



Hartlepool
Borough Council

Finance and Corporate Affairs Committee Agenda

24 June 2026

Time: 1.00 pm

Location: Council Chamber

Members: Finance and Corporate Affairs Committee

Councillors Darby, Dodds, G Harrison (C), Lindridge, Napper, Nelson, Roy, Scarborough, Wallace, Wiley and Young (VC)

Parish Council Co-opted Member:

M Ireland and C Robson (Dalton Piercy Parish Council)

1. Apologies for absence

2. To receive any declarations of interest by members

3. Minutes

3.1 To receive the Minutes and Decision Record in respect of the meeting held on 10 February 2026 (previously published and circulated).

4. Budget And Policy Framework Items

4.1 Budget Monitoring Report – 2025/26 Outturn – *Director of Finance, IT and Digital*

4.2 Medium Term Financial Plan (MTPF) 2027/28 to 2030/31 - *Director of Finance, IT and Digital*

CIVIC CENTRE EVACUATION AND ASSEMBLY PROCEDURE

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



5. Key Decisions

No items

6. Other Items Requiring Decision

No items

7. Items for information

7.1 Corporate Procurement Report on Contracts – *Director of Finance, IT and Digital*

8. Any other business which the chair considers urgent

For Information

Date of next meeting – Tuesday 8 September at 10am in the Council Chamber, Civic Centre, Hartlepool.



Report of: Director of Finance, IT and Digital
Subject: Budget Monitoring Report – 2025/26 Outturn
Decision Type: Budget and Policy Framework

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 revenue outturn for 2025/26;
- ii) Reserves position and forecasts;
- iii) Housing Revenue Account 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 February, as part of the Quarter 3 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 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; this position did improve during the second half of the year but still recorded an overspend.
- 3.2 General inflation rose in the final quarter of the year, with the Consumer Price Index recording 3.3% for March 2026, which was a rise from February's 3.0%. Concerningly inflation rates are expected to rise throughout 2026, primarily lined to the energy markets impact from the Iran war and other on-going geopolitical events.
- 3.3 The in-year forecast overspend outlined in prior reports and wider financial position of the Council necessitated corrective action to be taken during the year. Messaging regarding spend efficiency measures and reviewing staff vacancies continued, alongside action plans to mitigate the children's and adult's social care financial position.
- 3.4 The outturn forecasts reported to committee in prior reports during 2025/26 were; £2.375m forecast overspend at Quarter 1, £3.260m forecast overspend at Quarter 2, £2.450m forecast overspend at Quarter 3.

4. GENERAL FUND REVENUE OUTTURN 2025/26

- 4.1 The actual outturn position for 2025/26 is an overspend of £1.195m, which is an improvement from quarter 3. 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 £2.450m. 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 overspend. An overspend was also recorded within Adult Services, although this has improved during the final quarter. Underspends in other areas have partially mitigated the social care cost pressures.

Q3 Forecast Outturn - Overspend/ (Underspend)	Departmental Budgets	Final Outturn - Overspend/ (Underspend)
£'000		£'000
700	Adult Services & Public Health	358
6,450	Children's Services	6,544
(145)	Neighbourhoods & Regulatory Services	(670)
(20)	Housing, Growth and Communities	(107)
(155)	Finance, IT and Digital	(266)
(85)	Legal, Governance and HR	(143)
105	Office of the Chief Executive	85
(4,400)	Corporate	(4,606)
2,450	Total Forecast Budget Overspend	1,195

Adult Services and Public Health

- 4.3 The final outturn position was an overspend within Adult Social Care of £0.358m, which is an improvement on both the Q3 (projected overspend £0.700m) and Q2 (projected overspend of £0.950m) forecasts.
- 4.4 The overspend within Adult Social Care represents 0.8% of the net budget and mainly relates to demographic pressures, increased demand and greater costs and increased income budgets for packages of care for Older People and Working Age Adults. A Financial Recovery Plan was developed and implemented during 2025/26 by the Adult Social Care senior management team with budgets, expenditure and income continuing 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). There was an underspend at year end, however, in line with the grant conditions, this has been transferred to the ring-fenced Public Health reserve for use on future public health-related services.

Children Services

- 4.6 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 final outturn position was a net overspend of £6.544m. This forecast represents a £0.094m worsening of the position since that reported in the Quarter 3 monitoring report in February 2026.
- 4.7 As reported as part of the Quarter 3 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.

- 4.8 Children in our care (CiOC) numbers have continued to rise throughout the whole of 2025/26, with the respective CiOC numbers at the end of each quarter totalling; 345 for quarter 1, 352 for quarter 2, 365 for quarter 3 and up to 382 by the end of the financial year. For context, quarter 4 (Jan-Mar 26), saw the highest ever number of safeguarding referrals into the Council in a single quarterly period. These statistics demonstrate the escalating demand for children's safeguarding services, placing increasing pressure on social worker capacity and ultimately an increasing number of children being brought into the care of the local authority. Also, 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.
- 4.9 For context, with regard to external provider placement pressures, as at 31st March 2026 the top 25 highest cost external placements were costing in the region of £231,000 per week, which equates to c£12.0m per year. The average cost of the 51 external placements (at 31st March 2026) was £7,300 per week, with a range of £3,900 to £15,000 per week. As at 31st March 2026 there were 8 placements costing £10,000 or more per week as a result of the complexities of their bespoke needs.
- 4.10 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.
- 4.11 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.
- 4.12 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. Any developments in this area will help reduce our exposure to the significant fees being charged by the external care market.
- 4.13 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.

- 4.14 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.
- 4.15 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.
- 4.16 The 2026/27 Medium Term Financial Plan (MTFP) provided 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 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 care numbers poses a significant risk for 2026/27.

Neighbourhoods and Regulatory Services

- 4.17 The final outturn for the department is a favourable variance of £0.670m
- 4.18 This improvement is primarily due to increased income generation across trading services. The Building Design Team benefited from increased productivity owing to operational efficiencies on large capital schemes and additional external income from contracts awarded in-year. The Construction Team also benefited from increased productivity owing to operational efficiencies. Engineering Services experienced a significant improvement following changes to allowable cost recovery on several grant schemes.
- 4.19 Despite the improved overall position, a number of services continued to face challenges, with adverse variances reported in; Planning & Development, Strategic Asset Management, Public Protection, Facilities Management, Sustainable Transport, Highways and Streetlighting.
- 4.20 The Public Protection position did improve from quarter 3 as demolition costs for Admiral Court were lower than anticipated. Facilities Management also improved, with income performing better than expected. Highways and

Streetlighting variances reduced following mitigating actions taken by the services.

- 4.21 However, unbudgeted costs from reinstating School Crossing Patrols, along with one-off Road Safety issues, including additional NDORS costs, contributed to an adverse variance. Passenger Transport also reported an adverse variance, mainly due to unforeseen costs for in-house transport provision following a supplier exit in the previous year. Car Parking experienced additional costs in relation to the replacement of parking machines.
- 4.22 As previously reported, outturn variances across a number of service areas remained favourable, namely; Environmental Services, Vehicle Fleet, Waste Management and Community Safety.
- 4.23 A detailed breakdown is outlined in **Appendix C**.

Housing, Growth and Communities

- 4.24 The outturn for the department is an underspend of £0.104m.
- 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.

Finance, IT and Digital

- 4.27 The outturn for the department is an underspend of £0.266m. 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

- 4.28 The outturn for the department is an underspend of £0.143m. 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

- 4.29 The final outturn position was an overspend of £0.085m, an improvement of £0.020m on the Q3 projected outturn. The overspend predominantly relates to income shortfalls in reprographics.

Corporate Areas

- 4.30 Interest income generated from the investment of the council's reserves, continued to provide a vital revenue stream to support the overall budget position. Interest of c£3.6m was 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.
- 4.31 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 provided an in-year benefit of £0.328m.
- 4.32 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

- 4.33 During the financial year it is necessary to amend budgets to allocate resources held corporately or reflect changes in structures or activity.
- 4.34 The report is presented in line with the new directorate structures adopted part way through the year, budget amendments were enacted to achieve this.
- 4.35 Budget adjustments were also carried out during quarter 4 between the corporate budget and service area budgets, to provide additional energy resource from the centrally held allocation.

Budget Savings Monitoring

- 4.36 The 2025/26 budget included the implementation of £2.849m of approved savings plans for year. A number of plans were delivered in full, 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 in-year.
 - **£0.605m (21.2%)** of savings were delayed but have now been progressed, with a good prospect that the full savings will be achieved in 2026/27.
 - **£0.315m (11.1%)** is in respect of areas where delays and issues have been encountered, meaning savings were unable to be delivered as planned during 2025/26. These are included as overspends in the outturn position. Further information on the main areas is noted below.

- 4.37 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. An adjustment was made in the 2026/27 budget to partially address this shortfall. The position will be closely monitored.
- 4.38 A planned saving of £0.100m from a review of Schools Catering and Cleaning, was only partially achieved in 2025/26. £0.050m of the forecast was able 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. The Facilities Management team are reviewing operation arrangements and charging structures to address this shortfall moving into 2026/27.
- 4.39 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 were less than anticipated in this area.

Dedicated School Grant

- 4.40 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. In subsequent years HNB pressures significantly increased and an overspend was recorded in each year. At the end of the 2024/25 financial year the DSG accumulated deficit totaled £4.932m (31st March 2025).
- 4.41 As reported through the 2025/26 quarterly budget monitoring updates to Committee, Hartlepool, like many other local authorities across the country continued to have an inherent deficit within its DSG budget, driven by shortfalls on High Needs block funding. The DSG overspend position for the 2025/26 financial year totaled £3.861m, this net position is comprised of a HNB overspend of £4.710m, partially offset by a £0.828m underspend from the Early Years Block and £0.021m underspend from the Central Schools Services Block.
- 4.42 The DSG cumulative deficit balance now totals £8.793m as at 31 March 2026. Accounting regulations do not allow this balance to be included in the General Fund. In accordance with accounting regulations this balance is subject to a statutory override and transferred to the Dedicated Schools Grant Adjustment Account which is an unusable reserve.
- 4.43 Owing to this deficit position the Council previously produced a DSG Management Plan, which was agreed with the Department for Education (DFE). Subsequently and following the publication of the Schools White Paper, the

DFE issued a further requirement for local authorities to produce a Local SEND Reform Plan, this is to be submitted for approval in June 2026.

- 4.44 The government has announced that the statutory override will end at the end of March 2028. Subject to the production of a compliant Local SEND Reform Plan, government are to provide 90% of the accrued DSG deficit balance to 31 March 2026 as a High Needs Block Stability Grant. This grant is expected to be received during 2026/27 and will significantly support the cash flow pressures on authorities from this deficit. Local authorities are required to fund the remaining 10% balance. A reserve has been created to cover Hartlepool's 10% requirement, including an estimate for a 2 further financial years 2026/27 and 2027/28 (£2m total earmarked reserve held as at 31st March 2026).
- 4.45 The Government has indicated that they will manage the High Needs Block element of the DSG from 2028/29. Details on how this will operate are still to be announced.

Reserves

- 4.46 The overarching financial position of the Council and emerging areas requiring earmarked resources has necessitated a detailed review of reserves to reprioritise these where required. A number of smaller reserves have been removed to create the Council's required contribution to the Dedicated Schools Grant deficit position, as detailed below. These reserve movements have been enacted in the 2025/26 Statement of Accounts.
- 4.47 DSG 10% Contribution Reserve – as detailed in section 4.44 above, government is to provide 90% grant support to part fund accumulated DSG deficits. To ensure the council has the required earmarked sum to fund the remaining 10% when statutory override ends, a reserve has been created. The reserves totals £2.000m to provide for accrued deficits to date and estimates for 2026/27 and 2027/28, in advance of the government taking control of High Needs Block budgets in 2028/29.
- 4.48 The current reserves position and the forecast usage of reserves in future years is summarised in the table below, with a detailed analysis provided at **Appendix P**.

Reserve Area	Balance as at 31st March 2025	Movement Between Reserves	Actual Use 2025/26	Balance as at 31st March 2026	Forecast Use 2026/27 to 2028/29	Forecast Balance as at 31st March 2029
	£'000	£'000	£'000		£'000	£'000
Unearmarked General Fund	5,500	0	0	5,500	0	5,500
Budget Support Fund	7,672	10	(2,196)	5,486	(1,047)	4,439
Budget Support – Transformation and Invest to Save	3,400	0	(121)	3,279	(3,279)	0
DSG 10% Contribution Reserve	0	2,000	0	2,000	(2,000)	0
Other Revenue Reserves	21,767	(2,010)	(5,654)	14,103	(10,680)	3,423
Revenue Reserves Total	38,339	0	(7,971)	30,368	(17,006)	13,362
Capital Reserves	17,983	0	1,541	19,524	(19,524)	0
TOTAL	56,322	0	(6,430)	49,892	(36,530)	13,362
DSG Deficit - Unusable Reserve	(4,932)	0	(3,861)	(8,793)	8,793	0

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

5. HOUSING REVENUE ACCOUNT (HRA)

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

5.2 Rental income was higher than budgeted, which reflects rent increases negotiated in relation to leases to external providers. The HRA also received income from the settlement of an insurance claim and benefited from the receipt of one-off grant monies in relation to the Afghan Resettlement Scheme.

5.3 Issues in relation to damp and mold continued to arise resulting in an adverse variance on the maintenance budget, however this wasn't as high as previously forecast. The net interest costs were also lower than anticipated.

5.4 These favourable variances have allowed an increase in the voluntary contribution to the Major Repairs Reserve, reinstating some of the under provision in previous years and also funding disabled adaptations required in year.

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 raised invoices for circa £46.8m of sundry debts income for payment of services in 2025/26. The Council's performance in collecting these debts is positive with 90.05% (2024/25 – 90.14%) of debts collected within the year they are billed. Long term collection remains high with 99.37% (2024/25 - 98.98%) of sundry debts fully recovered within 2 years.
- 6.2 The Council's financial procedure rules provide that any debt due to the Council of £50,000 or more can only be written-off with the agreement of the Finance and Policy Committee. Robust procedures are followed in order to maximize recovery of all sums due, however, inevitably on occasion write off is required.

Council Tax

- 6.3 The final collection rate for 2025/26 is 93.67%, which is an improvement on the 93.19% for 2024/25. It remains lower than the pre-pandemic in-year rates which averaged circa 95%. The performance position demonstrates the scale of the task in recovering from the pandemic. However, this improvement builds on the improvement seen in 2023/24 and 2024/25 and continues the recovery to historic trends.
- 6.4 More positively, in excess of £3.1m of arrears were collected during 2025/26. By way of comparison the three years prior to the pandemic, average arrears collection was £1.6m a year. This demonstrates our continued approach to seek recovery of all Council Tax arrears and provides some reassurance that our 98.5% long term collection target remains appropriate, although challenging.
- 6.5 The outturn position shows a surplus attributable to Hartlepool of £0.002m, in excess of that forecast.
- 6.6 Increased efforts to target potential single person discount (SPD) fraud continues. In 2025/26 the number claiming the discount has reduced by 280. The current claimant count is 16,423 a reduction of 988 (5.7%) from the 17,411 claiming SPD in March 2024 when the fraud awareness campaign began.
- 6.7 As at the end of 2025/26 the Local Council Tax Support claimant count was 13,198 of which there were 8,756 working age claimants. Following the success of the SPD fraud initiative, accuracy reviews commenced in June with the anticipation that the value of Council Tax Support will reduce over the course of the year.
- 6.8 The Collection Fund in respect of Council Tax continues to be closely monitored.

- 6.9 An Officer Decision was undertaken in March to set the court fees to be applied for when a liability order is requested at the magistrate's court for the collection of council tax. The reasonable costs for the 2026/27 financial year to be applied are £80 (£50 upon summons stage and £30 upon granting of the Liability Order).
- 6.10 The officer decision stated that "where costs are applied to a claimant in receipt of Local Council Tax Support (LCTS), the £30 charge will be removed where payment is made in full, or a Direct Debit or similar agreement is established and maintained, or where an attachment of benefits is entered into". For clarity this applies only to those residents who are in receipt of the maximum amount of LCTS, although other instances may on occasion be considered at the discretion of officers based on their individual merit.

Business Rates

- 6.11 The final collection rate for 2025/26 was 98.35%, which is an improvement on the 96.97% in-year collection for 2024/25. We continue to make good progress in collecting previous year's arrears. The long term collection rates remain positive with a target of 99% long term collection.
- 6.12 The outturn position shows a surplus attributable to Hartlepool of £0.675m, in excess of that forecast.
- 6.13 An Officer Decision was undertaken in March to set the court fees to be applied for when a liability order is requested at the magistrate's court for the collection of business rates. The reasonable costs for the 2026/27 financial year to be applied are £250 (£100 upon summons stage and £150 upon granting of the Liability Order).
- 6.14 Three debts in excess of £50,000 are proposed for write off. **Appendix Q** provides details of the two write-offs linked to businesses.
- 6.15 **Appendix R** provides details of a write off relating to an individual. **This item contains exempt information under Schedule 12A Local Government Act 1972 (as amended by the Local Government (Access to Information) (Variation) Order 2006) namely, (para 3). Information relating to the financial or business affairs of any particular person (including the authority holding that information).**

7 CAPITAL 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 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	16,857	21,739	0	(4,882)	16,857
Adult Services & Public Health	11,126	3,510	4,940	5,002	170	(232)	4,940
Children's Services	11,225	2,917	1,365	2,531	302	(1,468)	1,365
Neighbourhoods & Regulatory Services	37,151	10,968	8,263	8,593	1,933	(2,263)	8,263
Housing, Growth & Communities	4,725	1,978	659	1,461	55	(857)	659
Corporate	2,500	333	553	1,057	35	(539)	553
Total Capital Expenditure	182,689	55,162	32,637	40,383	2,495	(10,241)	32,637

7.2 As shown in the above table, actual in-year capital expenditure during 2025/26 totaled £32.637m, this spend level necessitated the reprofiling of £10.241m into future years.

7.3 The main areas of cost variation, included within the net £2.495m movement shown in the 'additional schemes and cost variations' column relate to:

- Disabled Facilities Grant – in-year increase of grant allocation increasing the budget by £0.126m.
- Local Transport Plan - £0.704m variation for additional capital schemes funded by TVCA and also revenue contributions.
- Developers Contributions – additional S106 contributions received from developers of £0.845m.
- Children's Services Scheme variations (£0.302) – mainly linked to school-based capital works funded by school contributions and grant funding.

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

Warm Homes Local Grant Scheme

7.5 The 'Warm Homes Hartlepool' initiative is funded by the Department for Energy Security and Net Zero (DESNZ) under the Warm Homes Local Grant

scheme. The current approved allocation within the capital programme totals £2.037m and delivery is underway.

- 7.6 To support fuel poverty, eligible households could receive free energy efficiency improvements, with measures including solar panels, solar battery storage, loft insulation, cavity wall insulation, solid wall insulation, double glazing (if replacing single-glazed windows), smart heating controls and low carbon technologies such as air source heat pumps and high retention storage heaters.
- 7.7 The Council's original bid for funding from DESNZ was scaled back due to over-subscription. The lower funding allocation has resulted in demand from residents being in excess of the funding available.
- 7.8 An opportunity has now arisen to submit an expression of interest (EOI) for additional grant funding. Given the level of demand from residents, the Council has submitted an expression of interest to increase Hartlepool's grant allocation by £2.549m. A funding increase to this level may not be approved, and a lower increase supported.
- 7.9 A further update on the success or otherwise of the EOI will be reported as part of a further update. Given the need to progress quickly with delivery should the EOI be successful, approval is sought for the future acceptance of any increased allocation within section 9 of the report.

Museum of Hartlepool – Grants

- 7.10 Since the last report to committee in February 2026, the Council has been successful in obtaining grant funding to support Museum of Hartlepool capital improvement projects, linked to the Tides of Change programme.
- 7.11 Department of Culture, Media and Sport / Wolfston - Museums and Galleries Improvement Fund - £218,400.
- 7.12 Arts Council's, Museum Estate and Development Funding (MEND) - £2,458,641.
- 7.13 Given the timescales available to confirm acceptance of the funds, these were approved in consultation with the committee chair. The funding will be brought in to the 2026/27 capital programme.

Capital Receipts

- 7.14 There were capital receipts of £0.080m received in Quarter 4.

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 outturn position of £1.195m overspend and the accompanying financial performance for the year;
- ii) Approve the virements noted at paragraphs 4.33 to 4.35;
- iii) Note the review of reserves and associated reserves creation and realignments at paragraphs 4.46 to 4.49;
- iv) Note the 2025/26 outturn in relation to the Housing Revenue Account detailed within Section 5 of the report;
- v) Note the officer decision record in respect of court fees, including the clarification around the LCTS support; and

- vi) Note the capital programme position, approve budget variations, approve the Warm Homes Local Grant scheme funding application and note the acceptance of grants for Museum of Hartlepool, all detailed in Section 7.

10. REASONS FOR RECOMMENDATIONS

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

Finance and Corporate Affairs Committee – Budget Monitoring Report Quarter 3 2025/26 – 10th February 2026.

12. CONTACT OFFICERS

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Paul Dixon
Assistant Director, Finance
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Sign Off:-

Chief Executive	Date: 03/06/2026
Director of Finance, IT and Digital	Date: 03/06/2026
Director of Legal, Governance and HR	Date: 03/06/2026

REVENUE FINANCIAL MONITORING REPORT FOR FINANCIAL YEAR 2025/26 as at 31st March 2026

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.
4,312	Commissioning - Adults	61	Mainly relates to the Council's share of the costs of Discharge to Assess exceeding the available budget.
225	Departmental Running Costs	(4)	Minor variances.
206	Direct Care & Support (including Telecare)	56	The overspend mainly relates to Telecare income being lower than forecast.
926	LD & Transition Social Work	(45)	The underspend relates to staff savings from incremental drift and vacancies over and above the departmental salary abatement target.
2,079	Locality & Safeguarding Team	45	The overspend relates to legal and assessment costs associated with Deprivation of Liberty Safeguards (DoLS)
1,510	Mental Health Services	(150)	The underspend relates to staff savings from incremental drift and vacancies over and above the departmental salary abatement target.
1,648	Occupational Therapy (OT) & Disability Equipment	20	Overspends against the OT equipment budgets partly offset by staff savings from incremental drift and vacancies over and above the departmental salary abatement target.
30,783	Packages of Care	635	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	(134)	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 and reserves.
1,373	Working Age Adult Day Services	(139)	The underspend relates to staff savings from incremental drift and vacancies over and above the departmental salary abatement target and reduced transport costs.
43,352	Adult Social Care Sub Total	358	
	Public Health Grant		
4,059	Children's Services	(9)	Minor variances.
2,716	Substance Misuse Services	(124)	The underspend in this area has been transferred to the ring-fenced Public Health Grant reserve, with an additional ring-fence specifically for use on Substance Misuse Services.
2,121	General Public Health Support Services	(226)	Staff vacancies and increased grant allocation since the budget was originally set.
657	Sexual Health Services	6	Minor variances.
27	Smoking Cessation	23	Spend originally planned to be funded from the Public Health reserve.
460	Physical Activity	0	
14	Mental Health	0	
89	Health Checks	(6)	Minor variances.
212	Obesity	6	Minor variances.
(10,355)	Public Health Grant	0	

REVENUE FINANCIAL MONITORING REPORT FOR FINANCIAL YEAR 2025/26 as at 31st March 2026

2025/26 Budget £'000	Description of Service Area	Actual Outturn Adverse/ (Favourable) £'000	Director's Explanation of Variance
	Children's Social Care		
3,340	Children & Families	824	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.
27,546	Children in our Care	5,361	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.
(188)	Early Intervention	49	The overspend mainly relates to not fully achieving the departmental salary abatement target.
0	Play & Care	28	Service ended June 2025, however as part of the 2025/26 MTFS savings the budget was deleted from 1st April 2025.
5,977	Safeguarding Children	932	Overspend mainly relates to increased social worker staffing costs.
671	Standards, Engagement & Development	38	The overspend relates to a number of minor variances across a range of areas.
1,273	Strategic Commissioning	(342)	Favourable variance mainly relates to the receipt of a number of temporary, 'time limited', grants.
311	Youth Justice Service	0	A £30k underspend, arising mainly from staffing savings and increased grant income, was transferred to the ringfenced YJS Partnership Reserve and is being used to support the 2026/27 YJS budget.
38,930	Children's Services Sub Total	6,890	
	Education (excluding DSG)		
194	Access to Education	(43)	Favourable variance owing to vacant hours and long term sickness.
59	Central Support Services	0	
507	Other School Related Expenditure	0	
475	Raising Educational Achievement	(59)	Favourable variance relates mainly to staffing savings and increased income generation.
724	Special Needs Services	(117)	Favourable variance relates to staffing savings.
461	Strategic Management	(85)	Underspend mainly relates to savings on supplies and services and consultancy.
425	Youth Service	(42)	Favourable variance relates mainly to staffing savings and increased grant income.
2,845	Education Sub Total	(345)	
41,775	Children's Services Sub Total	6,545	

	Dedicated Schools Grant	Actual Outturn Adverse/ (Favourable)	
13,077	Early Years Block	(828)	Favourable variance relates primarily to funding for the new entitlements for under 2 year-olds and 2 year-old working parents. Funding based on in-year census points exceeded actual attendance. Additionally, underspending against funding for 3-4 year-old provision and the centrally retained budget contribute to the overall underspend. Provision for 2 year-old Families Receiving Additional Support overspent against funding received.
17,900	High Needs Block	4,710	Government grant insufficient to fulfil responsibilities for education of pupils with SEND. In line with strategy, Independent School placement costs are reducing, although these have been offset by greater levels of funding to schools as they increase Inclusion and support children with more complex needs at mainstream.
0	Schools Block	(21)	Reduced cost of Central School Services, including the Admissions Service
30,977	TOTAL Dedicated Schools Grant	3,861	

NEIGHBOURHOODS & REGULATORY SERVICES

4.1 Appendix C

REVENUE FINANCIAL MONITORING REPORT FOR FINANCIAL YEAR 2025/26 as at 31st March 2026

2025/26 Budget £'000	Description of Service Area	Actual Outturn Adverse/ (Favourable) £'000	Director's Explanation of Variance
	Neighbourhood Services		
40	Building Design Team	(197)	Favourable variance reflects increased productivity in relation to large capital schemes and additional income from external schemes.
132	Construction Team	(215)	Favourable variance reflects increased productivity.
380	Engineering Services (including Coastal Protection and Contaminated Land)	(543)	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	(35)	Favourable variance reflects lower than budgeted Fleet SLA costs.
2,932	Highways	70	Adverse variance reflects additional costs in relation to the level of Unscheduled Highways Maintenance.
2,364	Passenger Transport	61	Adverse variance reflects unforeseen additional costs in relation to internal transport provision following the exit from the market of a supplier in the prior year.
530	Planning & Development	147	Adverse variance reflects shortfall in building control and planning income.
164	Road Safety	156	Adverse variance reflects staffing savings that will no longer be achieved due to the reinstatement of school crossing patrollers and additional costs in relation to the NDORS contract and the identification of income recognised in the prior year and reflected in last year's outturn position that should have been reflected in the current year.
(47)	Strategic Asset Management	113	Adverse variance predominantly reflects shortfall in relation to fee and rental income.
92	Strategic Development & Sustainability	4	
1,282	Street Lighting	23	Adverse variance reflects additional costs in relation to ongoing maintenance and column replacements.
1,923	Sustainable Transport	217	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	(22)	Favourable variance reflects increased income in relation to repairs outside of the SLA.
7,812	Waste Services	(357)	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.
20,928	Neighbourhood Services Sub Total	(578)	
	Regulatory Services		
(722)	Car Parking & Enforcement	34	Adverse variance reflects additional costs as a number of parking machines required replacement.
974	Community Safety & Engagement	(161)	Favourable variance is linked to vacancies and the service actively managing the budgets to offset pressures elsewhere.
1,171	Facilities Management	100	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	
786	Public Protection	165	Adverse variance reflects shortfall in licensing income and anticipated demolition costs in relation to Admiral Court.
2,456	Regulatory Services Sub Total	138	
	Strategic Management & Admin		
201	Strategic Management & Admin	(230)	Favourable variance reflects anticipated over achievement of the salary abatement target.
23,585	Neighbourhoods & Regulatory Services Total	(670)	

REVENUE FINANCIAL MONITORING REPORT FOR FINANCIAL YEAR 2025/26 as at 31st March 2026

2025/26 Budget £'000	Description of Service Area	Actual Outturn Adverse/ (Favourable) £'000	Director's Explanation of Variance
	Inclusive Growth		
84	Allotments	4	Minor variances.
34	Archaeology	11	Adverse variance reflects shortfall in anticipated income.
(242)	Coast, Countryside, Heritage and Cemeteries & Crematoria	153	Adverse variance mainly relates to historic income pressures within the Cemeteries and Crematoria service area.
88	Cultural - Events and Theatres	167	Adverse variance mainly relates to historic income pressures across both the Town Hall Theatre and Borough Hall.
548	Cultural - Museums and Galleries	27	Adverse variance mainly relates to the one-off costs of the decant of art works from Sir William Gray House.
456	Economic Growth	(14)	Favourable variance mainly relates to anticipated 'one-off' costs not being realised in year.
724	Sports, Leisure & Recreation Facilities	212	The projected overspend mainly relates to reduced income at Carlton Adventure.
1,692	Inclusive Growth Sub Total	560	
	Housing and Community		
72	Adult Education	(64)	Mainly relates to increased income from grants.
1,240	Community Hubs	67	The projected overspend mainly relates to a combination of increased spend across various supplies and services budgets.
684	Housing, Hardship & Welfare	(661)	Favourable variance mainly relates to the receipt of 'one-off' grants and staffing vacancies.
1,996	Housing and Community Sub Total	(658)	
	Strategic Management & Admin		
131	Strategic Management & Admin	(6)	Minor variances
131	Strategic Management & Admin Sub Total	(6)	
3,819	Housing, Growth & Communities Total	(104)	

REVENUE FINANCIAL MONITORING REPORT FOR FINANCIAL YEAR 2025/26 as at 31st March 2026

2025/26 Budget £'000	Description of Service Area	Actual Outturn Adverse/ (Favourable) £'000	Director's Explanation of Variance
	Corporate and Financial Services		
451	Benefits	(106)	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	(71)	Favourable variance owing to posts not being at the top of the grade and vacant hours.
233	Internal Audit	1	
184	Procurement	(75)	Favourable variance owing to vacant posts.
1,356	Revenues	28	The adverse variance is owing to overspends in supplies and services.
(839)	Revenue & Benefits Central	200	The adverse variance is owing to overspends in supplies and services and reduced court cost income.
816	Shared Services	(63)	Favourable variance owing to vacant posts and posts not being at the top of the grade.
49	Corporate Management Running Expenses	(24)	Favourable variance owing to savings on the corporate subscriptions budget.
2,792	Corporate and Financial Services Sub Total	(110)	
	Customer Services and IT		
299	Corporate ICT	(40)	Favourable variance owing to vacant posts and posts not being at the top of the grade.
1,139	Customer and Support Services	(140)	Favourable variance owing to vacant posts and posts not being at the top of the grade.
31	Registration Services	24	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	(156)	
4,261	Finance, IT & Digital Total	(266)	

REVENUE FINANCIAL MONITORING REPORT FOR FINANCIAL YEAR 2025/26 as at 31st March 2026

2025/26 Budget £'000	Description of Service Area	Actual Outturn Adverse/ (Favourable) £'000	Director's Explanation of Variance
52	Civic Attendants	4	
135	Democratic	(29)	Favourable variance owing to a vacant post for part year and a posts not being at the top of the grade.
563	Human Resources	(25)	Favourable variance owing to a vacant posts for part year, posts not being at the top of the grade, offset by reduced income generation.
787	Legal Services	(12)	Favourable variance owing to additional income generation.
163	Managing Director's Office	2	
174	Municipal Elections and Registration of Electors	(45)	Favourable variance owing to fallow year for municipal elections.
48	Other Office Services	9	The adverse variance is owing to additional expenditure in supplies and services.
120	Scrutiny	(1)	
152	Support to Members	(42)	Favourable variance owing to savings on supplies and services budgets.
34	Trade Union	(4)	The favourable variance is owing to less staff time against union duties.
10	Corporate Training	0	
2,238	Legal, Governance and HR Total	(143)	

REVENUE FINANCIAL MONITORING REPORT FOR FINANCIAL YEAR 2025/26 as at 31st March 2026

2025/26 Budget £'000	Description of Service Area	Actual Outturn Adverse/ (Favourable) £'000	Director's Explanation of Variance
238	Communications and Marketing	(14)	Favourable variance owing to additional income from advertising.
175	Corporate Strategy and Performance	0	
226	Managing Director	22	Adverse variance owing to recruitment costs for the new Chief Executive.
(78)	Reprographics	77	Adverse variance owing to income shortfall in relation to Reprographics.
561	Office of the Chief Executive Total	85	

HOUSING REVENUE ACCOUNT for 2025/26 as at 31st March 2026

4.1 APPENDIX H

2024/25 OUTTURN		2025/26 BUDGET	2025/26 Actual Spend	Variance	COMMENTS
£'000		£'000	£'000	£'000	
	Income				
(1,914)	Dwelling Rents	(1,915)	(2,023)	(108)	Favourable variance reflects rent increase negotiated in relation to leases to external providers.
(42)	Income from Insurance Claim	-	(59)	(59)	Favourable variance reflects unbudgeted income received from insurance claims.
(24)	Non-dwelling Rents - Other Income	(30)	(22)	8	
(7)	Charges for services and facilities	(4)	(13)	(9)	
0	Government Grant	0	(35)	(35)	Grant received in relation to the Afghan Resettlement Scheme.
(1,987)	Income sub total	(1,949)	(2,152)	(203)	
	Expenditure				
662	Repairs and maintenance	538	628	90	Adverse variance reflects the continued increase in the number and higher value repairs for damp and mould issues.
453	Supervision and management	487	480	(7)	
19	Rents, rates, taxes and other charges	20	34	14	Adverse variance reflects increased void rate.
5	Right to Buy Reserve	5	5	-	
-	Provision for bad or doubtful debts	-	-	-	
398	Depreciation (Major Repairs Allowance)	431	656	225	Additional voluntary contributions made to reinstate underprovision in prior years and to fund disable adaptations.
2	Discretionary Housing Payments	4	1	(3)	
13	Debt Management costs	13	13	-	
435	Net Interest payable	443	335	(108)	Reflects increased income in relation to reserve balances.
1,987	Expenditure sub total	1,941	2,152	211	
0	HRA (Surplus) / Deficit for the year	(8)	-	8	
	Movement on the HRA Reserve				
(500)	HRA Reserve Opening Balance	(500)	-		
-	(Surplus)/Deficit for the year	(8)	-		
(500)	HRA Reserve Closing Balance	(508)	0	0	

COUNCIL HOUSING CAPITAL SCHEMES**CAPITAL MONITORING REPORT PERIOD ENDING 31st March 2026**

Code	Scheme Description	Gross Budget	Actual to 31/3/25	2025/26 Actual Spend	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	0	0	0	0	
7182	Empty Homes - Phase 3	618	103	0	0	0	0	0	
7726	Resettlement Accommodation	1,306	1,306	0	0	0	0	0	
8106	New Build	370	1	0	0	0	0	0	
8799	Major Repairs	210	103	25	107	0	(82)	25	HRA capital work funded from the MRR reserve, balance of budget reprofiled into future years.
New	Acquaiation of 9 Houses on South West Extension	965	0	0	965	0	(965)	0	Acquisition not completed as at 31 March. Scheme reprofiled into 2026/27.
9294	HRA Adaptations	141	41	44	100	0	(56)	44	HRA disabled adaptations to housing stock funded from the MRR reserve balance of budget reprofiled into future years.
9520	Social Housing Decarbonisation Phase 3	450	0	156	225	0	(69)	156	Balance of budget reprofiled into 2026/27.
COUNCIL HOUSING - CAPITAL SCHEMES		4,973	1,554	225	1,397	0	(1,172)	225	

MAJOR REGENERATION SCHEMES

CAPITAL MONITORING REPORT PERIOD ENDING 31st March 2026

Code	Scheme Description	Gross Budget	Actual to 31/3/25	2025/26 Actual Spend	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	265	450	0	(185)	265	
7550	CIP - Highlight	35,868	21,585	11,974	14,283	0	(2,309)	11,974	Balance of budget for final contractor payments and fit out requirements to be spend early 2026/27 in advance of planned June opening.
9101	CIP - Borough Hall Improvement	2,300	139	19	20	0	(1)	19	
NEW	CIP - Town Hall Theatre Improvement	700	42	336	250	0	86	336	Acceleration of budget from 26/27.
9159	CIP - Wingfield Castle	2,800	504	338	200	0	138	338	Acceleration of budget from 26/27.
9160	CIP - Dam Board	1,227	237	162	192	0	(30)	162	
9161	CIP - National Museum of the Royal Navy (NMRN)	7,500	3,526	556	556	0	0	556	
9162	CIP - Museum of Hartlepool	1,219	203	477	516	0	(39)	477	
9130	CIP - Business Park Investment	760	461	27	99	0	(72)	27	
TBC	CIP - Bowling Club Refurbishment	600	0	0	0	0	0	0	
TBC	CIP - Brierton Sports Complex	562	23	128	128	0	0	128	
9165	Local Regeneration Fund - Middleton Grange	13,860	39	106	370	0	(264)	106	
9231	Local Regeneration Fund - Waterfront Connectivity	5,020	372	867	1,931	0	(1,064)	867	
7715	Local Regeneration Fund - Wesley Chapel	1,632	1,370	232	262	0	(30)	232	
9234	Local Regeneration Fund - Health and Social Care Academy	1,250	1,215	1	35	0	(34)	1	
9247	Local Regeneration Fund - Screen Production Village	18,662	3,778	1,369	2,447	0	(1,078)	1,369	
	Total Major Regeneration Schemes	118,457	35,456	16,857	21,739	0	(4,882)	16,857	

ADULT SERVICES & PUBLIC HEALTH

4.1 APPENDIX K

CAPITAL MONITORING REPORT PERIOD ENDING 31st March 2026

Code	Scheme Description	Gross Budget	Actual to 31/3/25	2025/26 Actual Spend	Revised Budget (From Q3)	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	7,386	3,271	1,488	1,545	126	(183)	1,488	Additional DFG grant rec'd in-year
9332	Centre for Independent Living	68	3	65	63	2	0	65	Scheme complete.
7768	Supporting Treatment and Recovery Together (START) - Substance Misuse Service	3,600	208	3,343	3,392	0	(49)	3,343	Scheme complete and centre open. Minor balance of budget rephased in to 2026/27 for minor outstanding works.
9439	Bevan House - Clinical Room	72	28	44	2	42	0	44	Scheme complete. Cost variation funded through revenue contribution.
Total Adult Services & Public Health		11,126	3,510	4,940	5,002	170	(232)	4,940	

CAPITAL MONITORING REPORT PERIOD ENDING 31st March 2026

Code	Scheme Description	Gross Budget	Actual to 31/3/25	2025/26 Actual Spend	Revised Budget (From Q3)	Additional Schemes and Cost Variations	Reprofiling of Expenditure	Revised Budget	Comments
		£000	£000	£000	£000	2025/26	2025/2026	2025/26	
8072	ICS Case Management Improvement	37	0	0	0			0	
9246	Children's Centre - Family HUB	236	178	23	58		(35)	23	Rephased to 26/27.
9421	Purchase Children's Home	1,000	254	185	246		(61)	185	Rephased to 26/27.
7149	Star Centre Children's Home	658	666	(8)	(8)			(8)	Scheme complete - underspent.
7474	High Tunstall 3G Pitch	35	22	0	0	0	0	0	
7478	High Tunstall Grass Pitch	16	0	0	0			0	
7521	Two Year Old FNE Capacity Funding	23	0	0	0			0	
9243	Rossmere Youth Centre Refurbishment	1,253	1,192	61	108	(47)		61	
7727	Throston Youth Project Centre Refurbishment	96	91	5	0	5		5	
9611	Local Youth Transformation	63		63		63		63	
7731	Early Years	121	81	40	40			40	
7743	Early Years North West Area	89	0	89	127	(38)		89	
NEW	Throston Bungalow Conversion (S106)	205	0	0	0	205	(205)	0	New scheme fully funded by S106 allocation
7384	Devolved Schools Capital	502	227	22	160	(57)	(81)	22	Rephased to 26/27.
9238	Energy Efficiency Capital Funding	111	99	0	12		(12)	0	Rephased to 26/27.
7142	Schools General - Fire Safety Modifications (Conditions) 23/24	0	0	0	44	(44)		0	Funding allocated to individual Fire Stopping schemes.
7142	Kingsley - Fire Safety Modifications	76	76	0	39	(39)		0	Funding allocated to individual Fire Stopping schemes.
9516	Kingsley Primary School Fire Stopping Works (Ph 1)	38	0	38	49	(11)		38	
9517	Kingsley Primary School Fire Stopping Works (Ph 2)/Kitchen Shutter	82	0	82	93	(11)		82	
9534	Kingsley Primary School Fire Stopping Works (Ph1a)	15	0	0	0	15	(15)	0	Scheme to be delivered 26/27.
9508	Horizon School - Heating, Pipework	112	5	107	110	(3)		107	
9434	Horizon School - Student Entrance Door Replacement	24	14	10	24	(14)		10	
9506	High Tunstall College of Science (North Building) - Electrical Rewire	36	8	28	84	(56)		28	
9507	High Tunstall College of Science (Shine Centre) - Electrical Rewire	15	4	11	46	(35)		11	
9498	Fens Primary School Refurb Toilets	33	0	33	34	(1)		33	
9499	Fens Primary School Heat Emitter Replacement	23	0	23	23	0		23	
9500	Kingsley Primary School Renew External Paving	14	0	14	16	(2)		14	
9590	Kingsley Primary School Heating Pipework Ph2	3	0	3	3			3	
9510	Lynnfield Primary School Heating, Pipework, Radiator Renewal (Ph 3of3)	37	0	37	65	(28)		37	
9501	Rift House Primary School Window Replacement (Ph 2of2)	31	0	31	34	(3)		31	
9502	Rift House Primary School Electrical Rewire (Ph 2of4)	69	0	69	73	(4)		69	
9533	Rift House Primary School Fire Stopping Works (Ph1)	68	0	0	0	68	(68)	0	Scheme to be delivered 26/27.
9503	Throston Primary School Resurfacing and Drainage	19	0	19	21	(2)		19	
9504	Throston Primary School Toilet Renewal	41	0	41	50	(9)		41	
9515	Throston Primary School Fire Stopping Works (Ph 3of3)	16	0	16	72	(56)		16	
9505	High Tunstall College of Science Refurb Changing Rooms	25	0	0	0			0	
9511	Rossmere Children's Centre Fascia, Soffits and Gutters Replacement	29	0	29	30	(1)		29	
9523	Kingsley Primary School - New Additional Resource Provision (ARP)	1,236	0	0	486		(486)	0	Scheme to be delivered 26/27.
9513	Greatham ARP	8	0	8	8			8	
9528	Manor Academy ARP ICT Equipment (S106)	25	0	25	25			25	New scheme fully funded by S106 allocation
9529	Assitive Tech Lending Library SEND AP Programme	28	0	28	28			28	New scheme fully funded by SEND AP Programme
9324	Golden Flatts Primary School RAAC Remedial Works	1	0	1	1			1	
7399	Fens Schools Led Premises Work	122	0	122	122			122	New scheme fully funded by School
7399	High Tunstall Schools Led Premises Work	24	0	24	24			24	New scheme fully funded by School
9009	Schools ICT	86	0	86	86			86	New scheme fully funded by Schools
9004	Schools General - Schools Condition - 24/25 onwards	1,538	0	0	287	121	(408)	0	Balance of unallocated budget rephased to 26/27.
9004	Schools General - Contingency	97	0	0	100	(3)	(97)	0	Balance of unallocated budget rephased to 26/27.
9004	Schools General - SEMH Funding Pot	730	0	0	0			0	
9004	Schools General - Basic Need	1,680	0	0	0			0	
9004	Schools General - High Needs Provision	257	0	0	0			0	
9004	Schools General - Conditions unallocated	142	0	0	0			0	
	Total Children's Services	11,225	2,917	1,365	2,531	302	(1,468)	1,365	

NEIGHBOURHOODS & REGULATORY SERVICES

CAPITAL MONITORING REPORT PERIOD ENDING 31st March 2026

Code	Scheme Description	Gross Budget	Actual to 31/3/25	2025/26 Actual Spend	Revised Budget (From Q3)	Additional Schemes and Cost Variations	Reprofiling of Expenditure	Revised Budget	Comments
		£000	£000	£000	£000	£000	£000	£000	
S106	Developers Contribution Fund	8,816	265	58	206	845	(993)	58	
7466	DSO Vehicle Purchase (updated for revised programme)	7,928	3,528	1,302	1,554		(252)	1,302	Purchase programme profile reviewed and budget balance rephased into 26/27
9512	Tofts Farm Solar PV	241	0	236	244	(3)	(5)	236	
9514	Warm Homes Local Grant scheme	2,037	0	223	13	4	206	223	Acceleration of budget from 26/27 & Additional Funding from Department of Energy, Security & Net Zero
8306	Schools - Kitchen Refurbishment	249	37	39	30		9	39	Acceleration of budget from 26/27
7272	Wheelie Bin Purchase (current year allocation only)	327	173	64	90	(26)		64	Balance of remaining budget removed from programme
7344	NIP - Brougham (was Hindpool Close) Play Area	89	60	29	29			29	
7437	NIP - Sinking Fund	62	0	4	7		(3)	4	
7440	NIP - Central Park	120	118	1	2		(1)	1	
8996	NIP - Improvements to Parks	277	252	0	0			0	
9147	NIP - CCTV in parks	34	24	7	10		(3)	7	
9396	Waste Transfer Station	200	0	0	0			0	
7744	Food Waste Capital Transitional Grant	807	0	761	807		(46)	761	
7066	Avondene Accommodation, Church St	130	0	0	20	28	(48)	0	Funded through revenue contributions - Rephased into 26/27
7220	Private Sector Housing Grants	97	15	25	49	13	(37)	25	Funded through Loan Repayments - Rephased into 26/27
9521	Air Quality Equipment	43	0	43	0	43		43	Scheme Complete - Funded Through revenue contributions
9612	Community Safety CCTV Upgrade	92	0	92	0	92		92	Scheme Complete - Funded Through revenue contributions
7547	Energy for Waste Set up costs	119	0	119	0	119		119	Scheme Complete - Funded Through Borrowing
7553	Toilet Improvements	11	0	11	0	11		11	Scheme Complete - Funded Through revenue contributions
7577	EDM Hartlepool North NDIP Study	50	0	0	15		(15)	0	
7900	EDM Hartlepool Marina - North Pier	562	56	349	250	55	44	349	Funded through revenue contribution and Environment Agency
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	0			0	
9332	EDM Hartlepool Bamburgh Rd Surface water drainage study	60	0	0	0			0	
9429	EDM West Park Flood Scheme	931	442	446	441	48	(43)	446	Increase funded through Environment Agency contribution
LTP	LTP Integrated Transport Block (ITB) - Indicative	6,572	2,192	1,824	2,555	299	(1,030)	1,824	Grant Funding received for various agreed schemes completed on behalf of TVCA
LTP	LTP Scheduled reconstruction - Indicative	5,732	3,383	1,578	1,610	14	(46)	1,578	Funded through S106 Allocation - Rephased into 26/27
LTP/8722	LTP Additional Scheduled Highways Maintenance (SHM) Allocation	461	0	461	461			461	
LTP/8722	LTP Road Resurfacing Fund - Indicative	1,008	417	591	200	391	0	591	Funded through Revenue contributions
	Total Neighbourhoods & Regulatory Services	37,151	10,968	8,263	8,593	1,933	(2,263)	8,263	

CAPITAL MONITORING REPORT PERIOD ENDING 31st March 2026

Code	Scheme Description	Gross Budget	Actual to 31/3/25	2025/26 Actual Spend	Revised Budget (From Q3)	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	232	290		(58)	232	
7811	Summerhill Cycle Hub	533	501		0			0	
9212	Relocate Cemetery Office	82	82		8	(8)		0	
8088	Community Hub South - Kitchen Replacement	47	47		0			0	
8088	Community Hub Central - Internal Alterations	34	34		0			0	
9232	Playground Equipment - Levelling Up Parks Fund	98	78	1	0	1		1	
Allot	Other Allotment Schemes	201	135	41	66		(25)	41	
8700	Waverley Allotments - Adult Education Scheme	50	50		0			0	
8828	Crematorium refurbishment	856	668	87	180	8	(101)	87	
9311	Changing Places - Community Hub Central	76	76		0			0	
7716	Seaton Library refurbishment	255	222	33	33			33	
8534	Church Street Townscape Heritage Project	155	33	69	80	42	(53)	69	
7232	Museums Acquisitions	5	2	3	2	1		3	
9518	Art Gallery Tower Refurbishment	302	0		52		(52)	0	
9525	Pride in Place	1,500	0	182	750		(568)	182	
NEW	Community CCTV	8	0	8	0	8		8	
9615	Community Hub RFID	3	0	3	0	3		3	
7355	CECA IT Infrastructure and Technology	18	18		0	0		0	
Total Adult & Community Based Services		4,725	1,978	659	1,461	55	(857)	659	

CORPORATE

4.1 APPENDIX O

CAPITAL MONITORING REPORT PERIOD ENDING 31st March 2026

Code	Scheme Description	Gross Budget	Actual to 31/3/25	2025/26 Actual Spend	Revised Budget (From Q3)	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	0	0	0	0	
7041	Corporate Capital Pot	581	0	0	0	40	(40)	0	Unutilised Corporate Allocation.
7065	Fire Risk Assessments (Fire Stopping / Compartmentalism)	80	15	0	20	(20)	0	0	Funding transferred to Revenue.
7200	Civic Centre Capital Project	75	13	0	0	0	0	0	
8970	Historic Quay Dilapidation Work	97	0	0	0	0	0	0	
7771	Borough Hall - Capital Maintenance	161	41	0	0	0	0	0	
7728	Exmoor Grove - Replace external windows and doors	44	19	25	31	(6)		25	Unused budget returned to Corporate Capital Pot.
9329	Crematorium - Rewire	50	50	0	35	(35)		0	Unused budget returned to Corporate Capital Pot.
NEW	Health and Safety Maintenance Fund	845	123	223	840	(118)	(499)	223	Funding transferred to Revenue. Schemes rephased to 26/27
NEW	Boys Welfare - Replace Water Heater	0	0	0	4	(4)		0	Unused budget returned to Corporate Capital Pot.
7741	Exmoor Grove - External Ramp	42	2	40	37	3		40	Additional funding from Corporate Capital Pot.
NEW	Brierton Sports Centre - Replace Lighting	0	0	0	0	0		0	
7623	NEC Equipment	179	0	179	0	179		179	Additional £179k revenue contribution
9519	Borough Hall - Replace Lift	72	0	72	70	2		72	Additional funding from Corporate Capital Pot.
9436	Community Recovery	84	70	14	20	(6)		14	Funding transferred to Revenue. Schemes rephased to 26/27
	Corporate Total	2,500	333	553	1,057	35	(539)	553	

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

4.1 APPENDIX P

	Balance as at 31st March 2025	Movements in- year	Actual Use		Forecast Use of Reserves			Forecast Balance as at 31st March 2029
			2025/26	Balance as at 31st March 2026	2026/27	2027/28	2028/29	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Revenue Reserve	5,500	0	0	5,500	0	0	0	5,500
Budget Support Fund (BSF)	7,672	10	(2,196)	5,486	(1,047)	0	0	4,439
BSF - Transformation Costs	2,000	0	0	2,000	(500)	(750)	(750)	0
BSF - Invest to Save	1,400	0	(121)	1,279	(500)	(500)	(279)	0
Revenue Grants Unapplied	9,107	(93)	(4,490)	4,524	(2,094)	(961)	(1,049)	420
Business Rates Risk Reserve	0	0	0	0	0	0	0	0
Insurance Fund	2,902	0	101	3,003	0	0	0	3,003
Children in our Care Reserve	1,230	(1,005)	(225)	0	0	0	0	0
BSF - Treasury Management Income	650	0	(650)	0	0	0	0	0
Asset Management Reserve	840	0	(340)	500	(500)	0	0	0
DSG 10% Contribution Reserve	0	2,000	0	2,000	0	0	(2,000)	0
Earmarked Revenue Reserves under £1m	7,038	(912)	(50)	6,076	(2,944)	(1,590)	(1,542)	0
Revenue Reserves Total	38,339	0	(7,971)	30,368	(7,585)	(3,801)	(5,620)	13,362
Earmarked Capital Reserves	6,303	0	(760)	5,543	(4,612)	(643)	(288)	0
Capital Grants Unapplied	11,680	0	2,301	13,981	(13,981)	0	0	0
TOTAL	56,322	0	(6,430)	49,892	(26,178)	(4,444)	(5,908)	13,362
Cumulative TOTAL					23,714	19,270	13,362	
DSG Deficit - Unusable Reserve	(4,932)	0	(3,861)	(8,793)	(7,360)	(8,881)	25,034	0
DSG Reserve Cumulative Balance					(16,153)	(25,034)	0	

4.1 Appendix Q

Budget Monitoring Report – 2025/26 Outturn

Business Rates – Writes Offs

The following business rates debts are proposed for write off. All efforts were made to collect this debt however, the businesses were wound up leaving no assets. As such there are no avenues left to recover this debt.

NAME	ADDRESS	O/S BALANCE	FROM	TO
Select Fashion Ltd	141 Middleton Grange	£60,176.80	01.06.22	31.03.24
C&A Entertainments Ltd	The Mayfair Centre, Tees Road	£62,857.81	01.04.23	04.11.24

Under the Business Rate Retention Scheme, the council incurs 49% of the cost of this write off (National Government 50%, Cleveland Fire and Rescue 1%). An appropriate bad debt provision is held in respect of business rates, and the cost of this write off will be fully met from this provision.



Subject: MEDIUM TERM FINANCIAL PLAN (MTFP)
2027/28 TO 2030/31

Report of: Director of Finance, IT and Digital

Decision Type: Budget and Policy Framework

1. COUNCIL PLAN PRIORITY

Hartlepool will be a place:
- where people 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 Council’s medium term financial planning position and enable Members to approve the timetable for setting the 2027/28 budget.

3. BACKGROUND

3.1 The 2026/27 budget and MTFP position was presented to Finance and Corporate Affairs Committee in February 2026. The 2026/27 budget was subsequently approved by Council in March 2026, concluding the annual

budget setting process. The MTFP does not stand still and continuously evolves based on latest information, intelligence, government funding changes and changing circumstances, including the previous financial year's budget outturn. This report commences the next budget cycle to set the 2027/28 budget.

- 3.2 The updated MTFP covers the 4 financial years 2027/28 to 2030/31. However, in consideration of the position over this period, it is important to recognise that the Council needs to be financially sustainable beyond this 4-year period. Decisions taken should reflect the position beyond the medium term and into the longer term. Based on current information, there is no indication that the overall cost pressures facing the Council will reduce. With regards Government funding, 2026/27 provided a 3-year funding settlement, covering the period 2026/27 to 2028/29. This provides greater funding certainty for planning purposes, with indicative allocations for 2027/28 and 2028/29 published.

4. BUDGET PRESSURES

- 4.1 The Council must plan for a range of spending pressures and commitments in setting its budget over the MTFP period. At this stage it is proposed to include provision in the budget planning, for items shown in the table below, with commentary provided in the subsequent paragraphs.

	2027/28 £m	2028/29 £m	2029/30 £m	2030/31 £m	Total £m
Spending Pressures					
Pay and Price Inflation	5.795	5.946	4.573	4.615	20.930
Children's Social Care	4.500	2.090	1.632	1.664	9.886
Adults Social Care	0.500	0.000	0.000	0.000	0.500
Waste Disposal	0.000	0.000	0.500	0.510	1.010
Capital Financing	0.500	0.500	0.500	0.500	2.000
Supported Accommodation	0.250	0.260	0.265	0.271	1.046
Total Spending Pressures	11.545	8.796	7.470	7.560	35.372

Pay and Price - Pay Award Inflation

- 4.2 A national pay award for 2026/27 is yet to be agreed. A pay claim for 2026/27 was issued in December 2025 by the Trade Union side of the National Joint Council (NJC). The claim was for an increase of £3,000 on all spinal column points or 10%, whichever is the greater. The National Employers side of the NJC issued their response on the 25th March 2026, making a full and final pay offer of a 3.3% increase on all spinal points for 2026/27. At the end of May all three unions representing local government staff, Unite, Unison and the GMB rejected the offer.
- 4.3 Budget provision equating to 3% was included within the Council's 2026/27 budget. At present the employer's offer is broadly comparable with our 2026/27 provision with an increased pressure of £0.350m, whereas the trade unions requested increase would cause a significant

additional budget pressure in 2026/27 and future years. The position will be monitored closely over the coming weeks, as 2026/27 pay settlement is concluded.

- 4.4 Given the recent years trend within local government and the wider inflationary outlook, the MTFP continues to include a pay award assumption of 3% for each year. Inflation forecasts and associated pay assumptions will also be kept under review throughout the budget setting process.

Pay and Price - General Price Inflation

- 4.5 The Consumer Price Index (CPI) measure of inflation fell to 2.8% in April 2026 from 3.3% in March. This fall was largely anticipated and partially driven by a drop in household utility prices linked to the Ofgem energy price cap.
- 4.6 Looking forward, the Bank of England's Monetary Policy Report for April 2026 outlined three scenarios that illustrate a range of possible outcomes for the UK economy, particularly in relation to inflation and interest rates. These scenarios are driven by the uncertainty caused by the Iran war and the potential impact on global energy prices. The scenarios provide a CPI peak range between 3.6% and 6.2% during 2026/2027. This wide forecast range demonstrates the current economic instability and uncertainty from geo-political events. All scenarios forecast a return to a CPI inflation level between 2% and 3% by early 2027/28, although future events could impact this.
- 4.7 Given the medium-term forecast to a lower inflationary environment, coupled with a focus on generating procurement efficiencies, general inflation has been allowed for at 2% per year over the remaining MTFP period. Bespoke inflation is included for contracts where specific inflation indices are used.

Pay and Price – Adult Social Care Contracts

- 4.8 The net budget for packages of care is approximately £35m and annual increases to care home fees and non-residential care fees e.g. home care rates are determined using an established formula. The annual inflationary 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.
- 4.9 The Chancellor's 2025 Autumn Budget confirmed the National Living Wage for age 21 and over would increase from £12.21 an hour (April 2025) to £12.71 per hour from April 2026, a rise of 4.1%. The increases to the non-pay inflation elements of the budget are largely informed by the prevailing inflation measures. The budget for 2026/27 was adjusted to provide for these inflationary increases.

- 4.10 A prudent but reasonable assessment of fee uplifts for 2027/28 has been included within the MTFP, this is in excess of prior planning assumptions. This remains an area of risk until uplifts are agreed based on confirmed data at the time. Effectively every 1% increase or decrease in fees has a c£0.350m impact on the budget position.

Pay and Price – Adult Social Care General Pressures

- 4.11 In addition to the above, the wider adult social care budget continues to experience cost and demand pressure, as shown by the overspend in this area in 2025/26 for the first time in recent years. This position will continue to be closely monitored and updated as necessary as part of future MTFP update reports in the coming months. At this stage an additional £0.500m pressure has been added to the 2027/28 financial year.
- 4.12 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 2026/27 Settlement 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

- 4.13 For budget planning purposes at this stage in the process, it is assumed that all discretionary fees and charges will increase in line with the inflation assumptions used for general contract inflation. Actual increases to fees and charges will be informed by prevailing CPI rates later in the financial year but also informed by the need to maximise income generation to support the budget position, where appropriate to do so.

Energy Inflation

- 4.14 Recent years have seen significant 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.
- 4.15 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.
- 4.16 The military attacks on Iran in March 2026 pushed the turbulence in the energy markets to unprecedented levels, with significant price movements on daily, if not hourly basis.
- 4.17 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.
- 4.18 Although energy community pricing was forecast to fall during 2026/27 (prior to Iran conflict), 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, it was prudent to maintain the base budget for 2026/27 and apply normal inflation increases, with the position monitored closely given the potential for further market volatilities.
- 4.19 Given all of the issues noted above, the current energy base budget will be maintained at current levels and inflated by 2% over the MTFP period. In addition, a £1m reserve is held to act as an in-year contingency buffer to manage energy cost risk. The position will continue to be closely monitored and updated in future reports as necessary.

Children's Social Care

- 4.20 The budget pressures in this area continue to be of significant concern for the Council, and many across the region and country. The reasons for the budget pressures continue to be the increase in the numbers of children coming into our care and the costs of children requiring external residential placements, and the associated impacts on social worker staffing workloads. 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 in the Borough.

- 4.21 Children in our care (CiOC) numbers reached 382 by the end of the 2026/27 financial year. The quarter January to March 2026, saw the highest ever number of safeguarding referrals into the Council in a single quarterly period. These statistics demonstrate the escalating demand for children's safeguarding services, placing increasing pressure on social worker capacity and ultimately an increasing number of children being brought into the care of the local authority. Also, 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.
- 4.22 With regard to external provider placement pressures, as at 31st March 2026 the top 25 highest cost external placements were costing in the region of £231,000 per week, which equates to c£12.0m per year. The average cost of the 51 external placements (at 31st March 2026) was £7,300 per week, with a range of £3,900 to £15,000 per week. As at 31st March 2026 there were 8 placements costing £10,000 or more per week as a result of the complexities of their bespoke needs.
- 4.23 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.
- 4.24 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. Any developments in this area will help reduce our exposure to the significant fees being charged by the external care market.
- 4.25 The Council is progressing its own local fostering drive, with the support of an external marketing specialist and is also included in a large-scale regional recruitment initiative. In addition, increased staffing resources have been provided during last financial year. 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 also commenced during 2025/26.
- 4.26 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.

- 4.27 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.
- 4.28 The 2026/27 budget has provided for £6.5m of budget growth for Children’s Services. The service has been tasked with reducing the overspend, and a £3.0m savings proposal is also included with the 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 risk for 2026/27 given the current trajectory.
- 4.29 The MTFP currently provides for additional funding, above general inflation of; £4.500m for 2027/28, £2.000m for 2028/29 and £1.500 in both 2029/30 and 2030/31. Including inflation on these sums, a total of £9.886m over the MTFP period. The position will continue to be monitored closely and updated as necessary as part of future MTFP reports.

Waste Disposal

- 4.30 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 has now concluded and the contract go-live date is 2029. The Council benefitted from very competitive gate fees with the current incumbent, however, these fees stepped up significantly from 2025/26 as part of the contract extension arrangement, budget provision was adjusted accordingly.
- 4.31 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

- 4.32 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

- 4.33 Supported, “exempt” accommodation can provide 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 legislating to tighten the rules around this area and a licencing regime will be introduced in the near future, amongst other measures.
- 4.34 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. The council will continue to rigorously scrutinise applications.
- 4.35 The subsidy loss for the Council was £0.076m in 2021/22, and had been steady for a number of years. This has now increased to £0.448m in 2025/26 and is forecast to increase substantially over the MTFs 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

- 4.36 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 was provided for 2026/27 and a further £0.200m from 2027/28 is included in the MTFP budget planning.

Other Medium-Term Budget Pressures

- 4.37 A further pressure of £1.0m is 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.

5. GOVERNMENT FUNDING

- 5.1 Following the completion of the Fair Funding 2.0, local government funding reforms consultation process during 2025, the 2026/27 Local Government Finance Settlement issued by government, provided a 3 year funding settlement, covering the period 2026/27 to 2028/29. This 3-year settlement provides greater funding certainty for planning purposes, with indicative allocations for 2027/28 and 2028/29 published.
- 5.2 The scale of the reforms to the Local Government Finance system were significant, with the changes arising resulting in the biggest redistribution of resources across the sector for 25 years. To support those councils losing funding, a 3-year transition period is being used to move local authorities to their new funding levels. Hartlepool was a net beneficiary of the reforms, so is therefore transitioning to our higher level of funding over the 3-year period.
- 5.3 The table below provides the indicative allocations from the 3-year settlement, for the remaining 2 financial years 2027/28 and 2028/29. For future years a 2% inflationary assumption has been applied to grants, where deemed appropriate. It is important to note that 2027/28 and 2028/29 increases are at a high level due to the above noted transition period moving the council to its new higher funding position.

	2027/28	2028/29	2029/30	2030/31
Forecast Government Grant <u>Increase</u>	£3.573m	£3.341m	£0.959m	£0.983m

- 5.4 Section 5.5 to 5.17 below outline the latest position and assumptions for each of the government grant funding streams.

Revenue Support Grant (RSG)

- 5.5 The largest government grant funding component is the unringfenced, Revenue Support Grant (RSG). 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. For 2029/30 and 2030/31 an estimated 2% inflationary increase has been applied.
- 5.6 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 from 2026/27.

Recovery Grant

5.7 As part of the Local Government Finance Policy Statement issued in November 2025, 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 reforms consultation stages, to be subsumed as part of the reforms package moving forward. As confirmed in the 3-year settlement, Hartlepool will continue to receive £3.6m for 2026/27 through to 2028/29. Funding is assumed to continue at this level for the full MTFP period.

Consolidated Grants

5.8 As part of the government simplification principle within the reforms, four themed grant areas were introduced from 2026/27. These brought together a number of previous and new grants and are referred to as consolidated grants, these are as follows;

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

5.9 Three-year allocations for each of the above grants were published as part of the settlement. The grants are assumed to remain at year 3 (2028/29) levels for the remaining years of the MTFP.

5.10 Published funding for Hartlepool for the consolidated grants over the settlement period are shown below.

Grant	2026/27 £m	2027/28 £m	2028/29 £m
Children, Families and Youth Grant	2.834	2.822	2.498
Homelessness, Rough Sleeping and Domestic Abuse Grant	1.234	1.250	1.262
Crisis and Resilience Fund	2.357	2.356	2.307
Public Health Grant	12.069	12.198	12.322

Extended Producer Responsibility for Packaging (pEPR) Grant

5.11 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.

5.12 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 funding continued to be budgeted 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 prudent reduction assumption is consistent with the scheme's aim of reducing the level of packaging in the waste stream, which in turn will reduce the grant funding available.

Dedicated Schools Grant (DSG)

- 5.13 The DSG is a ring-fenced grant and can only be applied to meet expenditure properly included in the Schools Budget, as defined in the School and Early Years Finance (England) Regulations 2025. The Schools Budget includes elements for a range of educational services provided on an authority-wide basis and for the Individual Schools Budget, which is divided into a budget share for each maintained school.
- 5.14 As reported through the quarterly budget monitoring updates to Committee during 2025/26, 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. Owing to this deficit position the Council previously produced a DSG Management Plan, which was agreed with the Department for Education (DFE). Subsequently and following the publication of the Schools White Paper, the DFE issued a further requirement for local authorities to produce a Local SEND Reform Plan, this is to be submitted for approval in June 2026.
- 5.15 The DSG cumulative deficit balance totalled £8.793m as at 31 March 2026. Accounting regulations do not allow this balance to be included in the General Fund. In accordance with accounting regulations this balance is subject to a statutory override and transferred to the Dedicated Schools Grant Adjustment Account which is an unusable reserve.
- 5.16 The government have announced that the statutory override will end at the end of March 2028. Subject to the production of a compliant Local SEND Reform Plan, government are to provide 90% of the accrued DSG deficit balance to 31 March 2026 as a High Needs Block Stability Grant. This grant is expected to be received during 2026/27 and will significantly support the cash flow pressures on authorities from this deficit. Local authorities are required to fund the remaining 10% balance. A reserve has been created to cover Hartlepool's 10% requirement, including an estimate for a 2 further financial years 2026/27 and 2027/28 (£2m total earmarked reserve held as at 31st March 2026).
- 5.17 The Government has indicated that they will manage the High Needs Block element of the DSG from 2028/29. Details on how this will operate are still to be announced.

6. LOCAL FUNDING

Business Rates

- 6.1 Under the Business Rates Retention system, the Council retains locally 49% of Business Rate income. Inherent in the system is an annual uplift usually based on September CPI and this has been factored into the position, although this is yet to be confirmed by government. At present all other assumptions impacting Business Rates have remained unchanged i.e. provision for appeals, uncollectable debt and discretionary reliefs will remain broadly consistent.
- 6.2 The business rates system was fully 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 was welcomed.
- 6.3 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 in current and future years.
- 6.4 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 increased to 100%, reducing to 97% for 2027/28 and reverting back to its previous level of 92.5% for 2028/29.
- 6.5 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 news that Venator Materials UK 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 dependent on the next Baseline reset. Future years budgets have been reviewed to reflect this position, and the council continues to highlight our unique circumstances to the government.

Council Tax

- 6.6 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 for council tax support claimants that has recently commenced.

- 6.7 Whilst housing growth continues to be positive, there remains a risk that the wider economic environment i.e. mortgage interest rates, 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 300 per year is allowed for in the budget model and will be kept under review.
- 6.8 For 2026/27 the council tax referendum limits for council tax increases were unchanged at 3% for core council tax and 2% for the adult social care precept, and that the government's published Core Spending Power increases were predicated on Council's utilising this full 5% rise. The same assumption is made by government for 2027/28 and 2028/29.
- 6.9 Formal Council Tax decisions will be made later in the budget process, but the current MTFP does assume a full 4.99% increase in each year, in line with the government assumption and is required to meet the council's increasing budget pressures.

7. RESERVES

- 7.1 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 and cash flow buffer.
- 7.2 Reserves have fallen over recent years and are anticipated 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 B**.
- 7.3 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.
- 7.4 For 2026/27 £1.047m of the Budget Support Fund was used to balance 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 need to allocate a proportion of the Budget Support Fund as contingency against in year overspends, it now has limited flexibility to support the budget setting process.

8. STRATEGY FOR BALANCING THE BUDGET POSITION

- 8.1 Based on the position outlined in sections 3 to 7 above, the consolidated budget position to be addressed over the 4 year MTFP period is shown below. The gap to be addressed for 2027/28 is currently forecast to be £5.500m, with a four year gap to 2030/31 of £10.735m. Please note that this position includes an assumed 4.99% council tax increase for each of the four years.
- 8.2 The position presented has both uncertainty and risk regarding spending pressures but also funding uncertainty, especially in the latter two years. **Appendix A** provides greater detail of the main risks and associated sensitivities impacting on the position.
- 8.3 A small number of savings approved as part of the 2026/27 budget setting process were phased over a 2 year period, therefore providing additional savings in 2027/28. These totaled £0.275m and are included in the table below.

	2027/28 £m	2028/29 £m	2029/30 £m	2030/31 £m	Total £m
Spending Pressures					
Pay and Price Inflation	5.795	5.946	4.573	4.615	20.930
Children's Social Care	4.500	2.090	1.632	1.664	9.886
Adults Social Care	0.500	0.000	0.000	0.000	0.500
Waste Disposal	0.000	0.000	0.500	0.510	1.010
Capital Financing	0.500	0.500	0.500	0.500	2.000
Supported Accommodation	0.250	0.260	0.265	0.271	1.046
Total Spending Pressures	11.545	8.796	7.470	7.560	35.372
Government Grant Changes	(3.573)	(3.341)	(0.959)	(0.983)	(8.856)
Gap Before Local Funding	7.972	5.455	6.511	6.577	26.516
Business Rates	(0.007)	0.180	(0.789)	(0.805)	(1.421)
Council Tax - Base Increase	(0.637)	(0.669)	(0.703)	(0.738)	(2.747)
Collection Fund (Surplus)/Deficit	0.292	0.000	0.000	0.000	0.292
Gap Before Current Use of Reserves	7.620	4.966	5.020	5.034	22.640
Temporary Use of Budget Support Fund (reversal)	1.047	0.000	0.000	0.000	1.047
Bottom Line Gap to be addressed (before Council Tax increases and Savings)	8.667	4.966	5.020	5.034	23.687
Savings (approved 26/27)	(0.275)	0.000	0.000	0.000	(0.275)
Council Tax increase	(2.892)	(3.069)	(3.258)	(3.457)	(12.676)
Gap (after Council Tax increases and Savings)	5.500	1.896	1.762	1.577	10.735
Cumulative Gap (after Council Tax increases and Savings)	5.500	7.396	9.158	10.735	

Transformation and Efficiency Strategy

- 8.4 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. Transformation activity continues to be progressed in a number of areas and has been critical in balancing the budget for 2026/27.
- 8.5 The approach to transformation is currently being reviewed in the light of a new administration and a new Chief Executive. A strong desire to address demand management through increased focus on prevention and resilience is likely to be the foundation of the approach, coupled with a renewed commercial acumen that promotes commercial growth within the borough. A continued focus on digital and process improvements will help drive savings in back-office functions.
- 8.6 An update will be provided later in the year as to the approach adopted, activity undertaken and potential service improvements and savings that have resulted from this work. The need for transformation to be done at pace so as to make a substantial contribution to the future budget gaps is key to the overall robustness of the estimate process.

Use of Reserves

- 8.7 As previously set out, the use of one-off reserves to balance the on-going revenue budget position is not a sustainable approach to setting the budget. Whilst it shunts some of 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 invest and innovate in order to generate recurring savings. However, uncertainty on spending pressures, potential for in-year overspends and delivery periods for transformation activity, may continue to necessitate use of some reserves over the period.
- 8.8 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 short-term basis so that within the current MTFP cycle the budget is fully sustainable.
- 8.9 The Council's Budget Support Fund (BSF) helps to smooth the budget position over the MTFP period. The table below shows the current reserve balance at the end of 2025/26 and usage to balance the 2026/27 budget.

	BSF £m
Balance as at 31 March 2026	5.486
Less	
Use of reserve to support 2026/27 budget	(1.047)

Potential overspend to be met 2026/27	TBC
Forecast uncommitted balance over the period	4.439

Overall Position

8.10 The summarised total position of the MTFP is shown below. This is as outlined in detail in sections 8.1 to 8.3 above.

	2027/28 £m	2028/29 £m	2029/30 £m	2030/31 £m	Total £m
Bottom Line Gap to be addressed (before Council Tax increases and Savings)	8.667	4.966	5.020	5.034	23.687
Savings (approved 26/27)	(0.275)	0.000	0.000	0.000	(0.275)
Council Tax increase	(2.892)	(3.069)	(3.258)	(3.457)	(12.676)
Gap	5.500	1.896	1.762	1.577	10.735
Cumulative Gap	5.500	7.396	9.158	10.735	

8.11 As noted throughout the report and within the 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. The main areas of potential change and impact on the strategy, which will continue to be monitored closely, are;

- Transformation delivery – the delivery of the council’s Transformation Programme is underway. It is critical to delivering further savings over the medium-term period which are included in this strategy.
- Spend pressures – given the diverse nature of council activity and the impact of many external factors on demand and prices, this area is extremely difficult to forecast. Known pressures are provided for within this strategy and further areas will be added or adjusted for, as they arise over the period. As noted, the area of social care remains of concern and a significant risk to the council’s financial position.
- Government Grant Funding - the delivery of a 3-year funding settlement by government is a significant improvement to assist MTFP planning. Given the current national and international economic uncertainties and the impact on the government’s financial position, this will pose a risk to local government funding provided by Treasury through their future whole of government Spending Reviews.
- Business Rates – there is an increasing amount of uncertainty regarding business growth, potential business failure and significantly

the impact of the decommissioning of the Power Station. As the safety net protections reduce in 2027/28 and 2028/29, the funding risk to the council will increase.

- Council tax referendum limits and local decisions – the referendum limit for council tax increases over recent years has been set at 5%. As always, local decisions on council tax rises are informed by the financial position within each council and therefore considered and approved annually. The current MTFP provided in this report assumes the maximum increase will be approved in each financial year over the period.

9. BUDGET TIMETABLE

9.1 The following table details the key tasks and indicative reporting timescales.

Timescale / Committee	Task / Report
Finance and Corporate Affairs Committee – June 26	MTFP update and commencement of 2027/28 budget process
Finance and Corporate Affairs Committee – November 26	MTFP Update report including: <ul style="list-style-type: none"> • Updated position based on latest intelligence, inflation and government funding • Consideration of any savings proposals • Review of reserves Set Council Tax Base 2027/28 Local Council Tax Support Scheme
Individual Policy Committees – December 26	Consideration of any savings proposals referred from Finance and Corporate Affairs Committee
Full Council - November	Local Council Tax Support Scheme consideration of recommendations from F&CA Council Tax Base 2027/28 consideration of recommendations from F&CA
Finance and Corporate Affairs Committee – February 27	MTFP Update report including: <ul style="list-style-type: none"> • Updated position based on provisional Local Government

	<p>Finance Settlement latest intelligence and inflation rate</p> <ul style="list-style-type: none"> • Consideration of feedback from policy committee on savings proposals • Determine budget proposals (including Council Tax and ASC precept) to be referred to full Council. <p>Capital Programme</p>
Audit and Governance – February 27	Treasury Management Strategy report
Full Council – February 27	<p>MTFP Update referral from F&CA committee including budget proposals and agreement on Council Tax and ASC precept.</p> <p>Approve final budget and Statutory calculations.</p>

10. LEGAL CONSIDERATIONS

10.1 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 starts the budget process and further reports will enable budget proposals to be approved and then referred to Council to meet this requirement;
- 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 will be addressed in future reports.

11. OTHER CONSIDERATIONS

RISK IMPLICATIONS	These are outlined in Appendix A and will be further considered as MTFP and any savings proposals are developed and will be reported to future meetings.
FINANCIAL CONSIDERATIONS	As set out in the main body of the report.

SUBSIDY CONTROL	Will be addressed as MTFP and any savings proposals are developed and will be reported to future meetings if appropriate.
LEGAL CONSIDERATIONS	Will be addressed as MTFP and any savings proposals are developed and will be reported to future meetings, with impact forms completed as appropriate.
CHILD AND FAMILY POVERTY	Will be addressed as MTFP and any savings proposals are developed and will be reported to future meetings, with impact forms completed as appropriate.
EQUALITY AND DIVERSITY CONSIDERATIONS	Will be addressed as MTFP and any savings proposals are developed and will be reported to future meetings if appropriate.
ASSET MANAGEMENT CONSIDERATIONS	Will be addressed as MTFP and any savings proposals are developed and will be reported to future meetings if appropriate.
ENVIRONMENT, SUSTAINABILITY AND CLIMATE CHANGE CONSIDERATIONS	Will be addressed as MTFP and any savings proposals are developed and will be reported to future meetings if appropriate.
CONSULTATION	Will be addressed as MTFP and any savings proposals are developed and will be reported to future meetings. This will include member, Trade Union, staff, Business and public consultation if applicable.

12. RECOMMENDATIONS

12.1 It is recommended that Members:

- i) Note the report;
- ii) Note the initial assessment of the forecast budget gap and proposed approach to address this gap in Section 8;
- iii) Note the risks and scenarios outlined in the report which may impact upon the financial position presented as part of future MTFP updates; and
- iv) Approve the proposed budget timetable.

13. REASON FOR RECOMMENDATIONS

- 13.1 To enable the Finance and Corporate Affairs Committee to approve the proposals to progress the development of the MTFP.

14. BACKGROUND PAPERS

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

- Finance and Corporate Affairs Committee - Medium Term Financial Plan (MTFP) 2026/27 to 2029/30 – 10th February 2026; and
- Council - Medium Term Financial Plan (MTFP) 2026/27 Statutory Budget and Council Tax determination – 19th February 2026.

15. CONTACT OFFICER

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Sign Off:-

Chief Executive	Date: 03/06/2026
Director of Finance, IT and Digital	Date: 03/06/2026
Director of Legal, Governance and HR	Date: 03/06/2026

4.2 Appendix A

MTFP 2027/28 to 2030/31 - Risk Assessment

Key risks or issues that may impact on assumptions made and impact 2027/28 and future years.

Issue and Risk	Potential Impact			
	2027/28	2028/29	2029/30	2030/31
<p>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.</p>	Negative	Neutral	Neutral	Neutral
<p>Level of Reserves - the MTFP is currently based on using £1m of one-off reserves to set the 2026/27. Revenue reserves overall are forecast to drop from £30m 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.</p> <p>There would be very limited reserves available should an in year overspend occur.</p>	Negative	Negative	Negative	Negative
<p>Childrens Social Care Pressures The updated MTFP includes for £9.9m of budget growth over the period.</p> <p>It is assumed that the Childrens Social care transformation plans will stabilise and contain pressures.</p> <p>At present there is high risk that this will not be achieved. Cost volatility in this area is extreme with a single child potentially adding £0.500m+ to the budget pressure.</p> <p>This is considered a significant risk and will be kept under constant review as part of the budget setting process and on-going monitoring.</p>	Negative	Negative	Negative	Negative
<p>Government Funding –</p> <p>Funding for the 3-year settlement Fair Funding provides funding increases at</p>	Neutral	Neutral	Neutral	Neutral

<p>lower levels than were anticipated from the reforms.</p> <p>To compound this shortfall, the move to updated allocation levels is phased over a 3-year transition period.</p> <p>Funding for years 3 and 4 of the MTFP period is uncertain.</p>				
<p>Inflationary Pressures - the risk around inflationary pressures remain, with current CPI inflation of 2.8% being well above the government's 2% target. Forecasts are the inflation may rise significantly from its current level.</p> <p>Specific risks remain around the likes of energy prices and certain goods, given the geopolitical environment.</p>	Negative	Negative	Negative	Negative
<p>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 2027, with no confirmation of continuation.</p> <p>Should this situation occur a number of preventative schemes will end, capacity across the council will be reduced and potential redundancy costs incurred.</p>	Negative	Negative	Negative	Negative
<p>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.</p>	Negative	Negative	Negative	Negative
<p>Council Tax Base - the base position saw 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 current</p>	Neutral	Positive	Positive	Positive

MTFP period but increased housebuilding could lead to an improved position.				
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 £8.793m at the end of 2025/26. The statutory override is scheduled to end on 31 st March 2028. Although the government has confirmed 90% support through the HNB Stability Grant for deficits up to 31 st March 2026, the support position for 2026/27 and 2027/28 is yet to be clarified. The Government has indicated that they will manage the High Needs Block element of the DSG from 2028/29. Details on how this will operate are still to be announced.	Negative	Positive	Positive	Positive

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

4.2 APPENDIX B

	Balance as at 31st March 2025	Movements in- year	Actual Use		Forecast Use of Reserves			Forecast Balance as at 31st March 2029
			2025/26	Balance as at 31st March 2026	2026/27	2027/28	2028/29	
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Revenue Reserve	5,500	0	0	5,500	0	0	0	5,500
Budget Support Fund (BSF)	7,672	10	(2,196)	5,486	(1,047)	0	0	4,439
BSF - Transformation Costs	2,000	0	0	2,000	(500)	(750)	(750)	0
BSF - Invest to Save	1,400	0	(121)	1,279	(500)	(500)	(279)	0
Revenue Grants Unapplied	9,107	(93)	(4,490)	4,524	(2,094)	(961)	(1,049)	420
Business Rates Risk Reserve	0	0	0	0	0	0	0	0
Insurance Fund	2,902	0	101	3,003	0	0	0	3,003
Children in our Care Reserve	1,230	(1,005)	(225)	0	0	0	0	0
BSF - Treasury Management Income	650	0	(650)	0	0	0	0	0
Asset Management Reserve	840	0	(340)	500	(500)	0	0	0
DSG 10% Contribution Reserve	0	2,000	0	2,000	0	0	(2,000)	0
Earmarked Revenue Reserves under £1m	7,038	(912)	(50)	6,076	(2,944)	(1,590)	(1,542)	0
Revenue Reserves Total	38,339	0	(7,971)	30,368	(7,585)	(3,801)	(5,620)	13,362
Earmarked Capital Reserves	6,303	0	(760)	5,543	(4,612)	(643)	(288)	0
Capital Grants Unapplied	11,680	0	2,301	13,981	(13,981)	0	0	0
TOTAL	56,322	0	(6,430)	49,892	(26,178)	(4,444)	(5,908)	13,362
Cumulative TOTAL					23,714	19,270	13,362	
DSG Deficit - Unusable Reserve	(4,932)	0	(3,861)	(8,793)	(7,360)	(8,881)	25,034	0
DSG Reserve Cumulative Balance					(16,153)	(25,034)	0	



Subject: CORPORATE PROCUREMENT REPORT ON CONTRACTS

Report of: Director of Finance, IT and Digital

Decision Type: For information

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 2025 to March 2026

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 £60,000 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.

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)**

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: 3 June 2026
Director of Finance, IT and Digital	Date: 3 June 2026
Director of Legal, Governance and HR	Date: 3 June 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
4/10/2025	Town Hall Theatre Rigging – OPEN20251630	The Council is seeking to appoint a suitably qualified company to provide Town Hall Theatre Rigging	5 months	Adult & Community Based Service – Creative Hartlepool	Axiom Events Limited, Middlesbrough Artistic Solutions Limited, Hartlepool Hi-Lights Theatre Services Limited, Gateshead	Axiom Events Limited, Middlesbrough	60% Price 30% Quality 10% Social Value	Axiom Events Limited, Middlesbrough	N/A
22/10/2025	Catcote Road/Truro Drive Traffic Lights - OPEN20251600	The Council is seeking to appoint a suitably qualified company to renew traffic lights on Catcote Road/Truro Drive	6 weeks	Neighbourhoods & Regulatory Services – Consultancy Services	Hall Construction Services Limited, Durham Seymour Civil Engineering Contractors Limited, Hartlepool Tangent Construction Limited, Hartlepool	Hall Construction Services Limited, Durham Tangent Construction Limited, Hartlepool	90% Price 10% Social Value	Tangent Construction Limited, 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
19/11/2025	Tofts Farm Depot PV Installation - OPEN17102025 121312	The Council is seeking to appoint a suitably qualified company to supply and install photovoltaic panels at Tofts Farm Depot	By March 2026	Neighbourhoods & Regulatory Services – Consultancy Services	Mini competition using NEPO233 Retrofit & Decarbonisation Works Analec Electrical Contractors, Stokesley Equans Regeneration Limited, North Tyneside Leybourne Urwin Limited, Durham PHS Home Solutions Limited, Houghton-le-Spring Rothwells Plumbing Services Limited, Wigan Vital Energi Utilities Limited, Lancashire	Analec Electrical Contractors, Stokesley PHS Home Solutions Limited, Houghton-le-Spring Rothwells Plumbing Services Limited, Wigan	90% Price 10% Social Value	Rothwells Plumbing Services Limited, Wigan	N/A
19/12/2025	Support for people living with dementia – OPEN20251451	The Council wishes to commission a service to provide support to people living with dementia	12 months (plus 2 x 12-month extension)	Joint Commissioning – Adult Social Care	Open Tender	Anika Care Limited, Wolverhampton Be Care Limited, Wolverhampton Excellence Home Care Limited, Stockton-on-Tees Jabacare Limited, Milton Keynes	90% Quality 10% Social Value	The Greatham Foundation, Hartlepool	The Greatham Foundation Hartlepool

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
						New Vision Care Services, Stockton-on-Tees S&Z Hospitality, Kent Safe Hands Professional Care Limited, Coventry The Greatham Foundation, Hartlepool			
14/1/2026	Town Hall Audio / Visual and Lighting Equipment – OPEN20252208	The Council is seeking to appoint a suitably qualified company to provide Audio, Visual and Lighting equipment to the Town Hall Theatre	3 months	Adult & Community Based Service – Creative Hartlepool	Artistic Solutions Limited Axiom Events Limited, Middlesbrough Clock Works Audio Limited, Bishop Auckland	Axiom Events Limited, Middlesbrough	60% Price 30% Quality 10% Social Value	Axiom Events Limited, Middlesbrough	N/A

7.1 APPENDIX 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
15/1/2026	Hartlepool Town Hall Theatre Roofing and Render works - OPEN20252180	The Council is seeking to appoint a suitably qualified company to undertake the refurbishment of the roof at the Town Hall Theatre	3 months	Neighbourhoods & Regulatory Services – Consultancy Services	Historic Property Restoration Limited, South Shields MGM Limited, Gateshead Stone Technical Services Limited, Darlington	Historic Property Restoration Limited, South Shields Stone Technical Services Limited, Darlington	90% Price 10% Social Value	Historic Property Restoration Limited, South Shields	N/A
28/1/2026	Highlight – Cycleway - OPEN19012026 163435	The Council is seeking to appoint a suitably qualified company to construct a cycleway at the Highlight	6 months	Neighbourhoods & Regulatory Services – Consultancy Services	Mini Competition using NEPO211 Civil Engineering & Infrastructure Works BCE Northern Limited, Gateshead Brms Construction Limited, Gateshead CR Reynolds Limited, East Riding Halls Construction Services Limited, Durham Howard Civil Engineering Limited, Leeds Neom Engineering Limited, Redditch Rainton Construction Limited, Durham Seymour Civil Engineering Contractors Limited, Hartlepool	BCE Northern Limited, Gateshead Halls Construction Services Limited, Durham Howard Civil Engineering Limited, Leeds Seymour Civil Engineering Contractors Limited, Hartlepool	90% Price 10% Social Value	BCE Northern Limited, Gateshead	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
					Storey Contracting Limited, Cumbria				
19/3/2026	Sorting, processing and sale to end markets of Hartlepool B.C.'s dry recycled material – OPEN2026113	The Council is seeking to appoint a suitably qualified company to undertake the sorting, processing and sale to end markets of Hartlepool B.C.'s dry recycled material	36 months (plus 3 x 12-month extension)	Neighbourhoods & Regulatory Services – Environmental Services	Open tender invitation	Direct Special Metals Limited, Sheffield J & B Recycling Limited, Hartlepool	Price 75% Quality 15% Social Value 10%	J & B Recycling Limited, Hartlepool	J & B Recycling Limited, Hartlepool
23/3/2026	TVCA Church Street to Seaton Carew Cycleway - OPEN20251809	The Council is seeking to appoint a suitably qualified company to construct a cycleway from Church Street to Seaton Carew	6 months	Neighbourhoods & Regulatory Services – Consultancy Services	BCE Northern Limited, Gateshead ESH Construction Limited, Durham Hall Construction Services Limited, Durham Rainton Construction Limited, Durham Seymour Civil Engineering Contractors Limited, Hartlepool	BCE Northern Limited, Gateshead ESH Construction Limited, Durham Hall Construction Services Limited, Durham	90% Price 10% Social Value	BCE Northern Limited, Gateshead	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
					Tarmac Trading Limited, Birmingham	Rainton Construction Limited, Durham Seymour Civil Engineering Contractors Limited, Hartlepool Tarmac Trading Limited, Birmingham			
25/3/2026	TVCA Catcote Road to Town Centre Cycleway - OPEN20251817	The Council is seeking to appoint a suitably qualified company to construct a cycleway from Catcote Road to the Town Centre	6 months	Neighbourhoods & Regulatory Services – Consultancy Services	BCE Northern Limited, Gateshead ESH Construction Limited, Durham Hall Construction Services Limited, Durham Rainton Construction Limited, Durham Seymour Civil Engineering Contractors Limited, Hartlepool Tarmac Trading Limited, Birmingham	BCE Northern Limited, Gateshead ESH Construction Limited, Durham Hall Construction Services Limited, Durham Rainton Construction Limited, Durham Seymour Civil Engineering Contractors	90% Price 10% Social Value	BCE Northern Limited,	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
						Limited, Hartlepool Tarmac Trading Limited, Birmingham			

Procurements Exempted from Council Contract Procedure Rules - Exemptions

Dept.	Service Unit	Company Name	Company based at	Duration	Description	Approval
Development, Neighbourhoods & Regulatory Services	Consultancy Services	Schneider Electric	Gateshead	One-off Payment	Supply of Building Management System (BMS) control panel to new plantroom. Funding constraints and limited downtime at the centre entail the works which need to be carried out before March 31 st 2026.	Request Approved by James Magog, Hayley Martin and Kieran Bostock 14/01/2026
Development, Neighbourhoods & Regulatory Services	Consultancy Services	Durham Air Conditioning	Durham	One-off Payment	Supply and installation of new Air Source Heat Pumps to serve new plantroom. Funding constraints and limited downtime at the centre entail the works which need to be carried out before March 31 st 2026.	Request Approved by James Magog, Hayley Martin and Kieran Bostock 14/01/2026
Adult & Community Based Services	Community Based Services	Beckett Rankine	London	One-off Payment	The Damboard Replacement Project began in 2021, with optioneering and detailed design work completed by Beckett Rankine in 2024. Progress was delayed due to higher-than-expected costs for the stoplogs, requiring a review of the project strategy and postponement of ground investigation works until 2025. A subsequent proposal to appoint additional marine consultants was reconsidered, as the associated fees would have consumed a significant proportion of the reduced project budget.	Request Approved by James Magog, Hayley Martin and Gemma Ptak 11/02/2026
Adult & Community Based Services	Community Based Services	Tourism UK	York	01.02.26 - 30.09.26	Tides of Change (National Lottery Grant Funding) Development Work Phase on Museum of Hartlepool. Maternity cover for the Strategic Development Manager for the Tides of Change to take the application to submission. The company has an in-depth knowledge of the bid and skills to take the application to submission in May having been involved since inception. No other external consultant would have the depth of knowledge or be able to gain it within the remaining months of the process.	Request Approved by James Magog, Hayley Martin and Gemma Ptak 11/02/2026

Dept.	Service Unit	Company Name	Company based at	Duration	Description	Approval
Adult & Community Based Services	Public Health	Terence Higgins Trust	London	01.04.26 – 31.03.27	<p>Tees HIV Prevention and Support Service aims to focus on HIV prevention and support people living with HIV (PLWH) across Teesside and to address inequalities surrounding HIV support.</p> <p>As incumbent provider the Terence Higgins Trust can build on previous work undertaken and are considered to have the expertise and are leaders in this field.</p>	Request Approved by James Magog, Hayley Martin and Chris Woodcock 18/02/2026
Adult & Community Based Services	Public Health	PreventX	Sheffield	01.04.26 – 31.03.27	<p>Teesside Universal Condom Offer +13 Years. A review of current services found the existing C-Card scheme has had limited impact and low uptake, while demand remains high across both younger and older populations. As a result, the four Tees local authorities are working together to redesign services.</p> <p>This 12-month Universal Digital Condom Distribution pilot will improve access and reduce barriers such as stigma, travel, and cost. The service will allow individuals aged 13+ to access free condoms via post or local collection points. It will also help tackle inequalities, improve sexual health outcomes, and inform future service design, alongside exploring improvements to relationships and sex education</p>	Request Approved by James Magog, Hayley Martin and Gemma Ptak 16/03/2026
Development, Neighbourhoods & Regulatory Services	Consultancy Services	Brightly Software	Chatham	01/05/26 – 30/04/29	<p>CONFIRM is a specialist asset management system that supports the Council's Highway Services and is fully embedded in day-to-day operations, including streetworks permits, inspections, and mobile working for field staff. The annual cost of approximately £34,000 represents good value for money and is lower than alternative procurement routes which would incur additional set-up costs, training needs and potential disruption.</p> <p>The market for similar systems is extremely limited and CONFIRM is the only solution that offers the required level of flexibility and bespoke functionality. In addition, the system provides added value through its ability to manage other assets, such as trees, at no extra cost, unlike competitors which require additional paid modules..</p>	Request Approved by James Magog, Hayley Martin and Kieran Bostock 17/03/2026

Dept.	Service Unit	Company Name	Company based at	Duration	Description	Approval
Development, Neighbourhoods & Regulatory Services	Strategic Asset Management	Gradon EHT Ltd t/a Gradon Architecture	Newcastle	01/01/26 – 31/03/26	Following the Council's successful award of grant funding through the Council Housebuilding Support Fund and given the tight timescales and requirement to spend this funding by March 2026, Gradon Architecture was commissioned to deliver services on two sites after associated design services work previously carried out.	Request Approved by James Magog, Hayley Martin and Kieran Bostock 07/04/2026
Adults & Community Based Services	Housing, Growth & Communities	Technical Outdoor Solutions	Penrith	20/04/26 – 19/05/26	<p>High Ropes Repairs – Carlton Adventure. These works relate to the replacement of a defective structural pole identified during a recent safety inspection at Carlton Adventures High Ropes Course. The supplier selected (Technical Outdoor Solutions) to carry out these works designed and rewired the course in 2016/2017 and retain knowledge of the original design, engineering tolerances and integrated safety systems.</p> <p>The repair is a matter of urgency to mitigate safety, operational risk and existing business and bookings and the use of the original supplier enables swift action and minimal disruption.</p>	Request Approved by James Magog, Hayley Martin and Gemma Ptak 14/04/2026

Dept.	Service Unit	Company Name	Company based at	Duration	Description	Approval
Adult & Community Based Services	Public Health	Teesside University	Middlesbrough	01.04.26 – 31.03.29	<p>This will provide continued research to inform Public Health & START with regards to substance misuse provisions and initiatives. Funding has been confirmed by Drug and Alcohol Treatment Recovery Improvement Grant (DATRIG) via Office for Health Improvement and Disparities (OHID).</p> <p>HBC has been working in partnership with Teesside University for the past two years to support research in this area. Now that grant funding has been secured, HBC wishes to continue this collaboration to draw on the University's research expertise in this area.</p>	Request Approved by James Magog, Hayley Martin and Chris Woodcock 19/01/2026

					This ongoing support will enable Public Health to obtain a comprehensive and objective understanding of the range and effectiveness of Substance Misuse provisions.	
Childrens & Commissioning Services	Childrens Commissioning	National Childbirth Trust	London	01/04/2026 – 31/03/2027	<p>Funding secured has been used to commission NCT to deliver an Infant Feeding Peer Support Service to local families which has brought positive results.</p> <p>Funding has now been secured for an additional period and the aim was to conduct a full procurement exercise, however DHSE/DfE have stated that delivery expectations have changed but will not be known before the initial contract end.</p> <p>An extension ensures that families can continue to access services to improve breastfeeding rates whilst allowing time to prepare for a re-tender when DHSE/DfE expectations are known.</p>	Request Approved by James Magog, Hayley Martin and Rebecca Stephenson 27/01/2026
Childrens & Commissioning Services	Childrens Commissioning	National Childbirth Trust (NCT)	London	01/04/2026 – 31/03/2027	<p>An element of Family Hubs Funding from DfE has been used to commission NCT to deliver a perinatal mental health and parent/infant relationship support service. Additional funding has been secured beyond the initial contract end 31st March 2026.</p> <p>Funding has now been secured for an additional period and the aim was to conduct a full procurement exercise, however DHSE/DfE have stated that delivery expectations have changed but will not be known before the initial contract end.</p> <p>An extension ensures that families can continue to access services whilst allowing time to prepare for a re-tender when DHSE/DfE expectations are known.</p>	Request Approved by James Magog, Hayley Martin and Rebecca Stephenson 27/01/2026
Childrens & Commissioning Services	Childrens Commissioning	Hartlepool Carers	Hartlepool	01.04.26 – 31.03.27	<p>Family Hubs – Parent/Carer Panels (DfE Grant Funding). The initial contract expires on 31st March 2026 and it was intended to conduct a procurement exercise, however DfE have stated there will be change to delivery expectations but these will not be outlined until after the current contract end.</p> <p>An agreement to extend the existing contract for a further 12 months, will ensure continuity / consistency for those families who are already accessing the service whilst allowing time to prepare for a re-tender when DHSE/DfE expectations are known.</p>	Request Approved by James Magog, Hayley Martin and Rebecca Stephenson 26/02/2026

<p>Adult & Community Based Services</p>	<p>Housing Policy, Hardship and Welfare Support Services</p>	<p>Home Group Ltd</p>	<p>Newcastle</p>	<p>06/04/2026 – 16/01/2027</p>	<p>This service provides 10 supported accommodation units and 2 crash pads at Scott Grange, Hartlepool, alongside personalised support to help individuals with complex needs live independently. It has been delivered by Home Group since 2015 and remains a vital provision for people who are homeless or at risk of homelessness.</p> <p>A recent procurement process was paused due to concerns regarding financial viability, prompting a wider review of the service model; however, the Council has reaffirmed the essential nature of this provision. This will ensure continuity of service and avoid risks to tenancies and support arrangements, while also aligning the contract end date with related supported housing provision to January 2027. This will allow sufficient time to undertake a full service review and develop a robust, long-term commissioning approach.</p>	<p>Request Approved by Paul Dixon, Hayley Martin and Gemma Ptak 31/03/2026</p>
<p>Adult & Community Based Services</p>	<p>Housing Policy, Hardship and Welfare Support Services</p>	<p>Home Group Ltd</p>	<p>Newcastle</p>	<p>06/04/2026 – 16/01/2027</p>	<p>This provides floating support to up to 50 people to help develop and sustain independent living. Commissioned in April 2020 as Lot 2, this service is also delivered by Home Group and closely aligns with the support framework in place at Scott Grange.</p> <p>A recent procurement exercise was paused following clarification queries that raised concerns around financial viability, prompting a wider review of the service model. The Council has since reaffirmed the importance of this provision. This will ensure continuity of support and prevent risk to tenancies and vulnerable individuals, while aligning the contract end date with related provision (Lot 3) to January 2027. This will enable a comprehensive review and the development of a coordinated, long-term commissioning approach across all supported housing services.</p>	<p>Request Approved by Paul Dixon, Hayley Martin and Gemma Ptak 31/03/2026</p>

