



# **Finance & Corporate Affairs Committee**

## **Minutes and Decision Record**

10 February 2025

### **Meeting commenced**

**Time:** 1:00pm

**Location:** Council Chamber, Civic Centre, Hartlepool

### **Present:**

Councillor Pamela Hargreaves (In the Chair)

Councillors Gary Allen, Rachel Creevy, Sue Little, Melanie Morley, Amanda Napper, John Nelson, Karen Oliver and Owen Riddle.

Also Present: In accordance with Council Procedure Rule 4.2 Councillor Mike Young was in attendance as substitute for Councillor Jim Lindridge and Councillor Carole Thompson was in attendance as substitute for Councillor Martin Scarborough

Councillors Tom Feeney and Phil Holbrook

**Officers:** Denise McGuckin, Chief Executive

Hayley Martin, Director of Legal, Governance and HR

James Magog, Director of Finance, IT and Digital

Jill Harrison, Executive Director of Adult and Community Services

Alison Sutherland, Executive Director of Children's Services

Kieran Bostock, Director of Neighbourhood and Regulatory Services

Gemma Ptak, Director of Housing, Growth and Communities

Tim Wynn, Strategic Asset Manager

Jo Stubbs, Principal Democratic Services and Legal Support Officer

### **31. Apologies for Absence**

Apologies were submitted by Councillors Jim Lindridge and Martin Scarborough

### **32. Declarations of Interest**

None

### **33. To receive the minutes of the meeting held on 24 November 2025**

Minutes received

### **34. Council Plan Progress Report (*Chief Executive*)**

#### **Type of decision**

For information

#### **Purpose of Report**

To provide an update on progress made on the delivery of the Council Plan 2030 for Place priority. The latest Strategic Risk Register was also provided for information.

#### **Issue(s) for consideration**

The Council Plan was agreed by Finance and Policy Committee in April 2025, outlining the Council's priorities for the next 5 years for each of the 4 agreed strategic priorities. The Chief Executive reported on the progress made against the place priority. This included the delivery of good quality housing, improvements in the range of social housing options and increases in recycling rates. Full details were appended to the report.

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

#### **Decision**

That the progress made on the Council Plan 2030 and the new Strategic Risk Register for the Council be noted.

### **35. Corporate Procurement Report on Contracts** *(Director of Finance, IT and Digital)*

#### **Type of decision**

For information

#### **Purpose of Report**

To satisfy the requirements of the Council's Contract Procedure Rules with regard to the Finance and Corporate Affairs Committee namely receiving and examining reports on the outcome of contract letting procedures including those where the lowest/highest price is not payable/receivable and receiving and examining reports on any exemptions granted in respect of the Council's Contract Procedure Rules

#### **Issue(s) for consideration**

Information was provided to members in respect of contracts recently awarded by the Council valued over £60 thousand. Details of Contract Rules exemptions were also given and commercial information in respect of tenders received and any confidential information relating to Contract Procedure Rule exemptions or contract extensions. In response to a member query the Chair confirmed that work was ongoing to ensure that the awarding of contracts should benefit local businesses wherever possible.

#### **Decision**

That the report be noted

### **36. Housing Revenue Account Business Plan Update 2026/27** *(Director of Neighbourhoods and Regulatory Services)*

#### **Type of decision**

Key

#### **Purpose of Report**

To provide an updated Housing Revenue Account (HRA) Business Plan and performance update of the HRA activity, set out rental requirements for 2026/27 and seek approval to refer this decision to Council and seek approval of the HRA budget for 2026/27.

#### **Issue(s) for consideration**

The business plan covers key council HRA priorities, showing how the Council intend to develop services to tenants, how key Government policy changes will be addressed and how it was intended to grow and develop the HRA portfolio. This year's plan provided an update on the key priorities, changes

made to improve the HRA service and an overview of the financial sustainability of the HRA. Performance statistics showed a Council housing stock of 355 properties with high rates of rent collection and an average of 195 days for vacant properties to be re-let. Details of priority bandings around applicant allocations were outlined. A tenant survey had been carried out with a response rate of 14%. The majority of responses were positive and any individual issues raised had been responded to by officers. Delivering new homes and improving energy efficiency were identified as future priorities.

The Director of Neighbourhood and Regulatory Services set out the background to rent setting and the factors which created additional pressures on the financial viability of the HRA. It was proposed that a rent increase of 4.8% be approved in line with the current rent policy. This HRA model had assumed this level of increase and this resulted in a balanced budget. Without this proposed rent increase, the HRA budget would become unsustainable and result in a deficit. Current HRA reserves stand at £500 thousand and would be unaffected if the proposed rent increase was approved.

The Chair focused on the critical importance of investment in housing. While the increase was the maximum allowable she was pleased to note that the increased costs would be funded through benefits for the majority of those impacted.

#### **Decision**

- I. That the overall contents and strategy of the HRA Business 2026/27 be noted
- II. That the recommended rent increase of 4.8% for 2026/27 be endorsed and referred to Council for approval.

### **37. Business Rates – Discretionary Relief and Hardship Relief Policy** (*Director of Finance, IT and Digital*)

#### **Type of decision**

Budget and Policy Framework

#### **Purpose of Report**

To agree a revised Discretionary Rate Relief policy and the Discretionary Hardship Relief policy.

#### **Issue(s) for consideration**

The Local Government Finance Act 1988 enables local authorities to allow discretionary business rate relief when a property is use wholly or mainly for charitable purposes or where a property is mainly used for recreation and

occupied for the purposes of a club, society or other organisation not established or conducted for profit. The Council must be satisfied that the money lost through this discretionary relief will be repaid in economic and/or community benefits. A policy was previously approved in 2004 with revisions made in 2011. This was prior to the revised Business Rate Retention System introduced in 2013. Details of the current reliefs in place and the proposed new reliefs were outlined in the report with the full draft policy appended.

The Local Government Finance Act 1988 also allows for the awarding of discretionary relief to ratepayers suffering financial hardship provided this is reasonable and having regard to the interests of council tax payers. Applications are rare but it was felt timely to review the policy, a draft of which was appended to the report.

### **Decision**

That the revised Discretionary Rate Relief policy and Discretionary Hardship Relief policy be agreed.

## **38. Capital Programme 2026/27 to 2028/29** *(Director of Finance, IT and Digital)*

### **Type of decision**

Budget and Policy Framework

### **Purpose of Report**

To approve the Capital Strategy for 2026/27 to 2028/29 and the Capital Programme new starts 2026/27 to 2028/29, both to be recommended to Council for approval

### **Issue(s) for consideration**

The Director of Finance, IT and Digital reported that the Council had, 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. The report brought together the Capital Programme and Capital Strategy, aligning them with the Medium-Term Financial Strategy (MTFS) and Treasury Management Strategy as an integral part of the Council's Strategic and Financial Planning Framework.

The Capital Programme also included planned HRA investment. Decisions on HRA investment was subject to Business Cases and were included as part of the annual HRA Business Plan with updates provided to Finance and Policy Committee on a regular basis. The programme, details of which were appended to the report, included schemes previously approved, schemes due to conclude and amendments to existing schemes. Details of 3 new schemes proposed for approval were outlined in the report, specifically improvements

to the current cremator system, plant replacement at the former Claxton Landfill site on Dalton Back Lane and corporate planned maintenance. Refreshment of the Vehicles Procurement programme was also proposed along with the future expansion of Stranton Cemetery.

### **Decision**

- I. That the Capital Strategy for 2026/27 to 2028/29 be recommended to Council for approval.
- II. That the Capital Programme new starts 2026/27 to 2028/29 be recommended to Council for approval
- III. That the delegation to relevant policy committee to approve detailed schemes arising from confirmed specific grant allocations be agreed
- IV. That it be agreed that any capital receipts generated be considered for funding of the existing capital programme and that financial flexibility arrangements be used to fund revenue costs associated with service transformation
- V. That the updated capital programme be noted.

## **39. Budget Monitoring Report – Quarter 3 2025/26** *(Director of Finance, IT and Digital)*

### **Type of decision**

Budget and Policy Framework

### **Purpose of Report**

To inform members of the General Fund forecast revenue outturn for 2025/26, Reserves forecasts, Housing Revenue Account forecast outturn for 2025/26, Corporate Income Collection Performance and Capital Programme Monitoring 2025/26

### **Issue(s) for consideration**

The Director of Finance, IT and Digital reported that the financial circumstances facing the council remained challenging into the third quarter of the 2025/26 financial year. This was due to inflationary and on-going increased demand, areas of income shortfall and significant cost pressures within Children's Social Care. There was also a forecast overspend with Adult Social Care for the first time although this had improved during quarter 3. The overall position for the General Fund Outturn for 2025/26 identified a forecast overspend of £2.450m, an improvement since quarter 2.

The Director of Finance, IT and Digital highlighted salient points included in the report which included a summary of the forecast position by Directorate, budget savings monitoring arrangements, dedicated school grant, reserves

position, housing revenue account position, income collection, council tax, business rates and capital monitoring.

The Chair commented that social care costs for the vulnerable of all ages were responsible for much of this overspend. They were incredibly high but unexpected so could not be budgeted for. It was unfair that local authorities were expected to bear this burden and private providers were holding councils across the country to ransom with the charges for their services. Members praised the efforts made by officers to try to balance their departmental budgets. They also noted that without groups such as unpaid carers the situation could be much worse. Costs had spiralled as the Council were at the whim of private providers who play Local Authorities off against each other and that escalated the costs - this was what was driving up costs, leading to large overspends. That and the fact that Hartlepool have the 3<sup>rd</sup> highest number of children in care in the country.

### **Decision**

- I. That the 2025/26 forecast outturn position of £2.450m overspend and the accompanying financial performance for the year be noted
- II. That the virements be noted
- III. That the forecast use of reserves be noted
- IV. That the 2025/26 forecast outturn in relation to the Housing Revenue Account be noted
- V. That the capital programme position be noted and budget variations approved

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

### **Type of decision**

Budget and Policy Framework

### **Purpose of Report**

To provide an update on the 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.

### **Issue(s) for consideration**

The Chair advised Members that while officers had been given information as to the Final Local Government Finance Settlement for 2026-27 – 2028/29 discussions were on-going between the town's MP and senior Government

officials. She therefore proposed that consideration of this item be deferred until Monday 16<sup>th</sup> February to enable these discussions to take place

### **Decision**

That the meeting be adjourned to Monday 16<sup>th</sup> February 2026 – time to be confirmed

Meeting concluded at 2:20pm

### **Meeting reconvened**

**Time:** 1:30pm

**Location:** Council Chamber, Civic Centre, Hartlepool

### **Present:**

Councillor Pamela Hargreaves (In the Chair)

Councillors Gary Allen, Rachel Creevy, Sue Little, Melanie Morley, Amanda Napper, John Nelson, Karen Oliver and Owen Riddle.

Also Present: In accordance with Council Procedure Rule 4.2 Councillor Mike Young was in attendance as substitute for Councillor Jim Lindridge

Councillors Tom Feeney and Martin Scarborough

Officers: Denise McGuckin, Chief Executive

Hayley Martin, Director of Legal, Governance and HR

James Magog, Director of Finance, IT and Digital

Jill Harrison, Executive Director of Adult and Community Services

Alison Sutherland, Executive Director of Children's Services

Kieran Bostock, Director of Neighbourhood and Regulatory Services

Gemma Ptak, Director of Housing, Growth and Communities

Tim Wynn, Strategic Asset Manager

Jo Stubbs, Principal Democratic Services and Legal Support Officer

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

### **Type of decision**

## Budget and Policy Framework

### **Purpose of Report**

To provide an update on the 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.

### **Issue(s) for consideration**

The Director of Finance, IT and Digital referred to the background to the budget position and reports previously considered by the Finance and Policy Committee which had set out the continued financial challenges facing the Council for 2026/27 and over the MTFP period. The report submitted was based on the provisional Local Government Financial Settlement (LGFS) and showed a 7.7% (£10.275 million) increase in the Council's core spending power. This included an assumed Council Tax rise of 4.99%, the maximum that Hartlepool could apply. Without this the increase in core spending power would be 5.6%, below the national average.

The final LGFS had been received last week. It included an additional sum in grant funding for homelessness and the writing-off of 90% of the Designated School Grant (DSG) High Needs Block (HNB) deficit accrued by the end of 2025/26. Additionally officers had been working on the basis of a 100% write-off for the DSG HNB and had not budgeted for less meaning they would potentially need to find an additional £1 million to fund this.

The overall summary position showed a gap of circa £8 million for 2026/27. £4.5 million of savings proposals had been accepted by the policy committees leaving a gap of £3.740 million for 2026/27 which would increase to £18 million over the MTFP period.

The Director of Finance, IT and Digital drew members attention to the advice appended to the report. His conclusion was that there were adequate reserves but this would only should in excess of £3m be held in the Budget Support Fund. A concerted effort to reduce spending in Children's social care and deliver transformation savings over the MTFP period was required. He further advised as S151 officer that Council should seek the maximum Council Tax rise permissible of 4.99%. He did not recommend using reserves to avoid raising council tax as this would defer the budget gap and difficult decisions while weakening the financial resilience of the Council. Even with the recommended council tax rise £1 million in reserves would still need to be used. If members felt unable to support the maximum council tax rise additional savings would need to be found to make up the shortfall.

The Chair thanked the Director of Finance, IT and Digital for his professional advice on this matter. Members were united in their disappointment at the LGFS particularly given the efforts made by the Chair and MP to gain a more favourable settlement. The Chair thanked members for these comments, noting a sense of betrayal when nearby authorities had received additional funding but Hartlepool had not. She also noted the budget pressures caused by social care in the town, without which the settlement would have been adequate. Members had spent the majority of the previous meeting discussing the challenges associated with social care costs, such as the gravity of the situation and enormity of the impact on the Council's finances. A member noted that the recommended rise would help protect the vulnerable in society. The Chair moved that the recommendations detailed in the report be voted on by all members at the Council meeting on 19<sup>th</sup> February. This was agreed unanimously.

### **Decision**

That the recommendations in the report be forwarded to Council on 19<sup>th</sup> February 2026 for consideration by all members.

The meeting concluded at 1:50pm

**H MARTIN**

**DIRECTOR OF LEGAL, GOVERNANCE AND HUMAN RESOURCES**

**PUBLICATION DATE:** 27 February 2026