15.0
Claxton	42.2
Dalton Piercy	132.5
Elwick	247
Greatham	276
Hart	575.6
Headland	811.5
Newton Bewley	35
Wynyard	1247.4

27. Local Council Tax Support 2026/27 and Housing Benefit War Pension Disregard 2026/27 *(Director of Finance, IT and Digital)*

Type of decision

Budget and Policy Framework

Purpose of report

To agree the Local Council Tax Support (LCTS) scheme for 2026/27 to be referred to full Council for approval and agree the Housing Benefit war pension disregard for 2026/27

Issue(s) for consideration

The Director of Finance, IT and Digital reported on the background to the Local Council Tax Support Scheme introduced by Central Government in 2013 as a replacement for the Council Tax Benefit Scheme administered on behalf of the Department for Work and Pensions (DWP) and the agreement by Council in 2025/26 for a revised scheme which aimed to provide simplified support to those in most need. It was proposed that no change be made to the LCTS scheme for 2026/27. Furthermore the council had previously agreed to disregard War Pension income from the calculation of Housing Benefit and it was recommended that this also continue in 2026/27.

Decision

- I. That the 2026/27 LCTS scheme as set out be referred to full Council for approval
- II. That the Housing Benefit war pension disregards be continued for 2026/27

28. Medium Term Financial Plan (MTFP) 2026/27 to 2029/30 *(Director of Finance, IT and Digital)*

Type of decision

Budget and Policy Framework

Purpose of report

To provide an update on the Council's financial position, the government's Fair Funding reforms and to approve the budget savings proposals to be referred to individual Policy Committees.

Issue(s) for consideration

The Director of Finance, IT and Digital reported on the updated MTFS position for the four year period 2026/27 to 2029/30. The Chancellor will deliver her Autumn budget on 26 November with tax increases and spending cuts thought to be a possibility. The provisional financial settlement will be issued by Government in late December and will include details of government grant allocations to individual Councils.

Members were referred to the budget pressures in relation to pay award inflation, general price inflation, Adult Social Care contracts, pay and price income, energy inflation, Children's Social Care, waste disposal, capital financing, supported accommodation and Cyber security. The report also included an update on business rates, council tax, reserves, strategy for balancing the budget position, savings proposals and use of reserves.

The Director of Finance, IT and Digital referenced the ruling party pledge to freeze Council Tax for 2026/27. Doing this would limit the funding available for council services by £0.562m for every 1% Council Tax not applied, a total of £2.804m based on the 5% limit. Any Government settlement would be based on the assumption of a 5% increase in Council Tax.

The Director of Finance, IT and Digital drew members attention to the gap of £4.3m for 2026/27, which assumed acceptance of and delivery of the savings proposals. It was highlighted that there was insufficient reserves to meet this position, and that the budget faced significant risks, including that no growth has been assumed for Children's Social Care, the challenge in delivery of savings and the reduced ability to generate windfall investment returns. It was concluded that the budget could not be signed off as robust in its current form and, without significant additional funding, further savings of £4m would be required should a council tax freeze be agreed.

The Chair reiterated the ruling Labour party pledge to freeze Council Tax for 2026/27 citing the financial impact the cost of living continued to have on residents. She paid tribute to the town's MP for his efforts to overhaul the system as a whole. Other Members acknowledged the impact the cost of living was having on residents but were concerned at the impact a Council Tax freeze would have on Council finances. Opposition members were repeatedly asked to clarify their position in terms of freezing Council Tax but no answers were forthcoming.

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 advice provided regarding the robustness of the budget be noted
- IV. That the proposals relating to Finance and Corporate Affairs Committee be agreed
- V. That the savings proposals be referred to individual policy committees and that they be instructed to identify replacement savings if these proposals are not supported.
- VI. That the risks and scenarios outlined in the report which may impact upon the financial position presented as part of future MTFP updates be noted
- VII. That it be agreed that the previously agreed budget timetable be flexible depending on the position post settlement but the final approval of the budget be made by Council on 19 February 2026 to ensure annual council tax billing commences promptly.

29. Acquisition of 9 Houses for Housing Revenue Account on the South West Extension *(Director of Neighbourhoods and Regulatory Services)*

Type of decision

Key

Purpose of report

To seek approval for the Housing Revenue Account (HRA) proposed acquisition of 9 affordable rented houses on land at the Southwest Extension from Persimmon Homes. The proposals form part of the overall HRA business plan to grow through the delivery of new housing stock.

Issue(s) for consideration

Hartlepool Borough Council had previously agreed in principle to acquire 9 affordable rented homes to be located on Persimmon Homes' Southwest extension site in Hartlepool. Agreement has been reached on the price and specification of the rented units and construction is due to commence early 2026. The homes will be constructed and transferred to the Council on a "Golden Brick" arrangement and subject to Persimmon discharging all relevant planning conditions. Persimmon wish to exchange contracts in December 2025. Funding considerations are set out in a confidential appendix. The properties will be managed under the HRA with all maintenance costs funded through HRA resources.

Decision

That the Council's acquisition of 9 affordable rented units on a golden brick basis from Persimmon Homes be approved in principle with delegated authority for the contract negotiation and approval of final heads of terms to the Director of Neighbourhoods and Regulatory Services and the Chair of Finance and Corporate Affairs Committee

30. Council Plan Progress Report *(Author)*

Type of decision

For information

Purpose of report

To provide an update on the progress made on the delivery of the Council Plan 2030 for the Potential and Organisation priorities.

Issue(s) for consideration

The Council Plan was agreed by Finance and Policy Committee in April 2025, outlining the Council's priorities for the next 5 years for each of the 4 agreed strategic priorities. The Chief Executive reported on the progress made against the potential and organisation priorities. These included development of a production village, delivery of the Hartlepool Inclusive Growth Strategy, review of the senior officer structure and the launch of a new more accessible website. Full details were appended to the report.

The Chair was happy to note this progress, highlighting the amount of investment which was being brought into Hartlepool and the improvements that would come from this, including the opening of the Highlight Leisure Centre in 2026. She praised officers for their hard work in making this progress happen,

Decision

That the progress made on the Council Plan 2030 be noted.

The meeting concluded at 11:20am

H MARTIN

DIRECTOR OF LEGAL, GOVERNANCE AND HUMAN RESOURCES

PUBLICATION DATE: 17 December 2025