Hartlepool Borough Council

Finance and Corporate Services Committee Agenda

10 February 2026

Time: 1.00pm

Location: Council Chamber

Members: Finance and Corporate Affairs Committee

Councillors Allen, Creevy, Hargreaves (C), Lindridge, Little, Morley, Napper, Nelson, Oliver, Riddle and Scarborough (VC)

Parish Council Co-opted Member:

M Ireland (Dalton Piercy Parish Council)

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1. Apologies for absence

2. To receive any declarations of interest by members

3. Minutes

3.1 To receive the Minutes and Decision Record in respect of the meeting held on 24 November 2025 (previously published and circulated).

4. Budget And Policy Framework Items

4.1 Budget Monitoring Report – Quarter 3 2026/26 – *Director of Finance, IT and Digital*

4.2 Capital Programme 2026/27 to 2028/29 – *Director of Finance, IT and Digital*

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

4.4 Business Rates – Discretionary Relief And Hardship Relief Policy– *Director of Finance, IT and Digital*

5. Key Decisions

5.1 Housing Revenue Account Business Plan Update – *Director of Neighbourhoods and Regulatory Services*

6. Other Items Requiring Decision

None

7. Items for information

7.1 Corporate Procurement Report on Contracts – *Director of Finance, IT and Digital*
7.2 Council Plan Progress Report – *Chief Executive*

8. Any other business which the chair considers urgent

For Information

Date of next meeting – Monday 9 March in the Council Chamber, Civic Centre, Hartlepool.

Hartlepool Borough Council

FINANCE AND CORPORATE AFFAIRS COMMITTEE

10th FEBRUARY 2026

Report of: Director of Finance, IT and Digital

Subject: Budget Monitoring Report – Quarter 3 2025/26

Decision Type: Budget and Policy Framework

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1. COUNCIL PLAN PRIORITY

Hartlepool will be a place:
- where people live healthier, safe and independent lives. (People)
- that is connected, sustainable, clean and green. (Place)
- that is welcoming with an inclusive and growing economy providing opportunities for all. (Potential)
- a place with a Council that is ambitious, fit for purpose and reflects the diversity of its community. (Organisation)

2. PURPOSE OF REPORT

2.1 The purpose of this report is 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; and
v) Capital Programme Monitoring 2025/26.

3. BACKGROUND

3.1 The cost pressures reported to Finance and Corporate Affairs Committee in November, as part of the Quarter 2 report, have continued. The significant financial pressures being experienced by the Council are from inflationary and on-going increased demand, areas of income shortfall and significant cost pressures within Children's Social Care. The latter increasing again in quarter 3 of 2025/26. The first half of the year also saw the emergence of a forecast overspend within Adult Social Care linked to demand and cost rises for packages of care for Older People and Working Age Adults, this position has improved during quarter 3.

3.2 General inflation has reduced since the autumn period but remains elevated, with the Consumer Price Index recording 3.4% for December, which was a slight rise from November's 3.2%. Concerningly this remains well above the government's target rate of 2%. This continued elevated inflation rate is compounding the profound impact of the now permanently embedded inflationary increases over the last 2 years. The Bank of England continue to set their policy approach to support their objective of reducing inflation to their 2% target.

3.3 The in-year forecast overspend outlined in this report and wider financial position of the Council continues to necessitate corrective action to be taken over the remainder of the year and beyond. Messaging regarding spend efficiency measures and reviewing staff vacancies continues, alongside action plans to mitigate the children's and adult's social care financial position.

3.4 The latest 2025/26 forecast revenue outturn position for the Council is outlined below. The position is now reported in the new Directorate structure. The quarter 2 position has also been re-presented in the new structure format to aid comparisons.

4. GENERAL FUND FORECAST REVENUE OUTTURN 2025/26

4.1 The current forecast outturn position is an overspend of £2.450m, which is an improvement from quarter 2. It should be noted that the budget was set utilising £1.000m of reserves to balance the budget. As such the inherent overspend is actually £3.450m. The position by service area is detailed in **Appendices A to G,** with further commentary on variances set out from section 4.3 onwards.

4.2 As shown in the table below the financial position within Children's Services continues to be of serious concern given the level of forecast overspend, a forecast overspend also remains within Adult Services, although this has improved during the quarter. Forecast underspends in other areas have partially mitigated these cost pressures.

Q2 Forecast Outturn - Overspend/ (Underspend)	Departmental Budgets	Q3 Forecast Outturn - Overspend/ (Underspend)
£'000		£'000
950	Adult Services & Public Health	700
6,060	Children's Services	6,450
165	Neighbourhoods & Regulatory Services	(145)
0	Housing, Growth and Communities	(20)
(275)	Finance, IT and Digital	(155)
(45)	Legal, Governance and HR	(85)
105	Office of the Chief Executive	105
(3,700)	Corporate	(4,400)
3,260	**Total Forecast Budget Overspend**	**2,450**

Adult Services and Public Health

4.3 The projected outturn is a net departmental overspend of £0.700m which is an improvement on the forecast Q2 position (projected overspend of £0.950m).

4.4 The overspend within Adult Social Care represents 1.6% of the net budget and mainly relates to historic demographic pressures, increased demand, greater costs and increased income budgets across packages of care for Older People and Working Age Adults. A Budget Recovery Plan has been developed by the department's senior management team and budgets and spend continue to be closely monitored.

4.5 Public Health services are fully funded by specific ring-fenced grants (Public Health Grant, Drug and Alcohol Treatment and Recovery Improvement Grant and Local Stop Smoking Services and Support Grant). An underspend at year end is forecast, however, in line with the grant conditions, this will be transferred at year end to the ring-fenced Public Health reserve for use on future public health-related services.

Children Services

4.5 As part of the 2025/26 budget setting process additional specific resources of £6.9m were provided into Children's Social Care, given their unprecedented budget pressures. This is in addition to normal inflationary budget increases. Notwithstanding this significant budget increase the projected outturn is an overspend of £6.450m. This forecast represents a £0.390m worsening of the position since that reported in the Quarter 2 monitoring report in November.

4.6 As reported as part of the Quarter 2 update, the main reasons for the overspend continue to be the increase in the numbers and costs of children requiring external residential placements and the associated impacts on social work staffing workloads and budgets. This reflects the increasing complexity of children's needs and the significant fees being charged by the external care market. Overall Hartlepool's Children in Care numbers per 10,000 children, continue to be above regional and national averages. This is because of a number of factors including high levels of poverty.

4.7 Children in our care (CiOC) numbers have continued to rise during 2025/26, with the respective CiOC numbers at the end of each quarter totalling; 345 for quarter 1, 352 for quarter 2 and up to 365 for quarter 3. Inherent within this is an increase in placements required to be made with external providers in order to meet the individual needs of the young people coming into care.

4.8 With regard to external provider placement pressures, the current top 25 highest cost external placements are costing in the region of £235,000 per week, which equates to c£12.2m per year. The average cost of the current 50 external placements is £7,310 per week, with a range of £3,900 to £21,189 per week. There are currently 7 placements in excess of £10,000 per week which is as a result of the complexities of their bespoke needs.

4.9 As noted above, CiOC numbers are continuing to increase. Within the overall numbers quoted for CiOC it is important to note that this is not a fixed cohort of children. Some children positively return home, and some children move into special guardianship order (SGO) or child arrangement order (CAO) arrangements. These SGO and CAO arrangements, although no longer classified as within our care, still retain financial support payments from the Council. This is another area of budget pressure.

4.10 To mitigate these cost pressures, 6 key strands of activity are progressing and are being overseen by Senior Management. The activity strands are focused around: edge of care support, prevention and early help, fostering and placement planning, reunification, care leavers support and corporate parenting.

4.11 The Council opened a new in-house children’s home in January 2026, with the possibility of further new homes in the future. In addition, the council is working with a local charity in their development of a children’s home in the town, providing more local, lower cost capacity. Both developments will help reduce our exposure to the significant fees being charged by the external care market.

4.12 The Council is considering its own local fostering drive and is also included in a large-scale regional recruitment initiative. In addition, increased staffing resources have been provided during 2025/26. The Edge of Care team are providing support to families who are at risk of having children enter the care system. Increased respite support provision has also commenced.

4.13 Local case reviews continue to be carried out to ensure care is being provided at the correct level, whilst also challenging costs. Further activity to maximise partner contributions to care costs where appropriate has commenced. Regionally, in the medium-term, partnership working is being considered to try and address care market failures. Following successful pilots elsewhere in the country supported by the Department for Education, a project to consider a

North East Regional Care Cooperative has commenced. Further work and consideration of this partnership will be carried out over the coming months.

4.14 From national government's perspective 'The Families First Partnership (FFP) Programme' was published during 2025. These changes centre around implementing: "Family Help and multi-agency child protection reforms' that make greater use of Family Group Decision Making. The roll-out of these reforms represents a significant step forward in delivering on the government's mission to provide children with the best start in life and break down barriers to opportunity." The approach to meeting the reform requirements, to commence during 2026/27, continues to be developed.

4.15 The Medium Term Financial Plan (MTFP), elsewhere on today's agenda provides for £6.5m of budget growth for Children's Services in 2026/27. The service has been tasked with reducing the overspend, and a £3.0m savings proposal is also in included with MTFP plans for 2026/27 (i.e. a net £3.5m increase for 2026/27). It should also be noted that the budget for 2026/27 does not allow for any growth in Children in our Care numbers or additional cost associated with complexity. As such both the savings requirement and potential for further growth in numbers poses a real risk for 2026/27.

Neighbourhoods and Regulatory Services

4.16 The current forecast outturn for the department is an underspend of £0.145m.

4.17 The position has improved since quarter two mainly as a result of a forecast overachievement of the salary abatement target and a reduction in the adverse variance in relation to facilities management which has decreased from £0.200m to £0.100m.

4.18 The facilities management adverse variance is due to fewer schools buying back the School Catering Service and increases in employer national insurance costs. The position has improved owing to increased school meal uptake in the new academic year as a result of proactive public communications alongside Public Health. Income continues to be under close review, and mitigation options continue to be explored. A £0.050m saving was included in the 2025/26 budget, and the adverse variance is reflected in the "Budget Savings Monitoring" section of the report.

4.19 Although the overall directorate position has improved, a number of challenges remain, and there continues to be forecast adverse variances in relation to fee income in a number of areas including:

- Planning
- Strategic Asset Management
- Public Protection

4.20 However, as detailed in the Quarter 2 budget monitoring report the adverse variance of £0.210m forecast within Public Protection is primarily due to anticipated demolition costs of Admiral Court.

4.21 The £0.200m forecast adverse variance for Sustainable Transport remains unchanged, driven by changes in Concessionary Fare usage. This budget has historically underspent and a £0.300m saving was included in the 2025/26 budget. The variance is reflected in the "Budget Savings Monitoring" section of the report.

4.22 There remains forecast adverse variances in relation to both Highways and Streetlighting owing to additional costs and activity in these areas, and staffing savings in relation to Road Safety will no longer be achieved following the reinstatement of school crossing patrollers.

4.23 There continues to be a number of forecast favourable variances offsetting the position, as outlined in **Appendix C**, and the department will continue to monitor the position closely.

Housing, Growth and Communities

4.24 The current forecast outturn for the department is an underspend of £0.020m.

4.25 The overspend within the Inclusive Growth area mainly relates to historic income pressures across Cemeteries and Crematoria and the Borough Hall and Town Hall Theatre. In addition, there are income pressures within Carlton Adventure. Work is being undertaken in each of these areas to explore options for increasing income or delivering services differently.

4.26 The favourable variance in Housing and Community mainly relates to the receipt of "one-off" grants and staffing vacancies.

4.27 The Council has also received an additional funding allocation of £0.080m for Homelessness Prevention, providing the Council with additional resources in 2025/26 to support individuals and households who are at risk of, or experiencing homelessness.

Finance, IT and Digital

4.28 The current forecast outturn is an underspend of £0.155m. This is 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 and additional printing and postage.

Legal, Governance and HR

4.29 The forecast outturn is an underspend of £0.085m, an increase of £0.040m from Quarter 2. The underspend mainly relates to vacant posts, staff not being at the top of their grade offsetting an overspend on supplies and services.

Office of the Chief Executive

4.30 The forecast outturn is an overspend of £0.105m. This predominantly relates to income shortfalls in reprographics.

Corporate Areas

4.31 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£3.5m is forecast to be generated in 2025/26, with the council taking advantage of continued high rates of interest. As previously noted, these returns will not be achievable at this level into future years as reserve cash balances reduce, coupled with the expected downwards trend on interest rates. This cashflow reduction will also necessitate the drawing down of planned borrowing from the Public Works Loan Board (PWLB) to support current capital programme activity.

4.32 In addition to the above, grant funding from the Extended Producer Responsibilities grant for 2025/26 was confirmed at a high level than anticipated. This is providing an in-year benefit of £0.328m.

4.33 Underspends from the IT service contract, energy and smaller grants are supporting cost pressures arising from property holding costs, exempt accommodation and shopping centre rental income shortfalls.

Virements

4.34 During the financial year it is necessary to amend budgets to allocate resources held corporately or reflect changes in structures or activity.

4.35 The report is presented in line with the new directorate structures, budget amendments have been enacted to achieve this.

4.36 Other minor adjustments were also carried out between corporate and adults and children services to better align budgets and operational requirements.

Budget Savings Monitoring

4.37 The 2025/26 budget included the implementation of £2.849m of approved savings plans for year. A number of plans have now been delivered, which is positive given the demands and pressures services have experienced. Directors continue to take the necessary action to mitigate any delays or issues with implementation.

- **£1.929m (67.7%)** of the savings have been fully realised.
- **£0.605m (21.2%)** of savings where good progress is being made, with a good prospect that full savings will be achieved, albeit with some phasing into future years.
- **£0.315m (11.1%)** is in respect of areas where delays and issues have been encountered, meaning savings are unlikely to be delivered as planned during 2025/26. These are included as pressure/overspends in the outturn position. Further information on the main areas are noted below.

4.38 A review of the work and charging arrangements for the Management Information Team within Children's Service has not delivered the planned £0.040m savings. Schools buy-backs have been less than anticipated in this area.

4.39 The forecast saving from the Concessionary fares budget has not materialised at the anticipated level. A saving of £0.300m was factored into the departmental budget for 2025/26, which re-based the budget, informed by charges in recent years. Due to increased bus usage by Hartlepool residents within the latest data, Hartlepool's relative share of the Tees Valley arrangements has increased, leading to a £0.225m shortfall on the savings target.

4.40 A planned saving of £0.100m from a review of Schools Catering and Cleaning, is forecast to be only partially achieved in 2025/26. At present £0.050m is forecast not to be achieved during 2025/26, this is as a result of increased costs of providing the services, and some schools no longer buying back the council services.

Dedicated School Grant

4.41 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.

4.42 Outturns for 2023/24 and 2024/25 were overspends of £2.348m and £3.343m, respectively. These overspends were 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. A key part of this strategy was the opening of Hartlepool Free School in September 2024. Whilst the Free School transitions to full capacity over a 5-year period, the lag in funding contributes to the financial pressure on the HNB – £0.514m in 2024/25 and an estimated £0.243m in 2025/26.

4.43 At the end of 2024/25 the Dedicated School Grant (DSG) was £4.932m in deficit. Accounting regulations covering the period up to 31st March 2028 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.

4.44 During 2024/25 the Council produced a DSG Management Plan for submission to the Department for Education (DfE). 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 DfE the plan has been agreed and has continued to be updated and monitored.

4.45 The 2025/26 High Needs Budget exceeded the funding allocation by £4.257m. Mitigations 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. The transfer of £0.436m (0.5% the maximum without Secretary of State approval) from the Schools Block and uncommitted funding of £0.080m from the Central School Services Block to the High Needs Block which was also proposed by School Forum and agreed by Children’s Services Committee.

4.46 The 2025/26 projected HNB outturn is an overspend of £5.416m, a further £1.159m than the budgeted overspend, partially offset by £0.550m from the forecast Early Years Block underspend. This increased HNB pressure is predominantly owing to increases in payments to schools for Individual Pupil Support and increased spending on school based Additionally Resourced Provisions (ARPs) which keeps Hartlepool children being educated in the Town. This has resulted in a small saving in out-of-town specialist provision. A forecast overspend at this level would lead to a cumulative DSG deficit of £9.798m at the end of the 2025/26 financial year.

4.47 Current projections indicate a forecast deficit of £22m by the end of the 2027/28 financial year, which critically is when the statutory overside provided through accounting regulations is scheduled to end. The government have committed to support the meeting of this accrued DSG deficit but commented within the Local Government Provisional Settlement that “Whilst we do not expect local authorities to plan on the basis of having to meet deficits in full, any future support will not be unlimited. Councils must continue to work to keep deficits as low as possible.” As such the exact value of support is uncertain.

4.48 Further details on the Government plans for the SEND system are to be announced as part of a Schools White Paper. This white critical paper was due to be published in the autumn, but publication is now anticipated in February 2026. In the meantime, the council is considering further interventions, informed by the SEND and Alternative Provision Capital Strategy 2025-2028, which was presented at Children’s Services Committee on the 3rd February 2026.

Reserves

4.49 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 P.** The appendix includes the forward projections of the DSG Reserve deficit, driven by the HNB overspend.

Reserve Area	Balance as at 31st March 2025 (Revised)	Forecast Usage 2025/26	Forecast Usage 2026/27 to 2028/29	Forecast Balance as at 31st March 2029
	£'000	£'000	£'000	£'000
Unearmarked General Fund	5,500	0	0	**5,500**
Budget Support Fund	7,672	(3,450)	(936)	**3,286**
Budget Support – Transformation and Invest to Save	3,400	(700)	(2,350)	**350**
Other Revenue Reserves	21,767	(9,940)	(8,635)	**3,192**
Revenue Reserves Total	**38,339**	**(14,090)**	**(11,921)**	**12,328**
Capital Reserves	17,983	(11,933)	(6,050)	**0**
TOTAL	**56,322**	**(26,023)**	**(17,971)**	**12,328**

DSG Reserve	**(4,932)**	**(4,866)**	**(12,249)**	**(22,047)**

4.50 Please note the information provided excludes any ringfenced School and HRA reserves.

5. HOUSING REVENUE ACCOUNT (HRA)

5.1 The HRA is budgeted to make a £0.008m surplus for the financial year. The forecast net nil actual position is expected to result in a £0.008m adverse variance when compared to budget. Further details provided at **Appendix H**.

5.2 It is anticipated that issues in relation to damp and mould will continue to arise resulting in a forecast adverse variance on the maintenance budget.

5.3 It is anticipated that this adverse position can be mitigated through a combination of the following:

- Slightly higher than anticipated rental and insurance income
- Reduction in voluntary contribution to the Major Repairs Reserve (MRR).

5.4 It should be noted that this reduces the future resilience of the HRA, as there will be less funding available for major repairs.

5.5 The HRA reserve is expected to remain at £0.500m

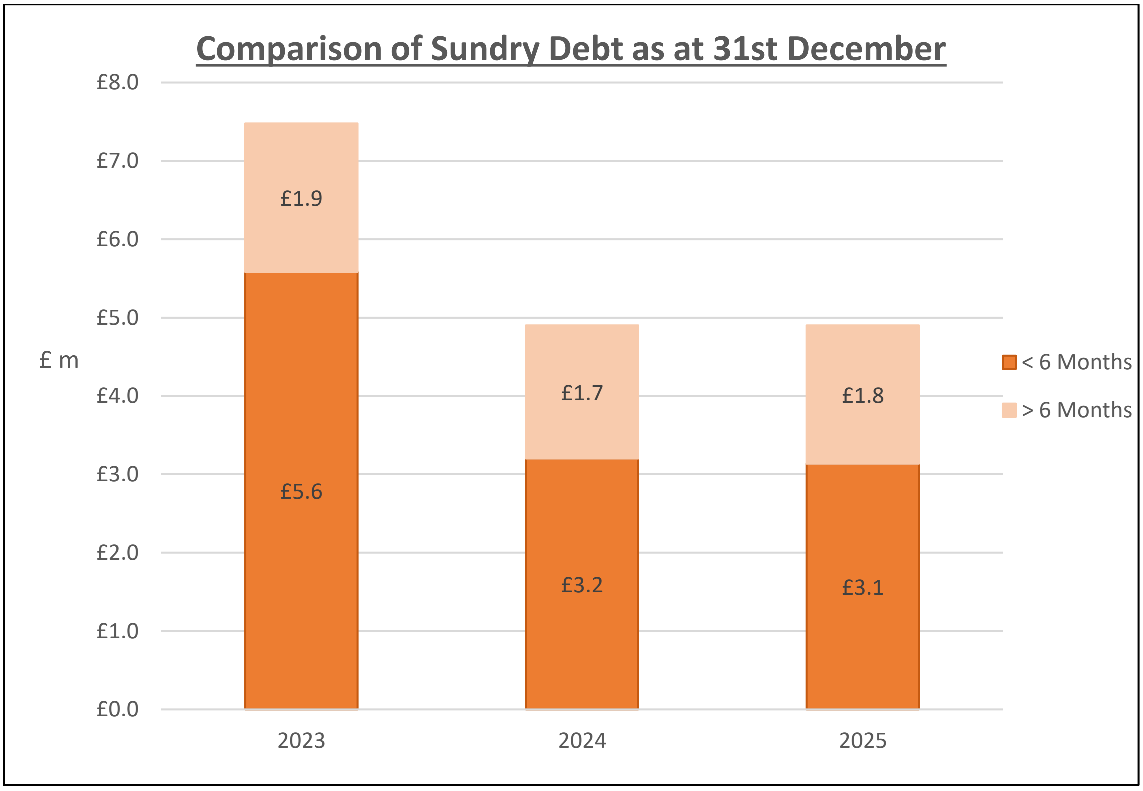
5.6 The HRA capital position is outlined in **Appendix I**.

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 26,213 Sundry Debt invoices with a value of £30.300m were raised in the first nine months of 2025/26. As at 31st December 2025, £28.200m (93.07%) 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 £4.900m as at 31st December 2025, of which £3.100m (63.26%) 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 2025/26 but payment is to be received in instalments throughout the year.

6.4 Debts greater than 6 months old total £1.800m. 99.54% of this amount is under recovery action and 0.46% (£0.008m) is now considered unrecoverable.

Council Tax

6.6 The in-year performance to the end of December is up on 2024/25. As at the 31st December 2025 the Council had collected 77.78% of the 2025/26 liability, compared to 77.28% for the previous year. Arrears collection continues to perform well.

6.7 Increased efforts to target potential single person discount (SPD) fraud continues. In the first nine months of the year the number claiming the discount has reduced by 361. The current claimant count is 16,342 a reduction of 1,069 (6.1%) from the 17,411 claiming SPD in March 2024 when the fraud awareness campaign began.

6.8 As at the end of December the Local Council Tax Support claimant count was 13,070 of which there were 8,623 working age claimants.

6.9 The Collection Fund in respect of Council Tax continues to be closely monitored.

Business Rates

6.10 At the 31st December 2025 the Council had collected 79.12% of the 2025/26 liability compared to 79.21% for the previous year. This is slightly down on 2024/25, but business rate collection tends to be volatile during the year, and is also impacted by changes to liability for businesses. At this stage we expect collection rates to be in line with 2024/25.

6.11 The recent news that Venator Materials UK limited has entered administration, will result in a circa £0.250m loss to the council in the current year's collection fund and a full year loss of circa £0.500m. Overall there has been a decline in the ratable value of hereditaments within the borough following appeal decisions by the VOA. Whilst provision is held against this risk, the Collection Fund position in respect of Business Rates remains under pressure.

7 CAPITAL MONITORING

7.1 Details of actual expenditure, budget variations and reprofiling of budget are provided in **Appendices J to O** 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 31/3/25	Actual to end Q3 (31/12/25) 2025/26	Budget 2025/26	Additional Schemes and Cost Variations 2025/26	Reprofiling of Expenditure 2025/26	Revised Budget 2025/26
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Major Regeneration Schemes	118,457	35,456	13,548	30,600	517	(9,378)	21,739
Adult Services & Public Health	10,956	3,510	4,308	5,002	0	0	5,002
Children's Services	10,923	2,917	732	4,857	0	(2,326)	2,531
Neighbourhoods & Regulatory Services	35,218	10,968	4,948	16,353	282	(8,042)	8,593
Housing, Growth & Communities	4,670	1,978	189	1,922	20	(481)	1,461
Corporate	2,465	333	178	1,901	(10)	(834)	1,057
Total Capital Expenditure	**182,689**	**55,162**	**23,903**	**60,635**	**809**	**(21,061)**	**40,383**

7.2 As shown in the above table, actual 2025/26 in-year capital expenditure to 31st December 2025 totals £23.903m and reprofiling of expenditure into future years totals £21.061m. After taking account of the reprofiling and budget variations, the forecast capital expenditure in 2025/26 now totals £40.383m.

7.3 The main areas of cost variation, included within the net £0.809m movement shown in the 'additional schemes and cost variations' column relate to:

- Highlight – the gross budget variance of £1.218m links to the consolidating of external and landscaping works at the site (previously part of the Waterfront Connectivity Scheme), required construction delivery variations and an extension of delivery time. This cost variance is fully funded by; £0.948m transferred from the Waterfront Connectivity Scheme, a grant increase of £0.250 from Sport England and £0.020m from TVCA towards Electric Vehicle charge points at the site. As such there is no borrowing impact.

- Integrated Transport Plan - £0.778m variation for TVCA funded cycle way investment.

7.4 The main areas of reprofiling of expenditure into future years, included within the £21.061m noted above relate to; Middleton Grange (£4.310m), Waterfront

Connectivity (£2.717m), A19/Elwick Road (£1.273m), Kingsley Additional Resource Provision (£0.750m) and Developer Contributions (£7.500m).

7.5 Full details of any budget variances and reprofiling of expenditure are shown in **Appendices J to O**.

Capital Receipts

7.6 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 relevant issues.

9. RECOMMENDATIONS

9.1 It is recommended that Members:

i) Note the 2025/26 forecast outturn position of £2.450m overspend and the accompanying financial performance for the year;

ii) Approve the virements noted at paragraphs 4.34 to 4.36;

iii) Note the forecast use of reserves at paragraph 4.51;

iv) Note the 2025/26 forecast outturn in relation to the Housing Revenue Account detailed within Section 5 of the report; and

v) Note the capital programme position and approve budget variations detailed in Section 7.

10. REASONS FOR RECOMMENDATIONS

10.1 To inform Finance and Corporate Affairs Committee of the Council's 2025/26 financial forecast outturn position.

11. BACKGROUND PAPERS

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

Finance and Corporate Affairs Committee – Budget Monitoring Report Quarter 1 2025/26 – 8th September 2025.

Finance and Corporate Affairs Committee – Budget Monitoring Report Quarter 2 2025/26 – 24th November 2025.

12. CONTACT OFFICERS

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Paul Dixon
Assistant Director, Finance
Email: paul.dixon@hartlepool.gov.uk

Sign Off:-

Chief Executive	Date: 23/01/26
Director of Finance, IT and Digital	Date: 22/01/26
Director of Legal, Governance and HR	Date: 23/01/26

ADULT SERVICES & PUBLIC HEALTH **Appendix A**

REVENUE FINANCIAL MONITORING REPORT FOR FINANCIAL YEAR 2025/26 as at 31st December 2025

2025/26 Budget £'000	Description of Service Area	Actual Outturn Adverse/ (Favourable) £'000	Director's Explanation of Variance
	Adult Social Care		
74	Carers	13	Minor variances.
4,302	Commissioning - Adults	288	Mainly relates to the Council's share of the costs of Discharge to Assess exceeding the available budget.
225	Departmental Running Costs	(40)	Mainly relates to staff savings arising from vacant posts.
206	Direct Care & Support (including Telecare)	51	The overspend relates to a combination of Telecare income being lower than forecast.
926	LD & Transition Social Work	(18)	Minor variances.
2,098	Locality & Safeguarding Team	22	Minor variances.
1,490	Mental Health Services	(158)	The underspend relates to staff savings from incremental drift and vacancies over and above the departmental salary abatement target.
1,648	OT & Disability Equipment	16	Overspends against the OT equipment budgets partly offset by staff savings from incremental drift and vacancies over and above the departmental salary abatement target.
30,784	Packages of Care	685	The overspend relates to a combination of historic cost pressures, increased demand, increased costs and income targets across a number of mainly Older People packages of care budgets.
216	Transformation & Digital	(127)	The underspend relates to staff savings from incremental drift and vacancies over and above the departmental salary abatement target and use of one-off grant income.
1,373	Working Age Adult Day Services	(32)	The underspend relates to staff savings from incremental drift and vacancies over and above the departmental salary abatement target.
43,342	**Adult Social Care Sub Total**	**700**	
Public Health Grant			
4,059	Children's Services	(2)	Minor variances.
2,716	Substance Misuse Services	(90)	Confirmation of 2026/27 funding has now been received as part of the Local Government Finance Settlement enabling longer-term budget planning. As per the grant conditions, any underspend in this area will be transferred to the ring-fenced Public Health Grant reserve and be ring-fenced further for use on Substance Misuse Services.
2,121	General Public Health Support Services	(233)	Staff vacancies and increased grant allocation since the budget was originally set. Some additional allocations have been made but work on-going to determine how to allocate the remaining ringfenced balance on public health activity.
657	Sexual Health Services	2	Minor variances.
27	Smoking Cessation	24	Spend originally planned to be funded from PH reserve.
460	Physical Activity	0	
14	Mental Health	0	
89	Health Checks	(1)	Minor variances.
212	Obesity	6	Minor variances.
(10,355)	Public Health Grant	0	
0	Contribution from ring-fenced Public Health	90	This relates to the overspend on Substance Misuse Services and will be transferred from the Public Health Grant reserve.
0	Contribution to ring-fenced Public Health Grant	204	General net underspend transferred to the ring-fenced Public Health grant reserve.
0	**Public Health Grant**	**0**	
43,342	**Adult & Community Based Services Total**	**700**	

CHILDREN'S SERVICES **Appendix B**

REVENUE FINANCIAL MONITORING REPORT FOR FINANCIAL YEAR 2025/26 as at 31st December 2025

2025/26 Budget £'000	Description of Service Area	Actual Outturn Adverse/ (Favourable) £'000	Director's Explanation of Variance
	Children's Social Care		
3,478	Children & Families	982	Overspend mainly relates to the costs of keeping young people at home/out of residential care and increases in the number of children subject to Child Arrangement Orders and Special Guardianship Allowances.
27,476	Children in our Care	5,615	Overspend mainly relates to an increase in the number of children in our care requiring residential placements. This reflects the increasing complexity of their needs and the significant fees being charged by the external care market.
(205)	Early Intervention	(10)	Minor variances.
0	Play & Care	28	Service ended June 2025, however as part of the 2025/26 MTFS savings proposals the budget was deleted from April 2025.
5,914	Safeguarding Children	370	Overspend mainly relates to increased social worker staffing costs.
668	Standards, Engagement & Development	(25)	Minor variances.
1,273	Strategic Commissioning	(280)	Favourable variance mainly relates to the receipt of a number of temporary, 'time limited', grants.
311	Youth Justice Service	0	An underspend is forecast, mainly arising from staffing savings, however any underspend will be transferred to the ringfenced YJS Partnership Reserve.
38,915	**Children's Services Sub Total**	**6,680**	
	Education (excluding DSG)		
194	Access to Education	(40)	Favourable variance relates to staffing savings from incremental drift and additional income generation.
59	Central Support Services	0	
507	Other School Related Expenditure	0	
475	Raising Educational Achievement	(35)	Favourable variance mainly relates to increased income generation offsetting overspends on training and room hire.
724	Special Needs Services	(115)	Favourable variance mainly relates to staffing savings arising from vacancies and incremental drift.
461	Strategic Management	(10)	Minor underspends
425	Youth Service	(30)	Favourable variance mainly relates to staffing savings arising from vacancies and incremental drift offsetting reduced income.
2,845	**Education Sub Total**	**(230)**	
41,760	**Children's Services Sub Total**	**6,450**	

	Dedicated Schools Grant	Actual Outturn Adverse/ (Favourable)	
13,077	Early Years Block	(550)	
17,900	High Needs Block	5,416	
0	Schools Block	0	
30,977	TOTAL Dedicated Schools Grant	4,866	

NEIGHBOURHOODS & REGULATORY SERVICES **Appendix C**

REVENUE FINANCIAL MONITORING REPORT FOR FINANCIAL YEAR 2025/26 as at 31st December 2025

2025/26 Budget £'000	Description of Service Area	Actual Outturn Adverse/ (Favourable) £'000	Director's Explanation of Variance
	Neighbourhood Services		
40	Building Design Team	(75)	Forecast favourable variance reflects increased productivity in relation to large capital schemes.
132	Construction Team	0	
380	Engineering Services (including Coastal Protection and Contaminated Land)	(135)	Forecast favourable variance reflects additional income generation in relation to a change to the allowable recovery of costs for a number of grant schemes.
3,420	Environmental Services	(60)	Forecast favourable variance reflects lower than budgeted Fleet SLA costs.
2,916	Highways	105	Forecast adverse variance reflects additional costs in relation to the level of Unscheduled Highways Maintenance. Action will be taken to mitigate this variance but at present an adverse variance is anticipated.
2,364	Passenger Transport	(10)	Forecast favourable variance reflects SEN transport savings as a result of the new SEN school which has reduced the amount spent on out of town travel. The cost of tenders for the September cohort were also lower than anticipated. There has also been an increase in fees to reflect costs of service provision.
530	Planning & Development	105	Forecast adverse variance reflects shortfall in building control and planning income, the number of large planning applications is expected to be down compared to previous years and there are additional costs in relation to a planning appeal.
177	Road Safety	20	Forecast adverse variance reflects staffing savings that will no longer be achieved due to the reinstatement of school crossing patrollers.
1,006	Street Lighting	110	Forecast adverse variance reflects ongoing maintenance costs and column replacements. Action will be taken to mitigate this variance but at present an adverse variance is anticipated.
1,923	Sustainable Transport	200	Forecast adverse variance reflects unfavourable contract negotiations and demographic changes in relation to Concessionary Fares costs which are significantly higher than in previous years.
(96)	Vehicle Fleet	(45)	Forecast favourable variance reflects increased income in relation to repairs outside of the SLA.
7,806	Waste Services	(350)	Forecast favourable variance reflects the impact of the increase in gate fees in not being as high as initially anticipated. This is expected to be a one-off saving with greater impact of fees expected from 2026-27.
20,598	**Neighbourhood Services Sub Total**	**(135)**	
	Regulatory Services		
(725)	Car Parking & Enforcement	(40)	Forecast favourable variance reflects increased income taken at the coastal car parks owing to the extended period of summer weather.
974	Community Safety & Engagement	(165)	Forecast favourable variance is linked to vacancies and the service actively managing the budgets to offset pressures elsewhere.
1,171	Facilities Management	100	Forecast adverse variance reflects the position in relation to a reduction the number of schools that are buying back the service, increases in National Insurance and the under recovery of direct costs. A detailed analysis has been carried out on expenditure & direct costs. Income is being closely monitored, and options are being explored.
247	Health & Safety	0	
771	Public Protection	210	Forecast adverse variance reflects shortfall in licensing income and anticipated demolition costs in relation to Admiral Court.
2,438	**Regulatory Services Sub Total**	**105**	
	Development & Growth		
(56)	Strategic Asset Management	185	Forecast adverse variance predominantly reflects shortfall in relation to fee and rental income.
92	Strategic Development & Sustainability	0	
36	**Development & Growth Sub Total**	**185**	
	Strategic Management & Admin		
324	Strategic Management & Admin	(300)	Forecast favourable variance reflects anticipated over achievement of the salary abatement target.
23,396	**Neighbourhoods & Regulatory Services Total**	**(145)**	

HOUSING, GROWTH & COMMUNITIES **Appendix D**

REVENUE FINANCIAL MONITORING REPORT FOR FINANCIAL YEAR 2025/26 as at 31st December 2025

2025/26 Budget £'000	Description of Service Area	Actual Outturn Adverse/ (Favourable) £'000	Director's Explanation of Variance
	Inclusive Growth		
84	Allotments	10	Minor variances.
34	Archaeology	0	
(242)	Coast, Countryside, Heritage and Cemeteries & Crematoria	260	The overspend mainly relates to historic income pressures within the Cemeteries and Crematoria service area.
88	Cultural - Events and Theatres	180	The overspend mainly relates to historic income pressures across both the Town Hall Theatre and Borough Hall.
548	Cultural - Museums and Galleries	45	Overspend mainly relates to the one-off costs of the decant of art works from Sir Willian Gray House.
456	Economic Growth	0	
724	Sports, Leisure & Recreation Facilities	175	The projected overspend mainly relates to reduced income at Carlton Adventure.
1,692	**Inclusive Growth Sub Total**	**670**	
	Housing and Community		
72	Adult Education	(55)	Mainly relates to increased income from grants.
1,240	Community Hubs	25	The projected overspend mainly relates to a combination of increased
684	Housing, Hardship & Welfare	(660)	Favourable variance mainly relates to the receipt of 'one-off' grants and staffing vacancies.
1,996	**Housing and Community Sub Total**	**(690)**	
	Strategic Management & Admin		

131	Strategic Management & Admin	0	
131	**Preventative & Community Based Services Sub Total**	**0**	
3,819	**Housing, Growth & Communities Total**	**(20)**	

FINANCE, IT & DIGITAL **Appendix E**

REVENUE FINANCIAL MONITORING REPORT FOR FINANCIAL YEAR 2025/26 as at 31st December 2025

2025/26 Budget £'000	Description of Service Area	Actual Outturn Adverse/ (Favourable) £'000	Director's Explanation of Variance
	Corporate and Financial Services		
451	Benefits	(90)	Favourable variance owing to a vacant post, posts not being at the top of the grade, additional income generation and non pay savings.
(1,068)	Central Administration Recharges	0	
1,610	Corporate Finance	(50)	Favourable variance owing to posts not being at the top of the grade.
233	Internal Audit	5	The adverse variance is owing to overspends in supplies and services.
184	Procurement	(50)	Favourable variance owing to a vacant post.
1,356	Revenues	(12)	Favourable variance owing to vacant posts, posts not being at the top of the grade and non pay savings.
(839)	Revenue & Benefits Central	150	The adverse variance is owing to overspends in supplies and services and reduced court cost income.
816	Shared Services	(43)	Favourable variance owing to vacant posts and posts not being at the top of the grade.
49	Corporate Management Running Expenses	(25)	Favourable variance owing to savings on the corporate subscriptions budget.
2,792	**Corporate and Financial Services Sub Total**	**(115)**	
	Customer Services and IT		
299	Corporate ICT	(20)	Favourable variance owing to vacant posts and posts not being at the top of the grade.
1,139	Customer and Support Services	(60)	Favourable variance owing to vacant posts and posts not being at the top of the grade.
31	Registration Services	40	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.
1,469	**Customer Services and IT Sub Total**	**(40)**	
4,261	**Finance, IT & Digital Total**	**(155)**	

LEGAL, GOVERNANCE and HR **Appendix F**

REVENUE FINANCIAL MONITORING REPORT FOR FINANCIAL YEAR 2025/26 as at 31st December 2025

2025/26 Budget £'000	Description of Service Area	Actual Outturn Adverse/ (Favourable) £'000	Director's Explanation of Variance
	Legal		
52	Civic Attendants	0	
135	Democratic	(17)	Favourable variance owing to reduced hours and posts not being at the top of the grade.
563	Human Resources	(20)	Favourable variance owing to posts not being at the top of the grade, offset by reduced income generation..
787	Legal Services	40	The adverse variance is owing to additional supplies and services costs.
163	Managing Director's Office	(15)	Favourable variance owing to posts not being at the top of the grade.
174	Municipal Elections and Registration of Electors	(40)	Favourable variance owing to fallow year for municipal elections.
48	Other Office Services	0	
120	Scrutiny	0	
152	Support to Members	(30)	Favourable variance expected owing to savings on supplies and services budgets.
34	Trade Union	(3)	The favourable variance is owing to less staff time against union duties.
10	Corporate Training	0	
2,238	**Legal, Governance and HR Total**	**(85)**	

OFFICE OF THE CHIEF EXECUTIVE

Appendix G

REVENUE FINANCIAL MONITORING REPORT FOR FINANCIAL YEAR 2025/26 as at 31st December 2025

2025/26 Budget £'000	Description of Service Area	Actual Outturn Adverse/ (Favourable) £'000	Director's Explanation of Variance
	Office of the Chief Executive		
238	Communications and Marketing	(5)	Favourable variance owing to additional grant income partly
175	Corporate Strategy and Performance	0	
226	Managing Director	0	
(78)	Reprographics	110	Forecast adverse variance reflects income shortfalls in
561	**Office of the Chief Executive Total**	**105**	

HOUSING REVENUE ACCOUNT for 2025/26 as at 31st December 2025

APPENDIX H

2024/25 OUTTURN		2025/26 BUDGET	2025/26 Forecast Outturn as at 31/12/2025	Variance	COMMENTS
£'000		£'000	£'000	£'000	
	Income				
(1,914)	Dwelling Rents	(1,915)	(1,940)	(25)	Favourable variance reflects rent increases agreed for lease properties.
(42)	Income from Insurance Claim	-	(80)	(80)	Favourable variance relates to higher insureance settlement in relation to a fire at a property..
(24)	Non-dwelling Rents - Other Income	(30)	(25)	5	
(7)	Charges for services and facilities	(4)	(10)	(6)	
(1,987)	**Income sub total**	**(1,949)**	**(2,055)**	**(106)**	
	Expenditure				
662	Repairs and maintenance	538	694	156	Forecast adverse variance reflects the anticipated increase in the number and higher value repairs for damp and mould issues.
453	Supervision and management	487	497	10	Adverse variance reflects additional costs in relation to void properties.
19	Rents, rates, taxes and other charges	20	28	8	
5	Right to Buy Reserve	5	5	-	
-	Provision for bad or doubtful debts	-	-	-	
398	Depreciation (Major Repairs Allowance)	431	380	(51)	Reflects a reduction in the voluntary contribution to mitigate adverse variances from high repairs expenditure.
2	Discretionary Housing Payments	4	2	(2)	
13	Debt Management costs	13	13	-	
435	Net Interest payable	443	436	(7)	
1,987	**Expenditure sub total**	**1,941**	**2,055**	**114**	
0	**HRA (Surplus) / Deficit for the year**	**(8)**	**(0)**	**8**	
	Movement on the HRA Reserve				
(500)	HRA Reserve Opening Balance	(500)	(500)	-	
-	(Surplus)/Deficit for the year	(8)	(0)	8	
(500)	**HRA Reserve Closing Balance**	**(508)**	**(500)**	**8**	

APPENDIX I

COUNCIL HOUSING CAPITAL SCHEMES

CAPITAL MONITORING REPORT PERIOD ENDING 31st December 2025

Code	Scheme Description	Gross Budget	Actual to 31/3/25	2025/26 Actual to end Q3 (31/12/25)	Budget 2025/26 (adjusted for prior year reprofiling)	Additional Schemes and Cost Variations 2025/26	Reprofiling of Expenditure 2025/2026	Revised Budget 2025/26	Comments
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	
S106	Affordable Housing	913	0	0	225	(518)	293	**0**	£0.518m S106 allocated to the new scheme to acquire 9 properties on the South West Extension.
7182	Empty Homes - Phase 3	618	103	0	0	0	0	**0**	Individual business case approval required for each scheme. No immediate plans to utilise this borrowing approval albeit development schemes are currently being designed and modelled due to recent more favourable funding conditions.
7726	Resettlement Accommodation	1,306	1,306	0	0	0	0	**0**	Scheme complete.
8106	New Build	370	1	0	0	0	0	**0**	Individual business case approval required for each scheme. No immediate plans to utilise this borrowing approval albeit development schemes are currently being designed and modelled due to recent more favourable funding conditions.
8799	Major Repairs	210	103	0	107	0	0	**107**	HRA capital work funded from the MRR reserve.
New	Acquiaition of 9 Houses on South West Extenstion	965	0	0	0	965	0	**965**	
9294	HRA Adaptations	141	41	0	100	0	0	**100**	HRA capital adaptations to housing stock funded from the MRR reserve.
9520	Social Housing Decarbonisation Phase 3	450	0	0	225	0	0	**225**	Scheme reprofiled to reflect two year programme.
COUNCIL HOUSING - CAPITAL SCHEMES		**4,973**	**1,554**	**0**	**657**	**447**	**293**	**1,397**	

MAJOR REGENERATION SCHEMES **APPENDIX J**

CAPITAL MONITORING REPORT PERIOD ENDING 31st December 2025

Code	Scheme Description	Gross Budget	Actual to 31/3/25	2025/26 Actual to end Q3 (31/12/25)	Budget 2025/26 (adjusted for prior year reprofiling)	Additional Schemes and Cost Variations 2025/26	Reprofiling of Expenditure 2025/2026	Revised Budget 2025/26	Comments
		£000	£000	£000	£000	£000	£000	£000	
8958	A19/ Elwick Road/ North Lane Junction and Elwick Road/Hartlepool Western Link Project	24,497	1,962	163	1,723		(1,273)	450	Rephased to 26/27
7550	CIP - Highlight	35,868	21,585	10,301	13,065	1,218		14,283	Cost variation linked to required scheme amendments and extension of delivery time. Funded by additional grant funding from Sport England, and budget realignment from Waterfront Connectivity budget for external / landscaping works packages.
9101	CIP - Borough Hall Improvement	2,300	139	16	500		(480)	20	Activity is on-going to inform a required works plan for the Borough Hall site.
NEW	CIP - Town Hall Theatre Improvement	700	42	169	250			250	
9159	CIP - Wingfield Castle	2,800	504	101	400		(200)	200	Rephased to 26/27
9160	CIP - Dam Board	1,227	237	140	590		(398)	192	Rephased to 26/27
9161	CIP - National Museum of the Royal Navy (NMRN)	7,500	3,526	556	556			556	
9162	CIP - Museum of Hartlepool	1,219	203	368	297	219		516	Additional Grant - Tides of Change
9130	CIP - Business Park Investment	760	461	18	99			99	
TBC	CIP - Bowling Club Refurbishment	600	0	0	0			0	
TBC	CIP - Brierton Sports Complex	562	23	53	100	28		128	Additional S106 Funding
9165	Local Regeneration Fund - Middleton Grange	13,860	39	29	4,680		(4,310)	370	Rephased to 26/27
9231	Local Regeneration Fund - Waterfront Connectivity	5,020	372	104	5,596	(948)	(2,717)	1,931	Cost variation linked to transfer to Highlight scheme to deliver external / landscaping works packages at the site. Also, rephasing of spend to 26/27 for other workstreams.
7715	Local Regeneration Fund - Wesley Chapel	1,632	1,370	232	262			262	
9234	Local Regeneration Fund - Health and Social Care Academy	1,250	1,215	0	35			35	
9247	Local Regeneration Fund - Screen Production Village	18,662	3,778	1,298	2,447			2,447	
	Total Major Regeneration Schemes	**118,457**	**35,456**	**13,548**	**30,600**	**517**	**(9,378)**	**21,739**	

ADULT SERVICES & PUBLIC HEALTH **APPENDIX K**

CAPITAL MONITORING REPORT PERIOD ENDING 31st December 2025

Code	Scheme Description	Gross Budget	Actual to 31/3/25	2025/26 Actual to end Q3 (31/12/25)	Budget 2025/26 (adjusted for prior year reprofiling)	Additional Schemes and Cost Variations 2025/26	Reprofiling of Expenditure 2025/2026	Revised Budget 2025/26	Comments
		£000	£000	£000	£000	£000	£000	£000	
7218	Disabled Facilities Grant	7,260	3,271	1,100	1,545			1,545	
9332	Centre for Independent Living	66	3	18	63			63	
7768	Supporting Treatment and Recovery Together (START) - Substance Misuse Service	3,600	208	3,188	3,392			3,392	
9439	Bevan House - Clinical Room	30	28	2	2			2	
	Total Adult Services & Public Health	**10,956**	**3,510**	**4,308**	**5,002**	**0**	**0**	**5,002**	

CHILDREN'S SERVICES **APPENDIX L**

CAPITAL MONITORING REPORT PERIOD ENDING 31st December 2025

Code	Scheme Description	Gross Budget	Actual to 31/3/25	2025/26 Actual to end Q3 (31/12/25)	Budget 2025/26 (adjusted for prior year reprofiling)	Additional Schemes and Cost Variations 2025/26	Reprofiling of Expenditure 2025/2026	Revised Budget 2025/26	Comments
		£000	£000	£000	£000	£000	£000	£000	
8072	ICS Case Management Improvement	37	0	0	37		(37)	0	Rephased to 2026/27
9246	Children's Centre - Family HUB	236	178	20	58			58	
9421	Purchase Children's Home	1,000	254	139	746		(500)	246	Rephased to 2026/27
7149	Star Centre Children's Home	658	666	(8)	(8)			(8)	
7474	High Tunstall 3G Pitch	35	22	0	13		(13)	0	Rephased to 2026/27
7478	High Tunstall Grass Pitch	16	0	0	16		(16)	0	Rephased to 2026/27
7521	Two Year Old FNE Capacity Funding	23	0	0	23		(23)	0	Rephased to 2026/27
9243	Rossmere Youth Centre Refurbishment	1,300	1,192	37	108			108	
7727	Throston Youth Project Centre Refurbishment	91	91	0	0			0	
7384	Devolved Schools Capital	559	227	22	160			160	
9238	Energy Efficiency Capital Funding	111	99	0	12			12	
7142	Schools General - Fire Safety Modifications (Conditions) 23/24	44	0	0	44			44	
7142	Kingsley - Fire Safety Modifications	115	76	0	39			39	
9516	Kingsley Primary School Fire Stopping Works (Ph 1)	49	0	6	49			49	
9517	Kingsley Primary School Fire Stopping Works (Ph 2)/Kitchen Shutter	93	0	10	93			93	
9508	Horizon School - Heating, Pipework	115	5	103	110			110	
9506	High Tunstall College of Science (North Building) - Electrical Rewire	92	8	80	84			84	
9507	High Tunstall College of Science (Shine Centre) - Electrical Rewire	50	4	4	46			46	
9434	Horizon School - Student Entrance Door Replacement	38	14	9	24			24	
9513	Greatham ARP	8	0	8	8			8	
9498	Fens Primary School Refurb Toilets	34	0	33	34			34	
9499	Fens Primary School Heat Emitter Replacement	23	0	23	23			23	
9500	Kingsley Primary School Renew External Paving	14	0	12	14	2		16	
9510	Lynnfield Primary School Heating, Pipework, Radiator Renewal (Ph 3of3)	65	0	63	65			65	
9501	Rift House Primary School Window Replacement (Ph 2of2)	34	0	34	34			34	
9502	Rift House Primary School Electrical Rewire (Ph 2of4)	73	0	68	73			73	
9503	Throston Primary School Resurfacing and Drainage	21	0	19	21			21	
9504	Throston Primary School Toilet Renewal	50	0	2	50			50	
9515	Throston Primary School Fire Stopping Works (Ph 3of3)	72	0	7	72			72	
9505	High Tunstall College of Science Refurb Changing Rooms	25	0	0	0			0	
9511	Rossmere Children's Centre Fascia, Soffits and Gutters Replacement	15	0	1	15	15		30	Allocated from Conditions Unallocated.
9523	Kingsley Primary School - New Additional Resource Provision (ARP)	1,236	0	0	1,236		(750)	486	Rephased to 2026/27
9004	Schools General - Schools Condition - 24/25 onwards	1,434	0	0	304	(17)		287	Allocated to Conditions schemes.
9004	Schools General - Contingency	100	0	0	100			100	
9004	Schools General - SEMH Funding Pot	730	0	0	730		(730)	0	Rephased to 2026/27
9004	Schools General - Basic Need	1,680	0	0	0			0	
9004	Schools General - High Needs Provision	257	0	0	257		(257)	0	Rephased to 2026/27
9004	Schools General - Conditions unallocated	142	0	0	0			0	
7731	Early Years	121	81	40	40			40	
7743	Early Years North West Area	127	0	0	127			127	
	Total Children's Services	**10,923**	**2,917**	**732**	**4,857**	**0**	**(2,326)**	**2,531**	

NEIGHBOURHOODS & REGULATORY SERVICES **APPENDIX M**

CAPITAL MONITORING REPORT PERIOD ENDING 31st December 2025

Code	Scheme Description	Gross Budget	Actual to 31/3/25	2025/26 Actual to end Q3 (31/12/25)	Budget 2025/26 (adjusted for prior year reprofiling)	Additional Schemes and Cost Variations 2025/26	Reprofiling of Expenditure 2025/26	Revised Budget 2025/26	Comments
		£000	£000	£000	£000	£000	£000	£000	
S106	Developers Contribution Fund	7,971	265	0	8,189	(483)	(7,500)	206	Variation linked to transfer of Developer contribution to A19/Elwick scheme.
7466	DSO Vehicle Purchase (updated for revised programme)	7,928	3,528	1,230	1,893		(339)	1,554	Forecast remaining purchase requirements of £320k in 2025/26. Remainder of budget rephased to 26/27.
9512	Tofts Farm Solar PV	244	0	1	264	(20)		244	Planned budget realignment to Highlight scheme for Electrical Vehicle Chargers.
9514	Warm Homes Local Grant scheme	2,033	0	5	13			13	3 Year allocation from 26/27 confirmed from Department of Energy, Security & Net Zero within Q3. Year 1 includes the advance in the current year
8306	Schools - Kitchen Refurbishment	249	37	0	62		(32)	30	Budget rephased to 26/27
7272	Wheelie Bin Purchase (current year allocation only)	353	173	55	90			90	
7344	NIP - Brougham (was Hindpool Close) Play Area	89	60	29	29			29	
7437	NIP - Sinking Fund	62	0	1	62		(55)	7	Budget rephased to 26/27
7440	NIP - Central Park	120	118	1	2			2	
8996	NIP - Improvements to Parks	277	252	0	0			0	
9147	NIP - CCTV in parks	34	24	7	10			10	
9396	Waste Transfer Station	200	0	0	0			0	
7744	Food Waste Capital Transitional Grant	807	0	127	807			807	
7066	Avondene Accommodation, Church St	102	0	0	20			20	
7220	Private Sector Housing Grants	84	15	17	69		(20)	49	Budget rephased to 26/27
7577	EDM Hartlepool North NDIP Study	50	0	0	0		15	15	Budget Accelerated from 26/27
7900	EDM Hartlepool Marina - North Pier	507	56	25	301		(51)	250	Budget rephased to 26/27
7902	EDM Hartlepool Drainage Schemes	36	6	0	0			0	
8578	EDM Management Unit Study	0	0	0	0			0	
9331	EDM Hartlepool Easington Road Storage & Screen Study	60	0	0	60		(60)	0	Budget rephased to 26/27
9332	EDM Hartlepool Bamburgh Rd Surface water drainage study	60	0	0	0			0	
9429	EDM West Park Flood Scheme	883	442	441	434	7		441	Scheme costs estimates exceeded. Additional funding received from Environment Agency.
LTP	LTP Integrated Transport Block (ITB) - Indicative	6,273	2,192	1,111	1,777	778		2,555	Grant Funding received for various agreed schemes completed on behalf of TVCA
LTP	LTP Scheduled reconstruction - Indicative	5,718	3,383	1,535	1,610			1,610	
LTP/8722	LTP Additional Scheduled Highways Maintenance (SHM) Allocatior	461	0	363	461			461	
LTP/8722	LTP Road Resurfacing Fund - Indicative	617	417	0	200			200	
	Total Neighbourhoods & Regulatory Services	**35,218**	**10,968**	**4,948**	**16,353**	**282**	**(8,042)**	**8,593**	

Housing, Growth & Communities APPENDIX N

CAPITAL MONITORING REPORT PERIOD ENDING 31st December 2025

Code	Scheme Description	Gross Budget	Actual to 31/3/25	2025/26 Actual to end Q3 (31/12/25)	Budget 2025/26 (adjusted for prior year reprofiling)	Additional Schemes and Cost Variations 2025/26	Reprofiling of Expenditure 2025/2026	Revised Budget 2025/26	Comments
		£000	£000	£000	£000	£000	£000	£000	
7711	Carlton Adventure Centre	502	32	40	470		(180)	290	Rephased to 2026/27
7811	Summerhill Cycle Hub	533	501	0	32		(32)	0	Rephased to 2026/27
9212	Relocate Cemetery Office	90	82	0	8			8	
8088	Community Hub South - Kitchen Replacement	47	47	0	0			0	
8088	Community Hub Central - Internal Alterations	34	34	0	0			0	
9232	Playground Equipment - Levelling Up Parks Fund	97	78	0	19		(19)	0	Rephased to 2026/27
Allot	Other Allotment Schemes	201	135	9	66			66	
8700	Waverley Allotments - Adult Education Scheme	50	50	0	0			0	
8828	Crematorium refurbishment	848	668	50	180			180	
9311	Changing Places - Community Hub Central	76	76	0	0			0	
7716	Seaton Library refurbishment	255	222	21	13	20		33	Additional funding received from Arts Council LIF.
8534	Church Street Townscape Heritage Project	113	33	67	80			80	
7232	Museums Acquisitions	4	2	2	2			2	
NEW	Art Gallery Tower Refurbishment	302	0	0	302		(250)	52	
NEW	Pride in Place	1,500	0	0	750			750	
7355	CECA IT Infrastructure and Technology	18	18	0	0			0	
	Total Adult & Community Based Services	**4,670**	**1,978**	**189**	**1,922**	**20**	**(481)**	**1,461**	

CORPORATE **APPENDIX O**

CAPITAL MONITORING REPORT PERIOD ENDING 31st December 2025

Code	Scheme Description	Gross Budget	Actual to 31/3/25	2025/26 Actual to end Q3 (31/12/25)	Budget 2025/26 (adjusted for prior year reprofiling)	Additional Schemes and Cost Variations 2025/26	Reprofiling of Expenditure 2025/2026	Revised Budget 2025/26	Comments
		£000	£000	£000	£000	£000	£000	£000	
7036	Uncommitted Corporate Capital Fund	190	0	0	190		(190)	0	Rephased to 26/27
7041	Corporate Capital Pot	541	0	0	300		(300)	0	Rephased to 26/27
7065	Fire Risk Assessments (Fire Stopping / Compartmentalism)	100	15	0	85		(65)	20	Rephased to 26/27
7200	Civic Centre Capital Project	75	13	0	62		(62)	0	Rephased to 26/27
8970	Historic Quay Dilapidation Work	97	0	0	97		(97)	0	Rephased to 26/27
7771	Borough Hall - Capital Maintenance	161	41	0	120		(120)	0	Rephased to 26/27
7728	Exmoor Grove - Replace external windows and doors	50	19	25	31			31	
9329	Crematorium - Rewire	85	50	0	35			35	
NEW	Health and Safety Maintenance Fund	963	123	134	840			840	
NEW	Boys Welfare - Replace Water Heater	4	0	0	4			4	
7741	Exmoor Grove - External Ramp	39	2	0	37			37	
NEW	Brierton Sports Centre - Replace Lighting	0	0	0	10	(10)		0	Funding transferred to Revenue
9519	Borough Hall - Replace Lift	70	0	5	70			70	
9436	Community Recovery	90	70	14	20			20	
	Corporate Total	**2,465**	**333**	**178**	**1,901**	**(10)**	**(834)**	**1,057**	

RESERVES FORECASTS (EXCLUDING SCHOOL BALANCES, HRA AND UNUSABLE RESERVES) — APPENDIX P

		Forecast Use of Reserves				
	Balance as at 31st March 2025	2025/26	2026/27	2027/28	2028/29	Forecast Balance as at 31st March 2029
	£'000	£'000	£'000	£'000	£'000	£'000
Revenue Reserve	5,500	0	0	0	0	5,500
Budget Support Fund (BSF)	7,672	(3,450)	(936)	0	0	3,286
BSF - Transformation Costs	2,000	0	(500)	(750)	(750)	0
BSF - Invest to Save	1,400	(700)	(350)	0	0	350
Revenue Grants Unapplied	9,107	(5,530)	(1,763)	(1,089)	(625)	100
Business Rates Risk Reserve	0	0	0	0	0	0
Insurance Fund	2,902	(65)	(65)	(65)	0	2,707
Children in our Care Reserve	1,230	(200)	(1,030)	0	0	0
BSF - Treasury Management Income	650	(650)	0	0	0	0
Asset Management Reserve	840	(840)	0	0	0	0
Earmarked Revenue Reserves under £1m	7,038	(2,655)	(2,774)	(846)	(378)	385
Revenue Reserves Total	**38,339**	**(14,090)**	**(7,418)**	**(2,750)**	**(1,753)**	**12,328**
Earmarked Capital Reserves	6,303	(5,940)	(363)	0	0	0
Capital Grants Unapplied	11,680	(5,993)	(5,687)	0	0	0
TOTAL	**56,322**	**(26,023)**	**(13,468)**	**(2,750)**	**(1,753)**	**12,328**
Cumulative Balance		**30,299**	**16,831**	**14,081**	**12,328**	
DSG Reserve	**(4,932)**	**(4,866)**	**(6,995)**	**(5,254)**	0	**(22,047)**
DSG Reserve Cumulative Balance		**(9,798)**	**(16,793)**	**(22,047)**	**(22,047)**	

Hartlepool Borough Council

FINANCE AND CORPORATE AFFAIRS COMMITTEE

10th FEBRUARY 2026

Report of: Director of Finance, IT and Digital

Subject: CAPITAL PROGRAMME 2026/27 to 2028/29

Decision Type: Budget and Policy Framework

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1. COUNCIL PLAN PRIORITY

Hartlepool will be a place:
- where people live heathier, safe and independent lives. (People)
- that is connected, sustainable, clean and green. (Place)
- that is welcoming with an inclusive and growing economy providing opportunities for all. (Potential)
- with a Council that is ambitious, fit for purpose and reflects the diversity of its community. (Organisation)

2. PURPOSE OF REPORT

2.1 The purpose of the report is:

i) To approve the Capital Strategy for 2026/27 to 2028/29 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 2026/27 to 2028/29, 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 Plan (MTFP) 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 Corporate Affairs 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 £143m (2025/26 to 2028/29), demonstrating our ambitions for the borough.

4.4 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.

4.5 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 Plan, 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.

4.6 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.

4.7 The strategy is, an iterative process whereby an annual review, in line with the MTFP 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 Corporate Affairs 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.

<u>New Start Schemes</u>

5.3 New schemes or amendments to existing schemes are shown at **Appendix 2.**

5.4 There are three new schemes proposed for approval into the capital programme from 2026/27 – 2028/29, and are funded from Corporate Prudential Borrowing:

5.5 **Cremator Capital Maintenance - £0.280m (2026/27):**

The cremator abatement system requires replacement to ensure compliance with pending emissions regulation changes. This system filters the gases which are a by-product of the cremation process. In addition, capital maintenance is required to replace brickwork inside the cremators.

5.6 **Corporate Planned Maintenance (CPM) - £0.750m (£0.250 per year 2026/27 to 2028/29):**

The CPM Programme annual allocation, to provide capital maintenance on council properties, currently totals £0.250m, and is funded from base revenue budget which is transferred to capital. The current maintenance schedule identifies required works beyond the annual resources available. This request will increase the available budget by £0.250m per annum to provide an uplifted annual allocation of £0.500m.

5.7 **Former Claxton Landfill site on Dalton Back Lane – Plant Replacement - £0.150m (2026/27):**

Hartlepool Council are responsible for the long-term management and maintenance of the former Claxton Landfill site which is located on Dalton Back Lane, adjacent to the A689. The plant and flare stack which serve the stack are now in need of renewal. It is estimated that the cost of the scheme will be £0.150m.

5.8 **Appendix 2** also includes a refresh of the Vehicles Procurement programme, this shows the required amendment to vehicle replacement budget requirement across the council's fleet. Also noted are the schemes which link to recurring 'service specific capital grant' allocations. These are currently included as estimates, pending confirmations 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.

5.9 In addition to the schemes noted in Appendix 2 a further scheme to Expand Stranton Cemetery has been identified. This expansion is not required to commence until 2029, and as such is beyond the capital planning period covered in this report. An indicative cost of £1.250m in 2029/30 is included in longer term planning.

<u>Capital programme (including new starts and scheme amendments at Appendix 2)</u>

5.10 The Capital programme (including the new start schemes at appendix 2), for the period 2025/26 to 2028/29 is shown in the table below, with detailed scheme breakdowns for each area shown at **Appendix 3-9**;

Scheme Description	Gross Budget	Actual to 31/3/25	25/26 Budget	26/27 Budget	27/28 Budget	28/29 Budget	Pending Mandate
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Major Regeneration Schemes	**118,457**	35,456	21,739	38,826	21,224	612	600
Adult Services & Public Health	**13,060**	3,510	5,002	1,516	1,516	1,516	0
Children's Services	**11,565**	2,917	2,531	4,821	648	648	0
Neighbourhood and Regulatory Services	**42,565**	10,968	8,593	14,578	3,767	4,659	0
Housing, Growth & Communities	**4,950**	1,978	1,461	1,511	0	0	0
Corporate	**3,724**	333	1,057	1,334	500	500	0
Housing Revenue Accounts (HRA)	**5,573**	1,554	1,397	650	200	1,772	0
TOTAL Expenditure	**199,894**	**56,716**	**41,780**	**63,236**	**27,855**	**9,707**	**600**

Capital Programme Total 2026/27 - 2028/29 **101,398**

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

Funding	Gross Budget	Actual to 31/3/25	25/26 Budget	26/27 Budget	27/28 Budget	28/29 Budget	Pending Mandate
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Government Grants	**60,391**	11,287	9,719	28,353	7,970	3,062	0
Other Grants and Contributions	**77,919**	33,505	11,127	24,796	5,552	2,939	0
Revenue Contributions	**6,858**	3,357	1,252	1,749	250	250	0
Earmarked Reserves	**3,889**	406	2,369	581	333	200	0
Capital Receipts	**232**	82	0	150	0	0	0
Prudential Borrowing	**50,605**	8,079	17,313	7,607	13,750	3,256	600
TOTAL Funding	**199,894**	**56,716**	**41,780**	**63,236**	**27,855**	**9,707**	**600**

Capital Programme Total 2026/27 - 2028/29 **101,398**

Variations

5.12 In year variations to the capital programme are reported as part of quarterly budget monitoring update reports to Finance and Corporate Affairs 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 5.9 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 5% 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 2026/27 to 2028/29, 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 2026/27 to 2028/29, 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 2026/27 technical Budget and Council Tax calculations to Council.

12. BACKGROUND PAPERS

12.1 None

13. CONTACT OFFICER

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Paul Dixon
Assistant Director – Finance
Email: paul.dixon@hartlepool.gov.uk

Sign Off:-

Chief Executive	Date: 27/01/2026
Director of Finance, IT and Digital	Date: 26/01/2026
Director of Legal, Governance and HR	Date: 27/01/2026

Appendix 1

Hartlepool Borough Council

Capital Strategy 2026/27 to 2028/29

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 £143m (2025/26 to 2028/29) 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 2026/27 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 delivery including 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.

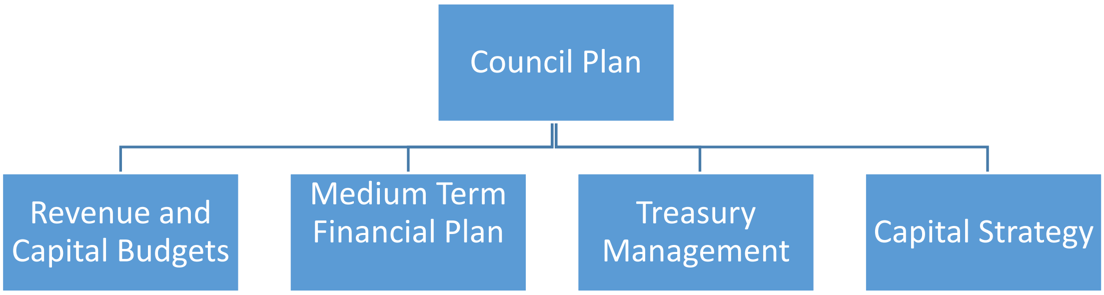
2.5 The Financial Management Code of Practice was issued by CIPFA 'to provide guidance for good and sustainable financial management in local authorities and provide assurance that authorities are managing resources effectively'. The Financial Management Code applies to all local authorities and brings 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 April 2025 the 'Council Plan 2030' was approved. This sets out our vision for Hartlepool in 2030:

"Hartlepool will be a place...

- … where people live healthier, safe and independent lives. (**People)**
- … that is connected, sustainable, clean and green. (**Place)**
- … that is welcoming with an inclusive and growing economy providing opportunities for all. (**Potential)**
- … with a Council that is ambitious, fit for purpose and reflects the diversity of its community. (**Organisation)**

The Council Plan 2030 can be viewed at: Our vision for the future of Hartlepool in 2030 | Council plan 2030 | Hartlepool Borough Council

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. 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 key 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 3.88 million visitors a year bringing £273m 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: Town Centre Masterplan

Inclusive Growth Strategy

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 has been undertaken and a new strategy will be developed in 2026.

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)

Pride in Place

5.13 Hartlepool has been awarded circa £20 million of funding over ten years as part of the government's Pride in Place Strategy. Initially launched as the Long-Term Plan for Towns in Spring 2024, it evolved into the Plan for Neighbourhoods in March 2025 and was confirmed as the Pride in Place Programme in September 2025. To date capacity funding has been provided for the development of the core programme. The annual capital and revenue allocations to fund the 10 year delivery programme will commence in 2026/27.

5.14 The programme objectives are:

- Build stronger communities – Foster relationships, belonging, cohesion, and resilience.
- Create thriving places – Deliver vibrant neighbourhoods with quality infrastructure and amenities.
- Empower people – Enable residents to influence the future of their community.

5.15 Governance: The programme is overseen by an independently chaired Neighbourhood Board, with diverse representation from residents, businesses, public services, and education. The Board aims to operate as a Local Strategic Partnership, providing oversight of the £20m programme and other cross-cutting investments. Hartlepool Borough Council acts as the accountable body for the funding. Governance is supported by approved Terms of Reference, Code of Conduct, and Conflict of Interest Policy.

5.16 Planning & Delivery: The Board has developed a 10-year Regeneration Plan and a 4-year Investment Plan, informed by spatial analysis and engagement with 1,500 residents. Delivery will be monitored through a comprehensive assurance framework aligned with Best Value and Managing Public Money standards.

Pride in Place – Impact Fund

5.17 Whilst the Pride in Place Programme will target transformation over the longer term, the government has acknowledged that there is also a need for immediate support to ensure areas are able to deliver visible improvements to high streets and improve places and spaces of community value. The Pride in Place Impact Fund provides that support. Capital funding of £1.500m, covering 2025/26 and 2026/27 at £0.750m per year has been allocated to Hartlepool.

Tees Valley Investment Context

5.18 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.

5.19 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.

5.20 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.

5.21 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

5.22 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.

5.23 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.

The Destination Management Plan can be viewed at:
Destination Management Plan

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 the 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 is supporting the ambition for a compact and connected waterfront town. Prudential borrowing, Tees Valley Combined Authority co-funding and other secured grants are directed towards developments and enhancements of Hartlepool Waterfront including:

- Council's new strategic wellbeing and leisure attraction, the 'Highlight Active Wellbeing Hub', including sports and leisure facilities;
- Public realm and public art, including a new events space; and
- Development and enhancement of Waterfront visitor attractions such as the Museum of Hartlepool.

6.3 The priorities that the Town Centre Masterplan clearly articulated in establishing a new "Heart of Hartlepool" are:

1. Changes to usage and function of retail space in Middleton Grange Shopping Centre;
2. Increased capacity and connectivity of Hartlepool Rail Station through the re-commissioning of a second platform and improved accessibility;
3. Waterfront visitor and leisure destination; the new strategic wellbeing and leisure facility, events space and redevelopment of the Museum of Hartlepool;
4. Continued growth of skills and education provision though Hartlepool FE College and Northern School of Art;
5. Delivering enhanced and expanded film & TV studios with supply chain facilities in Hartlepool town centre.

Local Regeneration Fund

6.4 The investment plans also define our priorities that are being delivered under the governments former Town Deal Fund and Levelling Up fund programmes, now combined by the Ministry of Housing Communities and Local Government to form the Local Regeneration Fund.

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 Skills Academy; and
- £2.25m Development of a Civil Engineering Skills Academy

6.5 These projects are demonstrating the ambition of the Council to deliver on its bold vision and Masterplans for the town. Both skills academies achieved capital completion in 2024/25 and are delivering significant training outcomes, the Wesley Chapel redevelopment will be completed and open in Q4 of 2025/26 and the remaining two projects are in delivery.

6.6 The Council also secured £16.5m from Round 2 of the governments Levelling Up Fund (now under the Local Regeneration Fund), alongside £2m from TVCA. The project is creating 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
- The investment has led to an additional commitment of £15m from the Tees Valley Investment Zone to further expand existing film and television facilities at The Northern Studios. With planning permissions for the Production Village secured in Q2 of 2024/25, this is leading to visible external investment in surrounding streets particularly in the hospitality sector.

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. Council approved the commencement of the Compulsory Purchase Order (11.12.25) and a revised planning application is due to be determined in early 2026.

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 mainstream and SEND school provision and education, 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.
- Investment in decarbonisation and Net Zero initiatives to reduce the Council's carbon emissions and lower expenditure on energy, such as the installation of solar PV technology at the Council's vehicle depot, and utilisation of AI software to reduce primary energy consumption

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 £143m (2025/26 – 2028/29) with a number of significant regeneration projects.

7.2 The Capital programme, including new start schemes (**Appendix 2**) for the period 2025/26 to 2028/29 is shown in the table below:

	Spend to 31 March 2025 £000	Current and Future Years £000
Major Regeneration Schemes	35.456	83.001
Adult Services & Public Health	3.510	9.550
Children's Services	2.917	8.648
Neighbourhoods & Regulatory Services	10.968	31.597
Housing, Growth & Communities	1.978	2.972
Corporate	0.333	3.391
Housing Revenue Account (HRA)	1.554	4.019
Total Capital Programme	**56.716**	**143.178**

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

	Spend to 31 March 2025 £000	Current and Future Years £000
External Funding – Government Grants	11.287	49.104
External Funding – Other Grants and Contributions	33.505	44.414
Revenue Contributions	3.357	3.501
Earmarked Reserves	0.406	3.483
Capital Receipts	0.082	0.150
Prudential Borrowing	8.079	42.526
Total Capital Programme	**56.716**	**143.178**

8. Capital Governance

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

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 plan 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 MTFP period.

8.3 The annual capital programme sets the basis for monitoring arrangements in year, reported to Finance and Corporate Affairs Committee 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:

Finance and Corporate Affairs	Member approval and oversight of Capital Programme.
↑	
ELT (Executive Leadership Team)	Manage the Programme as a whole and ensure the strategic link to other plans and priorities including the MTFS
↑	
Capital Programme Group	Oversight of full capital programme. Project and programmes monitoring and pipeline development.
↑	
Programme Boards	Project specific boards, providing oversight of schemes.
↑	
Project Teams	The teams delivering the projects / programmes with internal and external specialist support.

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 MTFP.

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 355 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 Corporate Affairs 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. Following the reduction in local government grant from 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	2025/26 Estimate £'000	2026/27 Estimate £'000	2027/28 Estimate £'000	2028/29 Estimate £'000
CFR	129,708	134,800	145,989	146,099
Net Debt	82,608	103,576	117,429	118,414
(Under)/Over Financed	**(47,100)**	**(31,224)**	**(28,560)**	**(27,685)**

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	2025/26 Estimate	2026/27 Estimate	2027/28 Estimate	2028/29 Estimate
% Indicator	5.62%	4.68%	4.86%	5.10%

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.

APPENDIX 2

FORECAST ADDITIONAL CAPITAL RESOURCES AND EXPENDITURE COMMITMENTS 2026/27 TO 2028/29

	Forecast Resources 2026/27				Forecast Resources 2027/28				Forecast Resources 2028/29			
	Prudential Borrowing £'000	Other Capital Funding £'000	Capital Grants (Provisional) £'000	**Total** £'000	Prudential Borrowing £'000	Other Capital Funding £'000	Capital Grants (Provisional) £'000	**Total** £'000	Prudential Borrowing £'000	Other Capital Funding £'000	Capital Grants (Provisional) £'000	**Total** £'000
Corporate Prudential Borrowing												
Cremator Capital Maintenance	280	0	0	280	0	0	0	0	0	0	0	0
Corporate Planned Maintenance Programme	250	0	0	250	250	0	0	250	250	0	0	250
Claxton Landfill Site - Plant Replacement	150	0	0	150	0	0	0	0	0	0	0	0
	680	**0**	**0**	**680**	**250**	**0**	**0**	**250**	**250**	**0**	**0**	**250**
Service Specific Capital Grants												
Devolved Formula Capital (Schools) - Note 1	0	0	68	68	0	0	68	68	0	0	68	68
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
Schools Capital Programme - Note 4	0	0	580	580	0	0	580	580	0	0	580	580
	0	**0**	**4,415**	**4,415**	**0**	**0**	**4,415**	**4,415**	**0**	**0**	**4,415**	**4,415**
Departmental Prudential Borrowing												
Vehicle Procurement	585	0	0	585	510	0	0	510	1,420	0	0	1,420
	585	**0**	**0**	**585**	**510**	**0**	**0**	**510**	**1,420**	**0**	**0**	**1,420**
Total Forecast Resources	**1,265**	**0**	**4,415**	**5,680**	**760**	**0**	**4,415**	**5,175**	**1,670**	**0**	**4,415**	**6,085**

Note 1 - Devolved Formula Capital allocation for Schools is an estimate based on the 2025/26 allocation.

Note 2 - Allocations for 2026/27 and future years have not yet been confirmed. For planning purposes it has been assumed that the funding will remain at 2025/26 levels and that Better Care Fund will continue in to future years.

Note 3 - Allocations for 2026/27 and future years have not yet been confirmed. For planning purposes it has been assumed that LTP funding will remain at 2025/26 levels.

Note 4 - Schools Capital Programme includes an estimate of £0.580m Schools Condition Grant - will be announced early 2026 for 2026/27. The forecasts are based on the 2025/26 allocation of Schools Condition Grant which the Government has stated is indicative of future allocations.

Capital Programme - Summary

Scheme Area Description	Gross Budget £'000	Actual to 31/3/25 £'000	25/26 Budget £'000	26/27 Budget £'000	27/28 Budget £'000	28/29 Budget £'000	Pending Mandate £'000
Major Regeneration Schemes	**118,457**	35,456	21,739	38,826	21,224	612	600
Adult Services & Public Health	**13,060**	3,510	5,002	1,516	1,516	1,516	0
Children's Services	**11,565**	2,917	2,531	4,821	648	648	0
Neighbourhood and Regulatory Services	**42,565**	10,968	8,593	14,578	3,767	4,659	0
Housing, Growth & Communities	**4,950**	1,978	1,461	1,511	0	0	0
Corporate	**3,724**	333	1,057	1,334	500	500	0
Housing Revenue Accounts (HRA)	**5,573**	1,554	1,397	650	200	1,772	0
TOTAL Expenditure	**199,894**	**56,716**	**41,780**	**63,236**	**27,855**	**9,707**	**600**

Capital Programme Total 2026/27 - 2028/29 **101,398**

Funding							
Government Grants	**60,391**	11,287	9,719	28,353	7,970	3,062	0
Other Grants and Contributions	**77,919**	33,505	11,127	24,796	5,552	2,939	0
Revenue Contributions	**6,858**	3,357	1,252	1,749	250	250	0
Earmarked Reserves	**3,889**	406	2,369	581	333	200	0
Capital Receipts	**232**	82	0	150	0	0	0
Prudential Borrowing	**50,605**	8,079	17,313	7,607	13,750	3,256	600
TOTAL Funding	**199,894**	**56,716**	**41,780**	**63,236**	**27,855**	**9,707**	**600**

Capital Programme Total 2026/27 - 2028/29 **101,398**

Capital Programme - Major Regeneration Schemes

Code	Scheme Description	Gross Budget	Actual to 31/3/25	Total 25/26 Budget at Q3	26/27 Budget	27/28 Budget	28/29 Budget	Pending Mandate
		£'000		£'000	£'000	£'000	£'000	£'000
8958	The A19/ Elwick Road/ North Lane junction and Elwick Road/Hartlepool Western Link Project	**24,497**	1,962	450	5,273	16,200	612	0
7550	CIP - Highlight	**35,868**	21,585	14,283	0	0	0	0
9101	CIP - Borough Hall Improvement	**2,300**	139	20	2,141	0	0	0
9440	CIP - Town Hall Improvement	**700**	42	250	408	0	0	0
9159	CIP - Wingfield Castle works	**2,800**	504	200	2,096	0	0	0
9160	CIP - Damboard	**1,227**	237	192	798	0	0	0
9161	CIP - NMRN	**7,500**	3,526	556	3,418	0	0	0
9245	CIP - Museum of Hartlepool	**1,219**	203	516	500	0	0	0
9130	CIP - Business Park Investment	**760**	461	99	200	0	0	0
TBC	CIP - Bowling Club Refurbishment	**600**	0	0	0	0	0	600
9433	CIP - Brierton Sports Complex	**562**	23	128	411	0	0	0
9165	Towns Fund - Middleton Grange	**13,860**	39	370	8,647	4,804	0	0
9231	Towns Fund - Waterfront Connectivity	**5,020**	372	1,931	2,717	0	0	0
7715	Towns Fund - Wesley Chapel	**1,632**	1,370	262	0	0	0	0
9234	Towns Fund - Health and Care Academy	**1,250**	1,215	35	0	0	0	0
9247	Levelling Up - Production Village	**18,662**	3,778	2,447	12,217	220	0	0
Major Regeneration Schemes - Total		**118,457**	**35,456**	**21,739**	**38,826**	**21,224**	**612**	**600**

	External Funding - Government Grants							
	Towns Fund	**22,710**	2,996	3,546	11,364	4,804	0	0
	Levelling Up Fund	**16,540**	3,778	1,266	11,410	86	0	0
	Sub Total	**39,250**	**6,774**	**4,812**	**22,774**	**4,890**	**0**	**0**
	External Funding - Other Grants and Contributions							
	TVCA	**37,302**	21,726	2,926	11,989	661	0	0
	Arts Council	**1,800**	0	304	1,496	0	0	0
	Changing Places	**65**	65	0	0	0	0	0
	Sport England	**2,750**	2,425	325	0	0	0	0
	S106 Developer Contributions	**2,818**	117	61	0	2,640	0	0
	Heritage Fund	**219**	0	219	0	0	0	0
	Other	**11**	11	0	0	0	0	0
	Sub Total	**44,965**	**24,344**	**3,835**	**13,485**	**3,301**	**0**	**0**
	Internal Funding							
	Revenue Contributions	**2,674**	2,222	452	0	0	0	0
	Earmarked Reserves	**1,128**	0	995	0	133	0	0
	Capital Receipts	**150**	0	0	150	0	0	0
	Prudential Borrowing	**30,290**	2,116	11,645	2,417	12,900	612	600
Major Regeneration Schemes - Funding Total		**118,457**	**35,456**	**21,739**	**38,826**	**21,224**	**612**	**600**

'rogramme - Adult Services & Public Health

Scheme Description	Gross Budget	Actual to 31/3/25	Total 25/26 Budget at Q3	26/27 Budget	27/28 Budget	28/29 Budget	Pending Mandate
	£'000		£'000	£'000	£'000	£'000	£'000
Disabled Facilities Grant	**9,364**	3,271	1,545	1,516	1,516	1,516	0
Centre for Independent Living	**66**	3	63	0	0	0	0
Supporting Treatment and Recovery Together (START) - Substance Misuse Service	**3,600**	208	3,392	0	0	0	0
Bevan House - Clinical Room	**30**	28	2	0	0	0	0
I Community Based Services - Total	**13,060**	**3,510**	**5,002**	**1,516**	**1,516**	**1,516**	**0**

External Funding - Government Grants							
Disabled Facilities Grant	**9,276**	3,183	1,545	1,516	1,516	1,516	0
	9,276	**3,183**	**1,545**	**1,516**	**1,516**	**1,516**	**0**
External Funding - Other Grants and Contributions							
Public Health Grant	**27**	27	0	0	0	0	0
Other	**18**	18	0	0	0	0	0
Sub Total	**45**	**45**	**0**	**0**	**0**	**0**	**0**
Internal Funding							
Revenue Contributions	**160**	28	132	0	0	0	0
Earmarked Reserves	**504**	45	459	0	0	0	0
Capital Receipts	**0**	0	0	0	0	0	0
Prudential Borrowing	**3,075**	209	2,866	0	0	0	0
I Community Based Schemes - Funding Total	**13,060**	**3,510**	**5,002**	**1,516**	**1,516**	**1,516**	**0**

APPENDIX 6

Capital Programme - Children's Services

Code	Scheme Description	Gross Budget	Actual to 31/3/25	Total 25/26 Budget at Q3	26/27 Budget	27/28 Budget	28/29 Budget	Pending Mandate
		£'000		£'000	£'000	£'000	£'000	£'000
8072	ICS Case Management Improvement	37	0	0	37	0	0	0
9246	Children's Centre - Family HUB	236	178	58	0	0	0	0
9421	Purchase Childrens Home	1,000	254	246	500	0	0	0
7149	Star Centre Children's Home	658	666	-8	0	0	0	0
7474	High Tunstall 3G Pitch	35	22	0	13	0	0	0
7478	High Tunstall Grass Pitch	16	0	0	16	0	0	0
7521	Two Year Old FNE Capacity Funding	23	0	0	23	0	0	0
9243	Rossmere Youth Centre Refurbishment	1,300	1,192	108	0	0	0	0
7727	Throston Youth Project Centre Refurbishment	91	91	0	0	0	0	0
7384	Devolved Schools Capital	591	227	160	68	68	68	0
9238	Energy Efficiency Capital Funding	111	99	12	0	0	0	0
7142	Schools General - Fire Safety Modifications (Conditions) 23/24	44	0	44	0	0	0	0
7142	Kingsley - Fire Safety Modifications	115	76	39	0	0	0	0
9516	Kingsley Primary School Fire Stopping Works (Ph 1)	49	0	49	0	0	0	0
9517	Kingsley Primary School Fire Stopping Works (Ph 2)/Kitchen Shutter	93	0	93	0	0	0	0
9508	Horizion School - Heating, Pipework	115	5	110	0	0	0	0
9506	High Tunstall College of Science (North Building) - Electrical Rewire	92	8	84	0	0	0	0
9507	High Tunstall College of Science (Shine Centre) - Electrical Rewire	50	4	46	0	0	0	0
9434	Horizon School - Student Entrance Door Replcmnt	38	14	24	0	0	0	0
9513	Greatham ARP	8	0	8	0	0	0	0
9498	Fens Primary School Refurb Toilets	34	0	34	0	0	0	0
9499	Fens Primary School Heat Emitter Replacement	23	0	23	0	0	0	0
9500	Kingsley Primary School Renew External Paving	16	0	16	0	0	0	0
9510	Lynnfield Primary School Heating, Pipework, Radiator Renewal (Ph 3of3)	65	0	65	0	0	0	0
9501	Rift House Primary School Window Replacement (Ph 2of2)	34	0	34	0	0	0	0
9502	Rift House Primary School Electrical Rewire (Ph 2of4)	73	0	73	0	0	0	0
9503	Throston Primary School Resurfacing and Drainage	21	0	21	0	0	0	0
9504	Throston Primary School Toilet Renewal	50	0	50	0	0	0	0
9515	Throston Primary School Fire Stopping Works (Ph 3of3)	72	0	72	0	0	0	0
9505	High Tunstall College of Science Refurb Changing Rooms	25	0	0	25	0	0	0
9511	Rossmere Children's Centre Fascia, Soffits aand Gutters Replacement	30	0	30	0	0	0	0
9523	Kingsley Primary School New Provision of ARP	1,236	0	486	750	0	0	0
9004	Schools General - Schools Condition - 24/25 onwards	2,027	0	287	580	580	580	0
9004	Schools General - Contingency	100	0	100	0	0	0	0
9004	Schools General - SEMH Funding Pot	730	0	0	730	0	0	0
9004	Schools General - Basic Need	1,680	0	0	1,680	0	0	0
9004	Schools General - High Needs Provision	257	0	0	257	0	0	0
9004	Schools General - Conditions unallocated	142	0	0	142	0	0	0
7731	Early Years	121	81	40	0	0	0	0
7743	Early Years North West Area	127	0	127	0	0	0	0
Children's Services - Total		**11,565**	**2,917**	**2,531**	**4,821**	**648**	**648**	**0**

	External Funding - Government Grants							
	DEVCAP	621	257	160	68	68	68	0
	Special Provision	1,465	0	458	1,007	0	0	0
	School Conditions	3,181	76	1,201	744	580	580	0
	Basic Need	1,716	0	36	1,680	0	0	0
	Other	61	38	0	23	0	0	0
	Department for Education	377	267	110	0	0	0	0
	Sub Total	**7,421**	**638**	**1,965**	**3,522**	**648**	**648**	**0**
	External Funding - Other Grants and Contributions							
	S106 Developer Contributions	127	0	127	0	0	0	0
	Youth Investment Fund	1,351	1,273	78	0	0	0	0
	Other	39	0	0	39	0	0	0
	Sub Total	**1,517**	**1,273**	**205**	**39**	**0**	**0**	**0**
	Internal Funding							
	Revenue Contributions	925	58	123	744	0	0	0
	Earmarked Reserves	5	5	0	0	0	0	0
	Capital Receipts	0	0	0	0	0	0	0
	Prudential Borrowing	1,697	943	238	516	0	0	0
Children's Services - Funding Total		**11,565**	**2,917**	**2,531**	**4,821**	**648**	**648**	**0**

APPENDIX 7

Capital Programme - Neighbourhoods and Regulatory Services

Code	Scheme Description	Gross Budget	Actual to 31/3/25	Total 25/26 Budget at Q3	26/27 Budget	27/28 Budget	28/29 Budget	Pending Mandate
		£'000		£'000	£'000	£'000	£'000	£'000
S106	Developers Contribution Fund	**7,971**	265	206	7,500	0	0	0
7466	DSO Vehicle Purchase (updated for revised programme)	**10,443**	3,528	1,554	3,431	510	1,420	0
9512	Tofts Farm Solar PV	**244**	0	244	0	0	0	0
9514	Warm Homes Local Grant scheme	**2,033**	0	13	206	916	898	0
8306	Schools - Kitchen Refurbishment	**249**	37	30	182	0	0	0
7272	Wheelie Bin Purchase (current year allocation only)	**533**	173	90	90	90	90	0
7344	NIP - Brougham (was Hindpool Close) Play Area	**89**	60	29	0	0	0	0
7437	NIP - Sinking Fund	**62**	0	7	55	0	0	0
7440	NIP - Central Park	**120**	118	2	0	0	0	0
8996	NIP - Improvements to Parks	**277**	252	0	25	0	0	0
9147	NIP - CCTV in parks	**34**	24	10	0	0	0	0
9396	Waste Transfer Station	**200**	0	0	200	0	0	0
7744	Food Waste Cpital Transitional Grant	**807**	0	807	0	0	0	0
7066	Avondene Accomm, Church St	**102**	0	20	82	0	0	0
7220	Private Sector Housing Grants	**84**	15	49	20	0	0	0
7577	EDM Hartlepool North NDIP Study	**50**	0	15	35	0	0	0
7900	EDM Hartlepool Marina - North Pier	**507**	56	250	201	0	0	0
7902	EDM Hartlepool Drainage Schemes	**36**	6	0	30	0	0	0
9331	EDM Hartlepool Easington Road Storage & Screen Study	**60**	0	0	60	0	0	0
9332	EDM Hartlepool Bamburgh Rd Surface water drainage study	**60**	0	0	60	0	0	0
9429	EDM West Park Flood Scheme	**883**	442	441	0	0	0	0
LTP	LTP Integrated Transport Block - Indicative	**9,325**	2,192	2,555	1,526	1,526	1,526	0
LTP	LTP Scheduled reconstruction - Indicative	**7,168**	3,383	1,610	725	725	725	0
LTP/8722	LTP Additional SHM Allocation	**461**	0	461	0	0	0	0
LTP/8722	LTP Road Resurfacing Fund - Indicative	**617**	417	200	0	0	0	0
NEW	Claxton Landfill Site - Plant Replacement	**150**	0	0	150	0	0	0
Neighbourhoods and Regulatory - Total		**42,565**	**10,968**	**8,593**	**14,578**	**3,767**	**4,659**	**0**

	External Funding - Government Grants							
	Changing Places Funding	**2**	2	0	0	0	0	0
	Department for Business, Energy & Industrial Strategy Grants	**807**	0	807	0	0	0	0
	Environment Agency	**1,387**	495	557	335	0	0	0
	Department for Energy Security & Net Zero	**2,033**	0	13	206	916	898	0
	Sub Total	**4,229**	**497**	**1,377**	**541**	**916**	**898**	**0**
	External Funding - Other Grants and Contributions							
	Thirteen Group Funding	**89**	60	29	0	0	0	0
	TVCA	**17,790**	5,967	5,070	2,251	2,251	2,251	0
	S106 Developer Contributions	**8,077**	368	209	7,500	0	0	0
	Other	**147**	85	42	20	0	0	0
	Sub Total	**26,103**	**6,480**	**5,350**	**9,771**	**2,251**	**2,251**	**0**
	Internal Funding							
	Revenue Contributions	**1,032**	312	206	514	0	0	0
	Earmarked Reserves	**27**	27	0	0	0	0	0
	Capital Receipts	**0**	0	0	0	0	0	0
	Prudential Borrowing	**11,174**	3,652	1,660	3,752	600	1,510	0
Neighbourhoods and Regulatory - Funding Total		**42,565**	**10,968**	**8,593**	**14,578**	**3,767**	**4,659**	**0**

APPENDIX 8

Capital Programme - Housing, Growth and Communities

Code	Scheme Description	Gross Budget	Actual to 31/3/25	Total 25/26 Budget at Q3	26/27 Budget	27/28 Budget	28/29 Budget	Pending Mandate
		£'000		£'000	£'000	£'000	£'000	£'000
7711	Carlton Adventure Centre	**502**	32	290	180	0	0	0
7811	Summerhill Cycle Hub	**533**	501	0	32	0	0	0
9212	Relocate Cemetery Office	**90**	82	8	0	0	0	0
8088	Community Hub South - Kitchen Replacement	**47**	47	0	0	0	0	0
8088	Community Hub Central - Internal Alterations	**34**	34	0	0	0	0	0
9232	Playground Equipment - Levelling Up Parks Fund	**97**	78	0	19	0	0	0
Allot	Other Allotment Schemes	**201**	135	66	0	0	0	0
8700	Waverley Allotments - Adult Education Scheme	**50**	50	0	0	0	0	0
8828	Crematorium refurbishment	**848**	668	180	0	0	0	0
9311	Changing Places - Community Hub Central	**76**	76	0	0	0	0	0
7716	Seaton Library refurbishment	**255**	222	33	0	0	0	0
8534	Church Street Townscape Heritage Project	**113**	33	80	0	0	0	0
7232	Museums Acquisitions	**4**	2	2	0	0	0	0
7355	CECA IT Infrastructure and Technology	**18**	18	0	0	0	0	0
9518	Art Gallery Tower Refurbishment	**302**	0	52	250	0	0	0
NEW	Pride in Place Impact Fund	**1,500**	0	750	750	0	0	0
NEW	Cremator Capital Maintenance	**280**	0	0	280	0	0	0
Housing, Growth and Communities - Total		**4,950**	**1,978**	**1,461**	**1,511**	**0**	**0**	**0**

	External Funding - Government Grants							
	Disabled Facilities Grant	**55**	55	0	0	0	0	0
	Sub Total	**55**	**55**	**0**	**0**	**0**	**0**	**0**
	External Funding - Other Grants and Contributions							
	Sport England Grant	**329**	329	0	0	0	0	0
	Heritage Fund	**113**	33	80	0	0	0	0
	Arts Council Library Improvement Fund	**200**	167	33	0	0	0	0
	Arts Council Museum Estate and Development Fund	**302**	0	52	250	0	0	0
	TVCA	**18**	18	0	0	0	0	0
	Developers S106 Contributions	**97**	56	9	32	0	0	0
	Changing Places	**21**	21	0	0	0	0	0
	Pride in Place Impact Fund	**1,500**	0	750	750	0	0	0
	Other	**162**	73	70	19	0	0	0
	Sub Total	**2,742**	**697**	**994**	**1,051**	**0**	**0**	**0**
	Internal Funding							
	Revenue Contributions	**443**	433	10	0	0	0	0
	Earmarked Reserves	**0**	0	0	0	0	0	0
	Capital Receipts	**82**	82	0	0	0	0	0
	Prudential Borrowing	**1,628**	711	457	460	0	0	0
Housing, Growth and Communities - Funding Total		**4,950**	**1,978**	**1,461**	**1,511**	**0**	**0**	**0**

APPENDIX 9

Capital Programme - Corporate

Code	Scheme Description	Gross Budget	Actual to 31/3/25	Total 25/26 Budget at Q3	26/27 Budget	27/28 Budget	28/29 Budget	Pending Mandate
		£'000		£'000	£'000		£'000	
7036	Uncommitted CCF	**190**	0	0	190	0	0	0
7041	Corporate Planned Unallocated	**1,800**	0	0	800	500	500	0
7065	Fire Risk Assessments	**100**	15	20	65	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 - Capital Maintenance	**161**	41	0	120	0	0	0
7728	Exmoor Grove - Replace external windows and doors	**50**	19	31	0	0	0	0
9329	Crematorium Rewire	**85**	50	35	0	0	0	0
NEW	Health and Saftety Maintenance Fund	**643**	0	643	0	0	0	0
9400	HSF - 8-9 Church Street	**158**	111	47	0	0	0	0
9428	HSF - Demolish Rift Hosue Pavillion	**25**	5	20	0	0	0	0
9426	HSF - Civic Centre Reception Security	**37**	4	33	0	0	0	0
9425	HSF - Borough Hall Security Fencing	**5**	0	5	0	0	0	0
9424	HSF - Community Hub Central Replace Lift	**50**	0	50	0	0	0	0
9427	HSF - Community Hub Central Security Measures	**10**	0	10	0	0	0	0
9422	HSF - Summerhill Security Measures	**35**	3	32	0	0	0	0
NEW	Boys Welfare - Replace Water Heater	**4**	0	4	0	0	0	0
7741	Exmoor Grove - External Access Ramp	**39**	2	37	0	0	0	0
9519	Borough Hall - Replace Lift	**70**	0	70	0	0	0	0
9436	Community Recovery	**90**	70	20	0	0	0	0
CORPORATE- Total		**3,724**	**333**	**1,057**	**1,334**	**500**	**500**	**0**

	External Funding - Government Grants							
	MHCLG	**90**	70	20	0	0	0	0
	Sub Total	**90**	**70**	**20**	**0**	**0**	**0**	**0**
	External Funding - Other Grants and Contributions			0				
	Other	**0**	0	0	0	0	0	0
	Sub Total	**0**	**0**	**0**	**0**	**0**	**0**	**0**
	Internal Funding			0				
	Revenue Contributions	**1,385**	65	329	491	250	250	0
	Earmarked Reserves	**1,274**	185	708	381	0	0	0
	Capital Receipts	**0**	0	0	0	0	0	0
	Prudential Borrowing	**975**	13	0	462	250	250	0
CORPORATE - Funding Total		**3,724**	**333**	**1,057**	**1,334**	**500**	**500**	**0**

APPENDIX 10

Capital Programme - Housing Revenue Account (HRA)

Code	Scheme Description	Gross Budget	Actual to 31/3/25	Total 25/26 Budget at Q3	26/27 Budget	27/28 Budget	28/29 Budget	Pending Mandate
		£'000		£'000	£'000		£'000	
7182	Empty Properties Phase 3	**618**	103	0	0	0	515	0
8106	New Build	**370**	1	0	0	0	369	0
S106	Affordable Housing	**913**	0	0	225	0	688	0
8799	Major Repairs	**510**	103	107	100	100	100	0
7726	Resettlement Accommodation	**1,306**	1,306	0	0	0	0	0
9294	HRA Adaptations	**441**	41	100	100	100	100	0
NEW	9 Properties	**965**	0	965	0	0	0	0
NEW	Social Housing Decarbonisation Phase 3	**450**	0	225	225	0	0	0
	HRA - TOTAL	**5,573**	**1,554**	**1,397**	**650**	**200**	**1,772**	**0**
	External Funding - Government Grants							
	Homes England Grant	**70**	70	0	0	0	0	0
	Sub Total	**70**	**70**	**0**	**0**	**0**	**0**	**0**
	External Funding - Other Grants and Contributions							
	S106 Developer Contributions	**1,464**	33	518	225	0	688	0
	TVCA Brownfield Housing Fund	**1**	1	0	0	0	0	0
	TVCA Warm Homes Social Housing Decarbonisation Grant	**450**	0	225	225	0	0	
	TVCA Resettlement Grant	**632**	632	0	0	0	0	0
	Sub Total	**2,547**	**666**	**743**	**450**	**0**	**688**	**0**
	Internal Funding							
	Revenue Contributions	**239**	239	0	0	0	0	0
	Earmarked Reserves	**951**	144	207	200	200	200	0
	Capital Receipts	**0**	0	0	0	0	0	0
	Prudential Borrowing	**1,766**	435	447	0	0	884	0
	HRA - TOTAL FUNDING	**5,573**	**1,554**	**1,397**	**650**	**200**	**1,772**	**0**

Hartlepool Borough Council

FINANCE AND CORPORATE AFFAIRS COMMITTEE

10th FEBRUARY 2026

Report of: Director of Finance, IT and Digital

Subject: MEDIUM TERM FINANCIAL PLAN (MTFP) 2026/27 TO 2029/30

Decision Type: Budget and Policy Framework

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1. COUNCIL PLAN PRIORITY

Hartlepool will be a place:
- where people live healthier, safe and independent lives. (People)
- that is connected, sustainable, clean and green. (Place)
- that is welcoming with an inclusive and growing economy providing opportunities for all. (Potential)
- a place with a Council that is ambitious, fit for purpose and reflects the diversity of its community. (Organisation)

2. PURPOSE OF REPORT

2.1 The purpose of this report is to provide an update on the impact of the Provisional Local Government Finance Settlement for 2026/27 - 2028/29 and to enable Members to approve the budget proposals to be referred to Council, including the level of council tax for 2026/27.

2.2 This report is published prior to the Final Local Government Finance Settlement. At this stage we are not aware of any amendments from the provisional settlement, but recognise that lobbying by officers, members and the Hartlepool MP continue alongside wider lobbying in the sector for more funding. Should the final settlement be announced prior to this committee an update will be provided on the day.

3. BACKGROUND

3.1 Comprehensive MTFP reports were considered by the Finance and Corporate Affairs Committee at their meetings in June and November 2025. These reports provided progress updates on the government's fair funding review and set out the continued financial challenges facing the Council for 2026/27 and over the MTFP period. This report provides a comprehensive update of all areas impacting the MTFP including the conclusion of the fair funding review process presented to councils through the 3-year Provisional Local Government Finance Settlement, issued by government in late December 2025.

3.2 With regards the government's funding reforms, referred to as 'Fair Funding 2.0', these moved through a number of consultation phases throughout 2025, although the process did move more slowly than initially indicated. The slowing of the process was largely due to changes to the Secretary of State for the Ministry for Housing, Culture and Local Government (MHCLG) and the wider ministerial team, alongside significant lobbying on the proposed reforms at all stages from a range of stakeholders.

3.3 After consultations during December 2024 to February 2025 and then June to August 2025, the Local Government Finance Policy Statement was published on the 20th November 2025. Without providing local authority level funding allocations the Policy Statement was the first formal publication setting out the government's final position on the funding reforms outcome and approach, and importantly how transition to the reformed system would be carried out.

3.4 In addition to the specific local government announcements, following a pre-budget statement to the nation on the 4th November to emphasise the need to responsibly manage the public finances, the Chancellor delivered her Autumn budget on the 26th November 2025. The budget announced a number of tax changes including new business rates charging rates, high value property council tax surcharges and powers for a visitor levy. Although linked to local government activity, this provided minimal or no benefit to directly support council finances.

3.5 Alongside tax changes, the Autumn Budget confirmed the National Living Wage (NLW) for age 21 and over will increase from £12.21 an hour (April 2025) to £12.71 per hour from April 2026, a rise of 4.1%. Whilst welcome in the context of tackling low pay, this rise continues to place upwards pressure on social care and other contracted service delivery. With regards to Council employee pay rise forecasts for 2026/27, although the lowest council pay bands are currently above this uplifted NLW rate, the +4% increase is likely to be an additional inflationary factor on council employee pay negotiations for 2026/27.

3.6 The provisional Local Government Finance Settlement, issued on 17th December 2025, provided detailed grant allocations to councils, and other information needed to set their budgets for 2026/27. The settlement was also the first multi-year funding announcement for 8 years, providing allocations for the 3-year period; 2026/27 through to 2028/29. The detail of the settlement and the impact for Hartlepool is provided in the next section.

4. LOCAL GOVERNMENT FUNDING REFORMS – FAIR FUNDING 2.0

4.1 The scale of the reforms to the Local Government Finance system should not be underestimated. The changes arising have resulted in the biggest redistribution of resources across the sector for 25 years. Alongside changes to formulae for funding distribution and data/indices updates it includes, a large consolidation of grants, a full business rates reset, changes to business rates charging levels (multipliers) and a business rates revaluation. The activity over the last 12 months to deliver these reforms has been vast.

4.2 As noted, the first stage consultation on the Funding Reforms was issued by MHCLG in late December 2024 and closed in February 2025. This early stage consultation focused on the underlying principles of local government funding, including; a review of relative needs formulae which calculate the cost of delivering services, review of area cost adjustments which take into account cost variations across the country, views on council tax equalisation adjustments for those areas which have low council tax bases, views on introduction of deprivation indices and also the period of transition to increased or decreased funding allocations.

4.3 Subsequently, in early April 2025, MHCLG published a further consultation paper specifically on, 'Resetting the Business Rates Retention System'. This consultation closed on the 2nd June 2025. The processing of 'resetting' the business rates system results in the rates growth currently sitting with those councils able to grow their business rates receipts being redistributed nationally. The current system was introduced in 2013, and under original plans was due to be reset in 2018. The 2018 reset did not take place and continued to be stalled until now (2026/27). Hartlepool is currently a significant loser from this delay, as we are currently c£1m under our business rates base line position, in part due to the reduced valuation of the Nuclear Power Station, whilst other councils are significantly above the baseline and benefiting from this growth. The consultation does confirm the system will be fully reset in April 2026, although transitional arrangements as part of the wider funding changes are in place. Hartlepool is a net beneficiary of the resetting of the Business Rates system.

4.4 The second round of consultation on the reforms was issued by government in June and closed on 15th August 2025. This second consultation moved on the 'principles' outlined in the first consultation to a greater level of detail on the direction of travel of the reforms, namely;

Relative Need Formulae updates and weightings which drive funding allocations, approach to area cost adjustments which aim to reflect the differing costs of delivery across the country, council tax equalisation approach and lastly and importantly the transition period to the new updated allocations.

4.5 Through collaborative working with other local authorities and sector bodies, and engagement with local government funding specialists (Pixel), the information provided through the second round of consultation allowed local authority level, 3-year, funding estimates to begin to be estimated. These estimates were very heavily caveated, but indications were that based on the interpretation of the changes, Hartlepool would be a modest beneficiary, but not to the level a deprived northern borough would have expected from a Fair Funding reform package. In part, the increase in funding in 2025/26, particularly through the introduction of the recovery grant, has resulted in a lower increase for 2026/27. Overall, Fair Funding 2.0 was shaping up to be particularly unfavourable to the North East, with four NE councils estimated to lose government funding (North Tyneside, South Tyneside, Sunderland and Gateshead). Middlesbrough Council were the outlier where fair funding appeared to substantially increase their funding.

4.6 Following consultation feedback submissions, ministerial changes and significant and profound lobbying from both expected winners and losers, further changes were expected to the detail following the second consultation round, but not to the fundamental principles and approach of the funding reforms.

4.7 The Local Government Finance Policy Statement issued on the 20th November provided some important policy details and decisions on the emerging outcome of the reforms. The expected changes to the Relative Needs Formulae, which allocate national funds to local authorities, were confirmed in line with the consultation, but importantly, changes to the IMD (indices of multiple deprivation) data to be used had been made at this late stage. The IMD factor, which is a significant factor in funding formulae, had been adjusted to take more account of housing costs following significant lobbying by London and other southern councils. This change diverts funding towards areas with higher housing costs. The Policy Statement also confirmed the use of 2022 population data rather than the most recently available 2024 data, which is also unhelpful to a growing borough like Hartlepool.

4.8 Given the extent of resources movement between authorities, transition arrangements are in place, which from the simplest perspective see this take place on a 1/3rd basis i.e. 2026/27 1/3rd new funding approach 2/3rd previous funding approach, then 2027/28 2/3rd new funding approach 1/3rd previous funding approach, then 2028/29 is fully based on the new funding approach. From a more technical perspective there are also a number of funding floors which have been introduced which protect the majority of authorities at a cash flat level (after a 5% council tax rise per year). These protections are fully funded from within the local government finance allocation i.e. the winners have to fund the protections rather than this being funded from a separate funding pot within government.

5. PROVISIONAL LOCAL GOVERNMENT FINANCE SETTLEMENT 2026/27-2028/29

5.1 This settlement statement provided the outcome of the Fair Funding reforms process with the provision of funding allocations for the 3 years 2026/27 to 2028/29. Given the changes resulting from the reforms will be phased in over a 3-year transition period, it is important to consider the position for 2026/27 and the overall impact when transition completes in 2028/29. The 3-year allocations provide certainty for 2026/27 funding and a firm indication for the latter 2 years.

Headline increase in Core Spending Power

5.2 Core Spending Power (CSP) is the Government's measure for comparing all funding 'made available' through the Local Government Finance Settlement. As noted, the funding reforms have led to significant redistribution of resource, but the headline **national increase in CSP for 2026/27 is 5.7%** - a cash increase of £4.189 billion, consisting of the elements detailed in table 1 below.

Table 1 – National Core Spending Power Increases – Funding Sources

	2026/27		**2027/28**		**2028/29**	
Funding Source	**£'bn**	**%**	**£'bn**	**%**	**£'bn**	**%**
Council Tax income	£2.552	61%	£2.804	81%	£2.988	84%
Business Rates	£0.702	17%	£0.373	10%	£0.335	8%
Government Grant	£0.639	15%	£0.122	4%	£0.055	2%
Transition Protection (Gov. funded)	£0.296	7%	£0.170	5%	£0.199	6%
Total CSP Increase	**£4.189**	**100%**	**£3.469**	**100%**	**£3.577**	**100%**
National Change in CSP	**5.7%**		**4.3%**		**4.4%**	

5.3 As highlighted by the above table, the Government's total CSP increases assume that all authorities will use the maximum available council tax flexibility of a 4.99% increase in each year. On this basis 61% of the £4.189 billion of the national Core Spending Power increase for 2026/27 will need to come from council tax, and 75% over the total 3-year period. In addition, a further 17% in 2026/27 (13% of total over the 3-year period) comes from business rates, which are also generated locally. This significantly underlines the increasing reliance of the funding system on local taxation, in particular council tax, to meet the costs of local services. This also illustrates the lack of additional government grant funding provided over the settlement period.

5.4 The Hartlepool Borough Council CSP increase position published in the settlement is shown in table 2 below. This increase represents a **7.7% increase in CSP for Hartlepool for 2026/27.** Please note figures in table 2 are shown in millions rather than billions.

Table 2 – Hartlepool's Core Spending Power Increases – Funding Sources

	2026/27		**2027/28**		**2028/29**	
Funding Source	**£'m**	**%**	**£'m**	**%**	**£'m**	**%**
Council Tax income	£3.947	39%	£4.230	48%	£4.533	51%
Business Rates	£2.889	28%	£0.895	10%	£0.805	10%
Government Grant	£3.439	33%	£3.676	42%	£3.484	39%
Transition Protection (Gov. funded)	£0.000	0%	£0.000	0%	£0.000	0%
Total CSP Increase	**£10.275**	**100%**	**£8.801**	**100%**	**£8.822**	**100%**
HBC Change in CSP	**7.7%**		**6.1%**		**5.8%**	

5.5 Table 2 shows a £10.275m increase in CSP for 2026/27 for Hartlepool, based on the government's assumption of a council tax increase of 4.99%. The council tax increase assumption of £3.947m for 2026/27 comprises both a 4.99% rise and also a base growth assumption of 2.1%. The government's growth assumption is largely in line with local estimates for 2026/27 with only a difference of 27 band D equivalents. For 2027/28 and 2028/29 the government's optimism of growth significantly exceeds local assumptions at extra properties of 286 and 556 band D equivalents respectively. These differences result in greater CSP increases being presented by government than is likely to be achieved in years 2 and 3 above.

5.6 The proportion of the total increase coming from council tax in table 2 is lower than that in table 1, this is due to the comparatively low council tax base in Hartlepool and also the diverting of additional grant funding to Hartlepool through the Fair Funding reform changes.

5.7 As noted, the future years position shown in table 2 includes an annual council tax charge rise at 4.99%. The percentages shown, demonstrate the significant and rising reliance on council tax increase to fund service cost increases, which is in line with the national position. Notwithstanding the figures provided by government to show CSP increases in each year, decisions made on annual council tax increases are made locally, as further discussed later in this report.

5.8 For comparison purposes, the Final Local Government Finance Settlement 2025/26 provided Hartlepool with a 9.3% increase in Core Spending Power, against a national average increase of 6.8%. When compared to the figures noted above this demonstrates that the Fair Funding reforms have not delivered the scale of funding change which had widely been anticipated and are providing similar or lower increases than in recent year's settlements.

5.9 With regards Hartlepool's respective ranking when compared to other upper tier authorities, Hartlepool's 2025/26 CSP increase of 9.3% was the 34th highest of the 153 upper tier authorities. For 2026/27 HBC's increase of 7.7% is the 37th highest of the 153 upper tier authorities.

Grant Funding within Core Spending Power

Revenue Support Grant

5.10 The major government grant component within CSP is the unringfenced, Revenue Support Grant (RSG). The fair funding reforms which included the grants simplification principle, has seen a number of previously separate, specific grants transferred into RSG from 2026/27 (known as 'rolling in').

5.11 The grants rolled into RSG include the; social care grant, employers national insurance contribution grant, new homes bonus, market sustainability and improvement fund (MSIF), alongside a large number of smaller value grants. Given some higher value grants i.e. social care grant and MSIF were previously only allocated to upper tier, social care providing authorities, the rolling in of these grants means their previous national quantums are now included within the national RSG total and allocated to both upper and lower tier authorities. It is argued that the updating of the general allocation formulae / RNFs, and their associated control totals, which reflect spending levels by area, means upper tier authorities should not be disadvantaged from this rolling in change.

5.12 Overall Hartlepool's RSG allocations over the 3-year settlement period are; £31.635m for 2026/27, £41.886 for 2027/28 and £45.664m for 2028/29. It is important to note the increases over the 3 years, largely represent the transition to the updated funding formulae i.e. without the transition period Hartlepool would have a much higher RSG allocation in 2026/27.

Top Up Grant

5.13 The top up grant is intrinsically linked to the retained business rates system. Depending on an authorities' business rates generation they will be a top up or tariff authority. Authorities who generate more business rates than their assessed spending need will pay over business rates to the central pot and alternatively those less able to generate business rates locally will receive a top up grant from the central business rates pot.

5.14 For 2026/27, based on government's assessment of Hartlepool's business rates position, a top up grant of £16.685m has been allocated. Should the government assessment of Hartlepool's retained rates differ from our assessment carried out in January, any difference will be captured by the 100% safety net guarantee for 2026/27. This protection reduces over subsequent years of the settlement period, with the historic norm of 92.5% being reached by 2028/29. Given the likely decommissioning of the power station in the near term, the council will suffer an on-going and significant financial loss until the next baseline reset. No date has been provided for the next baseline reset.

Recovery Grant

5.15 As part of the Local Government Finance Policy Statement issued in November, the government unexpectedly committed to continuing the Recovery Grant as a separate grant. This grant was introduced as a first step towards fair funding in 2025/26, but was expected, as indicated at the consultation stages, to be subsumed as part of the reforms package and allocated through general RNFs moving forward. Hartlepool received £3.6m in 2025/26 and will receive the same allocation for 2026/27 through to 2028/29. The Recovery Grant is not additional money in the system, it is a top slice from the existing national quantum of funding available, and will mean less funding will be distributed by the general formula's (RNFs). Notwithstanding this, the continuation of this targeted grant was welcome for Hartlepool, but is certainly controversial. It is likely that ministers have seen the need to retain this to compensate for the reductions in funding many northern councils had seen as part of the wider reforms package and the impacts of late changes i.e. housing adjustments to IMD.

Consolidated Grants

5.16 As part of the government simplification principle within the reforms, four themed grant areas have been introduced from 2026/27. These are referred to as consolidated grants and are as follows;

- Children, Families and Youth Grant
- Homelessness, Rough Sleeping and Domestic Abuse Grant
- Crisis and Resilience Fund
- Public Health Grant

5.17 All of the above listed grants are ringfenced and as such have grant conditions attached which provide guidance on their use and associated monitoring arrangements. Draft grant conditions have been issued with the provisional settlement, with further information to follow in early 2026.

Children, Families and Youth Grant

5.18 The Children, Families and Youth grant will bring together the following funding streams into a single consolidated grant from 2026/27.

- Funding for the Families First Partnership programme. This funding will be in Core Spending Power, consisting of:
    - The Children's Social Care Prevention Grant;
    - Families First Partnership programme funding (previously Supporting Families); and
    - New funding worth £866 million nationally. This includes £319 million from the Transformation Fund announced at the Spending Review and £547 million confirmed in the Policy Statement.
- The Holiday, Activities and Food Grant (HAF). This includes funding to support local authority capacity on school-age childcare during school term-time and holidays. This funding is not included in Core Spending Power.
- The Pupil Premium Plus Post-16 Grant. This funding is not included in Core Spending Power.

5.19 The provisional settlement documentation provided the following description of the grants required use. "This ringfenced grant is designed to strengthen local authority support for children and families across England, reducing inequalities and breaking down barriers to opportunity. It underpins key national reforms to children's social care through the Families First Partnership programme, will help support children and young people from low-income families receive enriching activities and nutritious meals through the school holidays, support access to childcare during term time and the holidays, and improve outcomes for post-16 looked-after children and care leavers. Local authorities will be expected to use this funding to deliver these programmes in line with relevant guidance issued by the Department for Education (DfE)"

5.20 Hartlepool's allocations over the 3 year period are; £2.834m 2026/27, £2.814m 2027/28 and £1.892m 2028/29. The 2026/27 grant level represents a c£0.575m increase from the 2025/26 equivalent grants total. Given the grant is ringfenced to this noted activity it is unable to support the council's overall budget gap.

Homelessness, Rough Sleeping and Domestic Abuse Grant

5.21 The Homelessness, Rough Sleeping and Domestic Abuse Grant will bring together the following funding streams into a single consolidated grant from 2026/27. All funding will be in Core Spending Power.

- The Prevention, Relief and Staffing element of the Homelessness Prevention Grant (HPG);
- Rough Sleeping Prevention and Recovery Grant (RSPARG) and Rough Sleeping Accommodation Programme (RSAP) funding; and
- The Domestic Abuse Safe Accommodation Grant. The provisional settlement noted that an additional £19m will be directed to this

area for 2026/27, with allocations advised with the final settlement. Any increase allocated to Hartlepool will continue to be ringfenced for Domestic Abuse Safe Accommodation activity.

5.22 The provisional settlement documentation provided the following description of the grants required use. “This ringfenced grant will support local authorities to deliver homelessness and rough sleeping services, as well as meeting their domestic abuse duties. By integrating these grants, local authorities will have greater flexibility to deliver joined-up services according to local need, prevent homelessness and rough sleeping, and ensure support in safe accommodation for victims of domestic abuse and their children. For homelessness and rough sleeping, central and local government should take the opportunity to think differently about how to maximise resources to support people, moving towards a system that prioritises prevention and provides holistic support to people based on assessment of need. The Domestic Abuse funding enables local authorities to fulfil their statutory duties and commission vital support in safe accommodation for those who need to flee their homes.”

5.23 Hartlepool’s allocations over the 3-year period are; £1.150m 2026/27, £1.185m 2027/28 and £1.215m 2028/29. The 2026/27 grant level represents a c£0.332m increase from the 2025/26 equivalent grants total. Given the grant is ringfenced to this noted activity it is unable to support the council’s overall budget gap.

Crisis and Resilience Fund

5.24 The Crisis and Resilience Fund (CRF) will bring together the following funding streams into a single consolidated grant from 2026/27. This funding will not be in Core Spending Power.

- Household Support Fund; and
- Discretionary Housing Payments.

5.25 The provisional settlement documentation provided the following description of the grants required use. “This ringfenced grant will support local authorities to provide preventative support to communities and assist people when faced with financial crisis. The objective of this fund is both to provide a safety net for those on low incomes who encounter a financial shock, and to invest in building local financial resilience to enable individuals and communities to better deal with crises in the long-term.”

5.26 Additional detailed guidance and Management Information Reporting Requirements have been issued by the Department for Work and Pensions regarding the use of this grant. This is currently being considered.

5.27 Hartlepool’s allocations over the 3-year period are; £2.357m 2026/27, £2.356m 2027/28 and £2.307m 2028/29. The 2026/27 grant level represents a c£0.375m increase from the 2025/26 equivalent grants total.

Given the grant is ringfenced to this noted activity it is unable to support the council's overall budget gap.

Public Health Grant

5.28 From April 2026, funding from the following will be consolidated into the Public Health Grant. This funding will not be in Core Spending Power.

- Drug and Alcohol Treatment and Recovery Improvement Grant (DATRIG). This includes the Rough Sleeping Drug and Alcohol Treatment grant, which will continue to fund existing local authorities receiving this funding component, with a modest expansion to a small number of additional local authorities with high levels of need;
- Individual Placement and Support Grant (IPSG);
- Local Stop Smoking Services and Support Grant (LSSSSG); and
- Swap to Stop scheme.

5.29 This grant will continue to be ringfenced for use on public health functions, with further sub-ringfencing within grant allocations for smoking cessation and drug and alcohol treatment.

5.30 Hartlepool's allocations over the 3-year period are; £12.069m 2026/27, £12.198m 2027/28 and £12.322m 2028/29. The 2026/27 grant level represents a c£0.166m increase from the 2025/26 equivalent grants total. Given the grant is ringfenced to this noted activity it is unable to support the council's overall budget gap.

Extended Producer Responsibility for Packaging (pEPR)

5.31 This grant was introduced from 2025/26 and is managed outside of the settlement process. The grant is to cover the existing costs local authorities incur for managing household packaging waste, provide additional funding for new legal duties, and support much needed investment in the waste and recycling industry.

5.32 Hartlepool has received an indicative allocation of £2.573m for the pEPR scheme for 2026/27. The funding level was guaranteed for 2025/26, but with no guarantee of levels of funding for 2026/27 or future years. Therefore, for 2026/27 we will continue to budget at the lower 2025/26 level (£2.187m base level). A £0.200m per year reduction in grant, has also been factored into the MTFP from 2027/28. This reduction is consistent with the scheme's aim of reducing the level of packaging in the waste stream.

Dedicated Schools Grant

5.33 The Government have confirmed a national increase in funding for the core schools budget of £1.8 billion, increasing per pupil funding in real terms. £0.7 billion of this funding is being directed towards supporting the special educational needs and disabilities (SEND) system. Following receipt of individual authority allocations in late December 2025, it has been confirmed that Hartlepool's DSG will increase by £2.457m for 2026/27.

5.34 As reported through the quarterly budget monitoring updates to Committee, Hartlepool, like many other local authorities across the country, has an inherent deficit within its DSG budget, largely driven by shortfalls on High Needs block funding. The Council have engaged with the Education and Skills Funding Agency (ESFA) to discuss a DSG Management Plan, which sets out an approach to stabilise the position, with the aim of reaching a sustainable budget position in the medium term.

5.35 The reported quarter 2 position to Committee in November 2025 indicated a forecast £4.670m overspend for 2025/26. Given this significant level of shortfall, the additional funding provided by government for 2026/27, although welcome, is unlikely to be sufficient to mitigate the position in the short term.

5.36 The Dedicated Schools Grant (DSG) deficit, which due to temporary accounting regulations currently in place, can be classified as an unusable reserve. This temporary accounting arrangement is scheduled to end in March 2028. The government have committed to support the meeting of accrued DSG deficit's but commented within the Provisional Settlement that, "whilst we do not expect local authorities to plan on the basis of having to meet deficits in full, any future support will not be unlimited. Councils must continue to work to keep deficits as low as possible."

5.37 Further details on the Government plans for the SEND system are to be announced as part of a Schools White Paper. This critical white paper was due to be published in autumn 2025, but the Government has now delayed publication until sometime in 2026.

6. BUDGET PRESSURES

6.1 The medium term financial plan is constantly evolving. The current forecasts for 2026/27 budget pressures informing the budget proposals, and also the pressures into the medium term are documented in this section. The table below provides estimates of these pressures, which have increased by £0.884m for 2026/27, since the November report. A number of these changes are in response to additional cost pressures arising during 2025/26, as well as additional pressures forecast from April 2026, including increases linked to ringfenced grant activity.

	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	Total £m
Spending Pressures					
Pay and Price Inflation	7.202	4.661	5.931	4.538	22.332
Children's Social Care	6.500	3.000	2.070	1.612	13.182
Waste Disposal	0.500	0.000	0.000	0.500	1.000
Capital Financing	0.050	0.500	0.500	0.500	1.550
Supported Accommodation	0.250	0.255	0.260	0.265	1.030
Total Spending Pressures	**14.502**	**8.416**	**8.761**	**7.415**	**39.095**

Pay and Price - Pay Award Inflation

6.2 The national pay award for 2025/26 was agreed during July. The agreed pay increase from April 2025 was 3.2% for all employees.

6.3 The 2026/27 pay claim from the Trade Union Side of the National Joint Council (NJC) was submitted in December 2025. The pay claim element was for an increase of at least £3,000 or 10% (whichever is the greater) across all NJC spinal column points. A response from the Employer side of the NJC is yet to be issued.

6.4 A pay award at the above level is significantly beyond prior years and is unaffordable within the current budget position. 2026/27 and the wider MTFP continues to include a pay award assumption of 3% for each year, which is in line with recent years awards. Should a pay award beyond this be ultimately agreed this will have a detrimental impact on the budget and MTFP position and in-year action will need to be taken to rebalance the budget.

Pay and Price - General Price Inflation

6.5 General inflation has reduced since the autumn period but remains elevated, with the Consumer Price Index recording 3.4% for December, which was a slight rise from November's 3.2%. Concerningly this remains well above the government's target rate of 2%. The Bank of England continue to set their policy approach to support their objective of reducing inflation to their 2% target.

6.6 Inflation forecasts and general economic stability continue to be heavily caveated around the potentially volatile impacts of geopolitical factors, namely conflict in the Middle East, Ukraine/Russia conflict and the United States' foreign and economic policy.

6.7 Given funding limitations and a focus on generating efficiencies, general inflation has been allowed for at 2% per year over the MTFP period. Bespoke inflation is included for contracts where specific inflation indices are used.

Pay and Price – Adult Social Care Contracts

6.8 The net budget for packages of care is approximately £35m and annual increases to care home fees and non-residential care e.g. home care rates, etc. are determined using an established formula. The annual inflation uplift is based on a range of factors and recent increases have been driven predominantly by increases in the National Living Wage (NLW) and the level of non-pay inflation.

6.9 The Autumn Budget confirmed the National Living Wage for age 21 and over will increase from £12.21 an hour (April 2025) to £12.71 per hour from April 2026, a rise of 4.1%. The increase is slightly below early planning assumptions, therefore the budget requirement forecast has been adjusted accordingly. The increases to the non-pay inflation elements of the budget are largely informed by the prevailing inflation measures.

6.10 A prudent, but reasonable assessment of fee uplifts has been included within the MTFP, however, this remains an area of risk until uplifts are agreed with providers.

6.11 In the medium term there is a potential further cost pressure arising from the Fair Pay Agreement for Social Care Workers. There remain significant ongoing recruitment and skills shortages in the social care sector which could place upward pressure on future salary levels, particularly in adult social care. The Government recently consulted on options to implement a Fair Pay Agreement for Social Care Workers. The impact of such a change would not be implemented until April 2028. With regards funding to support this, within the Policy Statement the Government announced that “We are already taking significant steps towards improving services. The Spending Review allows for an increase of over £4 billion of funding available for adult social care in 2028/29 compared to 2025/26. This includes council tax and baseline funding levels, as well as additional grant funding provided at the Spending Review. This extra £4 billion funding includes £500 million in 2028/29 to support implementation of the Fair Pay Agreement.” Hartlepool’s share of this £500m is broadly £1.000m and is included in 2028/29 grant income forecasts, this is matched by a corresponding £1.000m forecast spend pressure in the same year.

Pay and Price - Income

6.12 Historically, for budget planning purposes it has been assumed that all discretionary fees and charges will increase in line with inflation each year. Given the council’s financial position and the recent inflationary impact on the council’s expenditure budgets, it is proposed to uplift discretionary fees and charges for 2026/27 by a minimum of 5%. Areas with existing income budget shortfalls will still action an increase in charges in April 2026 where appropriate, but prudently the overall income budget target will not be increased, allowing the price increase to address the existing gap.

6.13 Following a comprehensive review of fees and charges undertaken during the current year, increased fees and charges will be introduced in a number of areas, and further details are set out within the proposed savings later in the report.

Energy Inflation

6.14 Recent years have seen unprecedented market volatility, driven by Covid-19, the Russia-Ukraine war, extreme weather patterns and geopolitical tensions, as well as the UK and Europe’s ambitions to move to better security of supply and alternative generation types. This has created a monumental shift in what typical market activity looks like. This movement from traditional market norms has created a market that is very reactive and has the potential to move far more substantially in very short windows of time.

6.15 In response to this turbulence, the Council progressed a twofold strategy of increasing the revenue budget for anticipated long term prices, coupled with use of an energy reserve for the shorter term spike. This approach has served the Council well since 2022/23.

6.16 The Council purchases its energy via the regional North East Purchasing Organisation (NEPO), which has an agreed Risk and Purchasing Strategy in place to forward buy energy as deemed prudent.

6.17 Although energy community pricing is forecast to fall during 2026/27, non-energy costs are forecast to rise at a higher rate. These non-energy related cost rises are driven by the Transmission Network Use of System (TNUoS) tariff. The TNUoS tariff is supporting network upgrades to accommodate increased renewable generation assets and support greater national energy security. To that end, at this stage it is prudent to maintain the base budget and apply normal inflation increases, with the position monitored closely given the potential for further market volatilities.

Children's Social Care

6.18 The budget pressures in this area continue to be of significant concern for our Council, and many across the region and country. Many areas of expenditure relating to children in our care are experiencing significant and on-going demand and inflationary pressures, these include; increasing numbers of children requiring external placements, independent foster agency (IFA) placements, Connected Care and Special Guardianship allowance payments as well as the associated staffing demands.

6.19 As part of the 2025/26 budget setting process additional specific resources of £6.9m were provided into Children's Social Care, given their unprecedented budget pressures. This is in addition to normal inflationary budget increases. Notwithstanding this significant budget increase the 2025/26 projected outturn for Children's Social Care, as at quarter 3, is estimating an overspend of £6.680m.

6.20 The main reasons for the overspend continue to be the increase in the numbers and costs of children requiring external residential placements and the associated impacts on social work staffing workloads and budgets. This reflects the increasing complexity of children's needs and the significant fees being charged by the external care market. Overall Hartlepool's Children in Care numbers per 10,000 children, continue to be above regional and national averages. This is because of a number of factors including high levels of poverty.

6.21 Children in our care (CiOC) numbers have continued to rise during 2025/26, with the respective CiOC numbers at the end of each quarter totalling; 345 for quarter 1, 352 for quarter 2 and up to 365 for quarter 3. Inherent within this is an increase in placements required to be made with external providers in order to meet the individual needs of the young people coming into care.

6.22 With regard to external provider placement pressures, the current top 25 highest cost external placements are costing in the region of £235,000 per week, which equates to c£12.2m per year. The average cost of the current 50 external placements is £7,310 per week, with a range of £3,900 to £21,189 per week. There are currently 7 placements in excess of £10,000 per week which is as a result of the complexities of their bespoke needs.

6.23 As noted above, CiOC numbers are beginning to increase. Within the overall numbers quoted for CiOC it is important to note that this is not a fixed cohort of children. Some children positively return home, and some children move into special guardianship order (SGO) or child arrangement order (CAO) arrangements. These SGO and CAO arrangements, although no longer classified as within our care, still retain financial support payments from the Council. This is another area of budget pressure.

6.24 To mitigate these cost pressures, 6 key strands of activity are progressing and are being overseen by Senior Management. The activity strands are focused around: edge of care support, prevention and early help, fostering and placement planning, reunification, care leavers support and corporate parenting.

6.25 The Council opened a new in-house children’s home in January 2026, with the possibility of further new homes in the future. In addition, the council is working with a local charity in their development of a children’s home in the town, providing more local, lower cost capacity. Both developments will help reduce our exposure to the significant fees being charged by the external care market.

6.26 The Council is considering its own local fostering drive and is also included in a large-scale regional recruitment initiative. In addition, increased staffing resources have been provided during 2025/26. The Edge of Care team are providing support to families who are at risk of having children enter the care system. Increased respite support provision has also commenced.

6.27 Local case reviews continue to be carried out to ensure care is being provided at the correct level, whilst also challenging costs. Further activity to maximise partner contributions to care costs where appropriate has commenced. Regionally, in the medium-term, partnership working is being considered to try and address care market failures. Following successful pilots elsewhere in the country supported by the Department for

Education, a project to consider a North East Regional Care Cooperative has commenced. Further work and consideration of this partnership will be carried out over the coming months.

6.28 From national government's perspective 'The Families First Partnership (FFP) Programme' was published during 2025. These changes centre around implementing: "Family Help and multi-agency child protection reforms' that make greater use of Family Group Decision Making. The roll-out of these reforms represents a significant step forward in delivering on the government's mission to provide children with the best start in life and break down barriers to opportunity." The approach to meeting the reform requirements, to commence during 2026/27, continues to be developed.

6.29 The Medium Term Financial Plan (MTFP) provides for £6.5m of budget growth for Children's Services in 2026/27. This is a significant increase on the growth provided for in the June MTFP update (£1.5m) but reflects the current year forecast spending. The service has been tasked with reducing the overspend, and a £3.0m savings proposal is outlined later in the report. However, it should be noted that the budget for 2026/27 does not allow for any growth in Children in our Care numbers or additional cost associated with complexity. As such both the savings requirement and potential for further growth in numbers poses a real risk to the robustness of the estimate for 2026/27.

6.30 Reflecting the significant and sustained pressures, future years growth is included in the MTFP, but with a downward trajectory reflecting the anticipation that local, regional and national initiatives may gain positive traction over the period.

Waste Disposal

6.31 Hartlepool has entered into a partnership with six other Local Authorities in the region to procure a new Energy from Waste facility. The procurement process is nearing completion, with an anticipated go-live date during 2029. The Council has benefitted from very competitive gate fees with the current incumbent, however, these fees stepped up significantly for 2025/26 as part of the contract extension arrangement.

6.32 The financial due diligence work continues in relation to the above. A forecast further budget impact of £1m remains within the MTFP period, and the latest understanding of the phasing is incorporated in the latest budget plans.

Capital Financing

6.33 A recurring annual saving of £2m has previously been taken over a 12 year period (2017/18 to 2028/29) following a change to the Council's Minimum Revenue Provision policy. This saving unwinds to £1m, with a reduction in 2029/30 of £0.6m and a further £0.4m in 2030/31. To avoid these cliff edge impacts on the MTFP, whilst also recognising increased borrowing costs, a capital financing pressure of £0.500m per annum is included from 2027/28.

Supported Accommodation

6.34 Supported, “exempt” accommodation provides invaluable support for a range of vulnerable people. Whilst we work with a number of supported accommodation providers, many of which make a positive contribution, there is a growing concern nationally regarding some of the less scrupulous providers. In such accommodation, rental levels tend to be far in excess of private sector Local Housing Allowance Rates, merely by such providers meeting a loose regulatory requirement to provide a level of ‘care, support or supervision’ to claimants. The government is currently reviewing such provision and intends to implement a number of measures to address some of the wider concerns in this area.

6.35 Supported, exempt accommodation schemes place an increased burden on Councils as many are delivered by charities or voluntary CIC organisations and not Registered Providers. As such councils can only claim partial subsidy for the Housing Benefit that they pay out. This means that Councils can incur significant costs, and, at times, funding substandard schemes which they do not need or require.

6.36 The subsidy loss for the Council was £0.076m in 2021/22. This increased to £0.282m in 2024/25 and is forecast to increase substantially in 2025/26 and over the MTFP period. In order to address this pressure, £0.250m is included in each year of the period, but will be kept under review, in conjunction with any legislative changes.

Cyber Security

6.37 The growing sophistication and frequency of cyberattacks pose a significant threat to public sector organisations, including councils. Whilst the council has robust arrangements in this regard, the increasing threat requires ever growing diligence amongst our employees, but also on-going and likely increased investment in counter measures. A review of our cyber security arrangements has been carried out and investment in further software and systems is recommended. Provision of £0.200m in 2026/27 and a further £0.200m from 2027/28 is included in the MTFP budget planning.

Ringfenced Grants – Expenditure Pressures

6.38 As noted in sections 5.16 to 5.30 there have been increased allocations for the 4 new consolidated grants to be introduced from 2026/27. Given these grants are ringfenced to activity areas and also linked to specific monitoring arrangements, an expenditure pressure has been introduced to the budget, equivalent to the grant increase, whilst requirements are fully understood and delivery plans firmed up.

Other Budget Pressure Adjustments

6.39 Other budget pressure changes provided for in 2026/27 include an increase in the concessionary travel budget given in-year budget pressures (£0.100m) and the removal of the profit share income budget associated with the Middleton Grange shopping centre given current and forecast lettings performance (£0.196m). A further pressure of £1.0m has been included from 2028/29 for the impact of the Emissions Trading Scheme (ETS). The scheme is a mechanism for managing the financial cost of reducing carbon emissions between different sectors of the economy. From January 2028, the ETS will be extended to include emissions from the incineration of waste.

7. LOCAL FUNDING

Business Rates

7.1 Under the Business Rates Retention system, the Council retains locally 49% of Business Rate income. At present, pending the completion of the NNDR1 government return, the business rates funding position included within the budget is the government's own assessment of rates, conducted as part of the business rates system changes and reset, and wider funding reforms.

7.2 From 2026/27, new powers introducing differing multiplier charging rates for particular sectors will allow permanently lower charges for those businesses in the Retail Hospitality and Leisure (RHL) sector. For 2025/26 the RHL sector has received relief of 40%, which was a reduction from the 75% relief provided in the 2024/25 financial year. The multiplier rates are likely to lead to higher charges for RHL when compared to 2025/26.

7.3 As noted in section 4, the business rates system has been reset and a new baseline rates position assessed for 2026/27. This provides a position from April 2026 whereby Hartlepool's funding from the government is predicated on an up-to-date view of actual business rates being received, which is welcomed.

7.4 As is always the case, the impact of inflationary cost pressures and reduced consumer demand in the wider economy may impact on the collectability of business rates.

7.5 Given the vast array of changes impacting this area, the government has temporarily bolstered the safety net provisions. In 2026/27 the safety net has been increased to 100%, reducing to 97% for 2027/28 and reverting back to its previous level of 92.5% for 2028/29.

7.6 As a result of the changes to the safety net level, the council has been protected in 2026/27 from any losses in business rates that may occur, including the recent news that Venator Materials UK has entered administration. However, from 2027/28 the council will be exposed to this risk. The near term decommissioning of the Power Station will lead to a financial loss for the Council until the next Baseline reset. Future years budgets have been reviewed to reflect this position.

Council Tax

7.7 The Council has a track record of council tax base growth in recent years. Whilst new build growth continues to be positive, the position continues to be impacted by exemptions and discounts, including the Single Person Discount (SPD). Hartlepool is not unique in facing these pressures. Investment in fraud detection is providing reductions in the SPD claimants, which positively impacts the base position, as will the accuracy exercise planned for council tax support claimants.

7.8 Whilst housing growth continues to be positive, there remains a risk that the wider economic environment i.e. interest rates and cost of living, may have a detrimental impact on growth as well as collectability of council tax should household incomes continue to be under strain. Growth in the council tax base of 520 equivalent Band D properties is now allowed for in the budget model for 2026/27. Growth in future years is expected to be more limited.

7.9 The Local Government Finance Policy Statement confirmed that the council tax referendum limits for council tax increases would be unchanged for 2026/27 at 3% for core council tax and 2% for the adult social care precept, and that the government's published Core Spending Power increases are predicated on Council's utilising this full 5% rise.

7.10 With regard to the non-Council elements of the council tax charge, the individual 'precepting bodies' are responsible for setting their own council tax levels in accordance with the specific government council tax referendum principles and which meet their own budgetary requirements. The Government has set the following 2026/27 council tax referendum limits for these bodies:

Type of Body	Referendum Limit 2026/27
Police and Crime Commissioner	Band D increase of £15
Fire and Rescue Authorities	Band D increase of £5
Town and Parish Councils	No limits have been set

7.11 The forecast 2025/26 year-end position on the council tax account indicates a surplus of £0.350m of which £0.292m relates to the Council's share. This £0.292m surplus will be distributed to the council in 2026/27, therefore has been included in the updated budget position as a one-off benefit in 2026/27.

8. RESERVES

8.1 The Council holds reserves for a variety of purposes, including those allocated for known commitments and risks, including capital schemes, the MTFP budget position and our insurance fund. The reserve position has been volatile in recent years given the significant inflationary and demand pressures experienced. The only unallocated reserve is our general fund reserve, which serves as a reserve of last resort.

8.2 Reserves have fallen over recent years and are forecast to fall further over the short to medium term to concerningly low levels. Details of reserves held and forecast reductions can be found at **Appendix C**.

8.3 The use of one-off reserves to balance the on-going revenue budget position is not a financially sustainable basis to set our budget. However, the volatility of local government finances over recent years, combined with local decisions on not to increase council tax by the amount allowable, has necessitated we do so. The Budget Support Fund is available to smooth the budget deficits, where possible, but must be used in a planned and carefully managed way.

8.4 For 2025/26 £1.000m of the Budget Support Fund was used to support the overall budget position. The one-off nature of reserves means that the budget position is detrimentally hit in subsequent years as their use unwinds. Given the in-year (2025/26) forecast overspend the Budget Support Fund is now at a concerningly low level.

8.5 Proposals for the utilisation of reserves to support the 2026/27 budget are detailed in section 9.

9. STRATEGY FOR BALANCING THE BUDGET POSITION

9.1 Based on the position outlined in sections 3 to 8 above, which importantly includes the final impact of Fair Funding 2.0, the consolidated budget position to be addressed over the 4-year MTFP period is shown below. The gap to be addressed for 2026/27 is £8.012m, with a 4-year gap to 2029/30 of £22.421m.

9.2 The gap for 2026/27 is lower than that reported in November given the impact of increased government funding. The 2026/27 and MTFP forecast gap, shown in the table below has been fully updated for the 3-year provisional local government finance settlement funding announcements.

9.3 The position presented has both uncertainty and risk regarding spending pressures over the MTFP period. **Appendix A** provides greater detail of the main risks and associated sensitivities impacting on the position.

	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	Total £m
Spending Pressures					
Pay and Price Inflation	7.202	4.661	5.931	4.538	22.332
Children's Social Care	6.500	3.000	2.070	1.612	13.182
Waste Disposal	0.500	0.000	0.000	0.500	1.000
Capital Financing	0.050	0.500	0.500	0.500	1.550
Supported Accommodation	0.250	0.255	0.260	0.265	1.030
Total Spending Pressures	**14.502**	**8.416**	**8.761**	**7.415**	**39.095**
Government Grant Changes	(4.302)	(3.592)	(3.359)	(0.983)	(12.236)
Gap Before Local Funding	**10.200**	**4.824**	**5.402**	**6.432**	**26.859**
Business Rates	(2.567)	0.106	0.195	(0.774)	(3.040)
Council Tax - Base Increase	(1.083)	(0.656)	(0.689)	(0.723)	(3.152)
Collection Fund (Surplus)/Deficit	0.462	0.292	0.000	0.000	0.754
2025/2026 Use of Budget Support Fund (reversal)	1.000	0.000	0.000	0.000	1.000
Bottom Line Gap to be addressed (before Council Tax increases and Savings)	**8.012**	**4.566**	**4.908**	**4.935**	**22.421**
Cumulative Gap	**8.012**	**12.578**	**17.486**	**22.421**	

Transformation and Efficiency Strategy

9.4 A strategic and transformational approach to addressing the MTFP funding shortfall and wider financial planning has been adopted. The Council's Transformation Plan which was approved by the Finance and Policy Committee in June 2024 outlined the approach and principles to achieve the Target Operating Model for the council.

9.5 Transformation activity is progressing in a number of areas, and the council's approach to transformation has recently been strengthened through the establishment of a Transformation and Efficiency Board, chaired by the Council Leader, to drive forward change.

9.6 Activity is progressing well on these schemes, to deliver service improvement and savings that will be realised over the MTFP period. The latest activity within the Transformation Programme, and target budget savings impacting the 2026/27 and future years budget planning is provided at **Appendix B**. The budget savings total £4.117m in 2026/27, with an additional £383,000 of saving reflected in the council tax base position. Future years savings within current plans total £0.275m and are profiled in 2027/28.

9.7 The transformation and savings proposals set out below were referred to the December 2025 meeting of the relevant policy committees. In the main, feedback from the Committees on the proposed savings was positive and all savings were approved by the respective committees. **Appendix D** provides the responses received from each committee.

9.8 The MTFP position, taking into account the savings associated with the Transformation Programme is shown in the table below. This shows a 'Gap to be addressed before council tax increase and use of reserves of £3.740m for 2026/27 rising to £17.874m over the MTFP period.

	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	Total £m
Gap to be Addressed	**8.012**	**4.566**	**4.908**	**4.935**	**22.421**
Previously Approved Savings	(0.155)	0.000	0.000	0.000	(0.155)
Transformation Savings *	(4.117)	(0.275)	0.000	0.000	(4.392)
Bottom Line Gap to be Addressed (after Savings but before Council Tax increases and use of reserves)	**3.740**	**4.291**	**4.908**	**4.935**	**17.874**
Cumulative Gap	**3.740**	**8.031**	**12.939**	**17.874**	

* Transformation Savings total adjusted downwards by £0.383m given element achieved through council tax base improvements.

Council Tax Increases

9.9 As noted above, the Government's referendum limit for council tax for 2026/27 has remained unchanged at 3% for core council tax and 2% for the Adult Social Care Precept, resulting in an effective maximum increase of 4.99%. A greater rise would require a referendum or Government consent. This referendum principle does not apply to six councils that are seeing the greatest reduction in funding under Fair Funding 2.0 reforms. In addition to the six, a number of other councils across the country are seeking permission for a rise beyond the referendum limit.

9.10 As previously reported, the lead Labour Group, pledged a Council Tax freeze for 2026/27. At the time of writing the previous report to Finance and Corporate Affairs committee in November 2025, based on the position presented, it was deemed unlikely that the budget could be signed off as robust, given the requirement to utilise significant reserves, cognisant of the risk around budget volatility and increasing cost pressures facing the council. The increased and sustained nature of social care pressures are a particular concern, including that no growth beyond current years pressures is allowed for in 2026/27, whilst additionally a challenging savings target has been set. To achieve a robust budget the following were noted as being required:

- Significant increased government funding from Fair Funding 2.0 and the Local Government Finance Settlement beyond those already forecast; and/or
- Further significant budget savings or cuts to budgets are agreed; and/or
- Council Tax is increased in 2026/27.

9.11 The government funding position has now been set out through the provisional settlement with limited increases in funding received beyond those already forecast. As a consequence, unless there is a material change in the final settlement, to achieve a robust budget, the following are required:

- Further significant budget savings or cuts to budgets are agreed; and/or
- Council Tax is increased in 2026/27.

9.12 Given the significant budget gap for 2026/27 and also over the medium-term period, the most prudent and financially sustainable approach will be to utilise the full council tax increase allowable of 4.99% for 2026/27, and this is strongly recommended for members consideration.

9.13 Should further savings or budget cuts be agreed, this would enable the recommendation on council tax to be reviewed.

9.14 A rise of 4.99% is in line with the government assumptions which have been included with the published Core Spending Power increases within the Settlement. The draft impact of a 4.99% increase for 2026/27 per household is set out in the table below.

Band	Household %	2025/26 Council Tax (inc ASC) £	2026/27 Council Tax (inc ASC) * £	Annual Increase £	Weekly Increase £
A	51	1,388.96	1,458.27	69.31	1.33
B	17	1,620.45	1,701.31	80.86	1.56
C	15	1,851.95	1,944.36	92.41	1.78
D	8	2,083.44	2,187.40	103.96	2.00
E	5	2,546.43	2,673.49	127.06	2.44
F	2	3,009.41	3,159.58	150.17	2.89
G	1	3,472.40	3,645.67	173.27	3.33
H	1	4,166.88	4,374.80	207.92	4.00

9.15 A total council tax rise of 4.99% for 2026/27 would generate additional on-going revenue of £2.804m to support the 2026/27 budget gap of £3.740m. This position would then necessitate the use of £0.936m of reserves in 2026/27 to balance the budget position.

9.16 For context, should the council enter into Exceptional Financial Support (EFS) to address future budget gaps, and be required to borrow £2.804m (the equivalent to 4.99% council tax increase), the borrowing costs to Hartlepool over the 20-year period of the loan would be £4.739m based on current interest rates.

9.17 By not increasing council tax, this income is lost year on year. Over a 20-year period this would equate to over £56m of lost revenue. To borrow such a sum would cost substantially more than a council tax rise, at a cost of c£3.5m per year.

Use of Reserves

9.18 As detailed at 9.15, for 2026/27 after the inclusion of a 4.99% total council tax increase, use of £0.936m of reserves will be needed to balance the budget. As previously noted, the use of one-off reserves to balance the on-going revenue budget position is not a sustainable approach. Whilst it shunts the budget gap back a year, it presents a danger that the Council simply utilises one-off money on delaying decisions. In addition, this approach reduces the scope for the Council to use these reserves to invest and innovate in order to generate recurring savings. However, the budget position and transition period linked to Fair Funding Reforms, coupled with increased spend pressures is necessitating the use of some reserves for 2026/27.

9.19 The aim of setting the Council's budget is that it should be sustainable over the medium term period, with recurring spend funded by recurring income. Decisions on use of reserves should be made consistent with that aim. As such it continues to be proposed that any use of reserves should be done on a prudent basis over the period so that within the current MTFP cycle the budget is fully sustainable.

9.20 The Council's Budget Support Fund (BSF) helps to smooth the budget position over the MTFP period as well as meeting any one off costs associated with budget reductions e.g. redundancies. The table below shows the current BSF reserve balance at the end of 2024/25 and forecast usage to balance the 2025/26 budget. It should be noted that the forecast balance is lower than the forecast gap in 2026/27 alone, without a council tax increase.

	BSF £m
Balance as at 31 March 2025	7.672
Less	
Use of reserve to support 2025/26 budget (approved)	(1.000)
Use of reserve to support 2025/26 forecast overspend	(2.450)
Use of reserve to support 2026/27 budget	(0.936)
Forecast uncommitted balance over the period	**3.286**

9.21 Following the earmarking of funding as outlined in the table above, including the meeting of the in-year forecast overspend and 2026/27 budget gap requirement there is only £3.286m remaining in the Budget Support Fund. At this stage, this forecast position will ensure an uncommitted balance of at least £3m is held to mitigate risks, consistent with the advice set out in the Section 25 statement later in the report.

9.22 As noted in section 8 and shown in detail in **Appendix C**, the council's reserves levels are forecast to dramatically reduce over the short to medium term. There are instances where ringfenced reserves may temporarily improve the position, linked to advanced payment of government grant funding, but these funds are very much linked to specific projects or initiatives. They do temporarily support cashflow. In quite contrary fashion the council is currently cash-flowing the Dedicated Schools Grant (DSG) deficit, which due to temporary accounting regulations currently in place, can be classified as an unusable reserve. As noted earlier in the report, this temporary accounting arrangement is scheduled to end in March 2028. The government have committed to support the meeting of this accrued DSG deficit but commented within the Provisional Settlement that “Whilst we do not expect local authorities to plan on the basis of having to meet deficits in full, any future support will not be unlimited. Councils must continue to work to keep deficits as low as possible.”

OVERALL POSITION

10.1 After taking account of the proposed council tax rise, 2026/27 savings proposals and Transformation & Efficiency Strategy, the budget position for 2026/27 is balanced with the utilisation of £0.936m of reserves. The wider MTFP is forecasting a £5.579m shortfall over the period, and will therefore require maximum council tax increases, on-going transformation as well as a strong financial grip to bring back into balance.

	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	Total £m
Gap to be Addressed	**3.740**	**4.291**	**4.908**	**4.935**	**17.874**
Council Tax and Adult Social Care Precept increase	(2.804)	(2.977)	(3.160)	(3.354)	(12.295)
Use of Reserves 2026/27	(0.936)	0.936	0.000	0.000	0.000
Bottom Line Gap to be Addressed	**0.000**	**2.250**	**1.748**	**1.581**	**5.579**
Cumulative Gap	**0.000**	**2.250**	**3.998**	**5.579**	

10.2 As noted throughout the report and within Risk Assessment provided at **Appendix A**, the nature of this medium term time period provides scope for movements, both positive and negative, away from the forecasts provided within this report. However, the risk that the position deteriorates over the period remains a real concern.

11. CONSULTATION

11.1 Savings proposals as detailed in November MTFP report, and provided at **Appendix B**, were referred to individual Policy Committees. Feedback from the Committees is included as **Appendix D**.

11.2 Consultation with local business representatives and Trades Unions was carried out during January. With the feedback from these groups noted at **Appendix E**.

11.3 Public consultation on the 2026/27 budget and MTFP has been carried out. The survey for completion was open between 4th December 2025 and 4th January 2026 and was available both online through the Council’s consultation and engagement platform, Your Say, and in paper format in the Council’s main community accessible buildings. The survey was viewed 681 times during this period, and 262 responses were submitted.

11.4 From the responses received it is clear that the consultees understood the financial difficulties experienced by the Council and the need for the council to invest in service transformation.

11.5 Where responses were received, respondents had mixed views on the savings proposals, with broadly a 1/3rd split between those who agree with the plans, those who didn't agree and those who were unsure.

11.6 With regards increasing council tax, where responses were received, the majority supported a council tax freeze for 2026/27. When the question regarding the council tax rise was broadened to include the circumstance where it was needed to balance the budget, those in favour of a freeze reduced, but a majority still supported a freeze.

11.7 Details of the survey responses are included at **Appendix F**.

12. ROBUSTNESS ADVICE

12.1 Section 25 of the Local Government 2003 includes the statutory duty in respect of the budget report to Council:

'the Chief Financial Officer (CFO) of the authority must report to it on the following matters: a) the robustness of the estimates made for the purposes of the calculations; and b) the adequacy of the proposed financial reserves.'

12.2 The council is required to take this report into account when making its decision in relation to setting the annual budget and setting the council tax. Section 26 of the same Act places an onus on the CFO to ensure the Council has established a minimum level of reserves to be retained to cover any unforeseen demands that could not be reasonably defined within finalising the proposed budget.

12.3 **Appendix G** has been prepared by the Director of Finance, IT and Digital as the Council's CFO to fulfil this duty and gives the required advice relating to the 2026/27 financial year including a consideration of the budget proposal as a whole and all the financial risks facing the Council.

12.4 Members are legally required to 'have regard' to this robustness advise and should carefully consider the statement when finalising the budget and making decisions on council tax, cognisant of their fiduciary duty to:

- Act in best interest of taxpayers, ensuring financial sustainability and value for money; and
- Make decisions that protect statutory services and avoid exposing the Council to financial risk.

12.5 In summary it outlines that the estimates are robust, and we hold adequate reserves, subject to maintaining at least £3m in the Budget Support Fund. However, the report points to key concerns around the risks facing the budget, and the level of reserves held. As such the report provides further, non statutory advice, concluding:

"For clarity given the budget position and risks faced, any decision to use reserves to balance the budget in lieu of a council tax increase is not an approach that I would recommend. Doing so defers a budget gap and difficult decisions for one year, whilst further weakening the financial resilience of the Council, at a time of increased risks.

My professional advice as the Councils S151 officer is that the Council should seek the maximum council tax increase permissible i.e. 4.99%."

13. LEGAL CONSIDERATIONS

13.1 The following issues are relevant in relation to this report:

- the Local Government Finance Act 1992 requires local authorities to set a balanced budget – this report details proposals to achieve this legal requirement; and

- the Local Government Act 2003 requires local authorities to consider the advice of their Section 151 Chief Finance Officer (the Director of Finance, IT and Digital) when making budget decisions. This advice must include details of the robustness of the estimates made for the purposes of the calculations and the adequacy of the proposed financial reserves. These requirements are detailed in section 12 and **Appendix G**.

13.2 The statutory council tax calculations are an administrative responsibility that the Council as the statutory 'billing authority' is required to undertake once the Council has set its own council tax level and the individual precepting authorities have set their own Council Tax levels. These statutory council tax calculations will be presented to Council on 19th February 2026. This report will also provide any required updates arising from the Final Local Government Finance Settlement which is expected to be received during February.

14. SINGLE IMPACT ASSESSMENT

14.1 The savings proposals put forward will impact on the delivery of frontline services or service users to varying degrees. There are some proposals which simply by the nature of the service area that they cover will impact on those with protected characteristics e.g. children's social care relating to children who are in the Council's care. However, owing to the financial challenges facing the Council we have no choice but to change, redesign and potentially close services to reduce costs. Where we need to change, redesign and close services we are working to minimise the impact on those with protected characteristics and will focus on securing services for those who are the most vulnerable within those protected characteristics.

14.2 Members are aware from previous MTFP reports that in making financial decisions the Council is required to demonstrate that those decisions are made in a fair, transparent and accountable way, considering the needs and the rights of different members of the community. This is achieved through assessing the impact that changes to policies, procedures and practices could have on different equality groups.

14.3 The impact of the savings proposals has been considered and only one proposal is assessed to have a negative impact, adult social care fees and charges. Public consultation on this proposal has commenced and will close on 9th February 2026. This consultation will further inform the full Single Impact Assessment.

15. OTHER CONSIDERATIONS

RISK IMPLICATIONS	These are outlined in **Appendix A**.
FINANCIAL CONSIDERATIONS	As set out in the main body of the report.
SUBSIDY CONTROL	No subsidy control issues are expected to arise from the proposals within this report.
LEGAL CONSIDERATIONS	As set out in the main body of the report
SINGLE IMPACT ASSESSMENT	As set out in the main body of the report
ASSET MANAGEMENT CONSIDERATIONS	Asset Management implications of the proposed savings are included, where appropriate, within the Savings detailed in **Appendix B**.
ENVIRONMENT, SUSTAINABILITY AND CLIMATE CHANGE CONSIDERATIONS	Environmental, Sustainability and Climate Change considerations of the proposed savings are included, where appropriate, within the Savings detailed in **Appendix B.**

16. RECOMMENDATIONS

16.1 It is recommended that Members refer the following proposals to Council on 19th February 2026:

i) Note the contents of the report, including that the Core Spending Power increase is based on governments assumption that Councils will increase council tax to the maximum allowable;

ii) Recommend to Council an increase to core council tax of 2.99% and an adult social care precept increase of 2%, thus providing £2.804m of recurring funding;

iii) Recommend to Council the overall budget proposal set out in the report and appendices, including savings of £4.500m and use of one-off reserves of £0.936m for 2026/27;

iv) Recommend to Council that any capital receipts generated be used to fund revenue costs associated with delivery of the Transformation Programme, as required;

v) Note the robustness advice detailed in section 12 of the report; and

vi) Note that any changes arising from the completion of the NNDR1 and receipt of the Final Local Government Finance Settlement will be adjusted in the 2026/27 budget.

16.2 It is further recommended that members note that the detailed 2026/27 statutory council tax calculations incorporating the council tax levels set by individual precepting authorities i.e. the Police and Crime Commissioner, Cleveland Fire Authority and individual parish councils, will be referred to Council on 19 February 2026.

17. REASON FOR RECOMMENDATIONS

17.1 To enable the Finance and Corporate Affairs Committee to approve the proposals to be referred to Council to enable the budget and council tax level, including ASC precept, for 2026/27 to be set.

18. BACKGROUND PAPERS

The following background papers were used in the preparation of this report:-

- Finance and Corporate Affairs Committee - Medium Term Financial Strategy 2026/27 to 2029/30 – 23rd June 2025.
- Finance and Corporate Affairs Committee - Medium Term Financial Strategy 2026/27 to 2029/30 – 24th November 2025.

19. CONTACT OFFICER

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Sign Off:-

Chief Executive	Date: 28/01/2026
Director of Finance, IT and Digital	Date: 27/01/2026
Director of Legal, Governance and HR	Date: 28/01/2026

Appendix A

MTFP 2026/27 to 2029/30 - Risk Assessment

Key risks or issues that may impact on assumptions made and impact 2026/27 and future years.

Issue and Risk	Potential Impact			
	2026/27	**2027/28**	**2028/29**	**2029/30**
Pay Awards - Provision included in the MTFP based on 3% per annum. No contingency is built in for a higher award should inflation and wage growth remain elevated. Each 1% of pay award in excess of the MTFS provision costs c£675k.	Negative	Neutral	Neutral	Neutral
Level of Reserves - the MTFP is currently based on using £1.0m of one-off reserves to set the 2025/26 budget and a further £3.260m to fund the forecast overspend. This in effect utilises a significant proportion of the Budget Support Fund. Revenue reserves overall are forecast to drop from £38m to £13m over the coming four years. This would just leave the emergency unallocated general fund, the insurance fund and a small number of earmarked reserves. There would be very limited reserves available should an in year overspend occur. The above position is not inclusive of the significant Dedicated Schools Grant deficit risk.	Negative	Negative	Negative	Negative
Childrens Social Care Pressures The updated MTFP includes for £12.6m of budget growth over the period. It is assumed that the Childrens Social care transformation plans will stabilise and contain pressures and deliver £3m of cost reductions. At present there is no guarantee that this will be achieved. Cost volatility in this area is extreme with a single child potentially adding £0.500m+ to the budget pressure. This is considered a significant risk and will be kept under constant review	Negative	Negative	Negative	Negative

as part of the budget setting process and on-going monitoring.				
Government Funding – Funding for the 3-year settlement Fair Funding provides funding increases at lower levels than were anticipated from the reforms. To compound this shortfall, the move to updated allocation levels is phased over a 3-year transition period. Some consolidated grants reduce in year 3 of the settlement period. Funding for year 4 of the MTFP period is uncertain.	Neutral	Neutral	Neutral	Neutral
Inflationary Pressures - the risk around inflationary pressures remain, with current CPI inflation of 3.4% being well above the government's 2% target. Specific risks remain around the likes of energy prices and certain goods, given the geopolitical environment.	Negative	Negative	Negative	Negative
One-off Grants - the council relies on a number of one-off specific grants to support initiatives and day to day spend on key service areas. A number of these grants are currently scheduled to end at March 2026, with no confirmation of continuation. Should this situation occur a number of preventative schemes will end, capacity across the council will be reduced and potential redundancy costs incurred.	Negative	Negative	Negative	Negative
Borrowing Costs - interest rates and borrowing costs remain stubbornly high. Whilst this is having a short term positive impact on the budget position, over the medium to long term we will need to borrow to fund the capital programme and as such we will require a reduction in these rates to prevent a shortfall in our debt charge budget. This will need to be kept under close review and may require some additional or temporary funding to smooth this budget.	Negative	Negative	Negative	Negative

Council Tax Base - the base position has seen a significant increase in 2026/27 due to a positive year of housebuilding, new premiums for empty, furnished properties and anti-fraud work. A more prudent estimate has been assumed for the remaining years but increased housebuilding could lead to an improved position.	Neutral	Positive	Positive	Positive
Waste pressures - there is current uncertainty regarding a number of waste initiatives, including food waste collection, producer responsibility and the suggestion of increased taxation on Energy for Waste facilities. This area will require close monitoring.	Neutral	Negative	Negative	Negative
DSG High Needs Statutory Override - the council held a negative overspend reserve of £1.589m at the end of 2023/24. A further overspend of £3.343m was recorded in 2024/25 leading to an overall deficit of £4.932 at the end of 2024/25. At this point the statutory override is scheduled to end on 31st March 2028. The forecast position at this point is an overspend in the region of £14m. The government confirmed that support will be provided to meet the accrued deficit, but this is unlikely to be in full. If the required council contribution is in excess of the level affordable from reserves, at the time, use of the council's general revenue reserve or seeking of Exceptional Financial Support may be required.	Negative	Negative	Negative	Negative

Savings Proposals **Appendix B**

Service	Committee	Transformation Theme	Overall Description	MTFS Savings 2026/27 £	MTFS Savings 2027/28 £	Single Impact Assessment (Positive / Neutral / Negative)	Impact Assessment Notes
Adult Social Care	Adult Services and Public Health	Demand Management - Adult Social Care Sustainability	**Financial Assessment reviews** To ensure income for the council is appropriately collected by reviewing financial assessments, introducing online financial assessment, accelerating financial contribution and increasing debt recovery. a. Financial Assessment Review - update budgets to reflect the full year impact of the work undertaken during 2025/26 to review financial assessments. b. On-line financial assessments – implement a system module and further review processes to enable quicker indicative assessments, reducing waiting times and thus enabling income collection to commence earlier. c. Debt collection – embed the new strengthened debt collection arrangements via the councils central income and debt management team to sensitively maximise income collection and recovery. **This is the full year impact of the proposal introduced in 2025/26 and already approved as part of 2025/26 budget setting.**	250,000	0	N/A	There is no anticipated impact as there is no proposed change to the delivery of the existing service. The proposed change relates to back office processing activities. There is a potential positive impact identified for poverty and disadvantage due to the promotion of welfare benefit maximisation. This should increase the amount of previously unclaimed benefits being accessed by people with social care needs.
Adult Social Care	Adult Services and Public Health	Demand Management - Adult Social Care Sustainability	**Use of technology to reduce ASC costs** This project seeks to introduce integrated digital solutions for people with social care needs which will help to manage increasing demand for services and increased costs for people with high levels of need. Using in home digital solutions will allow adult social care teams to better understand the person's behaviours and needs, assess the effectiveness of commissioned support plans and, where appropriate, safely reduce in-person care hours through digital prompts, remote engagement and continuous monitoring. The digital approach will be implemented on a phased approach with the following cohorts: - Working-age adults with high-cost support packages - Older people in the Discharge to Assess service - People requiring unscheduled reviews due to a change in need The project is supported through transformation funding.	250,000	150,000	Positive	The anticipated impact is positive as people with social care needs (primarily working age adults with disabilities and older people) will have another option available that allows them to be supported to live independently in their own homes. This will be based on a comprehensive assessment of needs and remote monitoring. The technology can be adapted to meet the particular communication needs of the person and the support that's offered can be less intrusive than more traditional ways of meeting needs.
Adult Social Care	Adult Services and Public Health	Council Wide Fees and Charges Review	**Fees and Charges** This project aims to generate additional charging opportunities for the council and will look to develop and embed a more strategic and policy lead approach to charging. Following an externally commissioned review, utilising national and regional benchmarking information, the following amendments are proposed in relation to financial assessment for Adult Social Care contributions. - Implementing an automatic inflationary uplift in line with published pension and benefit rises and CPI for private income. This means that all contributions will be increased automatically from April each year rather than the current approach which applies an increase at the point of a person's annual review. This is a more equitable approach and will reduce transactions once implemented. - Remove the disregard for the overnight element of higher rate Attendance Allowance / Personal Independence Payment. This element of benefit is currently disregarded in the financial assessment process in Hartlepool, but other Councils have implemented a different approach which increases income. The fees and charges work estimated that 559 Hartlepool residents would be affected and that their contribution would increase by up to £36.50 per week. - Introduce fees for people for whom the Council acts as appointee to offset the costs of providing this service, which is very labour intensive. It is proposed that there will be two levels of fee based on light touch assessment (£55 per month) and comprehensive assessment (£85 per month). These fees are in line with the major national provider of appointeeship support Money Care, a social enterprise working with over 100 Local Authorities and a national partner of the Department of Work and Pensions. Aligning fees in this way ensures a fair and equitable approach and avoids a two-tier fee structure. The proposed future model is that Money Care will support the majority of Hartlepool residents who require an appointee, with the Council maintaining an offer for some existing people and those who have particularly complex needs. A pilot directing new referrals to Money Care will commence in January 2026 prior to the changes being implemented from April 2026 to test the approach and ensure a smooth transition. Introducing these changes will require the Adult Social Care Contribution Policy 'Determining Your Financial Contribution' to be updated and published following the budget consultation.	164,000	64,000	Negative	The proposals will potentially have a negative impact on people with assessed needs for care and support, particularly older people and working age adults with disabilities some of whom will have to contribute more to the cost of their support. The impact will be mitigated by ensuring that the updated Contribution Policy is compliant with the Care Act 2014 and Charging Regulations, the continued use of means testing to assess contributions and adherence to the Minimum Income Guarantee which ensures individuals are left with a minimum income after charges. There is a potential positive impact identified for poverty and disadvantage due to the promotion of welfare benefit maximisation. This should increase the amount of previously unclaimed benefits being accessed by people with social care needs.
Waste Services	Neighbourhood and Regulatory Services	Demand Management - Waste and Recycling	**Recycling increase and contamination reduction** Continue the existing project to review options with the aim of increasing recycling rates and associated income and reducing residual waste costs and associated costs. This project will dovetail with the new food waste collection requirements. The project will progress in 2026/27 to more targeted marketing campaigns and on the ground interventions.	100,000	TBC	N/A	The proposals focus on compliance arrangements to reduce contamination. They are not a change in policy or recycling requirement.

Savings Proposals **Appendix B**

Service	Committee	Transformation Theme	Overall Description	MTFS Savings 2026/27 £	MTFS Savings 2027/28 £	Single Impact Assessment (Positive / Neutral / Negative)	Impact Assessment Notes
Childrens Social Care	Childrens Services	Demand Management - Childrens Social Care Sufficiency	**Service wide demand and cost mitigations** A comprehensive strategy is being implemented to reduce the number of children entering care, whilst ensuring that those already in care continue to receive the support they need to return home where it is safe to do so. Several key initiatives are being progressed across the service, each designed to address different aspects of the care system, the implementation of social care reforms, and importantly continue to improve outcomes for children and families. Each activity will report into the recently established Children's Services Transformation Board. As an initial priority, the service will conduct a review of the most costly placements to evaluate their effectiveness, ensure best value, and explore alternatives where appropriate. Other activities are listed below. a.Early Help for Families – Review and strengthen our early help offer to families to identify needs early and offer help before issues become more serious and escalate to statutory intervention. The early help team will co-ordinate support across different multi-agency partners to ensure joined-up, consistent support, ensuring children and families get the right support at the right time rather than having less handover points across the system. b.Edge of Care – Provision of an edge of care team to support young people (including those with additional needs) who are at risk of family breakdown, leading to a reduction in the number of children coming into care. The council is also working with Tees Valley councils and the ICB (NHS) to support edge of care for children and young people with complex needs. c. Fostering and Placement Planning – Development of a refreshed model for in-house foster carers that increases capacity of foster placements, including those with higher level of need/complexity. This will be accompanied with a local fostering drive. We will also ensure we fairly maximise Health Funding where appropriate and where the child has a defined health need. d. Reunification – Children have a fundamental right to live with, and be cared for, by their parents so long as this is in a safe environment. Reunification pathways help families to come back together safely and sustainably giving children a chance to grow up with their parents, while making sure that the issues then led to separation do not reoccur. Reunification supports a child's sense of belonging, identity and continuity. Children's services will form a dedicated reunification team to support parents in developing the skills and stability necessary to safely care for their children. This initiative aims to facilitate the return of children from external and foster care placements to their family homes, ensuring reunification is both safe and sustainable. e. Updated Education Strategy and SEND Reforms – Having a clear education strategy that covers SEND reforms within children's services is essential for ensuring that every child, including those with additional needs, receives the right support, at the right time, in the right setting. The Government's SEND and Alternative Provision (AP) reforms require local authorities to continue to: improve consistency, quality and accountability in SEND support; develop local inclusion plans; strengthen early identification and intervention; and ensure better outcomes in preparation for adulthood. An updated education strategy that aligns with these reforms will enable HBC children's services to be fully prepared for any changes reforms may bring, compliant with our statutory duties and strategically align with national policy. To this end, the service will update our education strategy which ensures our local offer is well co-ordinated, transparent and accessible to families, emphasising joint working between education, health, social care and families. Our strategy will promote: inclusive practice in mainstream schools; early help and graduated response models; alternative provision supporting reintegration; and one which champions the wider early intervention and prevention ethos. The updated strategy will be included as part of a suite of documents, including our SEND sufficiency strategy; SEND and alternative provision capital strategy, to improve planning and ensure sufficient local provision for those with SEND and those who are looked after. f. Care leavers support – The care leavers pathway is being refreshed to ensure young people transitioning out of care are supported to become confident and independent adults. The Transitions Operational Group (TOG) has been established to review and enhance our approach to pathway planning. This includes preparing care leavers for adulthood by promoting stable relationships, health and wellbeing, raising aspirations, and providing tailored support to access housing, employment, education and training opportunities. A review of a housing pathway for care leavers will be undertaken. g. Workforce demand and capacity mapping h. Corporate Parenting – Enhance understanding and accountability amongst all corporate parents regarding their roles and statutory responsibilities, to ensure the effective implementation of the seven corporate parenting principles (Children and Social Work Act 2017). The target of £3m is based on the current pressures identified at Quarter 1 of the financial year 2025/26, and the growth allowed within the MTFP. The proposals should be viewed as an all-encompassing package, rather than individual proposals with individual targets. The project will be supported by transformation funding. In order to ensure progress prior to April 2026, some financial commitments have already been entered into.	3,000,000	0	Positive	The proposals focus on prevention, placement breakdown and reunification to best support the needs of children within Hartlepool. It is therefore anticipated that implementation of these strands will, on balance, have a greater positive impact than any potential negative impact which may occur in a minority of individual cases.

Savings Proposals **Appendix B**

Service	Committee	Transformation Theme	Overall Description	MTFS Savings 2026/27 £	MTFS Savings 2027/28 £	Single Impact Assessment (Positive / Neutral / Negative)	Impact Assessment Notes
Cross Cutting	All	Council Wide Fees and Charges Review	**Fees and Charges** This project aims to generate additional charging opportunities for the council and will look to develop and embed a more strategic and policy lead approach to charging. Following an externally commissioned review, utilising national and regional benchmarking information, amendments are proposed in a number of areas to bring the council more into line with charges elsewhere, or to more closely recover costs. In order to limit the impact, some of these proposals cover a number of years. All proposals are individually less than £100,000 in impact and as such are progressing through normal officer delegations. Where service area have operated at a shortfall on existing income targets, savings will be retained by the service to mitigate the existing shortfalls. Furthermore, fees and charges generally will increase at 5% for the 2026/27 financial year.	213,000	61,000	Neutral	The bulk of the changes to fees and charges relate to charges for third party organisations rather than individual residents. Where changes do relate to individual residents, they are predominantly discretionary services.
ICT / Council Wide	Finance and Corporate Affairs	Digital Reviews	**Application Insight and Rationalisation** A review of all software applications in operation within the councils IT estate and their usage to reduce unnecessary applications, avoid future costs, improve procurement and ensure we fully utilise the data held on these systems to inform decision making. The project will be supported by transformation funding. In order to ensure progress prior to April 2026, some financial commitments have already been entered into.	63,000	0	N/A	There is no anticipated impact, since this is a review of internal software applications.
Accounts Payable / Council Wide	Finance and Corporate Affairs	Digital Reviews	**Invoice Payment Processing** This project will improve the efficiency of invoice processing for the Council and generate a new income stream associated with amendments to supplier invoice payment terms. This will be achieved through: a) E-invoicing - introduction of e-invoicing software to capture information direct from suppliers e-invoices. The software is integrated direct to Integra, the Council's Financial Management System (FMS) and will improve the speed and accuracy of this current manual process and generate staff time savings. b) Early Payment Solution (EPS) – introduction of an EPS into the current payments process. The EPS allows suppliers to be paid more quickly in return for a discount on the invoice value being paid. This discount generates an income stream into the Council. Both solutions are widely used by public bodies across the country and councils in the Tees Valley and wider North east region. The project will be supported by transformation funding. In order to ensure progress prior to April 2026, some financial commitments have already been entered into.	77,000	0	N/A	There is no anticipated impact. The saving arises from more efficient processes and a discount on invoices paid early.
				4,117,000	**275,000**		

Savings Proposals shown as an Increase in the Council Tax Base

Revenues and Benefits	Finance and Corporate Affairs	Revenues Collection and Maximisation	**Council Tax Support accuracy reviews** The Council has the highest proportion of working age Council Tax support claimants in the country. 14.4% of the working age population receive support, compared to the Tees Valley average of 11.0% and the England average of 5.8%. We have the 16th highest claimant count for pensioners with 22.6% receiving support compared to the Tees Valley average of 17.8% and the England average of 12.2%. The cost of the scheme is £13.5m a year for the council. The reasons for the high numbers include deprivation, but also our approach to promoting the scheme to those eligible. The rest fraud prevention work on Single Person discount has seen the reduction of over 1,000 claimants (circa 5%). During this work, a number of cases where identified that pointed to fraud or out of date eligibility for council tax support. As such it is proposed to undertake ongoing accuracy and eligibility review of our council tax support caseload. It is envisaged that this could achieve a 3% reduction in costs of the scheme, equally to £400,000 of annual on-going savings. To do so, two additional benefit officers will be employed and data intelligence will be utilised to prioritise and reviews, thus reducing the net target to £325,000. It should be noted that those residents remaining on Housing Benefit within Hartlepool, are subject to similar checks instigated by the DWP on Housing Benefit eligibility. Anti-fraud work on our Single Person discount caseload will continue, and this will support an increase in the target to £375,000. In order to secure progress prior to April 2026, recruitment has commenced for the two additional posts.	383,000	0	N/A	Accuracy reviews are intended to ensure the right support is provided to those eligible to receive it. Whilst the exercise will result in a reduction in the number of people receiving Council Tax support and/or a reduction in the value of support, it will ensure the appropriate amount of support is provided, and that fraud and error is reduced.
				4,500,000	**275,000**		

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

	Balance as at 31st March 2025	Forecast Use of Reserves 2025/26	2026/27	2027/28	2028/29	Forecast Balance as at 31st March 2029
	£'000	£'000	£'000	£'000	£'000	£'000
Revenue Reserve	5,500	0	0	0	0	5,500
Budget Support Fund (BSF)	7,672	(3,450)	(936)	0	0	3,286
BSF - Transformation Costs	2,000	0	(500)	(750)	(750)	0
BSF - Invest to Save	1,400	(700)	(350)	0	0	350
Revenue Grants Unapplied	9,107	(5,530)	(1,763)	(1,089)	(625)	100
Business Rates Risk Reserve	0	0	0	0	0	0
Insurance Fund	2,902	(65)	(65)	(65)	0	2,707
Children in our Care Reserve	1,230	(200)	(1,030)	0	0	0
BSF - Treasury Management Income	650	(650)	0	0	0	0
Asset Management Reserve	840	(840)	0	0	0	0
Earmarked Revenue Reserves under £1m	7,038	(2,655)	(2,774)	(846)	(378)	385
Revenue Reserves Total	**38,339**	**(14,090)**	**(7,418)**	**(2,750)**	**(1,753)**	**12,328**
Earmarked Capital Reserves	6,303	(5,940)	(363)	0	0	0
Capital Grants Unapplied	11,680	(5,993)	(5,687)	0	0	0
TOTAL	**56,322**	**(26,023)**	**(13,468)**	**(2,750)**	**(1,753)**	**12,328**
Cumulative Balance		**30,299**	**16,831**	**14,081**	**12,328**	

DSG Reserve	**(4,932)**	**(4,866)**	**(6,995)**	**(5,254)**	0	**(22,047)**
DSG Reserve Cumulative Balance		**(9,798)**	**(16,793)**	**(22,047)**	**(22,047)**	

APPENDIX D

Feedback on Savings Proposals from Policy Committees

<u>Children's Services Committee – 2nd December 2025</u>

Issue(s) for consideration

The Director of Finance, IT and Digital presented the report which reiterated that all councils across the country were facing significant financial challenges owing to the impact of inflation and demand on services along with historic inadequate increases in government funding to meet these challenges. As outlined at Finance and Corporate Affairs Committee in November, the Council had a forecast budget deficit of £8.572m for 2026/27 and £20.591m over the full MTFP period. It was noted that the main driver of this deficit was acute financial pressures within children's social care.

As in previous years, addressing the deficit needed to be managed through budget saving actions which sought to minimise the impact on services where possible and limited use of reserves. With regard to savings, proposals totalling £4.117m had been given for 2026/27. Pending publication of the local government finance settlement in late December, the acceptance of the proposals for 2026/27 would leave a remaining budget gap of £4.300m. This would mean the budget could not be signed of as robust without the significant increased Government funding, further significant budget cuts or savings and/or an increase in Council Tax for 2026/27. It was also noted that these figures were based on spending on children's social care remaining static.

Details of the individual savings were provided in Appendix B. £3.000m savings had been identified through the implementation of a comprehensive strategy aimed at reducing the number of children entering in care, while enabling those in care to return to their families as soon as is safe to do so. Several key initiatives were being progressed and the most costly placements would be reviewed and alternatives explored where possible.

Elected Members discussed the savings proposal. They were pleased with the proposals to reform the system both in terms of savings that might be achieved but also in terms of better outcomes for those children and young people in the care system. The Chair highlighted that this was not just a task for the Children's Services team and would involve parents, schools, outside agencies and the wider community. She urged everyone to get involved and share any ideas on how savings and improvements could be made.

Decision

The savings proposals detailed in Appendix B relating to the services within this Committee portfolio were approved to be reported back to Finance and Corporate Affairs Committee on 19 January 2026.

Adult Services and Public Health Committee – 4th December 2025

Issue(s) for consideration

The Executive Director of Adult Services and Public Health presented the report which reiterated that all councils across the country were facing significant financial challenges owing to the impact of inflation and demand on services along with historic inadequate increases in government funding to meet these challenges. As outlined at Finance and Corporate Affairs Committee in November, the Council had a forecast budget deficit of £8.572m for 2026/27 and £20.591m over the full MTFP period.

As in previous years, addressing the deficit needed to be managed through budget saving actions which sought to minimise the impact on services where possible and limited use of reserves. With regard to savings, proposals totalling £4.117m had been proposed for 2026/27. Pending publication of the local government finance settlement in late December, the acceptance of the proposals for 2026/27 would leave a remaining budget gap of £4.300m. This would mean the budget could not be signed off as robust without significant increased Government funding, further significant budget cuts or savings and/or an increase in Council Tax for 2026/27.

An outline of individual departmental savings was provided with further details provided in Appendix B. The proposals within the remit of this Committee related to sustainability and fees and charges.

Financial Assessment Reviews 2026/27 - £250,000

Use of technology to reduce ASC costs 2026/27 - £250,000 and 2027/28 - £150,000

Fees and Charges Review 2026/27 - £164,000 and 2027/28 - £64,000

A discussion ensued on the proposed savings and some concerns were raised in relation to the increase in fees and charges. The Executive Director of Adult Services and Public Health acknowledged that identifying potential savings had been very challenging especially given that significant savings had been delivered in previous years. Members were reassured that the fees and charges referred to in the report were part of a means tested financial assessment process with support provided to individuals to maximise benefits during the financial assessment process. The Executive Director of Adult Services and Public Health added that the biggest element of the savings from fees and charges related to appointeeships. This concerns people who receive adult social care support but do not have the capacity, or any family members, to manage their finances. Assistance to manage their finances was provided by Adult Social Care and the proposed administrative fee would partly offset the associated costs. It was proposed that fees were matched with those charged by Money Care to ensure an equitable approach.

The Chair recognised that there was an ageing population and that more people were likely to need support in the form of appointeeships in the future, meaning that the current approach is unsustainable. The Chair also commented that the use of new technology had the potential to be a game changer delivering improved outcomes for people and supporting them to be independent for longer. It was recognised that not everyone would wish to pursue this option and noted that the use of new technology would be optional.

Decision

The savings proposals detailed in Appendix B relating to the services within this Committee portfolio were approved to be reported back to Finance and Corporate Affairs Committee on 19 January 2026.

Neighbourhood and Regulatory Services Committee – 8th December 2025

Issue(s) for consideration

The Director of Neighbourhoods and Regulatory Services presented the report which reiterated that all councils across the country were facing significant financial challenges owing to the impact of inflation and demand on services along with historic inadequate increases in government funding to meet these challenges. As outlined at Finance and Corporate Affairs Committee in November, the Council had a forecast budget deficit of £8.572m for 2026/27 and £20.591m over the full MTFP period.

As in previous years, addressing the deficit needed to be managed through budget saving actions which sought to minimise the impact on services where possible and limited use of reserves. With regard to savings, proposals totalling £4.117m had been proposed for 2026/27.Pending publication of the local government finance settlement in late December, the acceptance of the proposals for 2026/27 would leave a remaining budget gap of £4.300m. This would mean the budget could not be signed off as robust without significant increased Government funding, further significant budget cuts or savings and/or an increase in Council Tax for 2026/27.

An outline of individual departmental savings was provided with further details included within Appendix B. The proposals within the remit of this Committee related to waste and recycling and fees and charges.

A Member raised concerns at the financial challenges the local authority was currently facing and the savings being required from the Neighbourhoods and Regulatory Services Department given the provision of the most public facing services from this Department. In addition, clarification was sought on the length of time recycling had been undertaken across Hartlepool and how recycling was not being maximised across the Borough. The Director of Neighbourhoods and Regulatory Services confirmed that an additional officer would be recruited to raise awareness and maximise the benefits of the food waste collection. A Member highlighted that recycling and managing waste collection was about future sustainability.

In response to a request for the clarification, the Vice Chair confirmed that the financial settlement from the Government should be announced around 17 December.

Decision

The savings proposals detailed in Appendix B relating to the services within this Committee portfolio were approved to be reported back to Finance and Corporate Affairs Committee on 19 January 2026.

<u>Housing Growth and Communities Committee – 9th December 2025</u>

Issue(s) for consideration by the Committee

The Chief Executive presented the report which reiterated that all councils across the country were facing significant financial challenges owing to the impact of inflation and demand on services along with historic inadequate increases in government funding to meet these challenges. As outlined at Finance and Corporate Affairs Committee in November, the Council had a forecast budget deficit of £8.572m for 2026/27 and £20.591m over the full MTFP period. The Chief Executive added that the Government announcement of the financial settlement for local authorities should be made around mid-December and it would be a 3-year settlement which would enable to forward plan the provision of services.

As in previous years, addressing the deficit needed to be managed through budget saving actions which sought to minimise the impact on services where possible and limited use of reserves. With regard to savings, proposals totalling £4.117m had been proposed for 2026/27. Pending publication of the local government finance settlement in late December, the acceptance of the proposals for 2026/27 would leave a remaining budget gap of £4.300m. This would mean the budget could not be signed off as robust without significant increased Government funding, further significant budget cuts or savings and/or an increase in Council Tax for 2026/27.

An outline of individual departmental savings was provided with further details provided in Appendix B. The proposals within the remit of this Committee related to fees and charges.

A Member raised a number of concerns at the potential of a budget that was not signed off as robust. This included the possible increase in costs from Children's Services in relation to children in care. The Chief Executive recognised that costs for children in care were significant and added that it was a challenging task but all departments had savings targets, including Children's Services. In response to a request for clarification, the Chief Executive outlined the process for out of area placements that were placed within Hartlepool and it was highlighted that discussions were ongoing with the Local Government Association with regard to this. Members were informed that a significant amount of work was being undertaken on early help, prevention and intervention and changes were being identified although it was important to acknowledge that these changes will not happen over night. The Chair added that housing was an important part of supporting people who were disadvantaged and it was imperative that appropriate solutions were in place. A

Member highlighted that Government funding was being provided to support early intervention and preventative work and it was important go get the deployment of these resources effectively.

The Chief Executive concluded by requesting that any additional comments be forwarded before the Christmas break to ensure they were included within the budgetary considerations going forward.

Decision

The savings proposals detailed in Appendix B relating to the services within this Committee portfolio were approved to be reported back to Finance and Corporate Affairs Committee on 19 January 2026.

Business Group - Budget Consultation Meeting

5th January2026, Hartlepool Borough Council.

Attendees – James Magog - Director of Finance IT and Digital of HBC

Denise McGuckin - Managing Director of HBC

Pamela Hargreves - Leader of HBC

Darren Hankey - Northeast Chamber of Commerce Chair

Simon Corbett - Hartlepool Economic Business Forum Chair

Minutes of Meeting

The Director of Finance, IT and Digital Services, the Chief Executive, and the Leader of the Council met with representatives of the Business Community on 5th January 2026. A number of slides were presented setting out the latest budget position for HBC. A discussion took place around one of the highest outgoings for HBC being childrens social care costs and how we can look at additional savings without it having a detrimental effect on the service.

The MTFP was presented and a breakdown of savings proposals discussed. The MTFP reflected that presented to Finance and Corporate Affairs Committee in November 2025, with 2026/2027 being the year that will be the most challenging. The outcome of the provisional local government finance settlement was discussed and how this impacted on the Council's budget position. A budget gap was still envisaged and discussions would be held to propose a way forward to balance the budget. Further lobbying of government would also take place to seek to secure additional funding. The representatives asked questions which were answered by the Director, Chief Executive and leader of the Council.

Discussion took place around all the positive developments in the borough and the effect these are and will have. All agreed there were exciting times ahead for Hartlepool.
The representatives recognised the budget challenges ahead, understand the financial position facing the Council and recognise that difficult decisions may be required to balance the budget.

Trade Unions - Budget Consultation Meeting

7th January 2026, Civic Centre.

Attendees:
Denise McGuckin, Chief Executive, HBC
James Magog, Director of Finance IT and Digital Services, HBC
Councillor Pam Hargreaves, Leader, HBC
Councillor Martin Scarborough, Deputy Leader, HBC
Edwin Jeffries, UNISON
Craig Thompson, GMB Union
Stephen Williams, HJTUC
Simon Wilson, UNISON
Tracy Harvey, United the Union

Apologies:

Tony Watson, UNISON
Anthony Kelly, UNISON
Julie Seymour, UNISON

Minutes of Meeting

On Wednesday, January 7th, the Director of Finance, IT and Digital Services, the Chief Executive, and the Leader of the Council held a meeting with Trade Union Representatives. During the meeting, JM presented several slides that explained HBC's current budget situation, recapped on Fair Funding and detailed the costs associated with children's social care.

JM presented the MTFP, outlining a funding shortfall for 2026/2027 and proposed savings. The plan was shown to the Finance and Corporate Affairs Committee in November 2025. The outcome of the provisional local government finance settlement was discussed and how this impacted on the Council's budget position. A budget gap was still envisaged and discussions would be held to propose a way forward to balance the budget. Further lobbying of government would also take place to seek to secure additional funding.

The Director and the Chief Executive responded to several questions from the Trade Union representatives including concerns around recruitment freezing and increasing council tax.

The Trade Union representatives acknowledge the forthcoming challenges and are aware of the present financial pressures and difficulties.

Public Budget Consultation

Summary Report

Background

Following presentation of the budget proposals to Finance and Corporate Affairs Committee on 26th November 2025 a public consultation exercise was launched and ran until 4th January 2026. A survey was available both online through the Council's consultation and engagement platform, Your Say, and in paper format in the Council's main community accessible buildings.

Summary of Engagement

681 visits - There were a total of 681 visits to the online consultation page. Of those visits…

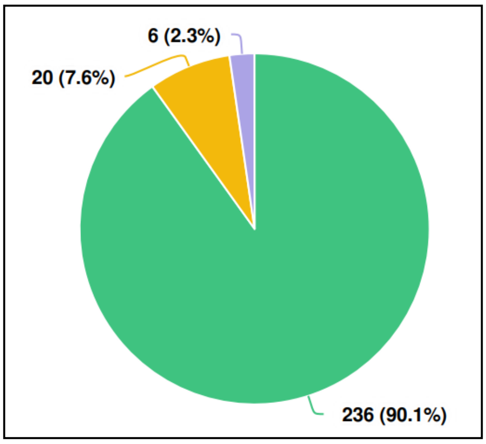
262 responses – In total there were 262 completed responses to the public survey. This gives a conversation rate of 38% i.e. just over one third of visitors to the page went on to complete the survey.

All of the responses where received via the online survey, no paper responses were received.

Results

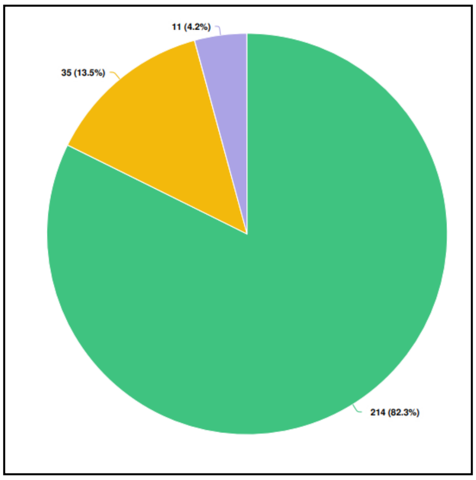
1. The Council is facing higher costs and more demand for services. Do you understand the financial pressures facing Hartlepool Borough Council?

Yes	**90.1%**
No	**7.6%**
Don't know / Not sure	**2.3%**



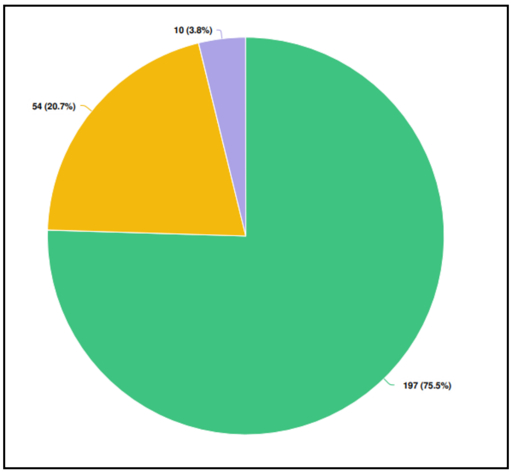
2. Do you understand these financial pressures are similar across the country?

Yes	82.3%
No	13.5%
Don't know / Not sure	4.2%



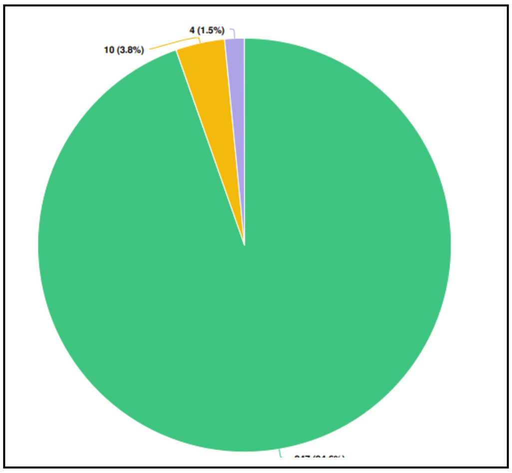
3. The Council needs to look after the most vulnerable in society. Do you understand that to cover the increasing costs in this area means that other services may be reduced?

Yes	75.5%
No	20.7%
Don't know / Not sure	3.8%



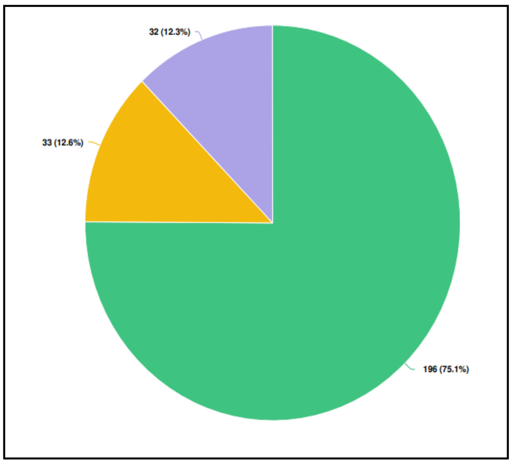
4. Do you think we should keep asking the Government for fairer and more funding for Hartlepool?

Yes	94.6%
No	3.8%
Don't know / Not sure	1.5%



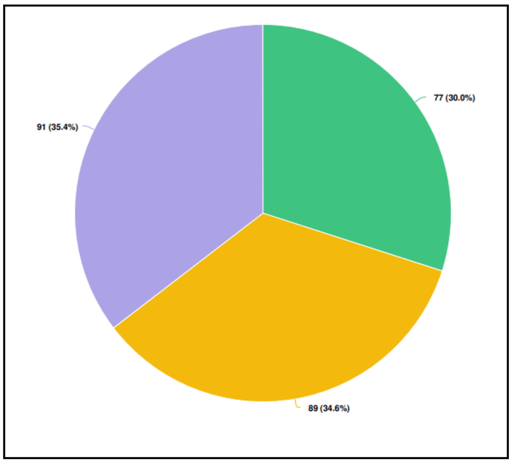
5. Do you think we should look at new ways of providing services? For example digital options?

Yes	75.1%
No	12.6%
Don't know / Not sure	12.3%



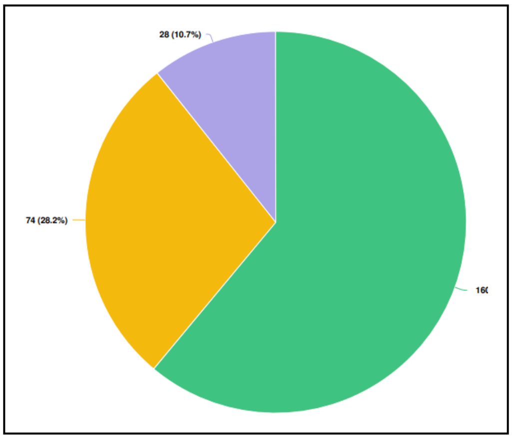
6. Do you agree with the savings proposals as set out?

Yes	**30.0%**
No	**34.6%**
Don't know / Not sure	**35.4%**



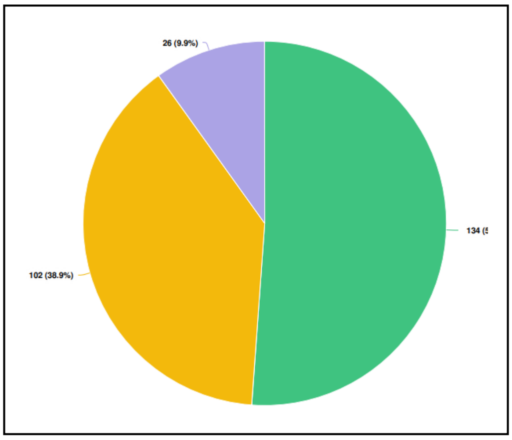
7. Hartlepool Labour Councillors have pledged to freeze Council Tax in 2026/27. Do you agree with this?

Yes	**61.1%**
No	**28.2%**
Don't know / Not sure	**10.7%**



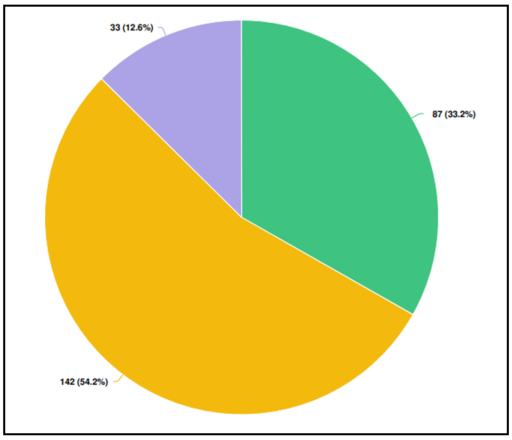
8. If we can't balance the budget, should we still freeze Council Tax even if services are cut?

Yes	51.1%
No	38.9%
Don't know / Not sure	9.9%



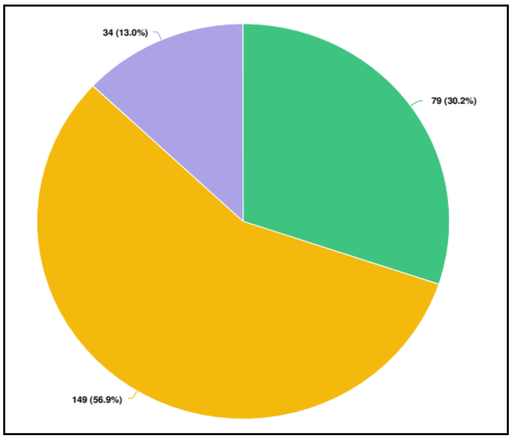
9. Would you support a 2% Council Tax rise for social care only?

Yes	33.2%
No	54.2%
Don't know / Not sure	12.6%



10. Would you support a Council Tax rise for specific services? (e.g. 1% for keeping the town clean)

Yes	**30.2%**
No	**56.9%**
Don't know / Not sure	**13.0%**



Statutory Section 25 Statement **Appendix G**

Background

Section 151 of the Local Government Act 1972 requires local authorities to make arrangements for the proper administration of their financial affairs and to appoint a S151 Officer, also known as a Chief Financial Officer (CFO), to have responsibility for those arrangements. The Director of Finance, IT and Digital is the Council's appointed S151 Officer.

Local Authorities must decide every year how much they are going to raise from Council Tax. Decisions are based on a budget that sets out estimates of what the Council plans to spend on each of its services in the forthcoming year to deliver its strategic objectives as set out in the Council Plan.

The decision on the level of the Council Tax is taken before the financial year begins and it cannot be changed during the year. Once the decision is taken it is set. As such, allowance for risks and uncertainties that might increase service expenditure above that planned, must be made by:

(a) making prudent allowance in the estimates for each of the services; and

(b) ensuring that there are adequate reserves to draw on if the service estimates turn out to be insufficient or unexpected events occur that were not anticipated.

This requirement is covered by Section 25 of the Local Government 2003. It is a statutory duty.

With regard the question of adequate reserves, Section 26 of the same Act places an onus on the CFO to ensure the Council has established a minimum level of reserves to be retained to cover any unforeseen demands that could not be reasonably defined within finalising the proposed budget.

National and Local Context

Nationally, local authorities continue to face significant financial pressures. In addition to routine inflationary pressures, recent years have seen:

- Structural reductions in fees and charges income e.g. car parking and property rentals
- Significant post covid inflationary pressures
- Energy increases
- Recruitment and retention difficulties with associated pay pressures
- Demographic challenges, particularly Adult Social Care
- Housing, homelessness and supported accommodation demand increases
- Children's Social Care pressures
- Significant Special Educational Needs and Disability (SEND) overspends.

These pressures have come on the back of a long period of austerity, and whilst government funding has increased in recent years this is proving insufficient to meet these pressures.

Hartlepool is not immune. The increase in Childrens Social Care costs particularly is unprecedented and immensely challenging to address.

Regardless, local authorities must continue to provide council services, and specifically Statutory Services.

The period between 2018 and 2023 saw 12 Section 114 notices issued by local authorities, 10 of which were associated with budgetary difficulties. Section 114 notices are often referred to as bankruptcies in the press, and whilst technically local authorities cannot go bankrupt, a Section 114 notice effectively results in ceasing spend on all but statutory services or existing commitments.

In recent years, issuing of Section114 notices have essentially been replaced by the governments Exception Financial Support (EFS) framework. Despite its name, there is no financial support that accompanies this framework, instead it allows councils to borrow or use capital receipts to fund day to day revenue expenditure.

For the 2025/26 financial year 30 councils were approved for EFS. This included 27 (18%) of Upper Tier authorities, i.e. those authorities like Hartlepool with Social Care responsibilities. Whilst we do not know EFS numbers for 2026/27, current suggestions are that the number will be higher than the current year.

Implications of entering EFS can include:

- External scrutiny of finances and local decision making that have led up to the request.
- The need to have a clear turnaround plan. EFS cannot be used for day to day spend without an agreed plan to exit the framework i.e. difficult decisions will be needed to balance budgets.
- The need for improvement boards with independent members, paid for by the council.
- Where money is borrowed to fund revenue expenditure, this needs to be paid back over 20 years, with associated interest rates. Current interest rates of 5.62% would result in a total cost of £4.740m to fund the equivalent of a 4.99% (£2.804m) council tax rise for 1 year, and the funding gap would remain and still be unfunded in year 2 without action to address this i.e. savings/cuts.
- In some instances, EFS can be accompanied by Best Value notices, commissioners being parachuted in to run the authority and higher than referendum council tax increases being imposed to address the budget gap.

In summary entering EFS is not a recommended option, it is effectively a sticking plaster for a year and it comes with a financial cost that current and future residents of Hartlepool will pay for. As a consequence, the council should continue to do its utmost to avoid this outcome.

Financial Management Arrangements

The Council has a sound record of financial management and governance. Despite increased pressures we have been able to set balanced budgets in recent years, albeit through careful use of one-off reserves. These increased pressures have often led to significant in year forecast overspends, but through robust financial control and strong management action, overspends have been substantially mitigated.

Our governance arrangements include monthly budget monitoring reports for all budget managers, regular budget meetings based on risk, Directorate budget clinics held with Directors and the Chief Executive and comprehensive quarterly reporting to members. The council has an appropriately experienced and qualified finance section and is investing in the team to safeguard and increase the number of trained accounting technicians and accountants we employ.

A good reliance can be placed on the council's financial management and governance arrangements to support our overall financial resilience through a challenging funding environment.

Robustness of Estimates

In preparing the budget, a rigorous estimate process is undertaken. This considers latest and best forecast financial data, current year's budget monitoring, and the combined knowledge of finance staff, budget holders, senior management team and members.

Details of assumptions and estimates forming the budget are detailed within the main body of the report.

For context, the current year's budget is forecasting an overspend of £3.2 million. Inherent within this position is an overspend of £6 million within Childrens Social Care. Recent years outturns have demonstrated the strong track record of improving the position by year end closure and every effort is being undertaken to do so again in the current year.

Overall, I can confirm that I consider the estimates made as part of budget setting to be robust. However, in doing do, I would point to the following key concerns / risks facing the budget.

- Delivery of Savings. The council has a good track record of delivering savings and efficiencies. However, as we move forward with our transformation agenda, the value and deliverability of savings naturally become more challenging and therefore less certain. This is mitigated by due diligence at the business plan approval stage, including through the new internal Transformation and Efficiency board. Nevertheless, it is an increased risk.

- Childrens Social Care. Recent years has seen an unprecedented increase in Childrens Social Care costs and pressures. The budget for 2026/27 re-bases to the current 2025/26 budget overspend, i.e. it does not allow for any future growth. It then further includes a £3m saving proposal. The extensive and detailed plans being developed and implemented by the Executive Director of Childrens Services, in conjunction with lead members, provide some comfort that the budget assumptions can be delivered. However, this is a significant risk and close oversight and scrutiny will be needed to ensure delivery. Failure to “grip” Childrens Social Care expenditure could have a significant impact on the budget position.

- Income Pressures. The council has historical income pressures inherent within a number of budget areas. New pressures have emerged in recent years from more structural changes – e.g. reduced car parking income because of on-line shopping. The approach continues to be to address where we can and manage at a service and Directorate level where we cannot. More structural consideration may be required as we progress during the MTFP period.

- Contingency Provision. It is considered best practice to hold contingency budget to meet any unforeseen costs. Given the financial position of the council this is an unachievable objective. Recent years have seen one-off Interest on Balances coupled with the Budget Support Reserve be used as a de-facto contingency and have enabled the council to significantly mitigate pressures on Childrens Social Care. Given the reduced flexibility in both areas, this points to an increased tightness of the budget moving forward that will need careful managing.

These risks provide come context to the next section on adequacy of reserves.

Adequacy of Reserves

Determining the appropriate level of reserves and balances is a matter of professional judgement based on individual circumstances such as size of budgets and their robustness, risks identified and track record in budget management. They act as a safeguard against risks of a one-off nature and can only be replenished if in any one given year income exceeds expenditure.

The Council holds reserves for a variety of purposes, including those allocated for known commitments and risks, including capital schemes, the MTFP budget position and our insurance fund. As such the majority of our reserves are committed for future use to meet service requirements or mitigate the impact on the annual revenue budget. The only unallocated reserve is our general fund reserve of £5.5m, which serves as a reserve of last resort and acts as a buffer for cash flow and Treasury Management purposes. There is no set level for unallocated general fund reserve, but a minimum of 5% of net budget requirement if often the benchmark, and we meet this threshold based on 2025/26 budget, albeit just.

Revenue reserves have fallen over recent years, from a post covid high of £48.7m at 31 March 2022 to £38.3m as at 31 March 2025 and are forecast to fall further over the short to medium term to concerningly low levels. There are instances where ringfenced reserves may temporarily improve the position, linked to advanced payment of government grant funding, but these funds are very much linked to specific projects or initiatives.

The council has utilised these reserves on a one-off basis to achieve Treasury Management returns and delay borrowing, thus supporting and protecting the overall financial position of the council's budget. Without this level of reserves, the councils financial position would be in a significantly worse position than currently.

The Council holds a Budget Support Fund to smooth budget deficits, and critically to meet in year overspends. The balance on this fund is, at second review, forecast to be £4.2m as at 31 March 2026. The final position will be dependent on the outturn position for 2025/26.

In considering the adequacy of reserves, it is important to take a longer-term view. Indeed Cipfa, through their Financial Management Standard emphasize the requirement to have a long-term view on budget setting:

"While the statutory local authority budget setting process continues to be on an annual basis a longer-term perspective is essential if local authorities are to demonstrate their financial sustainability. Short-termism runs counter to both sound financial management and sound governance."

"An authority must ensure that while the formal publication of the medium-term financial plan may only reflect government settlements, it is the responsibility of the leadership of the organisation, including elected members, senior management and the section 151, to have a long-term financial view acknowledging financial pressures"

In coming to judgement on the adequacy of reserves, I take the following into consideration:

- Earmarking of Reserves. All reserves other than the General Fund and Budget Support Fund are earmarked for specific purposes. Whilst this may flex over the period as commitments are delivered, diverting these reserves to support the budget position will have a detrimental impact on the council's budget since revenue funding would be required in the future to meet these commitments.

- Delivery of savings. As outlined above, whilst the authority has a good track record in the delivery of savings, of particular concern are the deliverability of savings associated with Childrens Social Care.

- Transformation Funding. The Council has set aside earmarked reserves to fund transformation – both for invest to save progression and to meet any one-off costs that may arise. Additional transformation funding may be required over the MTFP period.

- Inherent budget risks, specifically with regard Childrens Social Care. As with recent years the budget has effectively been re-baselined to the in-year overspend position but takes no account of potential growth in numbers or costs, above normal inflationary pressures. Based on recent years' experience, this could have a material impact on the budget position in 2026/27.

- Inherent business rates risk. Whilst protection is built into the position for 2026/27 through the welcome change to the safety net, there is every likelihood that the council will be significantly detrimentally impacted by loss of business rates over the MTFP period.

- Planned Use of Reserves over the period. Should earmarked reserves be expended at the rate forecast, they will become concerningly low by the end of the 2026/27 financial year. As such based on current trajectory, it is possible that we will be faced with entering Exceptional Financial Support by the 2028/29 financial year, unless the revenue pressures have been adequately controlled and addressed. We need to make every effort to avoid EFS for the reasons set out above.

- The Medium-Term Financial Plan (MTFP) position over the period. Whilst the MTFP includes best estimates of known pressures, it assumes that a financial grip is achieved on the Childrens Social Care budget, that there are no significant additional demographic pressures on key demand areas, and that estimates for the likes of pay awards are accurate. Should this not be the case then reserves may be needed to temporarily support the in-year budget.

- The position with regard the Dedicated Schools Grant High Needs Block. Whilst the government have indicated support with historic balances accumulated by the 31 March 2028, the detail is not yet clear, with a clear message that "…any future support will not be unlimited.". There is every chance that Local Authorities may need to fund a proportion of these balances.

Given these factors, I deem it necessary to ensure a balance of at least £3m remains in the Budget Support Fund to cover any in year overspend and phasing delays that may occur in 2026/27. This is in addition to any remaining balance on our Social Care reserves. Failure to hold such levels would not be considered robust, given the financial risks faced by the council.

On this basis, this severely restricts the availability of reserves to support the budget in 2026/27 and furthermore prevents the budget gap in 2027/28 widening further.

Conclusion

In conclusion, I can confirm that the estimates are robust and we hold adequate reserves, subject to the provisos set out above. However, without a concerted effort to grip spend within Childrens Social Care and deliver transformation savings over the MTFP period, such a conclusion will become increasingly difficult.

Members are legally required to 'have regard' to this robustness advice and must carefully consider the detail of this advice before making any decisions on council tax increases.

In addition to the statutory advice:

For clarity given the budget position and risks faced, any decision to use reserves to balance the budget in lieu of a council tax increase is not an approach that I would recommend. Doing so defers a budget gap and difficult decisions for a year, whilst further weakening the financial resilience of the Council, at a time of increased risks.

My professional advice as the Councils S151 officer is that the Council should seek the maximum council tax increase permissible i.e. 4.99%.

Hartlepool Borough Council

FINANCE AND CORPORATE AFFAIRS COMMITTEE

10TH FEBRUARY 2026

Report of: Director of Finance, IT and Digital

Subject: BUSINESS RATES – DISCRETIONARY RELIEF AND HARDSHIP RELIEF POLICY

Decision Type: Budget and Policy Framework

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1. **Council Plan Priority**

Hartlepool will be a place:
- that is welcoming with an inclusive and growing economy providing opportunities for all. (Potential)
- a place with a Council that is ambitious, fit for purpose and reflects the diversity of its community. (Organisation)

2. Purpose of the Report

2.1 The purpose of this report is to:

i) Agree a revised Discretionary Rate Relief policy; and
ii) Agree the Discretionary Hardship Relief policy.

3. Background

Discretionary Rate Relief Policy

3.1 Section 47 of the Local Government Finance Act (LGFA) 1988 enables local authorities to allow discretionary relief in addition to mandatory relief. This can be given when the property is used wholly or mainly for charitable purposes by a charity or other non-profit body whose main objects are charitable or benevolent, or concerned with education, social welfare, science, literature or the arts. Or where the property is wholly or mainly used for recreation and all or part of it is occupied for the purposes of a club, society or other organisation not established or conducted for profit.

3.2 The council must be satisfied it is reasonable to provide for such relief, having regard to the interests of council tax payers. As such we must have confidence that the money forgone through granting discretionary reliefs will be repaid in economic and/or community benefit.

3.3 The council has operated such a system of reliefs based on a policy that was approved in 2004, with revisions made in 2011. Both policies were introduced prior to the revised Business Rate Retention System introduced in 2013, and uses terminology that is dated and at time opaque, leading to the risk of inconsistency.

3.4 Reviewing the policy is considered timely, not only because of the time expired since last review, but also the launch of our new improved website enables us to better promote the policy and implement a digital approach to applications.

Discretionary Hardship Relief Policy

3.5 Section 49 of the Local Government Finance Act 1988 allows Councils to award discretionary relief to ratepayers suffering financial hardship, provided it is reasonable for the authority to do so, having regard to the interests of its council tax payers.

3.6 Applications for hardship relief are rare, and council officers have relied on the legislation and a framework that has been in place for a number of years. As with general rate relief, reviewing the policy is considered timely.

4. Proposals

Discretionary Rate Relief Policy

4.1 The full policy is set out at **Appendix 1** and covers the approach to discretionary relief that will be adopted for the following hereditament types:

a) Charitable Organisations
b) Non-Profits Organisations – Community Amateur Sports Clubs (CASC)
c) Non-Profit Organisations - Local Community Organisations
d) Non-profit Organisations - Local Sporting Organisations

4.2 Table 1 below details the current reliefs in place, and Table 2 the proposed new reliefs. In most cases the reliefs provided are similar to that currently provided. The key changes being:

- Non-profit Organisations – Local Sporting Organisations. Under the current scheme, those sporting clubs that meet the criteria are able to receive up to 25% discretionary relief. This compares to other non-profit organisations that are able to receive up to 50% discretionary relief. It is not clear why such a differential exists and as such it is proposed to standardize the relief at 50%. This will benefit a small number of organisations within the borough.

- Grant Aid Supported Organisations – the current scheme has a relief category offering 100% discretionary relief to organisations that were deemed to receive grant support from the council. The council no longer provides such explicit support, but a small number of organisations continue to receive such relief. This is not equitable and open to challenge. As such it is proposed to remove this relief. Current analysis suggests that up to 5 hereditaments could be impacted by this change, however, 4 of these will receive small business rates relief at a comparable rate, with the remaining hereditament likely to receive 50% relief as a non-profit organisation. As such the financial impact will be limited, whilst ensuring a consistent policy across the borough.

Table 1: Current Discretionary relief scheme

	Current		
Organisation Type / Category	**Mandatory**	**Discretion Top up**	**Potential deduction per criteria**
Charitable Organisations			
Essential Services	80	20	0
Charity Shops - local	80	20	0
Charity Shops - national	80	0	0
Volunteer Organisations / Other	80	10	0
Grant Aid Supported Organisations	0	100	0
Non-Profit Making Organisations			
Community Amateur Sports Clubs (CASC)	80	10	-10
Local Community Organisations	0	50	-10
Local Sporting Organisations	0	25	-5

Table 2: Proposed Discretionary relief scheme

	Proposed		
Organisation Type / Category	**Mandatory**	**Discretion Top up**	**Potential deduction per criteria**
Charitable Organisations			
Essential Services	80	20	0
Charity Shops - local	80	20	0
Charity Shops - national	80	0	0
Volunteer Organisations / Other	80	10	0
Grant Aid Supported Organisations	N/A	N/A	N/A
Non-Profit Making Organisations			
Community Amateur Sports Clubs (CASC)	80	10	-10
Local Community Organisations	0	50	-10
Local Sporting Organisations	0	50	-10

4.3 As noted above, in accordance with Section 47 of the Local Government Finance Act 1988, the Council may grant discretionary rate relief where it is satisfied that it is reasonable to do so, having regard to the use of the property and the objectives of the organisation occupying it. Any revision of this policy will be subject to a minimum of one year’s notice for organisations in receipt of discretionary relief, at the date the revised policy is approved. Accordingly, the revised policy will take full effect from 1 April 2027 for existing recipients of relief.

4.4 Where a revised policy results in a more favourable outcome for ratepayers, the Council may, at its discretion, waive the notice period and apply the revised criteria from 1 April 2026, so that it will apply to all new applications received after that date. This ensures that ratepayers do not unnecessarily miss out on the benefit but the very limited number who are adversely affected will be given time to plan and prepare as necessary.

Discretionary Hardship Relief Policy

4.5 The full policy is set out at **Appendix 2**. Members will note that the policy restricts the likelihood of hardship relief being provided. This is because of considerations including but not restricted to; perceived bias to other businesses in the field, the impact on council tax payers from lost revenues, a judgement as to whether the business is likely to return to economic viability and the fact that the hardship must be unexpected.

4.6 As no ratepayers are currently in receipt of hardship relief under section 49 of the Local Government Finance Act 1988, there is no transitional or notice period implications. The hardship policy relief will therefore be implemented with effect from 1 April 2026.

4.7 Applications for hardship relief will continue to be considered on a case-by-case basis in accordance with the Council's statutory discretion.

5. Financial considerations

5.1 As the applications of reliefs can be fluid, it is not possible to place a definitive financial impact of this change. However, based on the current reliefs in place, there is a negligible impact with a small increase in reliefs provided to sporting organisations offset by the removal of grant aided relief.

6. Other Considerations/Implications

RISK IMPLICATIONS	No relevant issues.
SUBSIDY CONTROL	Subsidy issues will be considered on an individual basis if applicable.
LEGAL CONSIDERATIONS	As set out in report.
SINGLE IMPACT ASSESSMENT	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 relevant issues.

7. Recommendations

7.1 It is recommended that Members:

i) Agree the revised Discretionary Rate Relief policy set out at **Appendix 1**; and
ii) Agree the Discretionary Hardship Relief policy set out at **Appendix 2**.

8. Reasons for the Recommendations

8.1 To ensure that the council has a clear and consistent policy in place for discretionary reliefs.

9. Background Papers

9.1 None

10. Contact Officers

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Director of Finance, IT and Digital
Email: james.magog@hartlepool.gov.uk

Paul Dixon
Assistant Director, Finance
Email: paul.dixon@hartlepool.gov.uk

Sign Off:-

Chief Executive	Date: 28/01/26
Director of Finance, IT and Digital	Date: 27/01/26
Director of Legal, Governance and HR	Date: 28/01/26

Appendix 1

Hartlepool Borough Council

S47 Discretionary Relief Framework

Hartlepool BC

Discretionary Rate Relief Framework

Legislation

Section 47 of the Local Government Finance Act 1988 allows Councils to award discretionary relief to ratepayers, provided it is reasonable for the authority to do so, having regard to the interests of its Council Tax payers.

Framework

The Council will consider all requests for a reduction on an individual basis. There are financial implications on local Council Tax payers by awarding Discretionary Relief so the Council must ensure that granting Relief benefits the wider community as well as the ratepayer concerned.

Discretionary Scheme Principles

a) Charitable Organisations

- Essential Services restricted to: CAB, Samaritans, Hospice
    - Must be registered with the Charities Commission
    - Must qualify for 80% Mandatory Relief
    - Discretionary Relief Top Up of 20%

- Volunteer led Charities eg unpaid directors/trustees
    - Must be registered with the Charities Commission
    - Must qualify for 80% Mandatory Relief
    - Discretionary Relief Top Up of 10%

- Charity Shops
    - Must be registered with the Charities Commission
    - Must qualify for 80% Mandatory Relief
    - Local charity – Discretionary Relief Top Up of 20%
    - National charity – top up of 0%

b) Non-Profit Making Organisations

- Community Amateur Sports Clubs (CASC)
    - Must be registered with the HMRC as a CASC
    - Must qualify for 80% Mandatory Relief
    - Must NOT generate a substantial proportion of its income from a licensed bar or have a gaming machine on the premises

  - Discretionary Relief Top Up of 10% with 10% deducted for each of the qualifying criteria not met, consistent with local community and local sporting organisations.

- Local Community and Local Sporting Organisations
  - Do NOT qualify for 80% Mandatory Relief
  - Maximum relief of 50% with 10% deducted for each of the following qualifying criteria that is not met:
    - Membership of the organisation or use of the organisations facilities is open to all sections of the community and the fees are not set at such a level as to deny membership or use to certain sections of the community
    - Membership of the organisation or use of the organisations facilities is actively encouraged from particular groups of the community eg young people, unemployed, vulnerable groups, senior citizens etc
    - Membership of the organisation is drawn predominantly from the Councils area
    - The organisation does not generate a substantial proportion of its income from a licensed bar or gaming machine on the premises
    - 'Charity Style' Shops only: The organisation wholly donates the proceeds of the sale of goods (after the deduction of expenses) to a statutory qualifying purpose

Application

An application must relate to the current financial year, unless the liable person has just received an account following late valuation for a previous year (s).

The application must be in writing or via email from the rate payer or someone authorised to act on their behalf.

The Council may require the applicant to provide documentation covering their circumstances in support of the application. No costs will be borne by the Council in the provision of this evidence. This information should include, but is not restricted to:

- Proof of charitable status (where applicable)
- Proof of CASC registration (where applicable
- Copy of the organisations Memorandum and/or Articles of Association
- Financial records (with reference to bar and/or gaming machine income)
- Any other appropriate information

The Council reserves the right to verify and validate any information provided.

The application must set out the circumstances upon which the request is based and why the relief should be granted.

If information or evidence requested has not been received within 21 days of the Council's request then the Council will close the application and no award will be made.

The Council may refuse to award a reduction where lack of information / evidence does not enable the Council to reach an informed decision regarding the applicant's circumstances.

Decision Process

When making its decision the Council will consider:

a) any other available reliefs or discounts etc have been applied for or granted

b) the impact on local Council Tax payers of any award being granted

c) the impact on the local area of any award not being granted.

The above list is not exhaustive and other relevant factors and special circumstances will be considered.

Any decision to award a Discretionary Rate Relief will be reviewed annually and may result in a request to confirm the organisations circumstances have not changed.

If there is a change in circumstances which means that it is no longer appropriate for an award to be made, then the Council may end or adjust the award as appropriate.

Any award made will be direct onto the ratepayer's Business Rate account, thereby reducing the amount of Rates payable.

The Council will provide a written notice of its decision to the applicant or their representative within 28 days of receiving sufficient information to make a decision. The decision will specify:

- The amount of the award (if appropriate)
- The period of the award (if appropriate)
- In the case of a refusal the reason(s)
- Details of how to ask for a reconsideration / appeal

Re-Considerations / Appeals

The request for a reconsideration must be made in writing to the Director of Finance within 28 days of date of the original decision letter.

Fraud

The Council is committed to the fight against fraud in all its forms. Any applicant who tries to fraudulently claim a Discretionary Rate Relief might have committed an offence under the Fraud Act 2006.

If the Council suspects that fraud may have occurred, the matter will be investigated as appropriate and could lead to criminal proceedings.

Appendix 2

Hartlepool Borough Council

S49 Discretionary Hardship Relief Framework

Hartlepool BC

S49 Framework

Legislation

Section 49 of the Local Government Finance Act 1988 allows Councils to award discretionary relief to ratepayers suffering financial hardship, provided it is reasonable for the authority to do so, having regard to the interests of its Council Tax payers.

Framework

The Council will consider all requests for a reduction on an individual basis. There are financial implications on local Council Tax payers by awarding Discretionary Relief so the Council must ensure that granting Hardship Relief benefits the wider community as well as the ratepayer concerned.

Discretionary Scheme Principles

a) There must be evidence of unexpected, exceptional hardship
b) The circumstances under consideration are outside of the rate payer’s control and outside of the normal risks of running that type of business
c) The rate payer must not have access to assets or savings that could be realised and used to pay the Business Rates.
d) The taxpayer must satisfy the Council that all reasonable steps have been taken to resolve their situation prior to application.
e) Applications will be granted in exceptional circumstances and where other eligible discounts, reliefs, exemptions, Valuation Office / Valuation Tribunal action or appeals have been considered and exhausted.
f) The interest of local Council Tax payers may include employment prospects in an area being drastically reduced if the ratepayer goes out of business, or the amenities of an area might be reduced by, for example, the loss of a neighbourhood shop.
g) The applicant is unlikely to qualify if:
    - The applicant has other businesses
    - The property is unoccupied
    - The ratepayer belongs to a group of companies

Application

An application must relate to the current financial year, unless the liable person has just received an account following late valuation for a previous year (s).

The application must be in writing or via email from the rate payer or someone authorised to act on their behalf.

The Council may require the applicant to provide documentation covering the financial circumstances in support of the application. No costs will be borne by the Council in the provision of this evidence. This information should include, but is not restricted to:

- Past 2 years audited accounts
- Cash flow forecast for a minimum of the next 12 months
- Order books
- VAT returns
- Any other appropriate information

The Council reserves the right to verify and validate the financial information provided.

The application must set out the circumstances upon which the request is based and why the relief is required.

If information or evidence requested has not been received within 21 days of the Council's request then the Council will close the application and no award will be made.

The Council may refuse to award a reduction where lack of information / evidence does not enable the Council to reach an informed decision regarding the applicant's circumstances.

Decision Process

When making its decision the Council will consider:

a) any other available reliefs or discounts etc have been applied for or granted

b) the impact on local Council Tax payers of any award being granted

c) the impact on the local area of any award not being granted.

d) any actual or perceived bias that may occur if an award is granted to a ratepayer that is not 'unique' to the area or not operating in a 'unique' business field.

e) whether there are reasonable expectations that the business will return to economic viability.

The above list is not exhaustive and other relevant factors and special circumstances will be considered.

Any decision to award a S49 reduction does not guarantee that a further award will be made at a later date even if the applicant's circumstances have not changed.

If a reduction is granted it will not continue beyond the end of the tax period for which it is claimed.

Any award made will be direct onto the ratepayer’s Business Rate account, thereby reducing the amount of Rates payable.

The reduction is intended as short term assistance only and must not be considered as a way of reducing Business Rates long term.

If there is a change in circumstances which means that it is no longer appropriate for an award to be made, then the Council may end or adjust the award as appropriate.

The Council will provide a written notice of its decision to the applicant or their representative within 28 days of receiving sufficient information to make a decision. The decision will specify:

- The amount of the award (if appropriate)
- The period of the award (if appropriate)
- In the case of a refusal the reason(s)
- Details of how to ask for a reconsideration / appeal

Re-Considerations / Appeals

The request for a reconsideration must be made in writing to the Director of Finance within 28 days of date of the original decision letter.

Fraud

The Council is committed to the fight against fraud in all its forms. Any applicant who tries to fraudulently claim a S49 discount might have committed an offence under the Fraud Act 2006.

If the Council suspects that fraud may have occurred, the matter will be investigated as appropriate and could lead to criminal proceedings.

Hartlepool Borough Council

FINANCE AND CORPORATE AFFAIRS COMMITTEE

10TH FEBRUARY 2026

Subject: HOUSING REVENUE ACCOUNT BUSINESS PLAN UPDATE 2026/27

Report of: Director of Neighbourhoods and Regulatory Services

Decision Type: Key (DNRS 10/23)

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1. COUNCIL PLAN PRIORITY

Hartlepool will be a place:	
-	where people live healthier, safe and independent lives. (People)
-	that is connected, sustainable, clean and green. (Place)

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 This report sets out rental requirements for 2026/27 and seeks approval to refer this decision to Council.

2.3 The report also seeks approval of the budget for the HRA for 2026/27.

3. BACKGROUND

3.1 The 2026/27 business plan covers key council HRA priorities, showing how it is intended develop and deliver services to our tenants, how we intend to address key Government policy changes and how we intend to grow and develop the HRA portfolio in future years for the benefit of our residents. This year's plan provides an update on our key priorities, changes made to improve the HRA service and an overview of the financial sustainability of the HRA.

4. KEY POLICY CHANGES AND HRA RESPONSE

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. It came info affect from April 2024. The act strengthened 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 introduced new consumer standards that cover health and safety, landlord transparency and housing management staff qualifications. The act also aims to improve property conditions with the introduction of 'Awaab's Law' in honour of Awaab Ishak, who died in 2020 from exposure to damp and mould in his parents' social rented home. A summary of these regulatory changes are as follows:

4.2 ***Proactive Consumer Regulation****:* as a provider of social housing we must meet the revised consumer standards on safety, quality, repairs and tenant engagement. Increased powers have also been provided to the regulator and this results in regular inspections with performance improvement plans and unlimited fines when non-compliance is identified.

4.3 The Housing Management Team has set up procedures to meet the revised consumer standards. The complaints policy has been developed in line with the code and has been implemented with regular monitoring and reporting. The annual submission to the Housing Ombudsman was recently completed and signed off by the Ombudsman to confirm compliance.

4.4 ***Competence and Conduct Standard***: this new standard applies to the skills, experience and behaviour of staff delivering and responsible for housing management services. The Council must ensure that staff within scope have appropriate skills, knowledge and experience to deliver high quality services. Senior housing managers and executives are required to achieve or be working towards a recognised housing management qualification, and the Council must monitor and encourage staff training and development. These requirements come into effect in October 2026.

4.5 At present, a process to determine which staff members are in scope is being carried out. Should officers be identified which require additional training the qualification would be funded by the HRA. In addition, a review of existing policies is underway and a system of recording training and Continuous Professional Development (CPD) has been implemented.

4.6 ***Social Tenant Access to Information Requirements (STAIRs):*** From October 2026 as a social landlord the Council must proactively publish specified information on how we manage homes and from April 2027 tenants can formally request information, and the Council must respond in a timely manner.

4.7 Preparation is underway for the publication of this specified information for the April 2027 deadline.

4.8 ***Expanded Health and Safety duties****:* Under the requirements of Awaab's law social housing providers must respond in a timely manner to reports of hazards within the home. With a phased approach to implementation, damp and mould requirements came into effect in October 2025 with further hazards coming into scope from 2026/27. The Council is also required to appoint a Health and Safety lead who is responsible for compliance in the organisation. The Council is required to take a proactive approach to housing conditions and regularly inspecting the stock whilst responding to hazards identified by the tenant in their homes whilst conducting required gas and electrical cyclical safety checks and fire risk assessments where required.

4.9 Significant changes to the management of the repairs process and response times have been introduced to comply with the requirements of Awaab's law. The Firmstep system (used to log and manage repair and maintenance jobs) has been revised to ensure repair jobs are logged and responded to in line with the statutory requirements and reports are issued where necessary in a timely fashion. Preparations are underway for future stages of the law being implemented.

4.10 ***Right to Buy reforms****:* there have been several reforms to the right to buy process during 2025 aimed at protecting social housing stock and making replacement stock acquisition or development more viable. These changes have included reducing the maximum right to buy discounts on applications from 21 November 2024, extending the cost floor protection from 15 to 30 years, new build exemptions for the first 35 years and higher eligibility thresholds from 3 to 10 years.

4.11 The right to buy procedure has been updated to reflect the changes to right to buy and this is being implemented when any applications are received from tenants.

4.12 ***Decent Homes*****:** The existing decent homes standard requires a home to be free from serious hazards (HHSRS), in a reasonable state of repair, have reasonably modern facilities and services and have a reasonable degree of thermal comfort. As a landlord we are expected to know the condition of our stock and maintain it accordingly. There are planned revisions to the decent Homes Standard aimed at reflecting current housing needs and improving health and safety and energy performance and consultation on these proposed changes closed in September 2025. In addition to this, minimum energy efficiency standards (EPC C) are proposed for social rented properties by 2030.

4.13 The Council is implementing a programme of energy efficiency improvements across the older housing stock which is currently below an EPC C rating. In addition, stock condition surveys continue to be carried out and when the revised decent homes standard is announced the Council will assess if the stock meets this standard and if any improvements are required.

4.14 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 355 properties located throughout Hartlepool. Since the last business plan update in January 2025, one home has been sold through Right to Buy.

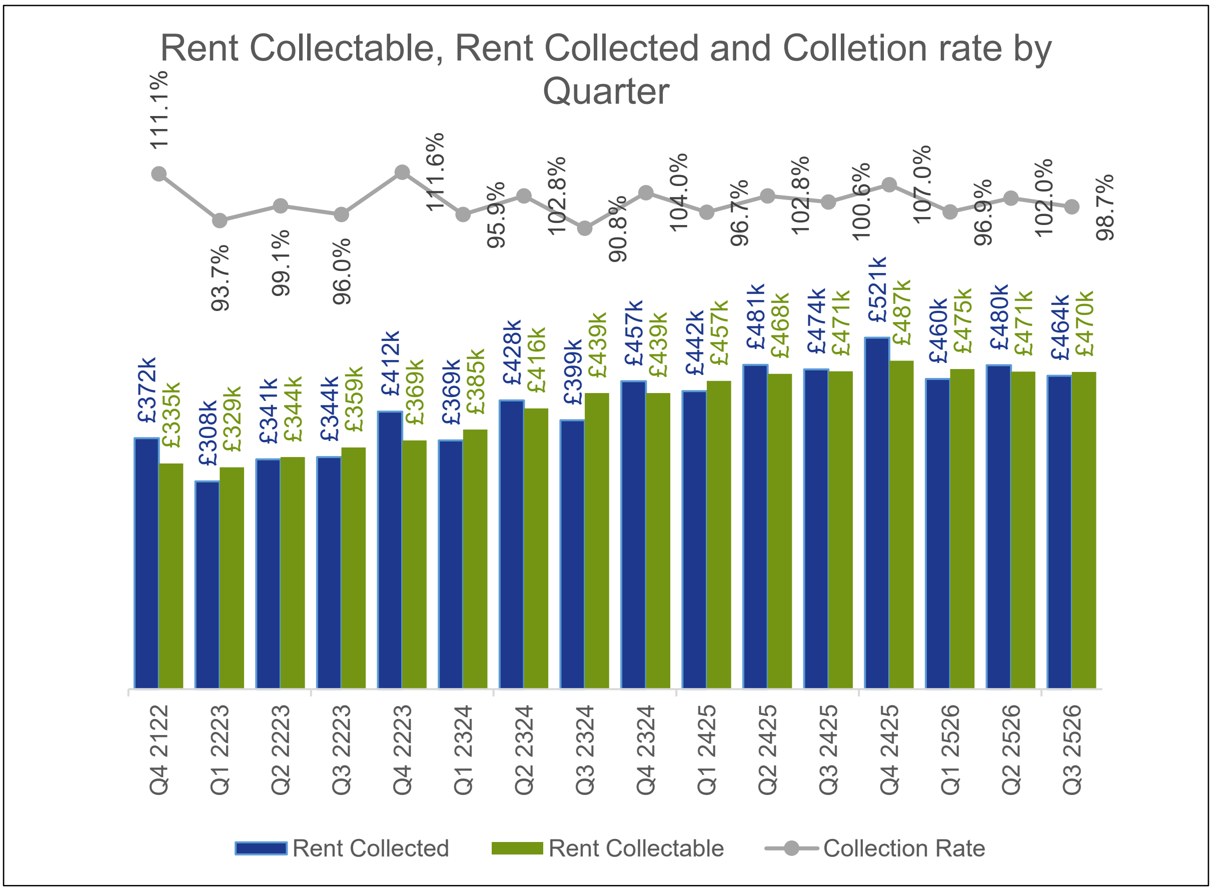
5.2 The Council aims to deliver an effective and efficient housing management service and monitors several indicators to track performance and improve services.

Rent collection

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 98.7% (Q3 25/26) and higher than the average rent collection rate for social housing across the UK which was 97.2%. Often the collection rate in a quarter can exceed 100% due to collection of arrears. Whilst collecting rent is a challenge, the Housing Management Team works with tenants to resolve rent account issues and we engage with tenants to provide affordable payment plans when accounts fall into arrears with the aim of sustaining tenancies. Despite this work it has been necessary to carry out one eviction due to rent arrears since the last report and a Suspended Possession Order granted on rent arrears grounds in another case.

5.4 The Housing Management Team now has access to the Universal Credit Landlord Portal. The portal allows social rented sector landlords to verify and update rent charges, support tenants and manage payments online. We currently have 241 tenants who are claiming Universal Credit in relation to housing costs in the portal. This enables us to more effectively manage rent accounts and work proactively as there is the facility to request direct payments (Alternative Payment Arrangements) and in some cases request arrears payments (Third Party Payments) where payment plans cannot be reached by agreement with tenants or, a tenant continually defaults on what has been previously agreed with the team. This prevents arrears building on accounts, which impacts positively on income collection and the sustainment of tenancies, as we can effectively control the reporting and payment of housing costs on accounts where it is required.

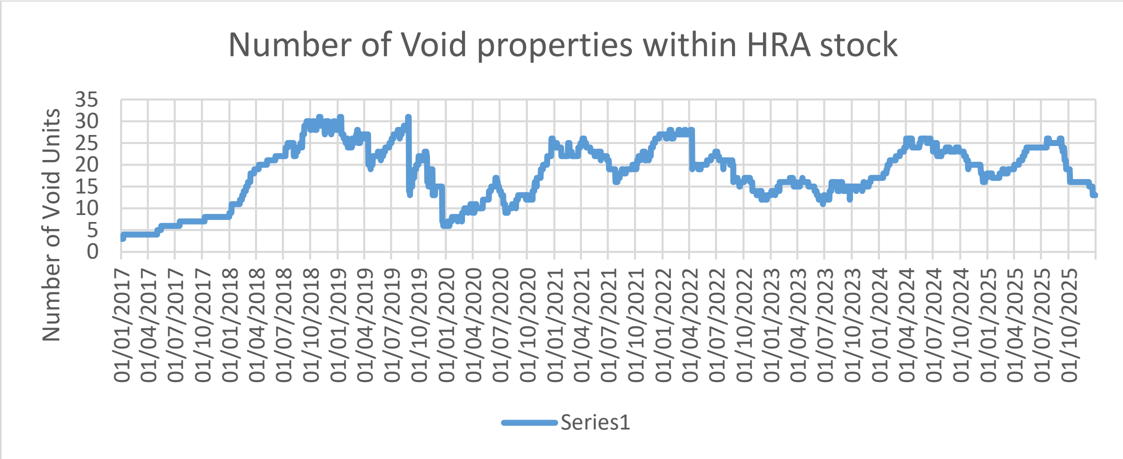
Table 1: Percentage of rent collected per quarter



<u>*Void management*</u>

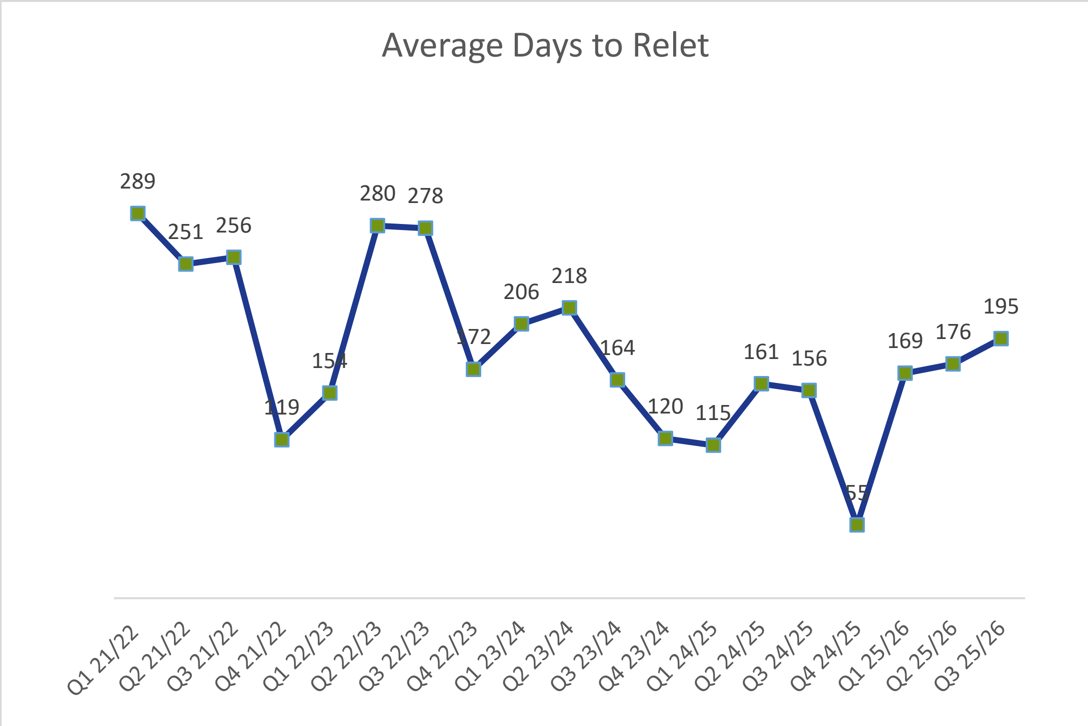
5.5 To maximise income to the HRA and provide accommodation to meet the needs of local residents we must deliver an affective void management process to ensure that when tenancies end, properties are ready to re-let quickly and that these properties are of a high standard. Table 2 demonstrates that void property numbers have decreased since 2022 levels but fluctuate quarter to quarter with the current void rate being 6% of stock. Works to repair and refurbish properties remains a challenge for a timely turnaround of void properties. In order to address this the Housing Maintenance Team is currently recruiting to several trades, which will assist in improving the void refurbishment timescales.

Table 2: Number of Void Properties



5.6 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 195 days is significantly higher than the industry target of 2-4 weeks but difficult to let properties such as our older Victorian terraced properties, disproportionately impact on this figure. In addition required refurbishment work is impacting detrimentally on the average days to relet stock. 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 2026/27.

Table 3: Average days to re-let



<u>Lettings</u>

5.7 The Housing Management Team is responsible for allocating and letting Council homes. Between October 2024 and December 2025, there have been 39 properties let. 26 of these properties were advertised and let through Hartlepool Home Search. Other lettings have included mutual exchanges, managed moves and rehousing of resettlement families.

<u>Lettings by band</u>

Table 4: Breakdown of these lettings by priority banding

Band 1+	4%
Band 1	31%
Band 2	15%
Band 3	27%
Band 4	23%

5.8 For context, there were some changes to the priority bands of the Allocation Policy from November 2024 to respond to more local housing need and alleviate homelessness. This was reported and agreed by members of the Finance and Policy Committee on 15th September 2024. Changes included:

- Inclusion of a new Band 1+ to prioritise applicants in temporary accommodation (B&B, hotels, crash pads) above other homeless households who are owed the statutory homeless, prevention or relief duty.
- Category F added to Band 1 for people who need to move on emergency medical grounds to prevent them from having to present as homeless.
- Category added to Band 2 for homeless applicants without a priority need.

5.9 Following this policy change, applicants with no priority need are awarded Band 2; these applicants would have previously been allocated Band 1. This has seen a significant reduction in the number of Band 1 applicants on the waiting list – with more than a 50% reduction from January 2024 to January 2025.

Table 5: Snapshot of Band 1 applicants on the waiting list

	No. Band 1 Applicants
Jan 2024	56
Jan 2025	26
Jan 2026	23

5.10 By allocating and letting 35% of our stock to Band 1+ and Band 1 applicants with these policy changes in place, we are contributing to addressing homeless priorities in the town by providing good quality accommodation to those applicants in the highest level of housing need. Definitions of the five bands are set out in **Appendix 2**.

Lettings by house type

Table 6: Breakdown of property types for the 26 properties let via Hartlepool Home Search from October 2024 and December 2025

1 bed house	4%
2 bed house	50%
3 bed house	31%
2 bed bungalow	7%
1 bed flat	4%
2 bed flat	4%

Average number of bids per property type

5.11 The below data sets out the average number of bids placed on Hartlepool Home Search for each property type advertised and let between October

2024 and December 2025 (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 and strong demand for 1 bed accommodation. The data also demonstrates the lack of demand for our older two bed terraced homes, which have very few bids overall.

5.12 During the period of October 2024 and December 2025 we had no 4 bed properties become available for first let or relet within our stock to be able to determine demand for this property type however, there are a high number of applicants – 121, currently on the waiting list with a 4 bed need.

Table 7: Average bids per property type

1 bed house (other)	average 78 bids
2 bed house (other)	average 37 bids
3 bed house (new build)	average 118 bids
3 bed house (other)	average 50 bids
2 bed bungalow (new build)	average 126 bids
1 bed flat (other)	average 82 bids
2 bed flat (new build)	average 41 bids

Tenant Survey Results 2025

5.13 The tenant participation survey will be a biennial survey to find out tenant views on the service provided by the housing management service and the results inform our Tenant Satisfaction Measures. Satisfaction surveys have been undertaken previously by the service to understand tenant views however, this is our first survey conducted to meet the requirements of the Regulator of Social Housing, which set out the specific wording of questions.

5.14 The survey took place during Q4 2024/25. The link to the survey was given to each tenant and paper copies were also made available. A total of 43 responses were received; equating to a response rate of 14%. Further engagement work will be undertaken to increase future response rates.

5.15 The majority of the questions asked how satisfied or dissatisfied tenants were with various aspects of the service provided by the housing management service. In the main, the responses to all questions were of a positive nature with the majority of respondents being satisfied with the service provided.

5.16 The first question asked - taking everything into account, how satisfied or dissatisfied tenants were with the service provided by the team.

- 89% of respondents indicating they were very satisfied or satisfied.

5.17 Over the previous 12 months, 32 respondents indicated that they'd had repairs completed in their home.

- 87% were satisfied with the repairs carried out;
- 82% were happy with the time taken to complete the repair; and
- 80% of the total respondents indicated that they felt their home was well maintained and that it was safe.

5.18 70% of respondents felt listened to by the service with their views being acted on. Nearly 80% of respondents felt that they were kept informed about the things that matter to them.

5.19 When asked if the housing management service made a positive contribution to their neighbourhood two thirds felt that it did.

5.20 88% of respondents felt that they were treated fairly and with respect with only one respondent feeling that this was not the case.

5.21 Out of all the responses received, 12 tenants had made a complaint to the housing management service in the previous 12 months with only two of these tenants being dissatisfied with the outcome of their complaint.

5.22 The responses showed that 84% of tenants agreed that the housing management service was providing the service that they expected from a landlord.

5.23 Where it has been possible to do so, we have responded to individual issues raised by tenants in their response and have used the overall results of the survey to inform service planning.

Estate Management

5.24 The Housing Management Team has implemented a more proactive approach to estate management with regular inspections to identify at an early stage any issues both in communal landscaped and parking areas and in tenants front and rear gardens. Enforcement is being carried out where necessary, but overall the inspections are improving the visual appearance of the areas where Council stock is concentrated and preventing issues escalating. There are 8 active enforcement cases underway for garden maintenance or rubbish in Council properties and this work is resource intensive.

6. KEY CHALLENGES AND FUTURE PRIORITIES FOR THE HRA

Delivering new homes

6.1 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. Several new build schemes have been implemented in previous years however development of these has stagnated due to rising interest rates and increasing costs. The team is exploring all opportunities to purchase and build new homes in Hartlepool. Any properties proposed by the Council must be approved individually by Finance and Corporate Affairs 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. The house type and quality must meet an identified housing need and to reduce the ongoing 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 the Finance and Corporate Affairs Committee in 2026 for approval which aim to make best use of Council owned sites to deliver affordable homes that directly meet the needs of Hartlepool residents.

6.2 The Council has been successful in securing funding from the Council Housebuilding Support Fund (CHSF), a £5.5 million national revenue funding initiative available until March 2026. This fund is designed to help councils build the capacity and capability needed to develop ambitious bids for the £39 billion, 10-year Social and Affordable Homes Programme (SAHP) from 2026 onwards. Hartlepool Council received £75,000 from this fund and this will be matched by £25,000 HRA funding. Work is underway on feasibility, business case development and pre-planning work on potential sites in preparation for bids to be submitted to the SAHP in 2026. Discussions on the pipeline of development sites is underway with Homes England in preparation for future bids to the SAHP. These schemes will be brought to Committee for approval once feasibility work has been completed and if sound business case can be developed.

6.3 In addition to the Council house development programme which is in development and following approval from Finance and Corporate Affairs Committee the Council is progressing with the acquisition of 9 affordable rented units from Persimmon Homes. These units once acquired will provide good quality affordable homes to let but also strengthen the financial resilience of the HRA. Due to be let by Q2 2026 this will bring additional income into the HRA and given they are new units, reduced maintenance and void costs.

Improving energy efficiency

6.4 Due to the nature of previous property acquisition of empty homes, many of our homes are older stock which tends to perform less well 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 some of our poorest performing homes throughout the course of the project including air-source heat pumps, solar photovoltaics and insulation. The aim is to improve properties to an EPC B and C; delivering warm, energy-efficient homes, reducing carbon emissions and fuel bills, tackling fuel poverty, and supporting green jobs. The first phase of the project is complete with 30 properties improved to EPC C or above with a total expenditure of £236,175.

6.5 An allocation of £529,352 for further capital measures has been secured for the next phase of this project (Warm Homes Social Housing Fund 3) which has commenced with the project match funded by HRA resources. The aim is to improve 30 Council homes and bring them up to EPC C or above by March 2027. Whilst 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. Homes England have also approved the use of some of the Councils recycled capital grant from Right to buy sales to be used to match fund this scheme. This reduces the overall impact on the budget. Subsequent phases of this project if implemented will require additional contributions from the HRA. The Council currently has 110 properties which are below EPC C and will require energy efficiency improvements in coming years.

6.6 The primary challenge of the project is encouraging tenant participation, despite the benefits and no cost involved to the tenant. While the scheme may require multiple home visits for inspection and installation of measures it ultimately lowers energy bills and delivers savings for tenants. In the first phase of the scheme only 75% of properties surveyed and approved progressed through to installation stage.

<u>*Ensuring safety compliance*</u>

6.7 There are several challenges to ensure safety compliance in Council stock. The Council already implements a detailed procedure to ensure gas safety compliance, administered to ensure that no gas safety checks become overdue. Additional requirements on electrical safety checks have now come into force. Whilst the Council currently comply with the electrical safety regulations, the new powers allow the Council to use enforcement powers where access will not be granted by the tenant. Access to properties to carry out safety checks is the main barrier to ensuring compliance. The work to access properties is resource intensive with weekly access attempts and notices; to date this financial year 17 properties have been referred to the team to implement the access enforcement procedure.

6.8 The Council also has requirements to ensure fire safety in properties which are between 11-18 meters in height and contain more than one residential dwelling. There are two properties which fall under these requirements in the HRA. Fire Risk Assessments are in place for these properties and are monitored and updated annually to ensure safety compliance. Inspection regimes are also in place for these properties to ensure ongoing compliance.

Repairs, maintenance and stock condition

6.9 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 with the costs associated with delivering this service increasing annually, as shown in table 8 below.

Table 8: Average cost of repairs per property

Financial Year	Average cost per dwelling
2021/22	£706
2022/23	£655
2023/24	£1,560
2024/25	£2,053
2025/26 (Part year figures – 10 months)	£1,495 (part year)

**Figures do not include energy efficiency works, disabled adaptations or works to resettlement properties.*

6.10 Whilst our housing stock has increased year on year the table demonstrates that the average cost of repair per property has increased since 2021/22. This is due to several factors. Firstly, properties acquired through empty homes funding and 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 an end (such as kitchens and bathrooms). The number of major repairs is therefore significantly higher than in previous years and likely to increase further.

6.11 The Housing Management Team are currently carrying out annual inspection visits at all properties. This has resulted in repair issues being identified. This is beneficial to the residents but is resulting in increased number of repairs and increased costs for the HRA. The cost of carrying out the repairs and building materials has also increased.

6.12 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 to this issue, providing a responsive service to tackle any causes of damp and mould in tenants' homes in line with the requirements of Awaab's Law. This approach includes the installation of mechanical ventilation systems to ventilate properties and tackle condensation and carrying out any structural works required to a property. This action is resulting in increased costs for the HRA and is pressure that is likely to continue. Table 9 demonstrates the year-on-year increase relating to tackling damp and mould in Council properties, which has a negative impact on the financial position of the HRA.

Table 9: Costs of damp and mould related interventions

Year	Cost
2021/22	£11,561
2022/23	£31,008
2023/24	£41,700
2024/25	£90,855
2025/26 (costs to date)	£118,616

6.13 To inform the Council's long term stock investment plan and to understand the condition of the housing stock we are completing detailed stock condition surveys using Kycloud surveying software. This is a requirement of the new Safety and Quality Consumer Standard published by the regulator for social housing in April 2024. The standard requires Registered Providers to have an 'accurate record of condition of their homes at an individual property level, based on a physical assessment of all homes'.

6.14 To date 47% of Council homes have been inspected and had full stock condition survey conducted. There is a programme in place to complete all surveys in a 5-year rolling period with weekly inspections being conducted. There are challenges accessing properties and many failed appointments where access is not granted by the tenant. This results in additional workload for the Housing Management Team and additional cost. Communication with tenants highlighting the importance of the surveys and the need to grant access will be done through the next tenant newsletter.

<u>*Delivering disabled adaptations*</u>

6.15 There has been 2 major adaptations in our homes in 2025/26 to date which include a level access shower and a ground floor extension to provide a bedroom. The cost of these adaptations is approximately £50,000. 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).

6.16 Disabled Facilities Grant funding for such adaptations is not permitted due to HRA self-financing regulations, and this therefore 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.

Loss of homes through Right to Buy

6.17 We continue to plan for the loss of homes through Right to Buy (RTB), with one sale this financial year to date. The impact of each RTB sale will be detrimental to the HRA, with a typical average loss of net rent income of approximately £2,300 per house and an average overhanging debt of £38,000 i.e. the HRA is left with outstanding debt without rental income to cover the cost of borrowing. 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

6.18 We continue to see an increase in the rise of intensive tenancy support cases with increasing case complexity, which frequently requires a reactive response. Current cases involve multiple factors including welfare and safeguarding concerns, poor mental and physical health, bereavement, domestic abuse, addiction and financial instability. In many cases this has led to tenancy management issues such as poor living standards/cleanliness, gardens not being maintained, a build-up of rubbish in and around the home, hoarding, non-payment of rent and a lack of engagement for cyclical maintenance like annual gas safety checks.

6.19 As the tenancy management issues are often intrinsically linked, the team holds a monthly meeting to specifically discuss cases when the issues are cross cutting between the ‘People’ and ‘Place’ service areas within housing management. This includes ongoing support cases to ensure a coordinated approach is taken and we take a person-centered approach in the work we do to support the individual or family – with the ultimate objective of sustaining tenancies. This is alongside discussing current cases where our tenant(s) have been a victim of crime and cases involving potential breaches of tenancy for example, abandonment, ASB, fly-tipping, poor garden maintenance, property damage and non-payment of rechargeable repairs.

6.20 Whilst the current Housing Management Team structure has capacity to be responsive and deliver this support, this will need to be kept under review and as the Council's housing stock increases. Any additional staff required would be funded directly from the HRA.

6.21 A policy to reflect the management of households with complex needs is being developed to set out our approach to tenancy management and support, which also fits with the government agenda of getting to know your tenants. Alongside this, we are looking at ways of improving the delivery of services to those households with specific support needs. This is to ensure we are recognising earlier and appropriately recording vulnerabilities and, responding effectively with reasonable adjustments where appropriate, in an effort to identify what works best to support individuals and families with complex needs living in Council homes and, taking a proactive approach where there is the greatest risk of tenancy failure.

6.22 We have continued our annual home inspection programme and have conducted 90 visits between October 2024 and December 2025. This programme forms part of our approach in getting to know our customers and maintaining communication with our tenants.

6.23 The inspection visits have been the catalyst to change in several cases and have included practical advice on tenancy management matters, welfare support and rehousing, as well as more formal referrals to services like Hartlepool Citizens Advice, Occupational Therapy, Adult Social Care / Let's Connect and to the Children's Hub, as part of a package of support.

6.24 This regular programme of inspection visits has directly contributed to the increase in cases where intensive management support has been required.

6.25 There is currently staffing resource in place to conduct the annual home inspections up until March 2027. This will also need to be kept under review as we are likely to need to continue with this approach. The visits have been invaluable in many cases and are instrumental in the delivery of the housing management service, building relationships with tenants and in supporting us with ensuring we meet the Government's new and emerging guidance and legislation.

Responding to Anti-Social Behaviour

6.26 A Service Level Agreement (SLA) exists between the Council's Housing Management Team and Hartlepool Anti-social Behaviour Unit for the provision of Tenancy Enforcement Services. Under this SLA the Anti-social Behaviour Unit is provides a provision for Tenancy Enforcement regarding the Council's residential housing stock and, for residential properties which are privately owned, but which are managed and let by the Council through its Quality Homes Social Lettings Agency.

6.27 Under the SLA the Anti-social Behaviour Unit support in:

(a) Investigating and resolving anti-social behaviour and hate incidents involving Council managed housing stock.
(b) Investigating and resolving breaches of the Council's tenancy agreement.
(c) Provision of advice and victim support for tenants of Council managed housing stock who have experienced anti-social behaviour or hate.
(d) Provision of tenancy enforcement for residential properties which are owned, managed and let by Hartlepool Borough Council.
(e) Provision of tenancy enforcement for residential properties which are privately owned, but which are managed and let by Hartlepool Borough Council through the Council's Quality Homes Social Lettings Agency.

6.28 Between 1st October 2024 and 31st December 2025, the Anti-social Behaviour Unit investigated a total of 38 complaints, relating to 21 addresses, under the SLA. This meant that during this date period a total of 5.9% of council managed residential properties were subject to a tenancy enforcement complaint.

6.29 Of the 30 complaints that are now closed from this date period, 14 complaints resulted in a proven breach of tenancy with appropriate action being taken. This included:- police action being taken, possession being obtained, tenancies being terminated, tenancy warnings issued and support and target hardening being provided. The remaining 16 complaints were closed with no further action. This was due to no further complaints being made by complainants, and/or no evidence being obtained regarding the allegation after investigation.

7. COMPLAINTS UPDATE

7.1 In line with the new regulations and requirements of the Complaint Handling Code, members of the Finance and Corporate Affairs Committee on the 8th September 2025 approved a report with the Chair providing a Governing Body response to the housing management service complaints overview for 2024/25 as the Member Responsible for Complaints. The next annual report including the Annual self-assessment and annual complaints performance and service improvement report will be submitted to Committee by September 2026.

7.2 As an interim update and as the table below demonstrates for this financial year to date, there has been 9 service requests where dissatisfaction was expressed by a tenant, but the issue resolved by the service. In addition, there has been 7 stage 1 complaints since April 2025. 6 related to the repair service and one regarding re-housing. There has been 1 stage 2 complaint to date, which was not upheld.

Table 10: Complaints Overview

Year	Number of service requests	Number of complaints	Number of stage 1 complaints	Number of stage 2 complaints	Number upheld or partially upheld at stage 2	Percent age upheld or partially upheld	Refusals	Complaints referred to Housing Ombudsma n
2023/2 4	n/a	1	1	0	0	0	0	0
2024/2 5	21	7	7	1	1	100%	0	0
2025/2 6 (to date)	9	7	7	1	0	0	0	0

Year	Stage 1 responses within 10 working days	Percentage of stage 1 responses within 10 working days	Stage 2 responses within 20 working days	Percentage stage 2 responses within 20 working days
2023/24	1	100%	n/a	n/a
2024/25	6	83%	1	100%
2025/26	7	100%	0	0%

7.3 All complaint responses have been responded to within the required timescales. The aim of the policy is to continuously improve the service and to learn from the complaints. Particular attention is therefore being given to the delivery of the repairs service to improve the customer experience and ensure repair work is arranged and followed up in a timely manner.

8. REVISED BUSINESS CASE

8.1 The Council uses a 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 previous years. A summary of this business case and budget for 2026/27 is set out in **Appendix 1.**

8.2 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. This, however, 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 main 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 standard including safeguarding against damp and mould within our properties and;
- The cost of delivering disabled adaptations in our properties.

8.3 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 are likely to remain high in future years.
- The staff pay award, and other inflationary pressures have an impact as the management charges for each HRA property are fixed.
- Higher repairs and capital costs associated with major repairs and adaptations have an impact on overall resources and impact on the fixed asset charge to the HRA.

Rent setting for 2026/27

8.4 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 Government level of 7%. The impact of this reduced rental income and this continues to negatively affect the health of the HRA.

8.5 It is proposed that a rent increase of 4.8% (CPI 3.8% + 1% increase) is approved in line with the current rent policy. The HRA model has assumed this level of increase, and this results in a balanced budget as **Appendix 1** demonstrates. Without this proposed rent increase the HRA budget becomes unsustainable and would go into deficit. Rent Convergence consultation is underway, with the outcome of this is expected at the end of January 2026, this is likely to have minimal impact on our rent setting.

8.6 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. Providing the rent increase will fund some of the measures being introduced to address the legislation changes highlighted such as delivering an efficient repairs service, improving energy efficiency and tackling damp and mould.

9. HRA RESERVE

9.1 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’.

9.2 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 2025 is £0.500m and is forecast to remain unchanged owing to ongoing expenditure pressures even if the 4.8% rent increase is approved. The reserve is required to provide financial resilience to withstand future potential shocks, however lack of contributions increases risk in relation to future sustainability.

Robustness advice

9.3 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’.

9.4 To ensure this position does not arise a robust approach is taken to assess forecast HRA income and costs. On this basis the recommended 4.8% rent increase provides the most robust and sustainable basis for the HRA and the continued delivery of the Council’s housing objectives.

Capital implications

9.5 The Council was successful in its bid to the Warm Homes Social Housing Fund Phase 3 as part of the TVCA led consortium application. The Council is required to contribute match funding of £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). Funding has also been approved to acquire 9 units into the HRA and the cost of this scheme has been factored into the overall capital budget.

9.6 The HRA capital programme and approved resources are outlined in **Appendix 1** along with proposed additions to the capital programme for 2026/27.

10. OTHER CONSIDERATIONS/IMPLICATIONS

RISK IMPLICATIONS	All risks are set out in section 6.
FINANCIAL CONSIDERATIONS	Outlined in sections 8 & 9.
SUBSIDY CONTROL	No relevant issues.
LEGAL CONSIDERATIONS	Legislative changes set out in Section 4.
SINGLE IMPACT ASSESSMENT	Set out in **Appendix 3**.
STAFF CONSIDERATIONS	There is currently sufficient staff to operate the HRA. 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 Warm Homes Social Housing Fund work detailed in section 6 contributes towards improving the sustainability of the housing stock.
CONSULTATION	None.

11. RECOMMENDATIONS

11.1 Members are asked to note the overall contents and strategy of the HRA Business Plan 2026/27.

11.2 Members are asked to agree to the recommended rent increase of 4.8% for 2026/27 and refer the decision to Council for approval.

11.3 Members are also asked to approve the full HRA revenue and capital budget for 2026/27 detailed in **Appendix 1**.

12. REASONS FOR RECOMMENDATIONS

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

13. BACKGROUND PAPERS

13.1 Finance and Policy Committee report 10th February 2025.

14. CONTACT OFFICERS

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Strategic Asset Manager
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E-mail: tim.wynn@hartlepool.gov.uk

Sign Off:-

Chief Executive	Date: 28.01.26
Director of Finance, IT and Digital	Date: 28.01.26
Director of Legal, Governance and HR	Date: 28.01.26

HRA Budget 2026/27

Housing Revenue Account (HRA) 2026/27

Rent Increase 4.8%	**2026/27 BUDGET £'000**
Income	
Dwelling Rents	(2,085)
Non-dwelling Rents - Other Income	(30)
Charges for services and facilities	(3)
Income sub total	**(2,118)**
Expenditure	
Repairs and maintenance	650
Supervision and management (Note 2)	548
Rents, rates, taxes and other charges	24
Right to Buy Reserve	5
Depreciation (Major Repairs Allowance (Note 3)	431
Discretionary Housing Payments	4
	1,662
Debt Management	13
Expenditure sub total	**1,675**
Net cost of services	**(443)**
Interest payable	465
HRA investment income	(22)
	443
HRA Operating (Surplus) / Deficit for the year	**0**
HRA Balance B/F (Note 4)	(500)
HRA Balance C/F	(500)

Housing Revenue Account (HRA) - Capital Resources 2026/27

										Funding Source						
Code	**Scheme Description**	**Gross Budget**	**Actual to 31/3/25**	**Revised Budget 2025/26 at Q3**	**Resources rephased into future**	**26/27 Budget**	**27/28 Budget**	**28/29 Budget**	**Total Capital Programme**	**S106**	**Major Repairs reserve**	**Prudential Borrowing**	**TVCA Grant**	**Capital Receipt**	**RCCO/ corporate resources**	**Total Funding**
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000		£'000
S106	Affordable Housing	**913**	0	0	913	225		688	**913**	913						**913**
7182	Empty Homes - Phase 3	**618**	103	0	515	0		515	**515**			618				**618**
7726	Resettlement Accommodation	**1306**	1306	0	0	0	0	0	**0**			435	632		239	**1,306**
8106	New Build	**370**	1	0	369	0		369	**369**			370				**370**
8799	Major Repairs	**510**	103	107	300	100	100	100	**300**		510					**510**
9294	HRA Adaptations	**441**	41	100	300	100	100	100	**300**		441					**441**
9520	Social Housing Decarbonisation Phase3	**450**	0	225	225	225			**225**		113		225	112		**450**
NEW	Purchase of 9 new properties	**965**	0	965	0	0			**0**	518		241		206		**965**
COUNCIL HOUSING - CAPITAL SCHEMES		**5,573**	**1,554**	**1,397**	**2,622**	**650**	**200**	**1,772**	**2,622**	**1,431**	**1,064**	**1,664**	**857**	**318**	**239**	**5,573**

HRA BUSINESS PLAN MODEL 2026/27

	2026/27	2027/28	2028/29
	£'000	**£'000**	**£'000**
RENT INCREASE	**4.8%**	**3.8%**	**3.5%**
Dwelling rent	(2,085)	(2,208)	(2,309)
Other Income	(33)	(34)	(34)
TOTAL INCOME	**(2,118)**	**(2,242)**	**(2,343)**
Revenue Costs	1,662	1,772	1,873
Capital Charges	456	470	470
TOTAL EXPENDITURE	**2,118**	**2,242**	**2,343**
(SURPLUS) / DEFICIT	**0**	**0**	**0**

Housing Waiting List Priority Band Definitions

Banding Assessment (from 11th November 2024)

A Banding system is used to assess housing need. Current housing circumstances are assessed and applicant given the Band which 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.*

Hartlepool Borough Council – Single Impact Assessment Form

Guidance for completing this form is available in the “Single Impact Assessment: Toolkit for Officers”, available from the Single Impact Assessment page on the intranet at https://hbcintranet/Pages/Single-Impact-Assessments.aspx.

Appendix 3

Section 1 – Details of the proposed action being considered

1.1 Lead Department:	Neighbourhoods and Regulatory Services
1.2 Lead Division:	Estates & Asset Management Section

1.3 Title of the proposed action:
HOUSING REVENUE ACCOUNT BUSINESS PLAN UPDATE 2026/27

1.4 Brief description of the proposed action:
The action proposes the overall budget setting and rent setting for the Housing Revenue Account (HRA) for the financial year 2026/27.

1.5 Who else is involved:
The action is proposed by, and will be delivered by, the Council.

Hartlepool Borough Council – Single Impact Assessment Form

1.6 Who will make the final decision about the proposed action:
Finance and Corporate Affairs Committee and Council.

1.7 Which wards will be affected by the proposed action? Tick all that apply					
All wards	☒	Hart	☐	Seaton	☐
Burn Valley	☐	Headland & Harbour	☐	Throston	☐
De Bruce	☐	Manor House	☐	Victoria	☐
Fens & Greatham	☐	Rossmere	☐	N/A - Internal council activities	☐
Foggy Furze	☐	Rural West	☐		

1.8 Completed By:		
Name	**Job Title**	**Date Completed**
Amy Waller	Principal Housing Officer (Place)	19/01/2026

1.9 Version	**Author**	**Summary of Changes**	**Date**

Hartlepool Borough Council – Single Impact Assessment Form

Section 2 – Explaining the impact of the proposed action

2.1 What data and evidence has informed this impact assessment?
Quarterly monitoring data which is collated to support the HRA business plan has been used to inform the proposals within this report and this impact assessment. The data used covers a wide range of housing management functions including income (rent collection) and costs (repairs and maintenance, management costs) to establish the overall budget position and resilience of the Housing Revenue Account for the Council’s housing stock. Tenant and housing need data has also been collated to inform the report and this SIA.

2.2 If there are gaps in evidence or not enough information to assess the impact, how have you addressed this or how will you address it?	
Gap(s) Identified	**How it / they have or will be addressed**
None identified	Not applicable

Hartlepool Borough Council – Single Impact Assessment Form

2.3 Risk Score

Impact	Negative Impact Score	Explanation – what is the impact?
Age		
X Positive Impact ☐ Negative Impact ☐ No Impact	Likelihood score: 2 Impact score:2 Overall score:4	As part of the Council's housing stock there is a provision of bungalows for older persons. The approval of the recommendations within the report allow the HRA to continue to be sustainable and offer these properties for affordable rent to the older residents of Hartlepool. There is no evidence to suggest that the proposed rent increase will adversely impact on any specific age group.
Disability		
X Positive Impact ☐ Negative Impact No Impact	Likelihood score: Impact score: Overall score:	The financial sustainability of the HRA helps the Council to fund disabled adaptations where required in its homes, this will have a positive impact on those residents living within the Council's housing stock who require adaptations to enable them to continue living in their home and sustain their tenancy.
Gender Reassignment		
☐ Positive Impact ☐ Negative Impact X No Impact	Likelihood score: Impact score: Overall score:	
Marriage and Civil Partnership		
☐ Positive Impact ☐ Negative Impact X No Impact	Likelihood score: Impact score: Overall score:	

Hartlepool Borough Council – Single Impact Assessment Form

Impact	Negative Impact Score	Explanation – what is the impact?
Pregnancy and Maternity		
☐ Positive Impact ☐ Negative Impact X No Impact	Likelihood score: Impact score: Overall score:	
Race (Ethnicity)		
☐ Positive Impact ☐ Negative Impact X No Impact	Likelihood score:2 Impact score:2 Overall score:4	
Religion or Belief		
☐ Positive Impact ☐ Negative Impact X No Impact	Likelihood score: Impact score: Overall score:	
Sex		
☐ Positive Impact ☐ Negative Impact X No Impact	Likelihood score: Impact score: Overall score:	

Hartlepool Borough Council – Single Impact Assessment Form

Impact	Negative Impact Score	Explanation – what is the impact?
Sexual Orientation		
☐ Positive Impact ☐ Negative Impact X No Impact	Likelihood score: Impact score: Overall score:	
Care Leavers (Local)		
☐ Positive Impact ☐ Negative Impact X No Impact	Likelihood score: Impact score: Overall score:	
Armed Forces (Local)		
☐ Positive Impact ☐ Negative Impact X No Impact	Likelihood score: Impact score: Overall score:	
Poverty and Disadvantage (Local)		
X Positive Impact X Negative Impact ☐ No Impact	Likelihood score:2 Impact score:2 Overall score:4	Whilst the accommodation that the Council provides at an affordable rent has a positive impact on those in poverty or disadvantage in Hartlepool, the proposed rent increase may have a negative financial impact on some Council tenants. Approximately 2/3rds of tenants receive Housing Benefit or a payment of Housing Costs from Universal Credit so the increase will be funded by Government in full/part. The Housing Management Team works with any tenant in financial difficulty to support them through the rent recovery process – being proactive in reporting housing costs to Universal Credit through the Landlord Portal, updating Housing Benefit claims directly with the service, applying for Discretionary

		Housing Payments, welfare support and making referrals to organisations for debt, budgeting and benefits advice.

Section 3 - Mitigation Action Plan or Justification

Group(s) impacted	Proposed mitigation	How this mitigation will make a difference	By when	Responsible Officer

Justification If you need to justify your proposed action explain this here

Section 4 - Sign Off

Responsible Officer sign off:	
Name	Amy Waller
Job title	Principal Housing Officer (Place)
Assistant Director / Director sign off:	
Name	
Job title	

Hartlepool Borough Council – Single Impact Assessment Form

Once the Single Impact Assessment is completed please send to impactassessments@hartlepool.gov.uk.

Section 5 - Review (To be completed after implementation)

5.1 Review completed by:		
Name	**Job Title**	**Date review completed**

5.2 Did the impact turned out as expected?

5.3 Were the proposed mitigations the correct ones and were they successful in reducing any negative impacts?

5.4 Were there any unexpected outcomes?

5.5 Following the review please identify next steps here (Select one)
☐ Additional mitigation required (give details below - 5.6) ☐ Original proposed course of action needs to be revisited ☐ No further action required

5.6 Additional mitigation(s) or justification

Group(s) impacted	Proposed mitigation	How this mitigation will make a difference	By when	Responsible Officer

Justification If you need to justify your proposed action explain this here

Hartlepool Borough Council – Single Impact Assessment Form

Submit form with completed review to impactassessments@hartlepool.gov.uk

Hartlepool
Borough Council

FINANCE AND CORPORATE AFFAIRS COMMITTEE

10th February 2026

Subject: CORPORATE PROCUREMENT REPORT ON CONTRACTS

Report of: Director of Finance, IT and Digital

Decision Type: For information

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1. COUNCIL PLAN PRIORITY

Hartlepool will be a place:
- where people live healthier, safe and independent lives. (People)
- that is connected, sustainable, clean and green. (Place)
- that is welcoming with an inclusive and growing economy providing opportunities for all. (Potential)
- with a Council that is ambitious, fit for purpose and reflects the diversity of its community. (Organisation)

2. PURPOSE OF REPORT

2.1 To satisfy the requirements of the Council's Contract Procedure Rules with regard to the Finance and Corporate Affairs Committee:

- Receiving and examining reports on the outcome of contract letting procedures including those where the lowest/highest price is not payable/receivable.
- Receiving and examining reports on any exemptions granted in respect of the Council's Contract Procedure Rules.
- This report covers the period October 2024 to December 2025. Moving forward reports will be provided on a quarterly basis.

3. BACKGROUND

3.1 The Council's Contract Procedure Rules require that the following information be presented to the Finance and Corporate Affairs Committee.

Section of Contract Procedure Rules		**Information to be reported**
Introduction	Para 8 iii & Para 8 vi	Outcome of contract letting procedures
Part G	Para 12 v	
Introduction Part B	Para 8 iii Para 3 v	Basis of award decision if not lowest/highest price payable/receivable
Introduction	Para 8 vi	Contract Name & Reference Number
Part G	Para 12 v	
Introduction	Para 8 vi	Description of Goods/Services being procured
Part G	Para 12 v	
Introduction	Para 8 vi	Department/Service area procuring the goods/services
Part G	Para 12 v	
Introduction	Para 8 vi	Prices (separate to Bidders details to preserve commercial confidentiality)
Part G	Para 12 v	
Part G	Para 12 v	Details of Bidders

3.2 In addition to tender related information, details of exemptions granted to the Contract Procedure Rules are also reportable.

4. INFORMATION FOR CONSIDERATION

4.1 Tender Information

Appendix A provides details of goods/services/works tenders valued over £60K awarded since the last report to committee, along with the social value percentage weighting that was incorporated at the application stage.

4.2 Exemption Information

Appendix B provides details of Contract Procedure Rules exemptions, granted since the last report to committee. Exemption request forms have been amended to detail reasons why Hartlepool based firms have not been selected and this information is now being collated.

4.3 Commercial / Confidential Information

Appendix C includes the commercial information in respect of the tenders received and any confidential information relating to Contract Procedure Rule exemptions or contract extensions.

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, Appendix C.

5. OTHER CONSIDERATIONS/IMPLICATIONS

RISK IMPLICATIONS	No relevant issues.
FINANCIAL CONSIDERATIONS	No relevant issues.
SUBSIDY CONTROL	No relevant issues.
LEGAL CONSIDERATIONS	No relevant issues.
SINGLE IMPACT ASSESSMENT	No relevant issues.
STAFF CONSIDERATIONS	No relevant issues.
ASSET MANAGEMENT CONSIDERATIONS	No relevant issues.
ENVIRONMENT, SUSTAINABILITY AND CLIMATE CHANGE CONSIDERATIONS	No relevant issues.
CONSULTATION	N/A

6. RECOMMENDATIONS

6.1 That the Committee note the contents of the report.

7. REASONS FOR RECOMMENDATIONS

7.1 The Committee is required to review the information supplied to ensure that monitoring in the award of contracts is carried out and evidenced.

8. BACKGROUND PAPERS

8.1 There are no background papers

9. CONTACT OFFICERS

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Sign Off:-

Chief Executive	Date: 28/01/2026
Director of Finance, IT and Digital	Date: 22/01/2026
Director of Legal, Governance and HR	Date: 28/01/2026

TENDER INFORMATION (details the required information for each procurement tender awarded since the last report along with the social value percentage weighting that was incorporated at the application stage)

Date of Contract Award	Contract Name and Reference Number	Description of Goods / Services being procured	Duration of Contract (optional extensions in brackets)	Department / Service area procuring the goods / services	Details of Companies invited including location	Details of Bids received	Basis of award decision if not lowest/highest price payable / receivable (Social Value Element)	Outcome of contract letting procedures (Named sub-Contractors and location)	Previous Provider / Location
27/8/2024	External Repair & Refurbishment Works to Buildings – Church Street DN729736	The Authority is seeking to appoint a suitably companies to provide external repairs and refurbishment works to buildings on Church Street	N/A	Adults & Community Based Services	Absolute Plumbing & Maintenance Limited, Middlesbrough Historic Property Renovation Limited, North Shields Stone Technical Services, Darlington	Absolute Plumbing & Maintenance Limited, Middlesbrough Historic Property Renovation Limited, North Shields Stone Technical Services, Darlington	100% Price	Absolute Plumbing, Middlesbrough	N/A
27/9/2024	Provision of Energy Efficiency Measures – 29 Properties – DN740017	The provision of energy efficiency measures in 29 properties in Hartlepool	September 2024 – March 2025	Development, Regeneration & Neighbourhood Services	GRS Insulation Limited, Middlesbrough J & J Crump Limited, Sheffield PHS Home Solutions Limited, Houghton-le-Spring	GRS Insulation Limited, Middlesbrough PHS Home Solutions Limited, Houghton-le-Spring	100% Price	PHS Home Solutions Limited, Houghton-le-Spring	N/A

Date of Contract Award	Contract Name and Reference Number	Description of Goods / Services being procured	Duration of Contract (optional extensions in brackets)	Department / Service area procuring the goods / services	Details of Companies invited including location	Details of Bids received	Basis of award decision if not lowest/highest price payable / receivable (Social Value Element)	Outcome of contract letting procedures (Named sub-Contractors and location)	Previous Provider / Location
10/10/2024	Gymnasium Equipment – DN734616	The provision of gymnasium equipment for Highlight, Brierton and Headland Sports Centre	5 years (with optional 2-year extension)	Adults & Community Based Services	Multiple companies invited using the (Eastern Shires Purchasing Organisation) Framework for Fitness Equipment	Fitness Warehouse Limited T/A Gym Gear, Lancashire Johnson Health Tech UK Limited, Stoke Pulse Fitness Limited, Cheshire Technogym Limited, Berkshire	50% Price 40% Quality 10% Social Value	Technogym Limited, Berkshire	N/A
22/10/2024	Throston Youth Centre Refurbishment - DN740031	Refurbishment Works for Throston Youth Centre	N/A	Development, Neighbourhoods & Regulatory Services	Geoffrey Robinson Limited, Billingham Hobson Smith Construction Limited, Stockton Liveco Limited T/A Vest Construction, Bishop Auckland Vickers Construction Limited, Stockton	Hobson Smith Construction Limited, Stockton Liveco Limited T/A Vest Construction, Bishop Auckland	100% Price	Hobson Smith Construction Limited, Stockton	N/A
22.10.2024	West Park Flood Alleviation Scheme – DN745846	The works are on the National River managed by Environment Agency and are situated in the West Park Area of Hartlepool TS26. They travel though	N/A	Development, Neighbourhoods & Regulatory Services	Esh Construction Limited, Durham Hall Construction Services Limited, Durham Highway Construction Services Limited, Stockton Rainton Construction Limited, Durham	Esh Construction Limited, Durham Hall Construction Services Limited, Durham Seymour Civil Engineering Contractors Limited, Hartlepool	100% Price	Seymour Civil Engineering Contractors Limited, Hartlepool	N/A

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		and adjacent to private dwellings and the work is prone to the effects of weather ie rain.			Seymour Civil Engineering Contractors Limited, Hartlepool				
18/11/2024	3 Mechanical Sweepers – DN748198	The provision of 3 mechanical sweepers	N/A	Development, Regeneration & Neighbourhood Services	11 companies invited using the NEPO Vehicle Purchase Framework – Lot 4 (mini competition)	Bucher Municipal Limited, Surrey Harsh Limited, York Scarab Sweepers Limited, Kent	100% Price	Bucher Municipal Limited, Surrey	N/A
22/11/2024	Waterfront Regeneration Scheme – Cultural Heritage Regeneration Project - DN728729	The Authority is seeking to appoint a suitably qualified project management consultancy to provide project management services.	2/9/2024 – 30/6/2026	Adults & Community Based Services	19 companies using the Crown Commercial Services RM6165 Framework - Lot 2 (mini competition)	Artelia Projects UK Limited, London Kier Business Services Limited, Manchester Pick Everard, Leicester	60% Quality 30% Price 10% Social Value	Artelia Projects UK Limited, London	N/A

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22/1/2025	Provision of Energy Efficiency Measures – 11 Properties	The provision of energy efficiency measures in 11 properties in Hartlepool	Project to be delivered by March 2025	Development, Neighbourhoods & Regulatory Services	ESH Construction Limited, Durham GRS Insulation Limited, Middlesbrough J & J Crump Limited, Sheffield PHS Home Solutions Limited, Houghton-le-Spring	ESH Construction Limited, Durham GRS Insulation Limited, Middlesbrough PHS Home Solutions Limited, Houghton-le-Spring	100% Price	GRS Insutlation, Middlesbrough	N/A
18/2/2025	Demolition of Corporation Club and Care Wash – OPEN22012025150706	Demolition of Corporation Club and Care Wash	N/A	Development, Neighbourhoods & Regulatory Services	8 companies invited using the NEPO Demolition Framework (mini competition)	A Buckler Haulage Limited, Middlesbrough GLC Projects Limited, Stockton Groundwork Services (Durham) Limited, Durham Herron Demolition Limited, Sunderland MGL Demolition Limited, Durham Sirius Remediation Limited, Durham Thompson of Prudhoe Limited, Durham Total Reclaims Demolition Limited, Nottingham	100% Price	A Buckler Haulage Limited, Middlesbrough	N/A

Date of Contract Award	Contract Name and Reference Number	Description of Goods / Services being procured	Duration of Contract (optional extensions in brackets)	Department / Service area procuring the goods / services	Details of Companies invited including location	Details of Bids received	Basis of award decision if not lowest/highest price payable / receivable (Social Value Element)	Outcome of contract letting procedures (Named sub-Contractors and location)	Previous Provider / Location
21/3/2025	F, F & E – Poolside Equipment – Highlight – DN748864	Hartlepool Borough Council are seeking a range of specific fixtures, fittings and equipment for their new active wellbeing hub, Highlight. (Further details in specification document).	N/A	Adult & Community Based Services	Open advertisement	HS Sports, Cheshire	100% Price	HS Sports, Cheshire	N/A
10/03/2025	The Provision of Financial Services – DN754914	Financial Services to People Resident within the Borough of Hartlepool	1/4/2025 – 31/3/2028 (2 Year Extension)	Children & Joint Commissioning Services - Adults	Open Advertisement	Hartlepool Citizens Advice Bureau, Hartlepool Mendez Weiss & Co, London West View Advice & Resource Centre, Hartlepool	90% Quality 10% Social Value	West View Advice & Resource Centre, Hartlepool	West View Advice & Resource Centre, Hartlepool

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10/3/2025	Project Management & Cost Consultancy – Tides of Change – DN748840	Hartlepool Borough Council is seeking experienced Project Management and Cost Consultancy services for the Tides of Change project. Tides of Change is made possible with The National Lottery Heritage Fund. spaces.	Contract to commence March 2025	Adults & Community Based Services	Open Advertisement	Arteilia Projects UK Ltd, London Atkins Realis PPS Limited, London Box3 Limited, London Edge Property Solutions, Nottingham PMPS Consulting Limited, Middlesex Thornton Firkin & Partners, Newcastle TSA Riley, London	20% Quality 70% Price 10% Social Value	Thronton Firkin, Newcastle	N/A
10/3/2025	Visual Impairment Support Service – DN757268	Support Service for the visually impaired	1.4.2025 – 31.3.2028 (2 Year extension)	Children & Joint Commissioning Services - Adults	Open Advertisement	E2E Homecare Limited, Gateshead Hartlepool Blind Welfare Association, Hartlepool	90% Quality 10% Social Value	Hartlepool Blind Welfare Association, Hartlepool	Hartlepool Blind Welfare Association, Hartlepool
24/3/2025	Support Service for people who are deaf, hard of hearing or have hearing loss in	Support Service for people who are deaf, hard of hearing or have hearing loss in Hartlepool	1.4.2025 – 31.3.2028 (1 year extension)	Children & Joint Commissioning Services - Adults	Open Advertisement	Action Deafness, Leicester Hartlepool Deaf Centre, Hartlepool NRASS (National Regional Association for Sensory Support), Birtley	90% Quality 10% Social Value	Action Deafness, Leicester	N/A

Date of Contract Award	Contract Name and Reference Number	Description of Goods / Services being procured	Duration of Contract (optional extensions in brackets)	Department / Service area procuring the goods / services	Details of Companies invited including location	Details of Bids received	Basis of award decision if not lowest/highest price payable / receivable (Social Value Element)	Outcome of contract letting procedures (Named sub-Contractors and location)	Previous Provider / Location
	Hartlepool – DN757249					Topp Language Solutions, Leeds			
26/3/2025	The Provision of Extra Care Services – DN 759026	Hartfield's Extra Care Housing Scheme was developed in partnership with Hartlepool Borough Council and offers 242 units of extra care accommodation. The scheme is mixed tenure meaning some properties are social rent, some are outright purchase and other are part purchase. The Agreement for the provision of the services	22.5.2025 – 21.5.2030 (2 Year extension)	Children & Joint Commissioning Services – Adults	Open Advertisement	Axis Recruitment Limited, Nottingham BES Care Limited, Nottingham Divine Care & Services Limited, London Future Care Services 2010, Essex Helto Support, Lancashire Henderson Healthcare, Kent Lotus Home Care, Wakefield Nightingales Community Care Limited, Stockton Partners 4 Care, Stockton Passion for Care for all Limited, Stafford Patience Healthcare (Aapna Limited), Middlesbrough	50% Quality 40% Price 10% Social Value	GP Homecare Limited t/a Raddis Community Care, Staffordshire	Joseph Rowntree Housing Trust, York

Date of Contract Award	Contract Name and Reference Number	Description of Goods / Services being procured	Duration of Contract (optional extensions in brackets)	Department / Service area procuring the goods / services	Details of Companies invited including location	Details of Bids received	Basis of award decision if not lowest/highest price payable / receivable (Social Value Element)	Outcome of contract letting procedures (Named sub-Contractors and location)	Previous Provider / Location
						Premier Care (Midlands) Limited, Coventry Rhesus Care Limited, Birmingham SCM Limited, Oxford Teesside Care Services Limited, Middlesbrough Triple Tee Limited, Birmingham YS Services t/a Embracing Care, Durham **SHORTLISTED TO COMPANIES BELOW:-** Care Outlook Limited, London Dale Care & Services, Durham GP Homecare Limited t/a Raddis Community Care, Staffordshire Kelly Park Limited, Durham			

Date of Contract Award	Contract Name and Reference Number	Description of Goods / Services being procured	Duration of Contract (optional extensions in brackets)	Department / Service area procuring the goods / services	Details of Companies invited including location	Details of Bids received	Basis of award decision if not lowest/highest price payable / receivable (Social Value Element)	Outcome of contract letting procedures (Named sub-Contractors and location)	Previous Provider / Location
15/5/2025	Hartlepool Waterfront Connectivity – Wayfinding – OPEN2025618	The provision of technical and design consultancy support to develop a Wayfinding Strategy and deliver the physical wayfinding signage works, within key areas of Hartlepool.	N/A	Development, Neighbourhoods & Regulatory Services	4 companies invited to tender Alpen Signs Limited, Leicestershire Fitzpatrick Woolmer Design and Publishing Limited, Kent IS Consultancy (UK) Limited, Flint JMF Group, Gateshead	IS Consultancy (UK) Limited, Flint	40% Price 50% Quality 10% Social Value	IS Consultancy (UK) Limited, Flint	N/A
16/7/2025	Hartlepool Waterfront Connectivity – Water Access – OPEN2025619	To provide technical design and installation support to develop a scheme to accommodate direct access from HBC's new Highlight swimming pool complex.	N/A	Development, Neighbourhoods & Regulatory Services	4 companies invited to tender Inland & Coastal Marina Systems Limited, County Durham Intermarine Limited, Hampshire Solent Marine Limited, Hampshire Walcon Marine Limited, Hants	Solent Marine Limited, Hampshire Walcon Marine Limited, Hants	40% Price 50% Quality 10% Social Value	Walcon Marine Limited, Hants	N/A

Date of Contract Award	Contract Name and Reference Number	Description of Goods / Services being procured	Duration of Contract (optional extensions in brackets)	Department / Service area procuring the goods / services	Details of Companies invited including location	Details of Bids received	Basis of award decision if not lowest/highest price payable / receivable (Social Value Element)	Outcome of contract letting procedures (Named sub-Contractors and location)	Previous Provider / Location
21.07.2025	Retrofit Property Services Partner _ Warm Homes Grant – OPEN2025972	Hartlepool Borough Council has been awarded funding from the Department of Energy Security and Net Zero to deliver energy efficiency measures to eligible properties within the Borough from April 2025 to April 2028. This contract would be to fulfil the role of Retrofit Property Services Partner	July 2025 – March 2028	Development, Neighbourhoods & Regulatory Services	3 companies invited to tender; Storm Tempest Limited, Hebburn Retrofit Coordination Services Limited Stockton on Tees Classic Plumbing and Heating, South Shields.	Storm Tempest Limited, Hebburn Retrofit Coordination Services Limited Stockton on Tees, Classic Plumbing and Heating, South Shields.	Price 40% Quality 60% 10% social value	Storm Tempest, Hebburn	N/A
30.6.2025	A689 Queens Meadow Traffic Signals Upgrade – OPEN2025973	A689 Queens Meadow Traffic Signals Upgrade	July – August 2025	Development, Neighbourhoods & Regulatory Services	3 companies invited BEC Northern Limited, Gateshead Esh Construction Limited, Durham Seymours Civil Engineering Contractors Limited, Hartlepool Tangent Construction Limited, Hartlepool	Seymours Civil Engineering Contractors Limited, Hartlepool Tangent Construction Limited, Hartlepool	100% Price	Tangent, Hartlepool	N/A

Date of Contract Award	Contract Name and Reference Number	Description of Goods / Services being procured	Duration of Contract (optional extensions in brackets)	Department / Service area procuring the goods / services	Details of Companies invited including location	Details of Bids received	Basis of award decision if not lowest/highest price payable / receivable (Social Value Element)	Outcome of contract letting procedures (Named sub-Contractors and location)	Previous Provider / Location
18/8/2025	Officer Transportation & Safe-Guarding Travel – OPEN2025958	The provision of officer travel and safe-guarding and transport provisions	1st September 2025 – 31st August 2027	Development Neighbourhoods & Regulatory Services	Open Advertisement	23 Taxis Limited, Hartlepool BLT Contracts Limited, Newcastle	90% Price 10% Social Value	23 Taxis Limited, Hartlepool	23 Taxis Limited, Hartlepool
10/11/2025	RCV – OPEN2909202515409	The provision of 6 Refuse Collection Vehicles	N/A	Development Neighbourhoods & Regulatory Services	24 companies were invited from the HGV Specialist Vehicle & Waste Supplies Framework Lot 1 – NEPO 224	Leo Group Limited, Halifax	50% Price 50% Quality	Leo Group Limited, Halifax	N/A

Procurements Exempted from Council Contract Procedure Rules

(Provides details of the required information in relation to Contract Procedure Rules exemptions granted since the last Corporate Procurement Report on Contracts. Exemption request forms have been amended to detail reasons why Hartlepool based firms have not been selected and this information is now being collated)

Dept.	Service Unit	Company Name	Company based at	Duration	Description	Approval
Children & Joint Commissioning	Adults Services	Advice @ Hart	Hartlepool	One Off Payment	The means test for the Winter Fuel Payment will be based on whether the applicant is eligible for Pension Credit or not during the week of 16 – 22 September 2024. The last possible date to make a successful backdated claim for Pension Credit to receive a Winter Fuel Payment is 21 December 2024. To support older people to assess their eligibility and to make claims within a strict timescale the Council proposes to contract with three local charities to provide benefits maximisation assistance	Request Approved by James Magog, Hayley Martin and Jill Harrison - 4.10.2024
Children & Joint Commissioning	Adults Services	Citizens Advice Bureau	Hartlepool	One Off Payment	The means test for the Winter Fuel Payment will be based on whether the applicant is eligible for Pension Credit or not during the week of 16 – 22 September 2024. The last possible date to make a successful backdated claim for Pension Credit to receive a Winter Fuel Payment is 21 December 2024. To support older people to assess their eligibility and to make claims within a strict timescale the Council proposes to contract with three local charities to provide benefits maximisation assistance	Request Approved by James Magog, Hayley Martin and Jill Harrison - 4.10.2024
Children & Joint Commissioning	Adults Services	West View Resource Centre	Hartlepool	One Off Payment	The means test for the Winter Fuel Payment will be based on whether the applicant is eligible for Pension Credit or not during the week of 16 – 22 September 2024. The last possible date to make a successful backdated claim for Pension Credit to receive a Winter Fuel Payment is 21 December 2024. To support older people to assess their eligibility and to make claims within a strict timescale the Council proposes to contract with three local charities to provide benefits maximisation assistance	Request Approved by James Magog, Hayley Martin and Jill Harrison - 4.10.2024

Dept.	Service Unit	Company Name	Company based at	Duration	Description	Approval
Development, Neighbourhoods & Regulatory Services	Consultancy Services	Reinforced Earth Company	Telford	One-Off Payment	Reinforced Earth Company (RECO) provide the design requirements for the embankments and the underpasses required for the completion of Elwick Road Scheme as well as supplying the materials to complete the works. Other companies supply individual elements but not the complete package. The Council has previously worked with RECO on two other schemes and has confidence in them in delivering the designs etc competitively and efficiently.	Request Approved by James Magog, Hayley Martin and Tony Hanson – 31.10.2024
Adult & Community Based Services	Community Based Services	Reaction Fireworks	Durham	One-Off Payment	The provision of a specialist firework company for the November 2024 event.	Request Approved by James Magog, Hayley Martin and Jill Harrison – 8.11.2024
Development, Neighbourhoods & Regulatory Services	Fleet Services	P D Agricultural & Plant Engineering Limited	Sadberge	One-Off Payment	Purchase of a JCB 3CX Compact with 3 Digging Buckets (purchase of demonstration vehicle)	Request Approved by James Magog, Hayley Martin and Tony Hanson – 22.11.2024
Development, Neighbourhoods & Regulatory Services	Fleet Services	Alpha Access Services	Sutton in Ashfield	One-Off Payment	Procurement of a specialist piece of equipment in relation to replacing the following equipment, which has been authorised to be replaced as part of the ‘2024/25 Vehicle and Equipment Approval Report’ Nifty Lift Elevating Work Platform - Tree works.	Request Approved by James Magog, Hayley Martin and Tony Hanson – 22.11.2024
Adult & Community Based Services	Community Based Services	Peart Fencing	Hartlepool	One-Off Payment	Summerhill Country Park, located on the western edge of Hartlepool, spans 110 acres and was created from eight fields previously used for low-grade arable farming. Owned by Hartlepool Borough Council (HBC), the park has become a hub for conservation, heritage, and physical activity. However, as an urban fringe park, it faces several challenges related to anti-social behaviour (ASB), particularly the illegal use of off-road vehicles. Given Pearts Fencing’s specialised expertise, track record in delivering similar projects, and their understanding of both local needs and technical requirements, it is our recommendation that they be exempted from the standard procurement process	Request Approved by James Magog, Tony Hanson and Hayley Martin - 4.12.2024
Development, Neighbourhoods	Consultancy Services	Graitec Autodesk	Southampton	5.2.2025 – 4.2.2028	This relates to the procurement of the Council wide subscription which includes Building Design & Construction, Engineering	Request Approved by James Magog, Hayley Martin and

Dept.	Service Unit	Company Name	Company based at	Duration	Description	Approval
& Regulatory Services					Design & Management, Traffic & Transport, Housing Services and Estates. This is a substantial saving on previous years costs. Previously, we paid £33,000 for one year's subscription. This year we are paying £66,334.80 for 3 years. I therefore request an exemption to extend our subscription with our current supplier for a further 3 years.	Tony Hanson – 20.12.2024
Adults & Community Based Services	Community Based Services	Belong – Social Cohesion and Integration Network	Manchester	13.1.2025 – 31.5.2025	Belong are a leading organisation national in relation to community cohesion, acting as a think tank organisation to Central Government and working across the country with local authorities they have a track record of delivering positive engagement and outcomes in relation to community tensions and building cohesion. The funding to do this work is time sensitive and Belong can mobilise resources to support this work to begin imminently, this will ensure no risk to the grant funding being given.	Request Approved by James Magog, Hayley Martin and Jill Harrison – 21.1.2025
Finance, IT & Digital	Finance	Lyon Local Government	Nottinghampshire	1.2.2025 – 30.9.2025	The council is looking to procure a company to review our current fees and charges, to determine opportunities for increased income generation. More critically we are looking for support in developing a consistent charging methodology to apply across the organisation. Lyon Local Gov are a company that has, in conjunction with Commercial Gov, supported over 90 councils in such an exercise. They come with strong (and trusted) references, especially around their approach and engagement which will be critical to the success of the project.	Request Approved by James Magog, Hayley Martin and Denise McGuckin – 27.1.2025
Development, Neighbourhoods & Regulatory Services	Fleet Services	Thomas Sherrif & Co	Northumberland	One Off Payment	Purchase of five grass cutters (Dennis FT510) for bowling green maintenance, to replace existing mowers, which are beyond financially viable repair	Request Approved by James Magog, Hayley Martin and Tony Hanson – 13.2.2025
Development, Neighbourhoods & Regulatory Services	Consultancy Services	Pool Pod Products Limited	Glasgow	One Off Payment	HBC has a requirement to procure a pool hoist, a device used to assist people with mobility issues enter and exit a swimming pool, as part of the development of Highlight Active Wellbeing Hub.	Request Approved by James Magog, Hayley Martin and Jill Harrison – 20.2.2025

Dept.	Service Unit	Company Name	Company based at	Duration	Description	Approval
Children & Joint Commissioning	Public Health	Panoramic Associates	Bristol	One Off Payment	The provision of Public Health Consultant to carry out a one-off piece of work.	Request Approved by James Magog, Hayley Martin and Sally Robinson – 4.3.2025
Development, Neighbourhoods & Regulatory Services	Building Consultancy & Design	Polar NE	Middlesbrough	One Off Payment	This project is the second phase of a 2-phase project to renew the windows/curtain walling in the main hall at Rift House Primary School. Phase 1 was completed by the same supplier, therefore, to maintain consistency, the same company was approached to undertake the work.	Request Approved by James Magog, Hayley Martin and Tony Hanson – 4.3.2025
Development, Neighbourhoods & Regulatory Services	Traffic & Highways	Confirm Solutions	Kent	1.5.2025 – 30.4.2026	CONFIRM is one of a very small number of solutions which provide full asset management capabilities for use by local authorities and utility companies. Allows management of street work permits from a utility works perspective and provides seamless integration from highway inspection through to internal permit creation. Hartlepool has employed CONFIRM as its tool for 20 years and is firmly embedded in Highway procedures.	Request Approved by James Magog, Hayley Martin and Tony Hanson – 16.4.2025
Children & Joint Commissioning	Public Health	Harbour	Hartlepool	1.4.2025 – 31.3.2026	Provision of Complex Needs refuge support services. It was recognised on 26th July 2024 that there was a need for intensive support for a complex needs refuge. As a result, a contract amendment was completed and an Agreement put in place with Harbour and Hartlepool Borough Council to pay Harbour £20,000 per year to ensure that intensive support will be provided in the complex needs refuge	Request Approved by James Magog, Hayley Martin and Sally Robinson – 12.5.2025
Development, Neighbourhoods & Regulatory Services	Fleet Services	PD Agricultural	Darlington	One-Off Payment	The procurement of a tandem roller. Since 2024 HBC's own roller which was originally purchased in 2015 has been off the road due to repairs required. Following discussion with workshop mechanics it was deemed not cost effective to repair given its age and the nature of the repairs required.	Request Approved by James Magog, Hayley Martin and Tony Hanson – 9.7.2025
Development, Neighbourhoods & Regulatory Services	Fleet Services	PD Agricultural	Darlington	One-Off Payment	The procurement of a JCB C16 Compact Excavator 2022. This machine has been on long-term hire to the Council and is now available to purchase at a discounted price.	Request Approved by James Magog, Hayley Martin and

Dept.	Service Unit	Company Name	Company based at	Duration	Description	Approval
						Tony Hanson – 4.7.2025
Children & Joint Commissioning	Public Health	Specialist Pharmaceutical Support	Northallerton	1.4.2025 – 31.3.2027	Public Health is required to have specialist pharmacy provision in place to support with information, advice and guidance regarding pharmaceutical and clinical guidance for clinical aspects of contracts for Children's & Adults Joint Commissioning Services. A specialist pharmacist is required to provide these services.	Request Approved by James Magog, Sally Robinson and Hayley Martin - 4.3.2025
Development, Neighbourhoods & Regulatory Services	Fleet Services	Leeds Commercial Van Hire	Leeds	One off payment	Fleet Services currently have a 12 year old crane wagon that HBC Street Lighting team operate. This was purchased in 2018 from Leeds Commercial Vehicle hire and was an ex-hire vehicle at the time. This vehicle was then approved to be replaced as part of HBC Vehicle procurement program for 2024/25. Following recent discussions with the Street Lighting team leader following a number of maintenance issues he has asked me to go ahead and pursue a replacement vehicle. After some research a 20 plate crane wagon was identified as a potential purchase	Request Approved by James Magog, Kieran Bostock and Hayley Martin – 2.9.2025
Adult & Community Based Services	Active & Creative Hartlepool	Reaction Fireworks	Durham	One Off Payment	The provision of a specialist firework company for the November 2025 event.	Request Approved by James Magog, Gemma Ptak andd Hayley Martin – 7.10.2025
Childrens & Commissioning Services	Childrens Commissionin g	Trauma Informed Schools UK CIC	London	One Off Procurement	Bespoke training for teaching staff: Level 5 Diploma in Trauma and Mental Health Informed School and Communities training. Senior Leadership training (2 day course)	Request approved by James Magog, Hayley Martin, James Macilwraith – 8.10.2025
Legal Governance & HR Services	Legal	Vivid Government (Part of Vivid Resourcing)	London	One Off Procurement	An interim legal provision in discharge the Authority's legal childcare function	Request approved by Denise McGuckin, James Magog, Hayley Martin – 10.10.2025
Children & Commissioning Services	Childrens Commissionin g	National Youth Agency	Leicester	One Off Procurement	The Local Youth Transformation Pilot review identified 9 key areas for development across Hartlepool Youth Services that could be funded by the pilot in line with the grant conditions.	Request approved by James Magog, Hayley Martin,

Dept.	Service Unit	Company Name	Company based at	Duration	Description	Approval
					The need for 5-year strategy, curriculum, QA framework and training for staff across Hartlepool in all sectors was highlighted. The fund has an extremely tight turnaround, and work is expected immediately with all monies needing to be spent by August 31st, 2026. As part of the funding plan, we had already approached the National Youth Agency for costings and to see if they are able to meet the time frame of the fund and deliver the reviews objectives, to which they can.	James Macilwraith – 13.10.2025
Childrens & Commissioning Services	Childrens Commissioing	Psych-Logical Ltd	Skelton	One Off Procurement	The Local Youth Transformation Pilot review identified 9 key areas for development across Hartlepool Youth Services that could be funded by the pilot in line with the grant conditions. Safeguarding in youth work was an area that came up as a need locally.	Request approved by James Magog, Hayley Martin, James Macilwraith – 14.10.2025
Childrens & Commissioning Services	Childrens Commissionin g	Youth Focus North East	Gateshead	One Off Procurement	The Local Youth Transformation Pilot review identified 9 key areas for development across Hartlepool young people's services that could be funded by the pilot in line with the grant conditions. Youth Focus North East (YFNE – regional youth work unit) along with NE Youth (NEY) created the North East Youth Alliance (NEYA) with the aim of supporting the development and sustainability of the people and organisations working to improve the lives of young people across the region. The alliance has led to the creation of many local youth partnerships across the region. Depending on the geographical area of the region direct support is either offered by YFNE or NEY in the development of the local youth partnerships. For Hartlepool, it is YFNE	Request approved by James Magog, Hayley Martin, James Macilwraith – 14.10.2025
Adult & Community Based Services	Community Based Services	Oxford Archaeology Limited	Oxford	One Off Procurement	The specialist services to provide Conservation Management Plan and Conservation Support – Archaeology and industrial collections specialist were tendered and received no bids, therefore, an exemption to direct award was requested.	Request approved by James Magog, Hayley Martin and Gemma Ptak - 21.10.25
Adult & Community Based Services	Community Based Services	Spencer & Fry Limited	St Albans	One Off Procurement	These specialist services were recently tendered via an open process in line with Procurement regulations and funder requirements. No tenders were received.	Request approved by James Magog, Hayley Martin,

Dept.	Service Unit	Company Name	Company based at	Duration	Description	Approval
					Procurement and the funder have agreed to a direct award via an exemption of a suitable supplier. Preparation of a Conservation Management Plan and decant support as required for the Tides of Change project. Conservators will coordinate and prepare a collections wide conservation management plan and support planning for the decant of the Museum of Hartlepool	Gemma Ptak – 27.10.2025
Childrens & Commissiong Services	Childrens Commissioning	Independent Provider of Special Education Advice (IPSEA)	Bishop Auckland	8.1.2026 - 3.2.2026	Hartlepool Borough Council has been allocated funding from the Department for Education's SEND and AP Change Programme which aims to improve outcomes and experiences for children and young people with SEND or in AP and their families. The funding is time limited and must be spent by 31/3/2026. We would like to use some of the funding for professionals working in HBC's SEND and Inclusion teams to access bespoke training relating to SEND Law. The training is provided by IPSEA, who are the leading charity in the field of SEND law in England, and provide training on the SEND legal framework.	Request approved by James Magog, Hayley Martin, Alison Sutherland

Procurements Exempted from Council Contract Procedure Rules - Extensions

Dept.	Service Unit	Company Name	Company based at	Duration	Description	Approval
Children & Joint Commissioning	Adults Commissioning	Home Group	Stockton-on-Tees	6.4.2025 – 5.4.2026	An extension to the contract for the Support Service for Provision of Supported Accommodation for Individuals who are Homeless or at Risk of Becoming Homeless. This extension to the contract was requested to review the scope of the service and this could lead to a different model of service delivery.	Request Approved by James Magog, Jill Harrison and Hayley Martin - 30.1.2025
Children & Joint Commissioning	Adults Commissioning	Home Group	Stockton-on-Tees	6.4.2025 – 5.4.2026	An extension to the contract for Supported Accommodation and Floating Support Service for Individuals Who Are Homeless or at Risk of Becoming Homeless. This extension to the contract was requested to review the scope of the service and this could lead to a different model of service delivery.	Request Approved by James Magog, Jill Harrison and Hayley Martin - 30.1.2025
Children & Joint Commissioning	Childrens Commissioning	National Childbirth Trust	London	1.4.2025 – 31.3.2026	An extension to the contract for perinatal mental health and parent infant relationship support service in Hartlepool. The current contract is due to end on 31st March 2025 as this aligned with the original Family Hubs funding term. Towards the end of 2024 the government announced Family Hubs funding was being extended until March 2026. However, HBC's funding allocation was not confirmed until late December 2024 which doesn't allow sufficient time to conduct a full procurement exercise to re-tender this service. Extending the existing contract for a further 12 months, until 31st March 2026 as this will ensure continuity/consistency for those families who are already accessing the service	Request Approved by James Magog, Jill Harrison and Hayley Martin - 13.2.2025
Children & Joint Commissioning	Childrens Commissioning	National Childbirth Trust	London	1.4.2025 – 31.3.2026	An extension to the contract for infant feeding peer support service for local families. Towards the end of 2024 the government announced Family Hubs funding was being extended until March 2026. However, HBC's funding allocation was not confirmed until late December 2024, which did not give sufficient time to conduct a full procurement exercise to re-tender this service. Extending the existing contract for a further 12 months, until 31st March 2026 as this will ensure continuity of service for those families who are already accessing the service thus helping to improve Hartlepool's breastfeeding rates.	Request Approved by James Magog, Jill Harrison and Hayley Martin -13.2. 2025

Dept.	Service Unit	Company Name	Company based at	Duration	Description	Approval
Children & Joint Commissioning	Childrens Commissioning	Hartlepool Carers	Hartlepool	1.4.2025 – 31.3.2026	An extension was required to extend the contract for the service which provides family hubs and the establishment of Parent/Carer Panels due to receipt of additional funding.	Request Approved by James Magog, Sally Robinson and Hayley Martin - 1.4.2025
Children & Joint Commissioning	Childrens Commissioning	Changing Futures North East	Hartlepool	2.4.2025 – 31.3.2026	In 2024 HBC secured grant funding from the DfE towards a Befriending / Mentoring Programme for Care Leavers. The funding was initially available until 31/3/2025. However, DfE have recently (on 3/4/2025) confirmed funding is available to extend the service for a further 12 months, until 31/3/2026.	Request Approved by James Magog, Hayley Martin and Sally Robinson – 9.4.2025
Children & Joint Commissioning	Childrens Commissioning	Changing Futures North East	Hartlepool	2.4.2025 – 31.3.2026	In 2024 HBC secured grant funding from the DfE towards a Befriending / Mentoring Programme for Care Leavers. The funding was initially available until 31/3/2025. However, DfE have recently (on 3/4/2025) confirmed funding is available to extend the service for a further 12 months, until 31/3/2026.	Request Approved by James Magog, Sally Robinson and Hayley Martin – 9.4.2025
Children Services & Joint Commissioning	Children’s Commissioning	Changing Futures	Hartlepool	2.4.2025 – 31.3.2026	The provision of a pilot for a Famiily Group Conference Service.The funding was extended in 2024, and we have recently (April 2025) received confirmation from DfE that funding has been agreed for a further 12 months thus enabling the pilot to continue for a third year. We therefore need to passport the funding as a direct award. The increase in funding is to cover a third FGC Co-ordinator post.	Request Approved by James Magog, John Macilwrath and Hayley Martin – 16.6.2025
Childrens & Joint Commissioning	Childrens Commissioning	University Hospitals Birmingham NHS Foundation Trust	Birmingham	1.10.2025 – 30.9.2026	Hartlepool has been successful in gaining an extension to the Family Hubs funding (DfE). The programme has a number of strands with one of them being parenting support, DfE will only passport the funding if specific programmes are used. Health visitors have previously been trained in this approach and therefore this approach is felt to be the most appropriate to improve outcomes for our children.	Request approved by James Magog, Rebecca Stephenson, Hayley Martin – 1.9.2025
Childrens & Joint Commissioning	Childrens Commissioning	Lynnfield Primary school - The Federation of Golden Flatts & Lynnfield Primary School (part of Lingfield	Hartlepool	1.9.2025 – 31.8.2027	Hartlepool Council have worked with Lynnfield over the past 2 years with Lynnfield operating a specialist educational support hub in order to ensure that new international arrivals have been supported. Hartlepool Virtual School will retain oversight of the programme and will have clear and open communications with the provider in relation to expectations together with any adaptations required for support over the duration of this proposed	Requests approved by James Magog, Hayley Martin, Amanda Whitehead – 4.12.2025

Dept.	Service Unit	Company Name	Company based at	Duration	Description	Approval
		Education Trust)			agreement. In essence, the funding will primarily cover staff costs	

Hartlepool Borough Council

FINANCE AND CORPORATE AFFAIRS COMMITTEE

10th FEBRUARY 2026

Report of: Chief Executive

Subject: COUNCIL PLAN PROGRESS REPORT

Decision Type: For information

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1. Council Plan Priority

Hartlepool will be a place:
- where people live healthier, safe and independent lives. (People)
- that is connected, sustainable, clean and green. (Place)
- that is welcoming with an inclusive and growing economy providing opportunities for all. (Potential)
- with a Council that is ambitious, fit for purpose and reflects the diversity of its community. (Organisation)

2. Purpose of Report

2.1 To provide an update to Finance and Corporate Affairs Committee on the progress made on the delivery of the Council Plan 2030 for Place priority. The report also provides the latest Strategic Risk Register (SRR) for information.

3. Background

3.1 The Council Plan 2030 was agreed by Finance and Policy Committee on 7th April 2025 and outlines the Council's priorities for the next 5 years, up to 2030, for each of the four agreed strategic priorities.

3.2 Within the Council Plan it was identified that Finance and Corporate Affairs Committee would receive a quarterly update on the Council Plan with each report focusing on one area of priority. The report that the Committee considered in November 2025, covered the first quarterly updates for the Potential and Organisation priorities.

4. Progress Update - Place

4.1 The latest progress update for the Place priority is included as **Appendix 1.**

5. Strategic Risk Register Update

5.1 The Strategic Risk Register (SRR) sets out the key strategic risks that the Council faces and sits alongside the Council Plan to form part of the Performance Assurance Framework of the Council. The SRR has been fundamentally reviewed by the Executive Leadership Team and a new SRR is included as **Appendix 2.**

6. Other Considerations/Implications

RISK IMPLICATIONS	An updated Risk Management Framework was agreed in October 2024 and this ensures that appropriate arrangements are in place for the management of the Council's key strategic risks. Embedding the identification and management of risk supports the achievement of our Council Plan and provides assurance to elected members that these risks are being appropriately managed. The Strategic Risk Register (SRR) forms part of the Performance Assurance Framework for the Council. The SRR is monitored regularly to enable early identification and reporting to Members of any emerging risks which might prevent delivery of the strategic priorities identified in the Council Plan. The Strategic Risk Register has been fundamentally reviewed by the Executive Leadership Team and a

	new SRR is included as **Appendix 2** for Committee to note.
FINANCIAL CONSIDERATIONS	The Council Plan is prepared alongside the Medium-Term Financial Strategy and the 5-year Capital Plan as three parts of a single plan to ensure the links between the three are strengthened. In addition, effective risk management arrangements should help improve the use of valuable and limited financial resources.
SUBSIDY CONTROL	No implications.
LEGAL CONSIDERATIONS	Whilst there are no legal requirements to have a Council Plan it is good practice to have one in place.
SINGLE IMPACT ASSESSMENT	No implications.
STAFF CONSIDERATIONS	No implications.
ASSET MANAGEMENT CONSIDERATIONS	No implications.
ENVIRONMENT, SUSTAINABILITY AND CLIMATE CHANGE CONSIDERATIONS	No implications.
CONSULTATION	The Council Plan 2030 was informed by the Big Conversation, an extensive, 12-week consultation and engagement exercise between November 2023 and February 2024. This consultation included Elected Members through a dedicated Members Seminar in January 2024.

7. Recommendations

7.1 Finance and Corporate Affairs Committee are requested to note the progress made on the Council Plan 2030 as set out in **Appendix 1** and the new Strategic Risk Register for the Council as set out in **Appendix 2.**

8. Reasons for Recommendations

8.1 Finance and Corporate Affairs Committee have overall responsibility for Performance and Risk Management and are the responsible Committee for a number of service areas contained within the Council Plan.

9. Background Papers

8.1 Council Plan 2030 - report to Finance and Policy Committee on 7th April 2025

Council Plan Progress Report – report to Finance and Policy Committee 24th November 2025

10. Contact Officers

Denise McGuckin

Chief Executive

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01429 523001

Sign Off:-

Chief Executive	Date: 28/01/26
Director of Finance, IT and Digital	Date: 28/01/26
Director of Legal, Governance and HR	Date: 28/01/26

Appendix 1

Hartlepool Borough Council

Council Plan 2030

Hartlepool will be a place that is connected, sustainable, clean and green. (PLACE)

Progress Report 2025/26

Our priorities are...	Progress update
Meeting local need, reducing homelessness and improving the supply of good quality housing through the delivery of the Housing and Homelessness Strategy.	During 2023/24 there was a net total housing delivery of 585 dwellings (579 new builds and 6 change of use). The majority of house completions were mainly from existing large sites such as Wynyard, Upper Warren, Marine Point, Antler Park in Seaton and Quarry Farm 2. Between 01/11/24 and 30/11/2025 there have been 391 completions of new housing, of which 105 were completions of affordable properties using Section 106 funding. • 56 Affordable Rent • 8 Social Rent • 1 Discount Market Value • 11 Intermediate Rent • 29 Shared Ownership We continue to work well with developers and Registered Providers (RPs) and have also been successful in RPs buying properties for rent direct from developers at Marine Point, Antler Park and Hartside View. RPs continue to work with us and are looking at sites in Hartlepool for rented housing. Opportunities and discussions about land are ongoing. Some RPs and the Council are providing flooring in their empty homes which links to reducing poverty and making homes more sustainable for applicants with priority on the housing register. A review of the Allocation Policy linked to making the best use of stock took place in 2024 and this will be reviewed again in 2026 to ensure the policy continues to meet local need and changes in demand. The Housing Strategy and Homelessness Strategies will also be updated in 2026 and we continue to work in partnership with key stakeholders on a quarterly basis to identify issues, monitor trends and ensure the delivery of our services in meeting our objectives.

Our priorities are...	Progress update
Tackling empty commercial and residential properties and combating tenants causing anti-social behaviour, and landlords who allow it.	The multi-agency derelict land & buildings group meets regularly and works collectively to bring derelict buildings back into use, taking action to ensure that work is carried out when they are in a dangerous condition, are detrimental to the amenities of the area or require other remedial works by working with owner and developers, taking formal action as required. In relation to empty domestic premises work primarily centres around complaints due to limited resources. We engage with owners of long term empty properties as resources allow. Complaints regarding the condition of empty properties are investigated and action taken as required. We are exploring schemes which may assist in bringing empty properties back into use however additional resources will be required to progress this both financial and staff. In relation to ASB. All ASB complaints are investigated no matter the tenure of the property and action is taken as appropriate where evidence is present to identify the perpetrator. As necessary landlords are contacted regarding complaints received regarding their tenants.
Increasing the number of houses owned by the Council and the range of social housing options available to those residents who need homes for social rent.	Strategic Assets are supporting the Housing Strategy and specifically the viable long term expansion as well as financial resilience of the HRA. Existing low demand stock is being balanced with new build stock developed by HBC itself, in joint venture with partners and through strategic acquisitions such as 9 houses on the SW Extension at Greatham which were agreed by Full Council on the 11th December 2025. Construction of these will start in early 2026. The housing mix includes four 2-bedroom properties and five 3-bedroom family homes. New build schemes by HBC are being designed around the borough and made ready for planning applications in 2026. We are also supporting the Capital Strategy in the generation of significant capital receipts both from the sale of existing surplus assets at Coronation Drive, Hart and Golden Flatts.

Our priorities are...	Progress update
	Strategically re-allocating in planning terms and re-purposing existing council landed assets to create value on disposal. On the Transformation Principles we are continuing in the efficient use of property assets as per the Strategic Assets Plan-reducing operating costs and as above producing capital receipts. Strategic Assets also contribute to the Town Centre Masterplan/LUF/Production Village etc in the ongoing acquisition/disposal work it does and advises on. In support of the Elwick By Pass CPO, Strategic Assets are making progress in detailed and often protracted negotiations with landowners ahead of the Order being made.
Delivering the Town Deal Programme including the Wesley Chapel and reimagining Middleton Grange Phase 1.	Two Town Deal funded projects complete and operational; Health and Social Care Skills Academy and Civil Engineering Skills Academy (2 sites) The Wesley Chapel restoration progresses well and due for completion in Q4 of 2025/26. Interior fit out progressing, lifts and sub-station housing installed, commercial kitchen and decorating underway, bathrooms now tiled. Reimagining Middleton Grange will progress in Q4 of 2025/26 with grant agreement and contract in development with HDC. Concept Design complete.

Our priorities are…	Progress update
Transforming the Museum of Hartlepool and Wingfield Castle into vibrant, welcoming spaces telling the story of Hartlepool.	The Museum of Hartlepool's Museum Plaza continues to refine the final design embedding the findings from Pride in Place and Strategic Micro-Masterplan consultation into the facilities proposed. Officers continue to work on the National Lottery Heritage Fund development stage phase of the museum work. These past months have focussed on refining the design proposals and developing an interpretation strategy to reflect the opportunities the new spaces provide. This work has been guided by a number of public events including a South Asian Heritage Festival event with the NMRN and hosting the Zawisza Czarny choir from Poland as part of commemorations for Captain Mamert Stankiewicz who died off the coast of Hartlepool in WW2. This work has fed into the overall proposals and an activity plan which will be delivered should the funding bid be successful. A key element of the bid is a proposed maritime academy. An options appraisal has been developed based on research and pilot activities to assess public interest. The next stage of the works will be a mid-term review with the NLHF to present progress on the works so far and again feedback in readiness for the stage two submission. Initial works to stabilise the Wingfield Castle have been completed. Proposed options are now being investigated to consider the most appropriate way to carry out the second phase of repair works.
Developing Hartlepool Waterfront into a visitor destination providing leisure, culture and heritage opportunities with improved access from the town centre, along Church Street and into the Marina.	Waterfront Connectivity phases developed, Wayfinding Strategy now drafted, and phases of public realm / footway / cycleway and wayfinding due for delivery in 2026. The Museum of Hartlepool embarked on a collaboration project with community interest group, Play Out Hartlepool, who facilitate play, connect communities to their local green spaces and raise awareness about the power of play for children's development. Play Out Hartlepool Team delivered nine free sessions aimed at low-income families with younger children. Play Out Hartlepool set up multiple play activities outside on the quayside next to P.S.S Wingfield Castle and the learning classroom was used for the craft activity. The sessions were nature themed, linking a collection item as inspiration for art/craft and play.

Our priorities are…	Progress update
	The Strategic Micro-Masterplan continues to develop, identifying the priority interventions (animation, connectivity and redeveloping the heritage attraction offers) to implement a phased approach to making transformational change. Almost 500 people have responded to the Masterplan survey on Yoursay.
Displaying our artistic treasures for the people of Hartlepool.	This year there have been a series of exhibitions in the art gallery which have covered Hartlepool's Maritime Heritage, a mural festival which included works inspired by the collection and the Northern Festival of Illustration showcasing both local, national and international artists. Whilst the gallery displays have rotated over the year, the museum continues to have a permanent exhibition showcasing the best of our collection. Hartlepool Art Gallery received funding from Art Fund's Reimagine Grant to collaborate with Andy's Man Club to embark on a project exploring the works of artist John McCracken. The project has included the creation of a booklet titled 'What's On Your Mind, Mate?' which introduces the work of John McCracken while also exploring the connection between art and mental health. Most recently, the partnership has created two pop up exhibitions – one on the Headland promenade, where the artist lived, and another in a vacant shop unit within Middleton Grange Shopping Centre taking our works out of the gallery to the community.
Creating a new waste transfer station within the Borough providing a more efficient approach to waste collection.	Work is ongoing to identify a possible site for a new transfer station in anticipation for the new Tees Valley waste treatment site coming online in 2029.

Our priorities are…	Progress update
Increasing recycling rates through the introduction of food waste collections and education with residents on the benefits of recycling.	Food waste caddies were delivered to properties in the Rossmere trial area in mid-November and weekly collections started on the 25th of November. The scheme has now been expanded to the Fens and Greatham ward. This will help to increase the recycling rate, as well as reducing waste disposal costs. Work with schools already scheduled to get the message across. This will be expanded once the waste management comms officer is appointed in early 2026 to promote and educate on recycling. The waste electricals scheme is ongoing and has diverted a significant number of electrical items from entering the residual waste stream. These items will be recycled. Various comms activities have been held in relation to this and have allowed for promotion of the wider recycling service.
Delivering the A19 / Elwick Road / North Lane Junction and Elwick Road / Hartlepool Western Link Project reducing pressure on our existing A19 junctions and improving access into Hartlepool.	Full Council approved that the following legal orders can be made (11/12/25) • Compulsory Purchase Order (CPO) • Side Roads Orders (SROs) • Slip Roads Order (SLRO) Planning permission was granted in January 2024 and the Section 73 application was granted in January 2026. Now that this latest planning application has been granted the orders will be formally made.
Making improvements to key junctions in the local road network ensuring a more reliable and efficient bus network and better connectivity across the town.	Work ongoing in collaboration with TVCA to develop various junction improvement schemes (Catcote Road / Brierton Lane anticipated to be on site in 2026). A 2nd phase of junction improvements along the A689 corridor is also due to commence in 2027 from City Region Sustainable Transport Scheme 2 funding. Additional junction improvements have also been secured via Section 106 developer contributions.

Our priorities are...	Progress update
Delivering the Net Zero Strategy and reducing carbon emissions by the Council.	New Net Zero and Energy Officer appointed. New energy management software leading to significant cost avoidance and reduced energy being used, £18k saving in first 12 months of operation. Solar PV installation at Tofts Farm depot to be completed by March 2026. Development of pipeline decarbonisation projects in 2026. The Tides of Change project have submitted a £2.4million bid to Arts Council England's MEND Round 5 to support the installation of a water source heat pump for the Museum of Hartlepool – decarbonising the council's local civic museum.
Ensuring our parks and coastline are welcoming, community led and thriving green and blue spaces.	Over the summer Love Parks week was celebrated across Hartlepool with activities and events in the park. These included a brass band concert in Ward Jackson Park which will now be replicated in December with a Christmas concert, and a series of events in the summer of 2026. Activities for young people included games with Hartlepool Sport and 120 people attending an event organised by Play Out Hartlepool. Alongside these a tree walk was held in Burn Valley Gardens and a history walk in Ward Jackson. Both Ward Jackson Park and Summerhill have again achieved Green Flag Awards. Officers have been working with partners on a lottery grant project that will increase tree coverage across Hartlepool. Over the winter months the public will be invited to support tree planting in the town and a tree strategy will be developed to guide planting in future years. Through Pride in Place, we will be replacing and installing new fixed play in parks and open spaces across the town.

Theme	Click the metric below to view the dashboard	Latest period	Latest position	Unit
Place	Rough sleepers: Snapshot	01/03/2025	5	Count
Place	Rough sleeping over the month	01/03/2025	5	Count
Place	Homeless presentations (local)	2025/26 Q3	175	Count
Place	Housing waiting list (local)	06/01/2026	2,527	Count
Place	Build rates (Number of new dwellings as a percentage of total dwellings)	2023/24	1	Percent
Place	Increasing capacity of social housing (Number of additional social rent dwellings provided)	2024/25	14	Count
Place	Number of Properties in the Housing Revenue Account (local)	2024/25	356	Count
Place	Greenhouse gas emissions (local)	2024/25	5,325	Tonnes
Place	Household waste recycling rate	2023/24	28	Percent
Place	Recycling contamination rate	2023/24	6	Percent

Homelessness

Homelessness duty definitions

Households that are threatened with homelessness within 56 days are owed help from the local authority to prevent homelessness and the authority must work to relieve homelessness for those who are actually homeless. Households who are statutorily homeless are owed legal duties that fall into three main categories:

Prevention duties include any activities aimed at preventing a household threatened with homelessness from becoming homeless. This would involve activities to enable an applicant to remain in their current home or find alternative accommodation in order to prevent them from becoming homeless. The duty lasts for 56 days, but may be extended if the local authority is continuing with efforts to prevent homelessness.

Relief duties are owed to households that are already homeless and require help to secure settled accommodation. The duty lasts 56 days, and can only be extended by a local authority if the households would not be owed the main homelessness duty.

Main homelessness duty describes the duty a local authority has towards an applicant who is unintentionally homeless, eligible for assistance and has priority need 2. This definition has not been changed by the 2017 HRA. However, these households are now only owed a main duty if their homelessness has not been successfully prevented or relieved.

Homelessness Presentations (local)

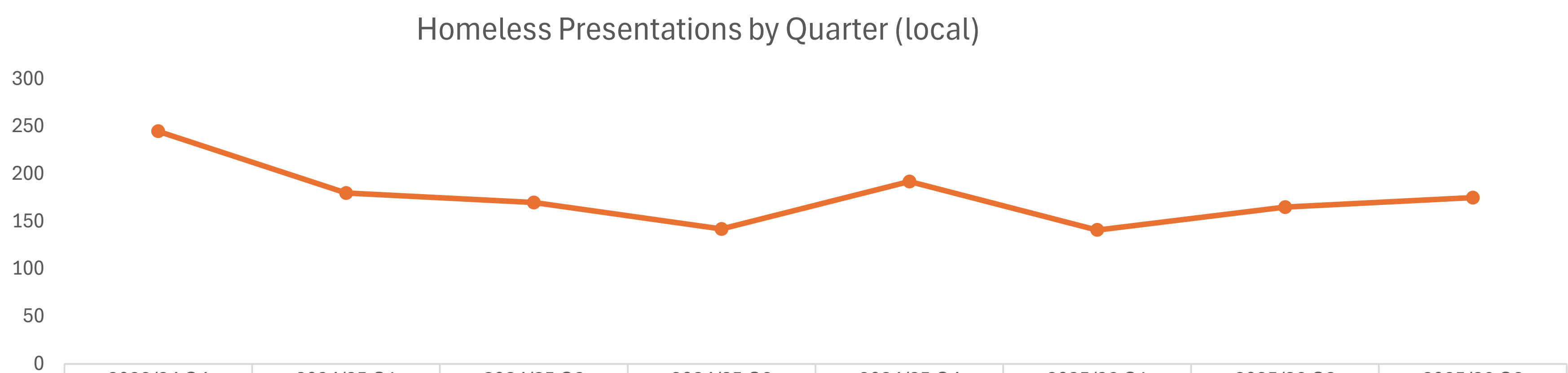
This is the number of households presenting to the Council as being at risk of homelessness or already homeless.

Households assessed and owed a duty

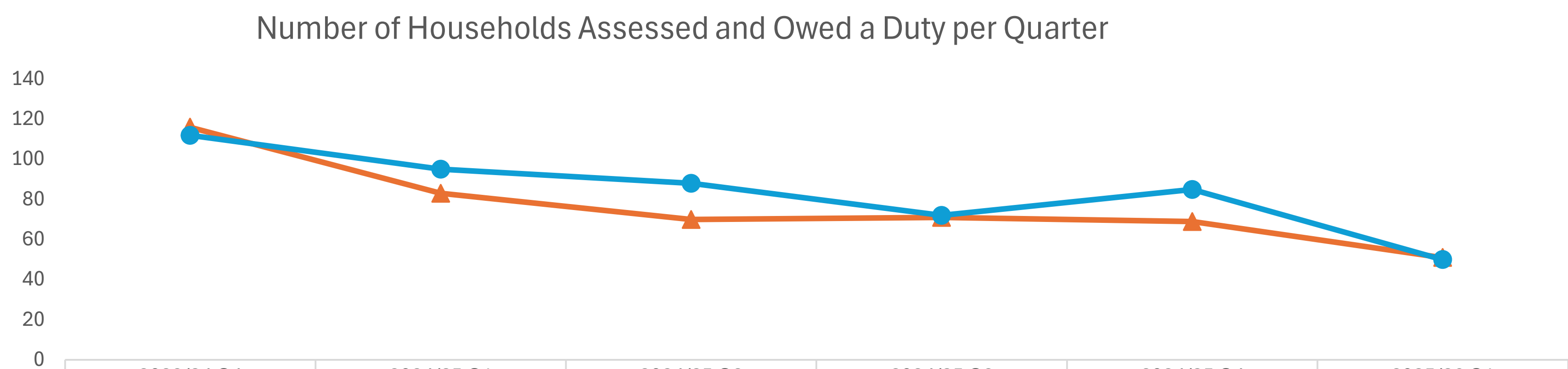
This is the number of households that have undergone initial assessment and where a duty is owed. Data is not available for the period 2020/21 Quarter 4 due to the pandemic. The number of households owed a duty does not sum to the number of presentations because some households that present as homeless are ineligible for assistance under the duties outlined above; on assessment are not homeless and so are not owed a duty; or withdraw their application.

Polarity: Not applicable

Home



	2023/24 Q4	2024/25 Q1	2024/25 Q2	2024/25 Q3	2024/25 Q4	2025/26 Q1	2025/26 Q2	2025/26 Q3
Homeless Presentations	245	180	170	142	192	141	165	175



	2023/24 Q4	2024/25 Q1	2024/25 Q2	2024/25 Q3	2024/25 Q4	2025/26 Q1
Prevention duty owed	116	83	70	71	69	51
Relief duty owed	112	95	88	72	85	50

Contextual Information

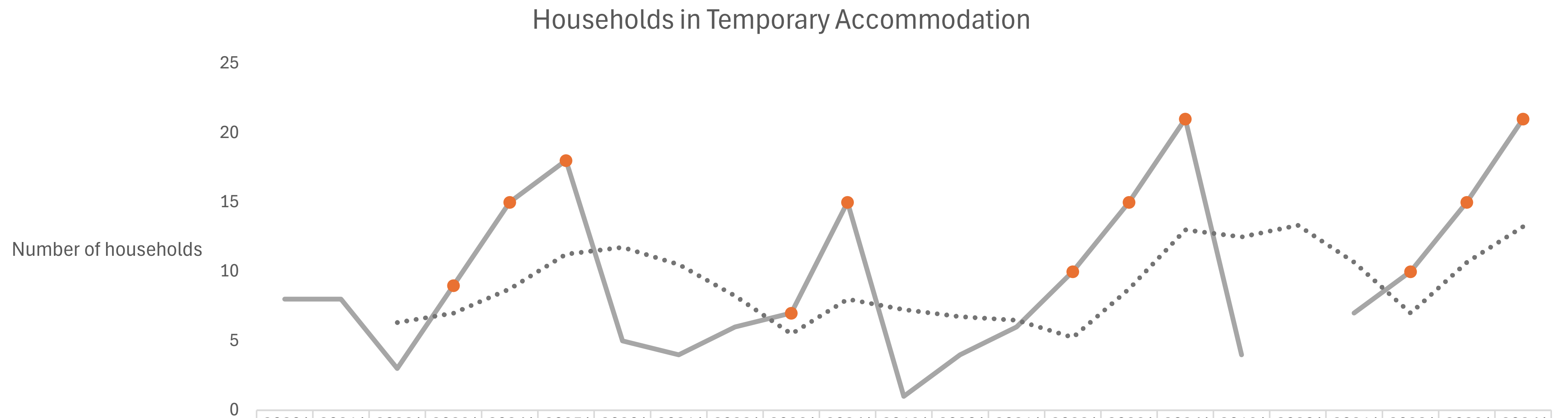
Households in temporary accommodation

This visual shows the number of Hartlepool households in temporary accommodation, highlighting the periods where the number of households in temporary accommodation is above the 3-quarter rolling average. No data was recorded in Q4 2020/21.

Households with children in temporary accommodation

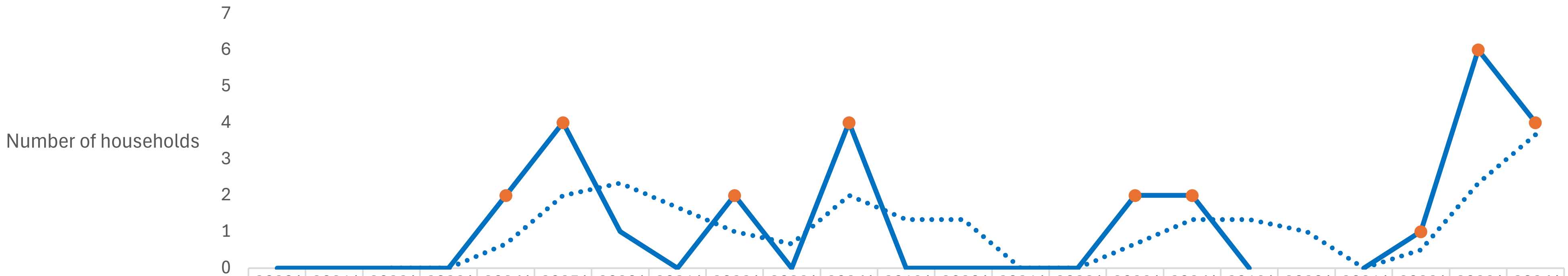
This visual shows the number of Hartlepool households with children in temporary accommodation, highlighting the periods where the number of households in temporary accommodation is above the 3-quarter rolling average. No data was recorded in Q4 2020/21.

Polarity: Low value is good



	2020/ 21 Q1	2021/ 22 Q1	2022/ 23 Q1	2023/ 24 Q1	2024/ 25 Q1	2025/ 26 Q1	2020/ 21 Q2	2021/ 22 Q2	2022/ 23 Q2	2023/ 24 Q2	2024/ 25 Q2	2019/ 20 Q3	2020/ 21 Q3	2021/ 22 Q3	2022/ 23 Q3	2023/ 24 Q3	2024/ 25 Q3	2019/ 20 Q4	2020/ 21 Q4	2021/ 22 Q4	2022/ 23 Q4	2023/ 24 Q4	2024/ 25 Q4
Hartlepool	8	8	3	9	15	18	5	4	6	7	15	1	4	6	10	15	21	4		7	10	15	21
Rolling average			6	7	9	11	12	11	8	6	8	7	7	7	5	9	13	13	13	11	7	11	13
Above rolling average				9	15	18				7	15				10	15	21				10	15	21

Households with Children in Temporary Accommodation



	2020/21 Q1	2021/22 Q1	2022/23 Q1	2023/24 Q1	2024/25 Q1	2025/26 Q1	2020/21 Q2	2021/22 Q2	2022/23 Q2	2023/24 Q2	2024/25 Q2	2019/20 Q3	2020/21 Q3	2021/22 Q3	2022/23 Q3	2023/24 Q3	2024/25 Q3	2019/20 Q4	2020/21 Q4	2021/22 Q4	2022/23 Q4	2023/24 Q4	2024/25 Q4
Hartlepool	0	0	0	0	2	4	1	0	2	0	4	0	0	0	0	2	2	0		0	1	6	4
Rolling average			0	0	1	2	2	2	1	1	2	1	1	0	0	1	1	1	1	0	1	2	4
Above rolling average					2	4			2		4					2	2				1	6	4

Housing Waiting List (local)

The data provides a snapshot of the live housing waiting list in Hartlepool as at the beginning of January each year for the period 2023 to 2026. People on the waiting list are categorised into one of 5 priority bands based on the level and urgency of need. Band 1+ was created in 2025 so there is no data for Band 1+ 2024.

These bands can be summarised as:

Band 1+ - People owed the relief duty and in priority need currently placed in temporary accommodation

Band 1 - People losing their home due to a Council regeneration scheme; people the council has a statutory duty to prioritise e.g. homeless and in priority need, people at risk of domestic abuse, armed forces veterans; people who need to move for emergency medical reasons

Band 2 - People who need to move on urgent medical grounds; people who are homeless but not in priority need; people ready for independent living; a household with a child-in-need or care leaver, or adoptive parents / foster carers; people living in unacceptable housing conditions or under-occupying family homes or overcrowded homes by 2 or more bedrooms; armed forces veterans with an urgent need within 5 years of discharge

Band 3 - People who need to move on high medical grounds; people who need to move on hardship grounds; people sharing facilities with other people not of the same household; people who are overcrowded by one or more bedroom

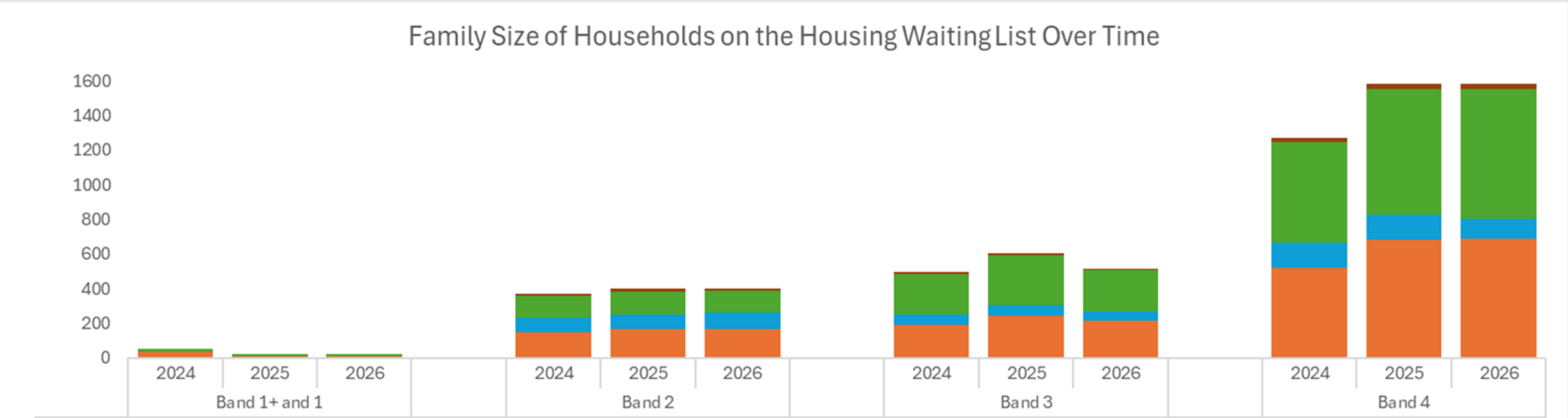
Band 4 - People who's current home is adequate for their needs; people who have refused a reasonable offer of accommodation or worsened their own circumstances; people who are in rent arrears; people with recent unspent convictions or a history of anti-social behaviour.

More detailed information and the full definitions for the priority bands can be found online at https://www.hartlepoolhomesearch.co.uk/content/our-policy

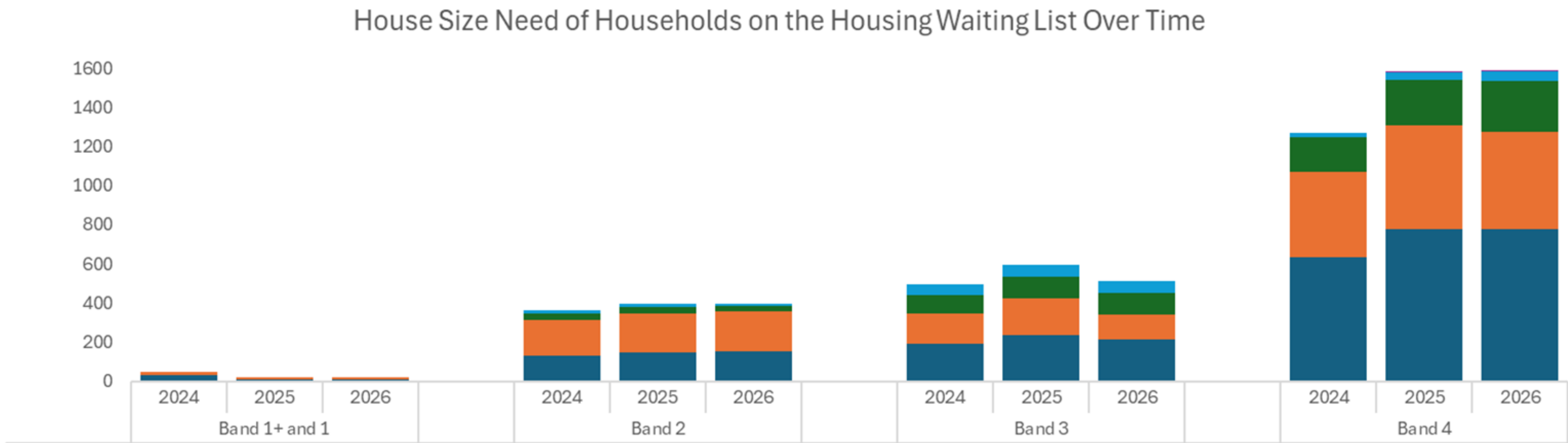
Polarity: Not applicable

Numbers less than 5 have been suppressed and show as zero on the charts

Home

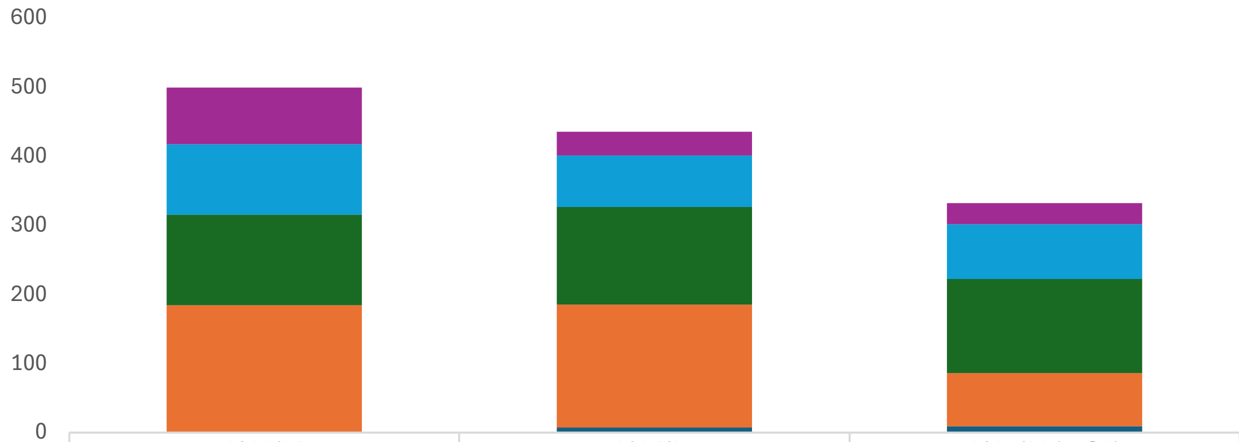


	Band 1+ and 1			Band 2			Band 3			Band 4		
	2024	2025	2026	2024	2025	2026	2024	2025	2026	2024	2025	2026
Other	0	0	0	8	15	12	9	10	6	27	30	30
Family	18	13	7	125	132	128	235	286	244	580	723	754
Couple	0	0	0	85	86	96	60	64	53	143	148	116
Single	35	9	13	150	167	166	191	242	213	522	680	686



	Band 1+ and 1 2024	Band 1+ and 1 2025	Band 1+ and 1 2026	Band 2 2024	Band 2 2025	Band 2 2026	Band 3 2024	Band 3 2025	Band 3 2026	Band 4 2024	Band 4 2025	Band 4 2026
5+ bed need	0	0	0	0	0	0	0	0	0	0	5	5
4 bed need	0	0	0	18	15	13	53	66	60	21	37	47
3 bed need	0	0	0	32	35	28	93	105	111	180	231	260
2 bed need	16	15	10	184	195	203	157	189	128	435	528	494
1 bed need	35	8	9	131	151	155	191	238	214	634	780	780

Number of Households on the Housing Waiting List Rehoused (As at 06.01.2026)



	2023/24	2024/25	2025/26 (to Q3)
Band 4	82	34	31
Band 3	102	75	79
Band 2	131	141	136
Band 1	184	178	77
Band 1+	0	7	9

Band 1+ Band 1 Band 2 Band 3 Band 4

Households Rehoused (local)

The chart on the left shows the number of households within each priority banding that were rehoused over the reporting period. The data represents a snapshot as of the beginning of January 2026 so only includes partial data for 2025/26.

Polarity: High is good

Number of households registered on Home Search	2527
Number of households currently bidding	1915

Rough Sleeping

Rough sleeping snapshot

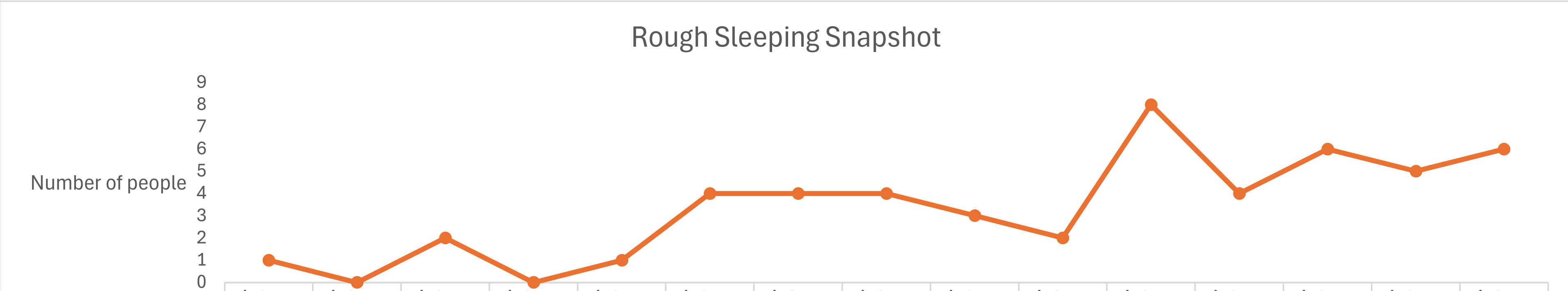
People sleeping rough are defined as those sleeping or about to bed down in open air locations and other places including tents and make shift shelters. The snapshot does not include people in hostels or shelters, sofa surfers or those in recreational or organised protest, squatter or traveller campsites. The annual rough sleeping snapshot can take place on a single date chosen by the local authority between 1st October and 30th November. The snapshot takes place in the autumn, rather than summer where numbers are likely to be higher due to warmer temperatures, or winter, where numbers may be lower as there are more temporary night shelters set up to ensure people do not sleep on the streets in very cold weather. Local authorities across England take an annual Autumn snapshot of rough sleeping using either a count-based estimate of visible rough sleeping, an evidence-based estimate meeting with local partners, or an evidence-based estimate meeting including a spotlight count in specific areas.

Estimated no. of people sleeping rough over the month long term

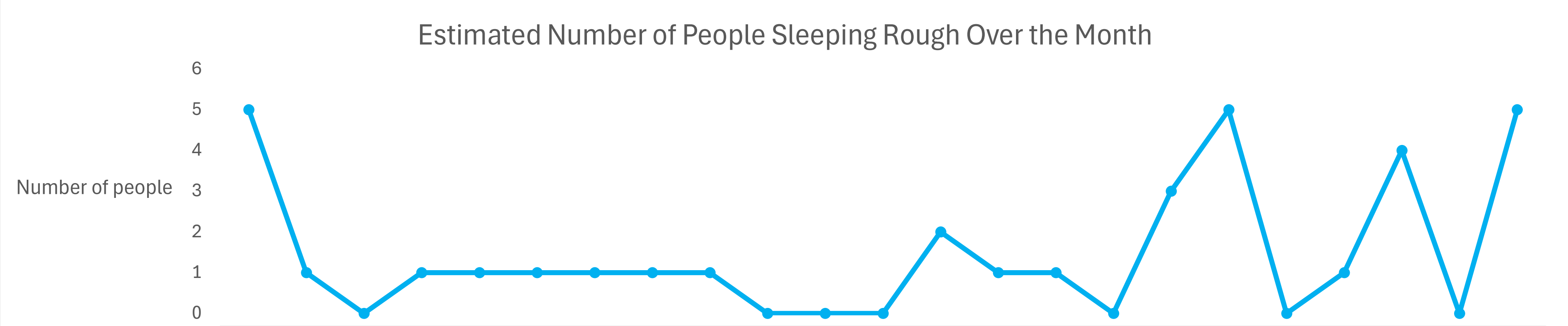
This is the estimated number of people sleeping rough over the month long term. The number of people sleeping rough is an estimated figure determined from outreach contacts, or from a Point-in-Time snapshot. Long term rough sleeping is defined as the number of people seen recently (within the reporting month) who have been seen sleeping rough in 3 or more months out of the last 12 months (1 year).

Polarity: Low value is good

Home



	Autumn 2010	Autumn 2011	Autumn 2012	Autumn 2013	Autumn 2014	Autumn 2015	Autumn 2016	Autumn 2017	Autumn 2018	Autumn 2019	Autumn 2020	Autumn 2021	Autumn 2022	Autumn 2023	Autumn 2024
Rough sleepers	1	0	2	0	1	4	4	4	3	2	8	4	6	5	6

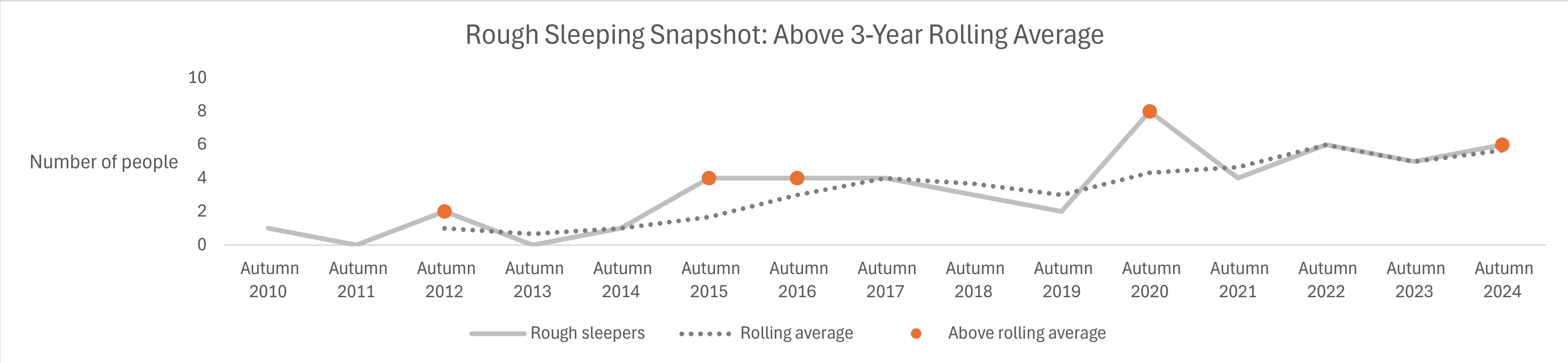


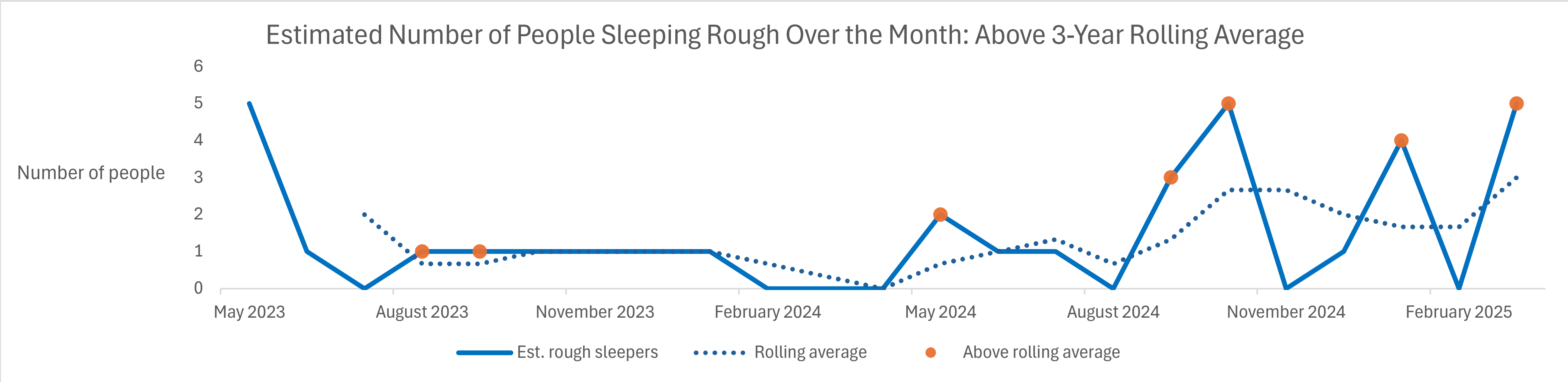
	01/05/2023	01/06/2023	01/07/2023	01/08/2023	01/09/2023	01/10/2023	01/11/2023	01/12/2023	01/01/2024	01/02/2024	01/03/2024	01/04/2024	01/05/2024	01/06/2024	01/07/2024	01/08/2024	01/09/2024	01/10/2024	01/11/2024	01/12/2024	01/01/2025	01/02/2025	01/03/2025
Est. rough sleepers	5	1	0	1	1	1	1	1	1	0	0	0	2	1	1	0	3	5	0	1	4	0	5

Contextual Information

Rough sleeping snapshot above rolling average and Estimated rough sleepig over the month above rolling average

These two visuals highlight the periods where the number of people rough sleeping is above the 3-year rolling average on the snapshot night and over a one-month period.




Estimated Number of People Sleeping Rough Over the Month: Above 3-Year Rolling Average
Number of people
6
5
4
3
2
1
0
May 2023
August 2023
November 2023
February 2024
May 2024
August 2024
November 2024
February 2025
Est. rough sleepers
Rolling average
Above rolling average

Build Rates

Number of new dwellings completed as a percentage of total dwellings

This is the number of new permanent dwellings as a proportion of total dwellings in the area. A new dwelling is counted as complete when they become ready for occupation. For local authority dwellings this will normally be when the keys are handed over to the clerk of works. For other dwellings this will be when a notice of completion or occupation is given, whichever is earlier.

Indicators of new supply statistics (formerly known as 'house building') data are based of quarterly returns by building control inspectors at local authorities and the National House-Building Council (NHBC). These are from completed P2 and AIR (Approved Inspectors Return) forms.

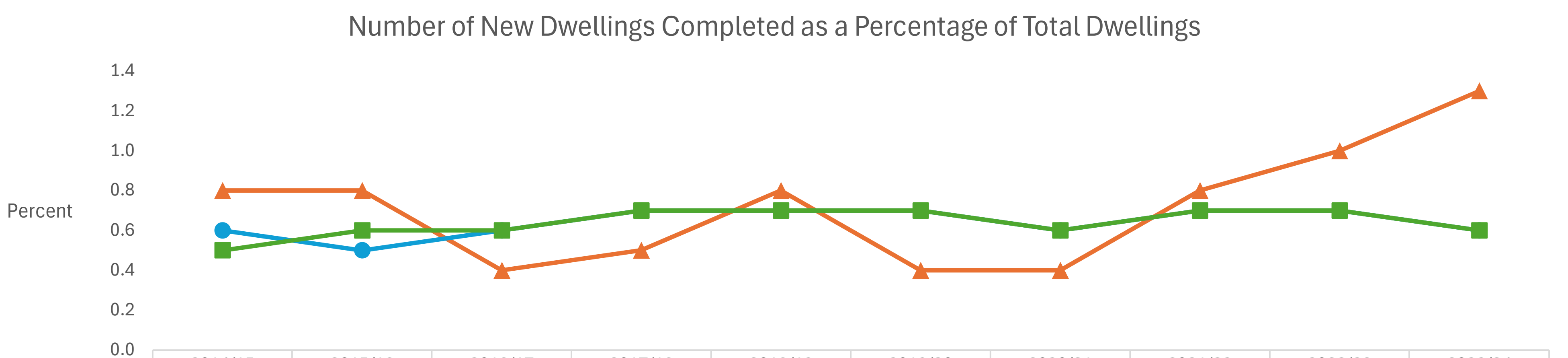
Totals are subject to further revision for late returns. Data for earlier years are less reliable and definitions may not be consistent throughout the series.

Number of additional social rent dwellings provided

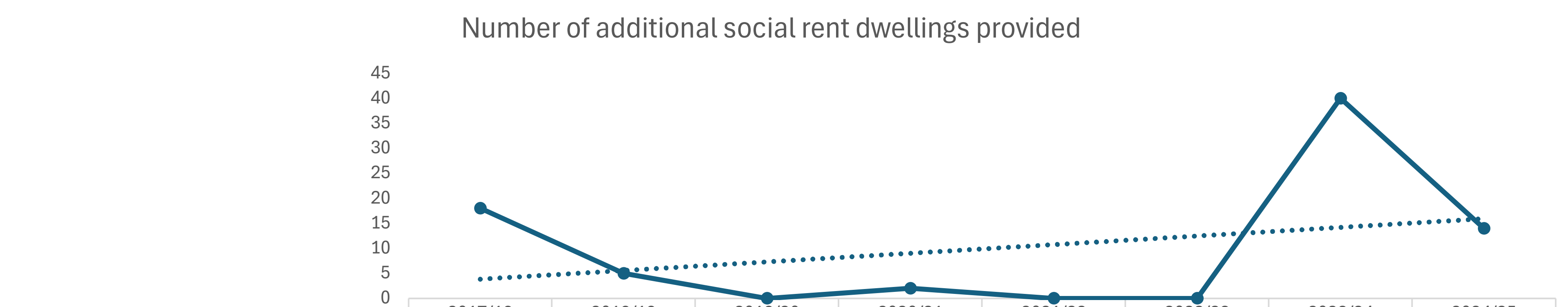
This is the number of completed additional units to the social rent in the area, as part of the affordable housing supply. It includes new build and acquisitions. Social Rent housing with rent levels set in line with the Government's rent influencing regime. Includes homes where the cost is met by a private developer (e.g. Section 106 agreements). New dwellings are shown under the local authority in which they are located which occasionally differs from the sponsoring authority. Figures shown represent the best estimates may be subject to revisions and national totals may differ from the sum of the authorities.

Polarity: Not applicable

Home



	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Hartlepool	0.8	0.8	0.4	0.5	0.8	0.4	0.4	0.8	1	1.3
North East	0.6	0.5	0.6	0.7	0.7	0.7	0.6	0.7	0.7	0.6
England	0.5	0.6	0.6	0.7	0.7	0.7	0.6	0.7	0.7	0.6

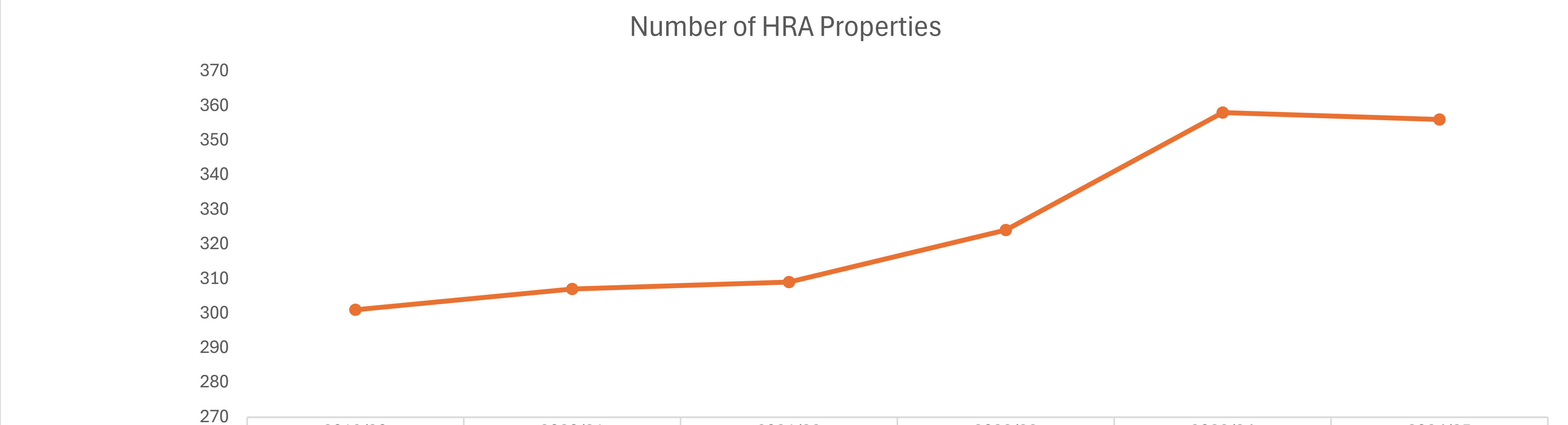


	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Number of additional social rent dwellings provided	18	5	0	2	0	0	40	14

Number of properties in the Housing Revenue Account (HRA) (local)

This is the number of properties owned by the council for the purposes of renting them out to Council tenants.

Polarity: Not applicable



	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Number of HRA Properties	301	307	309	324	358	356

Contextual Information

Net additions to dwelling stock

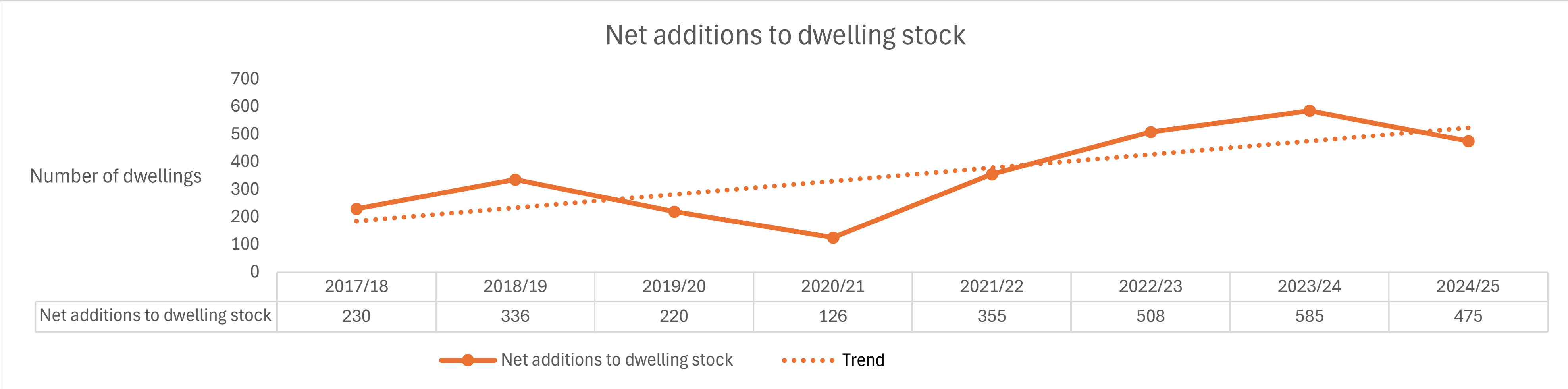
This is the net additions to dwelling stock within the area. Each self-contained unit is counted as a dwelling. This measures the absolute change in stock between one year and the next, including losses and gains from new builds, conversions, changes of use (for example a residential house to an office) and demolitions. Net additions are comprised of 'new build completions' plus 'conversions' plus 'change of use' plus 'other net gains' minus 'demolitions'. This does not includes new delivery and acquisitions to the existing stock. As this is an absolute value for each area, care should be taken when drawing any comparisons with other areas.

Changes to local authority housing stock: number of new builds

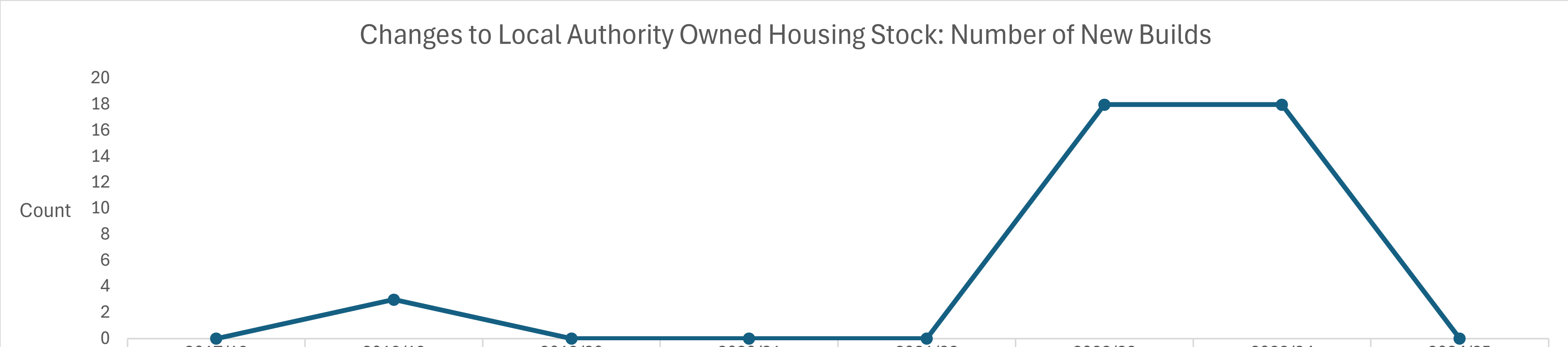
This is changes to the local authority owned housing stock during the reporting year: Number of new builds. It is reported on an accruals basis, i.e. when the work is carried out rather than when the bill is paid. It only includes HRA stock.

This includes all additions to local authority owned stock through new building, whether this is for general purposes or special needs (supported housing) use. It does not This includes all additions to local authority owned stock through new building, whether this is for general purposes or special needs (supported housing) use. It does not include new build dwellings bought in open market, as these are counted as acquisitions.

This indicator is from the Local Authority Housing Statistics data returns (LAHS) Section A - Dwelling Stock



	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Net additions to dwelling stock	230	336	220	126	355	508	585	475



	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Hartlepool	0	3	0	0	0	18	18	0

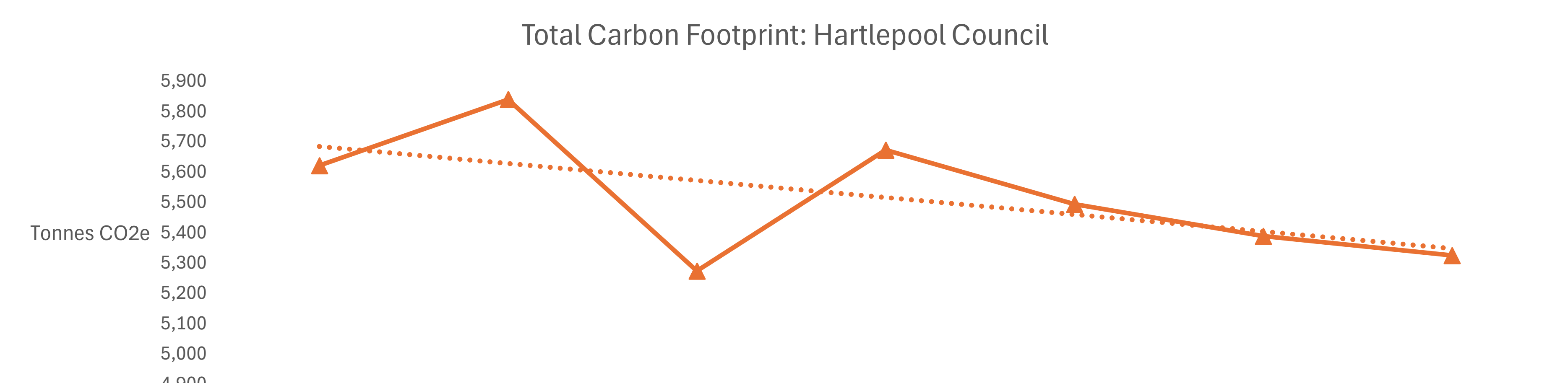
Greenhouse Gas Emissions

Greenhouse gas emissions from Hartlepool Council estates, operations and services

This is total amount of emissions produced from the Council's estates, operations and services. It includes emissions from heating, vehicles, waste and electricity consumption. The total is given in tonnes of carbon dioxide equivalent, expressed as tonnes CO2e.

Polarity: Low is good

Home

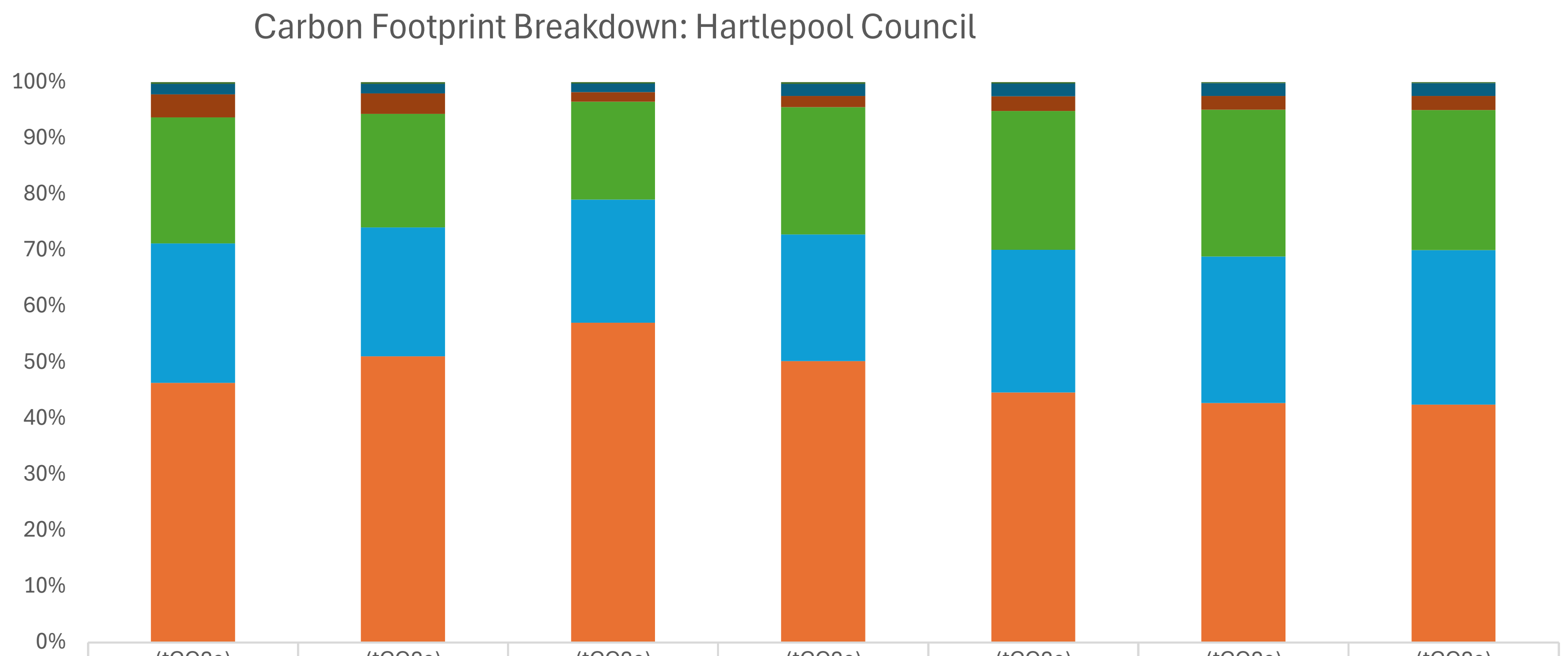


	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25
Total emissions	5,622	5,841	5,274	5,673	5,495	5,390	5,325

Contextual Information

Emissions type

This visual breaks down the total emissions given above by source of emission.



	(tCO2e) 2018/19	(tCO2e) 2019/20	(tCO2e) 2020/21	(tCO2e) 2021/22	(tCO2e) 2022/23	(tCO2e) 2023/24	(tCO2e) 2024/25
Waste generated from own operations	16.9	16.9	14.4	17.1	13.7	11.5	9.6
T & D Losses	107.7	100.4	78.9	124.9	124.4	122.1	123.3
Staff Business Travel	231.4	214.8	92.6	112.3	146.0	132.9	132.4
Electricity	1263.2	1182.9	919.9	1287.5	1359.6	1411.8	1330.9
Authority's Fleet	1399.7	1344.5	1160.6	1284.0	1401.6	1409.8	1468.3
Heating	2603.3	2981.2	3008.1	2847.7	2449.4	2301.5	2260.9

Household Waste Recycling Rate

Percentage of Household Waste Sent for Reuse, Recycling and Composting

This is the percentage of household waste arisings which have been sent by the authority for reuse, recycling, composting or anaerobic digestion. This was previously collected as BVPI 82a and 82b. The numerator is the total tonnage of household waste collected which is sent for reuse, recycling, composting or anaerobic digestion. The denominator is the total tonnage of household waste collected. 'Household waste' means those types of waste which are to be treated as household waste for the purposes of Part II of the Environmental Protection Act 1990 by reason of the provisions of the Controlled Waste Regulations 1992.

Polarity: High is good

Percentage of Household Waste Rejected

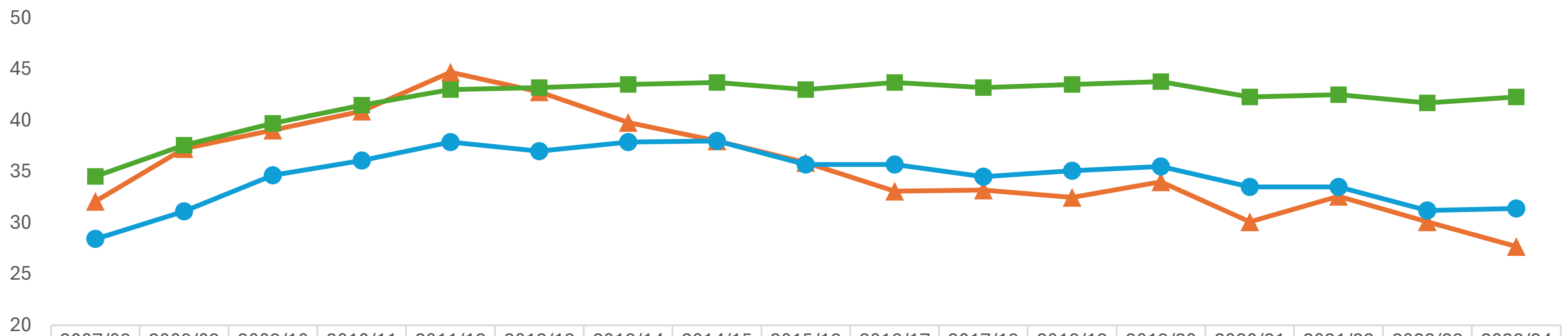
This is the estimated amount of household recycling which is collected with the intention of recycling but that did not end up being sent for recycling i.e. rejects, as a percentage of all waste intended to be recycled. Waste intended to be recycled is the sum of household waste sent for recycling plus estimated rejects. Household estimated rejects is calculated from total household waste not sent for recycling minus household waste collected not with the intention for recycling (the difference between total unrecycled waste and waste that was not intended to be recycled).

The figure relates to all household recycling sources, not just material collected by kerbside dry recycling schemes. Material can be rejected due contamination by water or dirt, chemical treatments (such as preservatives or paint), inclusion of non-target material or lack of market outlet. The figure may include significant tonnages of wood collected from Household Waste Recycling Centres (HWRC’s) which cannot be recycled due to use of wood preservatives or paint. This figure also takes into account recycling extracted from residual waste streams.

Polarity: Low is good

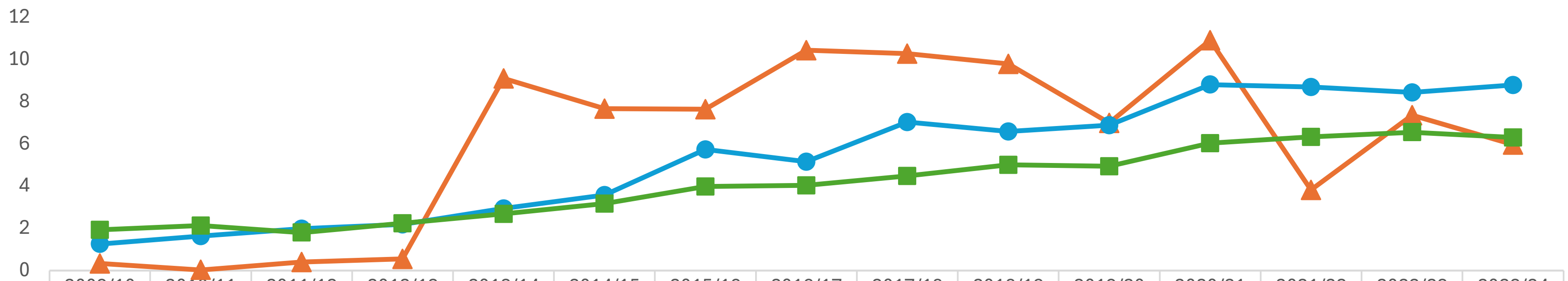
Home

Percentage of Household Waste Sent for Reuse, Recycling and Composting

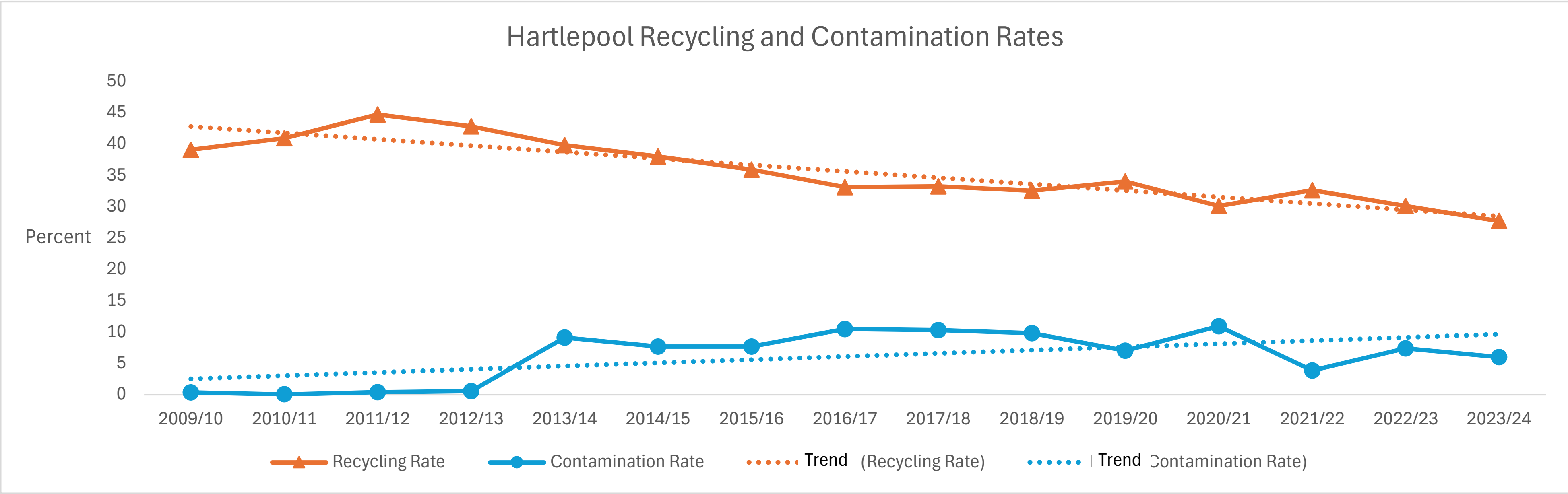


	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Hartlepool	32.1	37.25	39.05	40.9	44.7	42.8	39.8	38	35.9	33.1	33.2	32.5	34	30.1	32.6	30.1	27.7
North East	28.44	31.13	34.66	36.1	37.9	37	37.9	38	35.7	35.7	34.5	35.1	35.5	33.5	33.5	31.2	31.4
England	34.54	37.58	39.71	41.5	43	43.2	43.5	43.7	43	43.7	43.2	43.5	43.8	42.3	42.5	41.7	42.3

Percentage of Household Waste Rejected



	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24
Hartlepool	0.33	0.03	0.39	0.54	9.09	7.67	7.64	10.44	10.27	9.79	6.99	10.91	3.81	7.36	5.96
North East	1.26	1.62	1.98	2.18	2.94	3.57	5.73	5.15	7.03	6.59	6.88	8.81	8.69	8.44	8.79
England	1.92	2.13	1.8	2.23	2.68	3.16	3.98	4.03	4.47	5	4.94	6.03	6.32	6.55	6.3



Hartlepool Recycling and Contamination Rates
Percent
50
45
40
35
30
25
20
15
10
5
0
2009/10
2010/11
2011/12
2012/13
2013/14
2014/15
2015/16
2016/17
2017/18
2018/19
2019/20
2020/21
2021/22
2022/23
2023/24
Recycling Rate
Contamination Rate
Trend (Recycling Rate)
Trend (Contamination Rate)

Hartlepool Borough Council

Strategic Risk Register

January 2026

Risk Scoring Matrix:

CURRENT RISK ASSESSMENT:					
		IMPACT			
		NEGLIGIBLE (1)	MINOR (2)	MAJOR (3)	CRITICAL (4)
LIKELIHOOD	ALMOST CERTAIN (4)	AMBER (4)	RED (8)	RED (12)	RED (16)
	PROBABLE (3)	GREEN (3)	AMBER (6)	RED (9)	RED (12)
	POSSIBLE (2)	GREEN (2)	AMBER (4)	AMBER (6)	RED (8)
	HARDLY EVER (1)	GREEN (1)	GREEN (2)	GREEN (3)	AMBER (4)

Please note:

The Strategic Risk Register (SRR) has been reviewed and includes some new and significantly amended risks from the previously published version.

HBC Strategic Risk Register

No.	Risk Title	Risk Score	Risk Owner
1	**Buildings** - Failure to maintain HBC buildings leading to Health and Safety implications and closure of buildings resulting in failure to deliver services, reputational and financial damage for HBC.	RED 9	Assistant Director – Neighbourhood Services
2	**Business Continuity -** Breakdown in the ability to provide normal levels of service across the Council leading to non-delivery of statutory and non-statutory services resulting in financial and reputational damage.	RED 8	Executive Leadership Team
3	**Compliance with legislation** - The risk of not complying with Legislation leading to failure to comply with statutory and regulatory requirements resulting in legal challenge, reputational damage, financial penalties and disruption to service delivery	RED 8	Director of Legal Governance and HR
4	**Cyber security** - Failure to comply with legislation and ensure appropriate system safeguards against cyber-attack risk. Leading to the confidentiality, integrity and availability of personal and corporate information and data or systems being negatively impacted or compromised. Resulting in loss of data, data breaches, significant business interruptions, financial cost to restate and restore systems and the potential for financial penalties.	RED 16	Assistant Director of Digital, Data and Technology
5	**Emergency Planning resilience** - A prolonged major incident leading to prolonged high and competing demand on staff i.e. maintenance of legal duties, supportive work such as ISAGs etc) resulting in failure to deliver day to day service and impact on wellbeing of staff.	RED 9	Assistant Director – Regulatory Services
6	**Finance** - Failure to deliver a balanced budget and sustainable Medium Term Financial Plan leading to an unbalanced budget, use of reserves to support the budget and reductions to budgets in an uncontrolled way. Resulting in reduced service provision, risk to statutory services and increased costs incurred through entering Exceptional Financial Support Framework.	RED 12	Director of Finance, IT and Digital

No.	Risk Title	Risk Score	Risk Owner
7	**Fraud** - Failure to prevent fraud leading to financial loss for the organisation and potential non-compliance with the Economic Crime and Corporate Transparency Act (ECCTA) 2023 resulting in potential impact to the council's financial position and regarding ECCTA, the council committing a corporate offence and incurring unlimited fines.	RED 9	Director of Finance, IT and Digital
8	**Governance** - The failure to provide robust Governance across the Council leading to ineffective corporate governance arrangements resulting in poor decision making, non-compliance, service failure and reputational damage.	AMBER 6	Director of Legal, Governance and HR
9	**Health and Safety** - Failure to comply with Health and Safety legislation or to ensure appropriate controls are in place leading to risk to health safety and wellbeing of individuals at work and those who may be affected by our by act or omission resulting in risk to life, including: fatality, injury, ill health.	RED 12	Assistant Director – Regulatory Services
10	**Housing** - Failure to address the housing requirements of the borough and provide accessible, affordable, high-quality housing leading to insufficient and poor-quality housing stock to meet need resulting in homelessness, inadequate accommodation to meet demand, high numbers on waiting lists, inequality and reduced quality of life for residents.	RED 9	Director of Housing, Growth and Communities
11	**Information Governance** - Failure to comply with legislation and ensure appropriate system safeguards against data and information security leading to the confidentiality, integrity and availability of personal and corporate information and data or systems being negatively impacted or compromised resulting in loss of data, data breaches and potential significant financial penalties.	AMBER 6	Director of Finance, IT and Digital
12	**Information Technology** - Failure to provide resilient, flexible and effective ICT infrastructure leading to ineffective service delivery or loss of service resulting in the inability of council teams to perform their functions, poor service delivery and frustrated customers interactions.	RED 8	Assistant Director of Digital, Data and Technology

No.	Risk Title	Risk Score	Risk Owner
13	**Safeguarding children** - The council fails to effectively safeguard children and young people from harm, and promote their welfare, due to a lack of partnership working, data and information-sharing, workforce capacity and early intervention arrangements. This could result in harm to children, failure to meet statutory duties under the Children Act and statutory guidance Working Together, and significant reputational damage to the council.	RED 12	Assistant Director Children and Families
14	**Staff safety** - Failure to protect the personal safety and wellbeing of our employees leading to staff harm and absence from work resulting in the failure to deliver services.	RED 8	Chief Executive
15	**Workforce** - The skills, expertise, wellbeing, performance, and overall size of the workforce available may not be sufficient to support the overall aims of the organisation resulting in the failure to deliver services.	AMBER 6	Director of Legal, Governance and HR

RISK TITLE:	**Buildings** - Failure to maintain HBC Buildings leading to Health and Safety implications and closure of buildings resulting in failure to deliver services, Reputational and Financial damage for HBC

DETAILED DESCRIPTION OF CURRENT RISK:

CAUSES - what could make it happen?	**IMPLICATIONS** - what impact would it have if it did?	**EXISTING INTERNAL CONTROLS** – what are we already doing to reduce the likelihood and/or impact of it happening?
• Lack of maintenance inspections • Lack of funding to fund maintenance activities • Lack of awareness from building users into roles and responsibilities • Lack of programmed maintenance	• Deterioration of buildings • Health and Safety issues within buildings • Increased maintenance costs • Closure of buildings impacting on service delivery	• Annual corporate planned maintenance programme which is informed by building inspections • Strategic Asset Management group established to discuss building and maintenance issues • Review into staffing structure currently ongoing (Dec 25) to establish a more efficient and streamlined maintenance team

TYPE OF RISK: TICK RELEVANT BOXES BELOW	
Service Delivery	x
Financial	x
Reputation	X
Information Governance	
People (Internal/External)	X
Governance	

CURRENT RISK ASSESSMENT:

		IMPACT			
		NEGLIGIBLE (1)	MINOR (2)	MAJOR (3)	CRITICAL (4)
LIKELIHOOD	ALMOST CERTAIN (4)				
	PROBABLE (3)			RED (9)	
	POSSIBLE (2)				
	HARDLY EVER (1)				

DEALING WITH RISKS USING THE FOUR T'S: TICK RELEVANT BOX BELOW	
Transfer - *the risk to another party*	
Tolerate – *the risk and its likely impact*	
Terminate *stop doing activity generating risk*	
Treat – *the risk to reduce likely impact or exposure*	x

RESPONSIBLE OFFICER	Assistant Director Neighbourhood Services
DIVISION	Neighbourhood Services
DEPARTMENT	Neighbourhoods and Regulatory Services
DATE OF ASSESSMENT	December 2025
NEXT REVIEW DATE	March 2026

ADDITIONAL CONTROLS TO BE PUT IN PLACE:			
ADDITIONAL CONTROL	**WHAT NEEDS TO BE DONE? (ACTION)**	**LEAD OFFICER**	**DUE DATE**
Asset Management Review recommendations implemented	Review staffing structures and maintenance budgets	Consultancy Manager	April 2026

RISK TITLE:	**Business Continuity** - Breakdown in the ability to provide normal levels of service across the Council leading to non-delivery of statutory and non-statutory services resulting in financial and reputational damage.

DETAILED DESCRIPTION OF CURRENT RISK:

CAUSES - what could make it happen?	**IMPLICATIONS** - what impact would it have if it did?	**EXISTING INTERNAL CONTROLS** – what are we already doing to reduce the likelihood and/or impact of it happening?
• Disruption to normal day-to-day activities as a result of a major incident affecting employees, accommodation, IT services or vehicles. • Service delivery partners withdrawing contracted services. • Pandemic Flu. • Major Incident declared affecting the wider community of the town.	• Reputation. • Legal. • Financial. • Health and Safety	• Business Continuity group coordinating arrangements for reviewing, planning and testing. • Business Continuity plans in places for services and functions. • Exercising of Business Continuity plans to ensure fit for purpose. • BC policy, plan, and terms of reference updated and agreed by EMRT • BC Exercises planned • BC group report to EMRT meetings. • Update report provided to ELT.

TYPE OF RISK:
TICK RELEVANT BOXES BELOW

Service Delivery	X
Financial	X
Reputation	X
Information Governance	
People (Internal/External)	X
Governance	

CURRENT RISK ASSESSMENT:

LIKELIHOOD	IMPACT: NEGLIGIBLE (1)	MINOR (2)	MAJOR (3)	CRITICAL (4)
ALMOST CERTAIN (4)				
PROBABLE (3)				
POSSIBLE (2)				RED (8)
HARDLY EVER (1)				

DEALING WITH RISKS USING THE FOUR T'S:
TICK RELEVANT BOX BELOW

Transfer - *the risk to another party*	
Tolerate – *the risk and its likely impact*	
Terminate *stop doing activity generating risk*	
Treat – *the risk to reduce likely impact or exposure*	X

RESPONSIBLE OFFICER	Executive Leadership Team - ELT
DIVISION	All
DEPARTMENT	All
DATE OF ASSESSMENT	December 2025
NEXT REVIEW DATE	March 2026

ADDITIONAL CONTROLS TO BE PUT IN PLACE:			
ADDITIONAL CONTROL	**WHAT NEEDS TO BE DONE? (ACTION)**	**LEAD OFFICER**	**DUE DATE**
Effective Business Continuity Group in place with regular reporting to ELT and escalation of concerns as required.	Review the effectiveness of the feedback mechanism between the Business Continuity Group and ELT.	Assistant Director – Regulatory Services	April 2026

RISK TITLE:	**Compliance with Legislation** - The risk of not complying with Legislation leading to failure to comply with statutory and regulatory requirements resulting in legal challenge, reputational damage, financial penalties and disruption to service delivery

DETAILED DESCRIPTION OF CURRENT RISK:

CAUSES - what could make it happen?	**IMPLICATIONS** - what impact would it have if it did?	**EXISTING INTERNAL CONTROLS** – what are we already doing to reduce the likelihood and/or impact of it happening?
• Increasing complexity and volume of legislation affecting local government. • Lack of awareness or understanding of new or amended statutory requirements. • Insufficient training or resources to implement compliance measures. • Failure to monitor legislative changes and update policies accordingly. • Inadequate governance or oversight arrangements. • Insufficient new burdens funding to cover the cost of compliance	• Legal action against the Council, including fines or sanctions. • Reputational damage and loss of public trust. • Service disruption due to enforcement action or corrective measures. • Increased costs associated with litigation and remedial work. • Potential personal liability for officers and members.	• Regular monitoring of legislative changes through legal updates and professional networks. • Established governance framework including Constitution, Scheme of Delegation, and decision-making protocols. • Training for officers and elected members on key compliance areas. • Access to internal legal advice and guidance for all departments and potential for external legal advice. • Internal audit programme • Policies and procedures reviewed regularly to ensure alignment with current legislation. • Reporting of compliance issues to ELT and Audit & Governance Committee.

TYPE OF RISK: TICK RELEVANT BOXES BELOW	
Service Delivery	X
Financial	X
Reputation	x
Information Governance	X
People (Internal/External)	X
Governance	x

CURRENT RISK ASSESSMENT:

		IMPACT			
		NEGLIGIBLE (1)	MINOR (2)	MAJOR (3)	CRITICAL (4)
LIKELIHOOD	ALMOST CERTAIN (4)				
	PROBABLE (3)				
	POSSIBLE (2)				RED (8)
	HARDLY EVER (1)				

DEALING WITH RISKS USING THE FOUR T'S: TICK RELEVANT BOX BELOW	
Transfer - *the risk to another party*	
Tolerate – *the risk and its likely impact*	x
Terminate *stop doing activity generating risk*	
Treat – *the risk to reduce likely impact or exposure*	**x**

RESPONSIBLE OFFICER	Director of Legal, Governance and HR
DIVISION	Legal, Governance and HR
DEPARTMENT	Legal, Governance and HR
DATE OF ASSESSMENT	December 2025
NEXT REVIEW DATE	March 2026

ADDITIONAL CONTROLS TO BE PUT IN PLACE:

ADDITIONAL CONTROL	WHAT NEEDS TO BE DONE? (ACTION)	LEAD OFFICER	DUE DATE
Horizon scanning report	Report to ELT to be prepared	Performance and Partnerships Manager	March 2026

RISK TITLE:	**Cyber security** - Failure to comply with legislation and ensure appropriate system safeguards against cyber-attack risk leading to the confidentiality, integrity and availability of personal and corporate information and data or systems being negatively impacted or compromised. Resulting in loss of data, data breaches, significant business interruptions, financial cost to restate and restore systems and the potential for financial penalties.

DETAILED DESCRIPTION OF CURRENT RISK:

CAUSES - what could make it happen?	**IMPLICATIONS** - what impact would it have if it did?	**EXISTING INTERNAL CONTROLS** – what are we already doing to reduce the likelihood and/or impact of it happening?
• Malicious, intentional actions against HBC systems and data from individuals, cyber criminals and state sponsored activists. • Human error and / or carelessness. • Poor software, network and building security providing increased opportunity for attack. • Under-investment in counter measures.	• Loss of system access, resulting in the potential for services across the council not being provided or provided at a much-reduced level. • Reputational damage and increased complaints • Loss of data, potentially including sensitive data, running the risk of fines from the Information Commissioner. • Significant resources – both people and financial being required to re-instate systems and data.	• Investment in and implementation of new technologies, including M265 licences. • Migration of systems from local servers to cloud based operation, providing increased resilience. • Stringent controls on 3rd party system adoption, including that providers must have cyber securities plus and ISO27001, unless signed off by the Director of Finance, IT and Digital. • Cyber Security strategy in place with mandatory training. • AI strategy in place with mandatory training. • Data encrypted at rest for major systems. • Encryption of removable media and new controls in place for usage • Regular phishing campaigns for all staff and members and regular communications highlighting existing, new and emerging risks. • Monthly system patching and updates to systems to latest versions when applicable to do so • Annual PSN test, submission and associated accreditation • Strong partnership with NEC on cyber security • Adhere to NCSC guidance and best practice. Early adoption of the NCSC Cyber Assessment Framework (CAF) pilot. • Business continuity arrangements

TYPE OF RISK: TICK RELEVANT BOXES BELOW	
Service Delivery	X
Financial	X
Reputation	**x**
Information Governance	
People (Internal/External)	**x**
Governance	**x**

CURRENT RISK ASSESSMENT:					
		IMPACT			
		NEGLIGIBLE (1)	**MINOR (2)**	**MAJOR (3)**	**CRITICAL (4)**
LIKELIHOOD	**ALMOST CERTAIN (4)**				**RED (16)**
	PROBABLE (3)				
	POSSIBLE (2)				
	HARDLY EVER (1)				

DEALING WITH RISKS USING THE FOUR T'S: TICK RELEVANT BOX BELOW	
Transfer - *the risk to another party*	
Tolerate – *the risk and its likely impact*	
Terminate *stop doing activity generating risk*	
Treat – *the risk to reduce likely impact or exposure*	**x**

RESPONSIBLE OFFICER	Assistant Director of Digital, Data and Technology
DIVISION	IT and Digital Services
DEPARTMENT	Finance, IT and Digital Services
DATE OF ASSESSMENT	December 2025
NEXT REVIEW DATE	March 2026

ADDITIONAL CONTROLS TO BE PUT IN PLACE:			
ADDITIONAL CONTROL	**WHAT NEEDS TO BE DONE? (ACTION)**	**LEAD OFFICER**	**DUE DATE**
Increased awareness and compliance	Review latest phishing campaign and target messaging and training where needed	Assistant Director of Digital, Data and Technology	March 2026
Additional counter measures	Investigate and invest in additional counter measures and systems where appropriate to further mitigate the risk of cyber-attacks and support recovery should one occur.	Assistant Director of Digital, Data and Technology	June 2026
Review Business Continuity arrangement	Ensure all teams have plans to cover protracted IT outage.	Assistant Director (Regulatory Services)	June 2026
Review Disaster Recovery arrangements	Identify minimum viable recovery requirements for the council	Assistant Director of Digital, Data and Technology	June 2026

RISK TITLE:	**Emergency Planning resilience** - A prolonged major incident leading to prolonged high and competing demand on staff i.e. maintenance of legal duties, supportive work such as ISAGs etc) resulting in failure to deliver day to day service and impact on wellbeing of staff	
DETAILED DESCRIPTION OF CURRENT RISK:		
CAUSES - what could make it happen?	**IMPLICATIONS** - what impact would it have if it did?	**EXISTING INTERNAL CONTROLS** – what are we already doing to reduce the likelihood and/or impact of it happening?
• A prolonged major incident or piece of work that requires a large number of CEPU staff to support the response (pandemic, major flooding, terrorist incident, BREXIT planning etc) • Lack of sufficient suitably trained staff to cover emergency situations • Lack of duty rota at strategic (gold) level	• Staff welfare • Ability to also support business as usual work leading to less robust arrangements / backlog and potential inability to meet statutory duties • Ability to lead during recovery stage which would be LA led	• Support from Manager and LRF Chair • Reserves to consider additional staffing (noting the challenge of getting suitable experienced and qualified staff in role) • Peer networks including requests for support from MHCLG • Secondment of staff from the four local authorities

TYPE OF RISK: TICK RELEVANT BOXES BELOW	
Service Delivery	X
Financial	X
Reputation	X
Information Governance	
People (Internal/External)	X
Governance	

CURRENT RISK ASSESSMENT:					
		IMPACT			
		NEGLIGIBLE (1)	MINOR (2)	MAJOR (3)	CRITICAL (4)
LIKELIHOOD	ALMOST CERTAIN (4)				
	PROBABLE (3)			RED (9)	
	POSSIBLE (2)				
	HARDLY EVER (1)				

DEALING WITH RISKS USING THE FOUR T'S: TICK RELEVANT BOX BELOW	
Transfer - *the risk to another party*	
Tolerate – *the risk and its likely impact*	X
Terminate *stop doing activity generating risk*	
Treat – *the risk to reduce likely impact or exposure*	

RESPONSIBLE OFFICER	Assistant Director Regulatory Services
DIVISION	Regulatory Services
DEPARTMENT	Neighbourhoods and Regulatory Services
DATE OF ASSESSMENT	December 2025
NEXT REVIEW DATE	March 2026

ADDITIONAL CONTROLS TO BE PUT IN PLACE:			
ADDITIONAL CONTROL	**WHAT NEEDS TO BE DONE? (ACTION)**	**LEAD OFFICER**	**DUE DATE**
Continue to horizon scan at LRF meetings / maintain risk register	Monitor via the LRF strategic board and 1 to 1s	Director of Housing, Growth and Communities	March 2026
Ensure that the lessons from emergency responses and exercises are considered at the outset of a significant response	Impact assessment on staff welfare reviewed in light of specific incident. Active consideration of how resources can be increased (regional work / mutual aid and secondments – include in exercising).	Assistant Director Regulatory Services	March 2026
Review the BC priorities for CEPU to enable better informed decision making ref prioritisation	Core products maintained – plan tracker, exercise tracker etc	Assistant Director Regulatory Services / Director of Housing, Growth and Communities	March 2026

RISK TITLE:	**Finance** - Failure to deliver a balanced budget and sustainable Medium Term Financial Plan leading to an unbalanced budget, use of reserves to support the budget and reductions to budgets in an uncontrolled way resulting in reduced service provision, risk to statutory services and increased costs incurred through entering Exceptional Financial Support Framework.	
DETAILED DESCRIPTION OF CURRENT RISK:		
CAUSES - what could make it happen?	**IMPLICATIONS** - what impact would it have if it did?	**EXISTING INTERNAL CONTROLS** – what are we already doing to reduce the likelihood and/or impact of it happening?
• Poor financial planning and lack of robust Medium Term Financial Plan (MTFP), that fails to reflect known pressures and risks over the medium term. • Insufficient government funding. • Council Tax not increased in line with government referendum limits including the Adult Social Care precept. • Increased service pressures, for example rising costs and numbers relating to children in our care; increasing demands on Adults' services. • Higher national pay awards, interest rates and / or inflation than forecast. • Permanent reduction in business rates base – e.g. Power Station and impact of current economic conditions. • Dedicated Schools Grant overspend up to 2028 having to be met by Councils General Fund. • Political uncertainty, both national and local, leading to short term funding decisions.	• Potentially a significant impact on service delivery and achievement of Council objectives. • Loss of reserves leading to reduced investment income, increased borrowing costs and overall reduction in financial resilience. • Potential redundancies and associated costs. • Reputational damage with our communities and partners, but also regionally and nationally. • Increased risk of entering the Exceptional Financial Support mechanism or Section 114 notice in the near term.	• A four-year Medium Term Financial Strategy including a Capital Strategy to demonstrate the financial position of the Authority. • Ongoing, timely and clear monitoring of the revenue and capital budget position, reserves and delivery of savings and efficiency targets. Monitoring information provided to Budget Managers, Directors and members. • In year measures are introduced when necessary to reduce spending and safeguard use of reserves. • Budget Manager guidance document, training and regular briefing on the Council's financial position. • Budget challenge clinics with the Chief Executive and (Executive) Directors and budget recovery plans in place. • Member training and budget update sessions to increase understanding and ensure awareness of the financial position. • Lead Member / Chief Officer Transformation Board in place. • Maximise and safeguard income for the council, including effective treasury management strategy, debt recovery, maximise funding opportunities. • Qualified Finance staff with significant local government specific experience. • Robust governance framework.

		• Compliance with relevant accounting principles and standards to satisfy legislative and regulatory requirements.

TYPE OF RISK: TICK RELEVANT BOXES BELOW	
Service Delivery	x
Financial	x
Reputation	**x**
Information Governance	
People (Internal/External)	**x**
Governance	**x**

CURRENT RISK ASSESSMENT:

		IMPACT			
		NEGLIGIBLE (1)	MINOR (2)	MAJOR (3)	CRITICAL (4)
LIKELIHOOD	ALMOST CERTAIN (4)				
	PROBABLE (3)				RED (12)
	POSSIBLE (2)				
	HARDLY EVER (1)				

DEALING WITH RISKS USING THE FOUR T'S: TICK RELEVANT BOX BELOW	
Transfer - *the risk to another party*	
Tolerate – *the risk and its likely impact*	
Terminate *stop doing activity generating risk*	
Treat – *the risk to reduce likely impact or exposure*	**x**

RESPONSIBLE OFFICER	Director of Finance, IT and Digital
DIVISION	Finance
DEPARTMENT	Finance, IT and Digital Services
DATE OF ASSESSMENT	December 2025
NEXT REVIEW DATE	March 2026

ADDITIONAL CONTROLS TO BE PUT IN PLACE:			
ADDITIONAL CONTROL	**WHAT NEEDS TO BE DONE? (ACTION)**	**LEAD OFFICER**	**DUE DATE**
Agree Mitigation measures to address budget position	Agree Transformation savings for 2026/27	Director of Finance, IT and Digital	February 2026
	Embed and accelerate Transformation programme	Director of Finance, IT and Digital	February 2026

RISK TITLE:	**Fraud** - Failure to prevent fraud leading to financial loss for the organisation and potential non-compliance with the Economic Crime and Corporate Transparency Act (ECCTA) 2023 resulting in potential impact to the council's financial position and regarding ECCTA, the council committing a corporate offence and incurring unlimited fines.

DETAILED DESCRIPTION OF CURRENT RISK:

CAUSES - what could make it happen?	**IMPLICATIONS** - what impact would it have if it did?	**EXISTING INTERNAL CONTROLS** – what are we already doing to reduce the likelihood and/or impact of it happening?
• Lack of, or inappropriate governance mechanisms, policies and system controls • Poor IT systems that are susceptible to internal or external fraud (e.g. through cyber attacks) • Lack of fraud awareness across the organisation • Officers willing to turn a blind eye or a failure to be curious around internal and external risk and potential fraud.	• Financial loss to the organisation • Reputational damage to the Council is we are perceived to allow or tolerate fraud, whether internal or external • Potential non compliance with ECCTA, leading to the council committing a corporate offence and incurring unlimited fines.	• Internal Audit coverage • Internal Audit training/professional qualifications • External support through membership of North East Fraud Forum, National Anti-Fraud Network • Participation in National Fraud Initiative • Use of external sector support through to address high risk areas such as Council Tax and benefit fraud. • Up to date Anti-Fraud Strategy and Fraud Response plan in place • Whislteblowers policy in place • Money laundering policy in place • Financial Management System controls in place to ensure process and systematic checks on payments • Strong banking procedures in operation • Dedicated fraud officer and team in Benefits Section • IT security compliance requirements and network resilience/penetration testing carried out

TYPE OF RISK: TICK RELEVANT BOXES BELOW	
Service Delivery	X
Financial	X
Reputation	**X**
Information Governance	
People (Internal/External)	**X**
Governance	**X**

CURRENT RISK ASSESSMENT:

		IMPACT			
		NEGLIGIBLE (1)	MINOR (2)	MAJOR (3)	CRITICAL (4)
LIKELIHOOD	ALMOST CERTAIN (4)				
	PROBABLE (3)			RED (9)	
	POSSIBLE (2)				
	HARDLY EVER (1)				

DEALING WITH RISKS USING THE FOUR T'S: TICK RELEVANT BOX BELOW	
Transfer - *the risk to another party*	
Tolerate – *the risk and its likely impact*	
Terminate *stop doing activity generating risk*	
Treat – *the risk to reduce likely impact or exposure*	**x**

RESPONSIBLE OFFICER	Director of Finance, IT and Digital
DIVISION	Finance
DEPARTMENT	Finance, IT and Digital Services
DATE OF ASSESSMENT	December 2025
NEXT REVIEW DATE	March 2026

ADDITIONAL CONTROLS TO BE PUT IN PLACE:			
ADDITIONAL CONTROL	**WHAT NEEDS TO BE DONE? (ACTION)**	**LEAD OFFICER**	**DUE DATE**
Ensure Senior Ownership	Appoint a senior fraud owner (S151 Officer)	Director of Finance, IT and Digital	March 2026
Ensure all Associated Persons under ECCTA are identified and aware of responsibilities	Embed relevant requirements unto procurement and contract terms and conditions	Director of Finance, IT and Digital	March 2026
Ensure all controls are relevant and up to date	Review and refresh all anti fraud guidance and documents.	Director of Finance, IT and Digital	March 2026
Ensure all staff are aware of responsibilities	Develop mandatory messaging and/or training	Director of Finance, IT and Digital	June 2026

RISK TITLE:	**Governance** - The failure to provide robust Governance across the Council leading to ineffective corporate governance arrangements resulting in poor decision making, non-compliance, service failure and reputational damage		
DETAILED DESCRIPTION OF CURRENT RISK:			
CAUSES - what could make it happen?	**IMPLICATIONS** - what impact would it have if it did?	**EXISTING INTERNAL CONTROLS** – what are we already doing to reduce the likelihood and/or impact of it happening?	
• Unclear roles, responsibilities, or delegated powers for officers and members. • Weak oversight and scrutiny, including insufficient challenge to performance or risk. • Outdated or incomplete Constitution, policies, and procedures. • Inadequate risk management, assurance mapping, or internal control environment. • Insufficient training/induction for officers and members on governance and decision-making. • Poor quality or untimely information supporting decisions (including single impact assessments, legal, and financial implications). • Impact of the enforced change to governance arrangements from the Devolution Bill including potential lack of new burdens funding to implement Cabinet arrangements	• Unlawful or flawed decisions leading to legal challenge, sanctions, or intervention. • Failure to deliver agreed objectives and statutory duties. • Financial loss, waste, or value-for-money concerns. • Erosion of public trust and damage to the Council's reputation. • Operational disruption and reduced service performance. • Personal/regulatory accountability issues for officers and members.	• Up-to-date Constitution, Scheme of Delegation, and decision-making protocols. • Corporate Governance Framework aligned to the CIPFA/SOLACE principles and Annual Governance Statement process. • Audit & Governance Committee oversight, internal audit plan, and follow-up of recommendations. • Risk management policy, corporate risk register, and regular reporting to ELT and Members. • Member and officer training (inductions, code of conduct, decision-making, information governance). • Performance management framework and transparent reporting. • Report checking process for the statutory officers • Legal, finance, and risk advice embedded in all formal reports (including Single impact assessments where relevant). • Whistleblowing, complaints, and FOI processes; monitoring and learning from outcomes.	

		• Keeping watching brief on Devolution Bill via gov.uk/LGA etc

TYPE OF RISK: TICK RELEVANT BOXES BELOW	
Service Delivery	X
Financial	X
Reputation	**X**
Information Governance	
People (Internal/External)	**X**
Governance	**X**

CURRENT RISK ASSESSMENT:

		IMPACT			
		NEGLIGIBLE (1)	MINOR (2)	MAJOR (3)	CRITICAL (4)
LIKELIHOOD	ALMOST CERTAIN (4)				
	PROBABLE (3)				
	POSSIBLE (2)			AMBER (6)	
	HARDLY EVER (1)				

DEALING WITH RISKS USING THE FOUR T'S: TICK RELEVANT BOX BELOW	
Transfer - *the risk to another party*	
Tolerate – *the risk and its likely impact*	X
Terminate *stop doing activity generating risk*	
Treat – *the risk to reduce likely impact or exposure*	**x**

RESPONSIBLE OFFICER	Director of Legal, Governance and HR
DIVISION	Legal, Governance and HR
DEPARTMENT	Legal, Governance and HR
DATE OF ASSESSMENT	December 2025
NEXT REVIEW DATE	March 2026

RISK TITLE:	**Health and Safety** - Failure to comply with Health and Safety legislation or to ensure appropriate controls are in place leading to risk to health safety and wellbeing of individuals at work and those who may be affected by our by act or omission resulting in risk to life, including: fatality, injury, ill health.

DETAILED DESCRIPTION OF CURRENT RISK:

CAUSES - what could make it happen?	**IMPLICATIONS** - what impact would it have if it did?	**EXISTING INTERNAL CONTROLS** – what are we already doing to reduce the likelihood and/or impact of it happening?
• Non-compliance with legislation, government guidance and best practice standards • Failure to maintain corporate Health and Safety (H&S) Policy standards • Poorly communicated policies and procedures leading to senior leaders, managers and employees not being aware of their individual Health and Safety roles and responsibilities • Lack of incident reporting and a low near miss to accident reporting ratio • Failure to correctly monitor employees health for those exposed to hazardous substances such as HAVS • Lack of available resources to manage health and safety on day to day basis • Lack of suitable training for staff appropriate to the level of the requirements to manage health and safety at work	• Risk to life, including: Fatality, injury, ill health • Prosecution under the Health and Safety at Work Act 1974, The Regulatory Reform (Fire Safety) Order 2005, the Occupiers' Liability Act for breach of statutory duty and accompanying regulations. • Costs arising from other enforcement actions. • Fees for intervention by enforcing authority, such as the HSE. Currently £154 per hour. • Torte of negligence (Civil Claim). • Fines from prosecution, maximum fine is unlimited; custodial sentences, up to a maximum of 18 years for gross negligence manslaughter; indirect incurred legal costs. • Insurance costs; compensation award; excess payments, levied by the insurance company; raised insurance premiums. • Costs to the reputation of Hartlepool Borough Council.	• Corporate Health and Safety Policy • Accompanying Health and Safety Policies • Employing a qualified Health, Safety and Risk Manager and Health and Safety team to provide advice and assistance to ensure that directors, manager and employees are aware of their responsibilities under health and safety legislation and to ensure that health and safety standards are adequately maintained. • Corporate and departmental operational H&S committees to ensure that managers and trade union representatives are consulted on matters of health and safety. • Agenda item Health & Safety on DMT meetings each quarter and AD Regulatory services attends to provide update. • ELT oversight in place through quarterly reporting arrangements. • An online incident reporting system including near miss reporting system

• Lack of suitable work place maintenance programmes and condition surveys • Lack of suitable health and safety audits, fire risk assessment and inspection programmes to identify health and safety risks across the work force	• Indirect costs such as costs arising from investigations, retraining and developing systems. • Loss of income. • Costs arising from loss or damage of plant or property	• H&S training catalogue, available through the workforce development programme and free to all employees • Induction checklist with H&S instructions • H&S audit programme conducted by the HS&R team to ensure that H&S performance standards are maintained • Unannounced site safety inspections conducted by the H&S team to ensure compliance with safety legislation • Director appointed to provide resources for H&S safety • Monitoring in place for high risk actions including HSE improvement notice actions.

TYPE OF RISK: TICK RELEVANT BOXES BELOW	
Service Delivery	X
Financial	X
Reputation	**X**
Information Governance	
People (Internal/External)	**X**
Governance	

CURRENT RISK ASSESSMENT:

		IMPACT			
		NEGLIGIBLE (1)	MINOR (2)	MAJOR (3)	CRITICAL (4)
LIKELIHOOD	ALMOST CERTAIN (4)				
	PROBABLE (3)				RED (12)
	POSSIBLE (2)				
	HARDLY EVER (1)				

DEALING WITH RISKS USING THE FOUR T'S: TICK RELEVANT BOX BELOW	
Transfer - *the risk to another party*	
Tolerate – *the risk and its likely impact*	
Terminate *stop doing activity generating risk*	
Treat – *the risk to reduce likely impact or exposure*	**X**

RESPONSIBLE OFFICER	Assistant Director – Regulatory Services
DIVISION	Regulatory Services
DEPARTMENT	Neighbourhoods and Regulatory Services
DATE OF ASSESSMENT	December 2025
NEXT REVIEW DATE	March 2026

ADDITIONAL CONTROLS TO BE PUT IN PLACE:			
ADDITIONAL CONTROL	**WHAT NEEDS TO BE DONE? (ACTION)**	**LEAD OFFICER**	**DUE DATE**
Regular reporting to Finance and Policy Committee on performance.	Establish reporting framework for Finance and Corporate Affairs Committee.	Assistant Director – Regulatory Services	July 2026
Improved follow-up and reporting on Health and Safety actions from audits.	Implement Shine IT system to monitor progress on Health and Safety actions from audits.	Assistant Director – Regulatory Services	April 2026

RISK TITLE:	**Housing** - Failure to address the housing requirements of the borough and provide accessible, affordable, high-quality housing leading to insufficient and poor quality housing stock to meet need resulting in homelessness, inadequate accommodation to meet demand, high numbers on waiting lists, inequality and reduced quality of life for residents.

DETAILED DESCRIPTION OF CURRENT RISK:

CAUSES - what could make it happen?	**IMPLICATIONS** - what impact would it have if it did?	**EXISTING INTERNAL CONTROLS** – what are we already doing to reduce the likelihood and/or impact of it happening?
• Imbalance in the current housing stock with existing provision skewed towards terraced/low quality dwellings. • Lack of Council owned land that can be developed for additional affordable housing provision. • Non or stalled delivery of the allocated housing sites and associated infrastructure provision identified in the Local Plan. • Downturn in the local, regional, national housing market due to economic/political changes. • Housing Needs of the population cannot be met through current provision • Increasing demand on social housing due to societal and economic risks. • Increase in out of area placements increasing community tension and other LA's discharging responsibility of duty to HBC, placing individuals in poor quality and uninspected properties. • Inability to implement statutory obligations and changes in legislation and policy. • Absent landlords resulting in poor quality properties. • Increase in HMO properties.	• Inability of the Council to benefit from additional New Homes Bonus (subject to Government changes of this regime). • Inability of the Council to capture additional and higher value Council Tax. • Increased inequality and worsening of individual circumstances resulting in worsening of personal health and prosperity. • Increased demand on other council services due to inability to meet housing needs. • Negative economic impact in terms of physical job creation in the construction phase but also in providing attractive living environment for economically active people. • Reduced inward migration of economically active people and the risk of outward migration to more attractive settlements. • Poor perception of Hartlepool due to the impact poor housing stock and HMO's has on inward investment due to location and visibility. • Unacceptable living conditions being tolerated and individuals living in high risk environments.	• Have a Local Plan in place which seeks to specifically address the current and future housing requirements of the Borough via allocating appropriate land and policies that control development. • Completed a Strategic Housing Management Assessment in preparation for the development of a Housing Strategy • Engagement and support of the Tees Valley Housing partnership increasing access to investment opportunities. • Implementation group for Renters Rights Act • Engagement and consultation happening in relation to licensing (Selective Landlord Licensing, HMO's) • Establishment of Housing, Growth and Communities Directorate to provide leadership and opportunities to support a focus on housing.

TYPE OF RISK: TICK RELEVANT BOXES BELOW	
Service Delivery	x
Financial	x
Reputation	**x**
Information Governance	
People (Internal/External)	**x**
Governance	**x**

CURRENT RISK ASSESSMENT:

		IMPACT			
		NEGLIGIBLE (1)	MINOR (2)	MAJOR (3)	CRITICAL (4)
LIKELIHOOD	ALMOST CERTAIN (4)				
	PROBABLE (3)			RED (9)	
	POSSIBLE (2)				
	HARDLY EVER (1)				

DEALING WITH RISKS USING THE FOUR T'S: TICK RELEVANT BOX BELOW	
Transfer - *the risk to another party*	x
Tolerate – *the risk and its likely impact*	
Terminate *stop doing activity generating risk*	
Treat – *the risk to reduce likely impact or exposure*	**x**

RESPONSIBLE OFFICER	Director of Housing, Growth and Communities
DIVISION	Housing and Communities
DEPARTMENT	Housing Growth and Communities
DATE OF ASSESSMENT	January 2026
NEXT REVIEW DATE	March 2026

ADDITIONAL CONTROLS TO BE PUT IN PLACE:			
ADDITIONAL CONTROL	**WHAT NEEDS TO BE DONE? (ACTION)**	**LEAD OFFICER**	**DUE DATE**
Development of Housing Strategy	Strategy developed in consultation with stakeholders and residents. Using data and information to inform the risks and challenges and create a strategy and plan to address these.	AD Housing and Community	June 2026
Implementation of Renters Reform Act	Implementation plan completed	Director of Housing, Growth and Communities	May 2026
Implementation of Crisis Resilience Fund	Consider opportunities to manage demand/risk	Director of Housing, Growth and Communities	April 2026
Develop and investment pipeline	Working with TVCA and the TVHP develop a local investment strategy for the future renewal and development of housing stock	Director of Housing, Growth and Communities / Director of Neighbourhoods and Regulatory Services	September 2026

RISK TITLE:	**Information Governance** - Failure to comply with legislation and ensure appropriate system safeguards against data and information security leading to the confidentiality, integrity and availability of personal and corporate information and data or systems being negatively impacted or compromised resulting in loss of data, data breaches and potential significant financial penalties.

DETAILED DESCRIPTION OF CURRENT RISK:

CAUSES - what could make it happen?	**IMPLICATIONS** - what impact would it have if it did?	**EXISTING INTERNAL CONTROLS** – what are we already doing to reduce the likelihood and/or impact of it happening?
• Human error and / or carelessness • Poor software, network and building security providing increased opportunity for a data breach. • Lack of awareness of legislation, best practice and requirements to safeguard our data.	• Data loss or breach leading to a Information Commissioners Office (ICO) sanction or fine – a penalty of up to £17.5m or 4% of annual turnover (whichever is higher) may be levied by the Information Commissioner. • Reputational damage, complaints and potential financial claim from our customers and/or partners. • Other potential financial loss e.g. additional credit checks if financial information is breached.	• Designated Senior Information Risk Officer (SIRO) – Director of Finance, IT and Digital. • Awareness of and compliance with legislation and information publication requirements. • Regular monitoring of information governance by Corporate Information Governance Group with all Department's represented and chaired by an Assistant Director. • All new systems or processes with information holding requirements must have a signed off DPIA (Data Protection Impact Assessment). • Security questionnaire required for all hosted systems to ensure data is protected • Mandatory for all staff to undertake IG training once a year. • Annual completion of DSP (Data Security Protection) toolkit. • Annual review of all IG policies signed off by SIRO – promoted to staff through mandatory training

		• AI Policy incorporating AI acceptable use agreement • Information security incident management process incorporating lessons learned improvement action plans. • Internal arrangements for the secure disposal of information through shredding. • Cyber security arrangements (detailed elsewhere)

TYPE OF RISK: TICK RELEVANT BOXES BELOW	
Service Delivery	X
Financial	X
Reputation	**x**
Information Governance	**x**
People (Internal/External)	**x**
Governance	**x**

CURRENT RISK ASSESSMENT:

		IMPACT			
		NEGLIGIBLE (1)	MINOR (2)	MAJOR (3)	CRITICAL (4)
LIKELIHOOD	ALMOST CERTAIN (4)				
	PROBABLE (3)				
	POSSIBLE (2)			AMBER (6)	
	HARDLY EVER (1)				

DEALING WITH RISKS USING THE FOUR T'S: TICK RELEVANT BOX BELOW	
Transfer - *the risk to another party*	
Tolerate – *the risk and its likely impact*	
Terminate *stop doing activity generating risk*	
Treat – *the risk to reduce likely impact or exposure*	**x**

RESPONSIBLE OFFICER	Director of Finance, IT and Digital
DIVISION	Digital, Data and Technology
DEPARTMENT	Finance, IT and Digital Services
DATE OF ASSESSMENT	December 2025
NEXT REVIEW DATE	March 2026

ADDITIONAL CONTROLS TO BE PUT IN PLACE:			
ADDITIONAL CONTROL	**WHAT NEEDS TO BE DONE? (ACTION)**	**LEAD OFFICER**	**DUE DATE**
Governance of use of AI	AI Compliance group to cover all aspects of AI including safeguarding information, protection from bias and ensuring accuracy of output	Head of Corporate ICT	January 2026

RISK TITLE:	**Information Technology** - Failure to provide resilient, flexible and effective ICT infrastructure leading to ineffective service delivery or loss of service resulting in the inability of council teams to perform their functions, poor service delivery and frustrated customers interactions.	
DETAILED DESCRIPTION OF CURRENT RISK:		
CAUSES - what could make it happen?	**IMPLICATIONS** - what impact would it have if it did?	**EXISTING INTERNAL CONTROLS** – what are we already doing to reduce the likelihood and/or impact of it happening?
• Out of date equipment, software and technology. • Lack of robust disaster recovery, business continuity and cyber-crime plans. • Environmental threats. • Power outages. • Failure of Telcomms infrastructure. • Lack of CICT staff knowledge and expertise. • Lack of general ICT knowledge and expertise of all staff. • Poor user awareness of threats. • Failure to protect our ICT assets. • Poor contract management of outsourced ICT service and/or collapse of provider. • Lack of investment in necessary IT infrastructure and replacement of legacy systems.	• Inability of council teams to perform their functions and frustrated customer interactions. • Failure to ensure security of personal data. • Failure to comply with legislation, resulting in a risk of fines and reputational challenge	• Investment in new IT systems and network to reduce risk - two new internet circuits to civic to improve performance and resilience • Relevant information security policies and training in place. • Self-help/training videos on intranet support staff 24/7 • Monthly Operations Board meetings with NEC to monitor Contract and Service issues • Dedicated and skilled CICT Team / NEC managed contract • Implementation of Microsoft E5 licensing model to bring in further resilience and large suite of products. • Cloud first, where appropriate, to move reliance from traditional data centre model to dedicated cloud services. • Quarterly Contract Management Board - manages contract at strategic level • Work with Combined Authority to review regional connectivity resilience. • ICT/Digital Strategy and associated 3-5 Year prioritisation and financial plan in development. • Cyber security arrangements (detailed elsewhere)

TYPE OF RISK: TICK RELEVANT BOXES BELOW	
Service Delivery	X
Financial	X
Reputation	X
Information Governance	X
People (Internal/External)	X
Governance	X

CURRENT RISK ASSESSMENT:

		IMPACT			
		NEGLIGIBLE (1)	MINOR (2)	MAJOR (3)	CRITICAL (4)
LIKELIHOOD	ALMOST CERTAIN (4)				
	PROBABLE (3)				
	POSSIBLE (2)				RED (8)
	HARDLY EVER (1)				

DEALING WITH RISKS USING THE FOUR T'S: TICK RELEVANT BOX BELOW	
Transfer - *the risk to another party*	
Tolerate – *the risk and its likely impact*	
Terminate *stop doing activity generating risk*	
Treat – *the risk to reduce likely impact or exposure*	x

RESPONSIBLE OFFICER	Assistant Director of Digital, Data and Technology
DIVISION	IT and Digital Services
DEPARTMENT	Finance, IT and Digital Services
DATE OF ASSESSMENT	December 2025
NEXT REVIEW DATE	March 2026

ADDITIONAL CONTROLS TO BE PUT IN PLACE:			
ADDITIONAL CONTROL	**WHAT NEEDS TO BE DONE? (ACTION)**	**LEAD OFFICER**	**DUE DATE**
Additional staff for CICT to provide more resource and greater resilience	Recruit additional staff	Head of Corporate ICT	February 2026
Increase knowledge of M365 technology stack	Training for CICT staff – agree training budget	Head of Corporate ICT	February 2026

<table>
<tr><td>RISK TITLE:</td><td colspan="3">Safeguarding children - The council fails to effectively safeguard children and young people from harm, and promote their welfare, due to a lack of partnership working, data and information-sharing, workforce capacity and early intervention arrangements. This could result in harm to children, failure to meet statutory duties under the Children Act and statutory guidance Working Together, and significant reputational damage to the council.</td></tr>
<tr><td colspan="4">DETAILED DESCRIPTION OF CURRENT RISK:</td></tr>
<tr><td colspan="2">CAUSES - what could make it happen?</td><td>IMPLICATIONS - what impact would it have if it did?</td><td>EXISTING INTERNAL CONTROLS – what are we already doing to reduce the likelihood and/or impact of it happening?</td></tr>
<tr><td colspan="2">Failure to protect a child or young person and promote their welfare due to:

Increased demand and consequent capacity within the services to respond within available resources.
Increased complexity of need.
Inadequate training or supervision of staff and/or partners
Failure to have clear and effective policies/ procedures in place and failure to adhere to them.
Ineffective multi-agency collaboration and data and information sharing.
Failure to identify or respond to early warning signs or abuse or neglect.
</td><td>
Ineffective safeguarding leaves children at risk of harm or death of a child.
Children and young people do not experience safe, consistent, stable care, leading to increased risks of poor adult outcomes.
Legal action, regulatory intervention, or a public enquiry.
Loss of public confidence and trust in the council.
Ofsted ‘inadequate’ judgement leading to intervention.
Significant implications for the reputation of the organisation.
Difficulty in identification and securing specialist placements / high cost.
Increased financial pressures due to crisis responses and litigation.
</td><td>
Statutory safeguarding, policies and procedures in place, which are reviewed and updated regularly.
Maintain workforce stability and skills mix to provide effective social care service.
ASYE year (Assessed and Supported Year in Employment).
Progression checkpoints.
Grip on performance through quality assurance framework, performance management, audits, case reviews, peer reviews and an ongoing quality assurance cycle.
Management oversight and supervision with:

Managers oversee performance within their teams through PowerBI dashboard
Team performance clinic
Senior managers oversee CHaT and the monthly scorecard
Heads of Service to oversee performance with the monthly scorecards and quarterly CHaT tool

Continuous improvement in assessment planning, implementation, and review of the needs of children and young people.
Regular update of SeF
Regional data scorecard (benchmarking)
Workforce Development programme to maintain practice standards and continuous learning and development.
Staff Briefings.
Hartlepool and Stockton Safeguarding Children Partnership (HSSCP) offering both scrutiny and challenge of partnership
</td></tr>
</table>

		working and effectiveness of multi-agency safeguarding arrangements. • Effective commissioning arrangements with clear service specifications and robust and regular monitoring and review. • Recruitment campaigns to ensure we have sufficient foster carers to meet demand. • Existing internal residential placements and plans to expand provision. • Children's homes R44 and annual inspections • Ofsted Inspection (ILAC, Focused visit, annual conversation) of Local Authority Children's Services. • Director's challenge meeting • Annual mandatory safeguarding training for all staff and elected members. • Regular multi-agency partnership training. • Expansion of early help offer. • Families First reforms progress

TYPE OF RISK: TICK RELEVANT BOXES BELOW	
Service Delivery	X
Financial	X
Reputation	X
Information Governance	
People (Internal/External)	X
Governance	

CURRENT RISK ASSESSMENT:

		IMPACT			
		NEGLIGIBLE (1)	MINOR (2)	MAJOR (3)	CRITICAL (4)
LIKELIHOOD	ALMOST CERTAIN (4)			RED (12)	
	PROBABLE (3)				
	POSSIBLE (2)				
	HARDLY EVER (1)				

DEALING WITH RISKS USING THE FOUR T'S: TICK RELEVANT BOX BELOW	
Transfer - *the risk to another party*	
Tolerate – *the risk and its likely impact*	X
Terminate *stop doing activity generating risk*	
Treat – *the risk to reduce likely impact or exposure*	

RESPONSIBLE OFFICER	Assistant Director Children and Families
DIVISION	Children and Families
DEPARTMENT	Children’s Services
DATE OF ASSESSMENT	December 2025
NEXT REVIEW DATE	March 2026

RISK TITLE:	**Staff Safety** - Failure to protect the personal safety and wellbeing of our employees leading to staff harm and absence from work resulting in the failure to deliver services.	
DETAILED DESCRIPTION OF CURRENT RISK:		
CAUSES - what could make it happen?	**IMPLICATIONS** - what impact would it have if it did?	**EXISTING INTERNAL CONTROLS** – what are we already doing to reduce the likelihood and/or impact of it happening?
• Verbal and physical abuse from members of the public / service users. • Ineffective management of difficult individuals or situations. • Lack of training for staff to help deal with difficult situations. • Lack of support for staff who have been subject to violence, aggression, harassment or abuse including. • Lack of staff awareness of potentially violent or aggressive individuals or situations. • Lone working. • Public facing roles with face-to-face contact with members of the public / service users. • Poor awareness of the Staff Safety Policy and related procedures. • Senior leaders, managers and employees not being aware of their individual roles and responsibilities. • Senior leaders, managers and employees not using existing policies to protect staff / themselves.	• Risk to life, including fatality, injury and ill health. • Staff suffering harm which impacts on their physical and mental health and wellbeing. • Staff absence and long-term sick. • Reputational damage. • Difficulty in recruiting future employees.	• Agreed Staff Safety Policy with associated procedures which are known and understood by employees. • Safety Incident Report Form (SIRF) and process to record incidents and identify potential ongoing threats to staff safety. • Employee Protection Register on the staff intranet so that it is accessible for all staff (and contractors). • Chief Officer Safety Panel (COSP) to deal quickly with threats to staff safety. • Urgent staff communications process for imminent threats. • Range of actions identified for dealing with threatening individuals including restricting or removing access to the Council's buildings and services, issuing Community Protection Warnings, applying for Civil Injunction or Criminal Behaviour Order and reporting to the Police seeking legal action. • Support for staff who have been subject to violence, aggression, harassment or abuse including counselling, physio etc. • Lone working arrangements in place including safety devices.

TYPE OF RISK: TICK RELEVANT BOXES BELOW	
Service Delivery	X
Financial	
Reputation	**X**
Information Governance	
People (Internal/External)	**X**
Governance	

CURRENT RISK ASSESSMENT:

		IMPACT			
		NEGLIGIBLE (1)	MINOR (2)	MAJOR (3)	CRITICAL (4)
LIKELIHOOD	ALMOST CERTAIN (4)				
	PROBABLE (3)				
	POSSIBLE (2)				RED (8)
	HARDLY EVER (1)				

DEALING WITH RISKS USING THE FOUR T'S: TICK RELEVANT BOX BELOW	
Transfer - *the risk to another party*	
Tolerate – *the risk and its likely impact*	
Terminate *stop doing activity generating risk*	
Treat – *the risk to reduce likely impact or exposure*	**X**

RESPONSIBLE OFFICER	Chief Executive
DIVISION	
DEPARTMENT	Office of the Chief Executive
DATE OF ASSESSMENT	December 2025
NEXT REVIEW DATE	March 2026

ADDITIONAL CONTROLS TO BE PUT IN PLACE:			
ADDITIONAL CONTROL	**WHAT NEEDS TO BE DONE? (ACTION)**	**LEAD OFFICER**	**DUE DATE**
Provide employee training for dealing with difficult situations/people	Look to include a training session in the workforce development programme or an e-learning course on Skillgate	Organisational Development Manager	April 2026
Awareness raising of staff safety policies/procedures	Campaign to be undertaken at least annually.	Health and Safety Manager	June 2026
EPR / SIRF process	EPR / SIRF process to be reviewed to ensure it is fit for purpose and accessible to staff	Digital and Customer Services Manager / Health and Safety Manager	June 2026

<table>
<tr><td>RISK TITLE:</td><td colspan="3">Workforce - The skills, expertise, wellbeing, performance, and overall size of the workforce available may not be sufficient to support the overall aims of the organisation resulting in the failure to deliver services.</td></tr>
<tr><td colspan="4">DETAILED DESCRIPTION OF CURRENT RISK:</td></tr>
<tr><td colspan="2">CAUSES - what could make it happen?</td><td>IMPLICATIONS - what impact would it have if it did?</td><td>EXISTING INTERNAL CONTROLS – what are we already doing to reduce the likelihood and/or impact of it happening?</td></tr>
<tr><td colspan="2">The necessity to deliver savings and efficiencies has resulted in a reduced workforce.
Loss of experienced staff due to retirement, ill health, lack of development opportunities or due to concerns about job security caused by continuing reductions in staffing levels.
Recruitment and selection difficulties; attracting applicants to the public sector/Local Government.
Recruitment and retention difficulties resulting from an inability to compete in the local/national labour markets if pay levels continue to be suppressed.</td><td>Failure to maintain staffing levels, and failure to develop staff performance/Council services, resulting in reduced service delivery impacting on the lives and wellbeing of the Hartlepool community.
Increased workloads leading to inefficiencies, increased sickness absence and impact on staff wellbeing and general discontent.
Reputational damage.
Failure to attract and maintain external contracts resulting in reduced income generation.</td><td>Availability of up to date HR policies and procedures, in line with legislative requirements and the strategic aims of the Council.
A Workforce Strategy to underpin the Council Plan aims that supports the development of the workforce, improves wellbeing and engagement, provides a focus on strategic and service workforce planning, frameworks to support the measuring of workforce performance and overall builds a strong Council identity.
Improve recruitment and retention of quality staff to ensure that the organisation has the necessary knowledge, skills and experience to achieve its objectives.
Support the development of Apprenticeships, volunteering opportunities and work experience within the Council.
Accurate and timely payment of all employee salaries and administration of all deductions from pay.
Administration of pension service.
Advisory services providing advice, guidance and support in all employment matters to resolve issues and prevent employee relations difficulties.
Support provided to the programme of organisational and structural change being delivered to meet the financial challenge, including service reviews and redundancies.
Trade Union negotiation, consultation and maintaining effective employee relations across the Council.
Reporting Key Performance Indicators, for example Sickness Absence and turnover. Undertaking an annual employee survey.
Management of Health and Wellbeing contracts, including Occupational Health and Counselling to support the wellbeing of the workforce preventing and supporting the management of sickness absence.</td></tr>
</table>

		• Management and administration of employee benefits. • Workforce planning, including continued integration of the Council's values and behavioural standards, succession planning, pay and reward. • Employee development and engagement to further enhance the skills and capacity of our workforce including leadership and management development, workforce development and engagement strategies. • Support the development of the Council's Digital Strategy through My View and HR Dashboard for employee and managers to access and manage employee information. • Support the health of the workforce through the Council's Health & Wellbeing of the Workforce Programme. • Utilise market forces supplements where the criteria is met under the Council's terms and conditions of employment (in the absence of funding a full pay and grading review). Report on concerns and actions to monitor recruitment and retention across the Council to the Executive Leadership Team. • Implement and develop the North East Jobs recruitment platform with NEREO to reach a wider audience. Keep promoting the national Local Government Recruitment Campaign 'Make a difference'. • Maintain and Develop the HBC Jobs and Careers webpage to improve recruitment to difficult to fill vacancies.

TYPE OF RISK: TICK RELEVANT BOXES BELOW	
Service Delivery	X
Financial	X
Reputation	**X**
Information Governance	
People (Internal/External)	**X**
Governance	

CURRENT RISK ASSESSMENT:

		IMPACT			
		NEGLIGIBLE (1)	MINOR (2)	MAJOR (3)	CRITICAL (4)
LIKELIHOOD	ALMOST CERTAIN (4)				
	PROBABLE (3)				
	POSSIBLE (2)			AMBER (6)	
	HARDLY EVER (1)				

DEALING WITH RISKS USING THE FOUR T'S: TICK RELEVANT BOX BELOW	
Transfer - *the risk to another party*	
Tolerate – *the risk and its likely impact*	X
Terminate *stop doing activity generating risk*	
Treat – *the risk to reduce likely impact or exposure*	**X**

RESPONSIBLE OFFICER	Director of Legal, Governance and HR
DIVISION	HR
DEPARTMENT	Legal Governance and HR
DATE OF ASSESSMENT	December 2025
NEXT REVIEW DATE	March 2026