

FINANCE AND CORPORATE AFFAIRS COMMITTEE

AGENDA



Monday 23rd June 2025

at 5.00pm

in the Council Chamber, Civic Centre, Hartlepool.

MEMBERS: FINANCE AND CORPORATE AFFAIRS COMMITTEE

Councillors Allen, Hargreaves, Harrison (C), Lindridge, Little, Morley, Napper, Nelson, Oliver, Scarborough (VC) and Young.

Parish Council Co-opted Member:

M Ireland (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 of the meeting of the Finance and Policy Committee held on 7 April 2025 (previously circulated and published)

4. BUDGET AND POLICY FRAMEWORK ITEMS

- 4.1 Budget Monitoring Report 2024/25 Outturn – *Director of Finance, IT and Digital Services*
- 4.2 Medium Term Financial Strategy (MTFS) 2026/27 to 2029/30 – *Director of Finance, IT and Digital Services*

5. KEY DECISIONS

- 5.1 Household Support Fund 7 – 2025/26 – *Director of Public Health and Director of Finance, IT and Digital Services*

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.

- 5.2 Childrens Homes – Provision of Loan - *Director of Finance, IT and Digital Services*
- 5.3 Free School Meals – Auto-Enrolment – *Director of Finance, IT and Digital*

6. OTHER ITEMS REQUIRING DECISION

- 6.1 Apprenticeship Policy – *Director of Legal, Governance and HR*

7. ITEMS FOR INFORMATION

No items.

8. ANY OTHER BUSINESS WHICH THE CHAIR CONSIDERS URGENT

FOR INFORMATION

Date of next meeting – 8 September 2025 at 5.00 pm in the Civic Centre, Hartlepool.



FINANCE AND CORPORATE AFFAIRS COMMITTEE

23RD JUNE 2025



Subject: Budget Monitoring Report - 2024/25 Outturn

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 inform Members of:

- i) General Fund revenue outturn for 2024/25;
- ii) Reserves forecasts;
- iii) Housing Revenue Account outturn for 2024/25;
- iv) Corporate Income Collection Performance; and
- v) Capital Programme Monitoring 2024/25.

3. BACKGROUND

3.1 The quarterly monitoring reports to the Finance and Policy Committee during the 2024/25 financial year have highlighted the significant and continued financial pressures being experienced by the Council. In addition to the historic underfunding of the Council, these are largely from inflated costs of goods and services, pressures on income generation and significant pressures within Children's Social Care. The final quarter of 2024/25 saw a continuation of these pressures and are detailed further in this report.

- 3.2 General inflation has continued at the 2.5% to 3.0% level during 2024/25, which is a welcome reduction, but the profound impact of the now permanently embedded inflationary increases over the last 2 years, continue to be felt. The Bank of England continue to set their policy approach to support their objective of reducing inflation at their 2% target.
- 3.3 The in-year forecast overspend and wider financial position of the Council again necessitated in-year action. The Managing Director continued strong messaging to all staff and in particular budget managers during 2024, reinforcing spend efficiency measures, reviewing staff vacancies and ceasing non-essential spend. Additional information and training sessions were held with budget managers.
- 3.4 The 2024/25 revenue outturn position for the Council is outlined below.

4. GENERAL FUND REVENUE OUTTURN 2024/25

- 4.1 The outturn for 2024/25 is an overspend against budget of £0.256m. Importantly, it should be noted that this position is after the approved use of £3.166m of the Budget Support Fund to balance the 2024/25 budget (i.e. in 2024/25 the council spent £3.422m more than the in-year resources we received or generated).
- 4.2 The revenue outturn position by Directorate is detailed in **Appendices A to E**, with a summary commentary set out from section 4.3 onwards. Positively the overspend is a £1.926m improvement on the forecast reported at the end of quarter 3 (£2.182m). As shown in the table below the financial position within Children's Services continues to be of serious concern given the level of overspend. Further increases in underspend by other service areas has significantly mitigated these Children's Services cost pressures.

| Q1 Forecast Outturn - Overspend/ (Underspend) £'000 | Q2 Forecast Outturn - Overspend/ (Underspend) £'000 | Q3 Forecast Outturn - Overspend/ (Underspend) £'000 | Departmental Budgets | Outturn - Overspend/ (Underspend) £'000 |
|---|---|---|---|--|
| 275 | 205 | 200 | Adult & Community Based Services | 422 |
| 4,790 | 5,880 | 6,938 | Children's & Joint Commissioning | 6,559 |
| 200 | (250) | (585) | Development, Neighbourhoods & Regulatory Services | (1,292) |
| (300) | (300) | (320) | Finance, IT and Digital | (412) |
| (65) | (65) | (55) | Legal, Governance and HR | (160) |
| (2,000) | (2,800) | (2,757) | Corporate | (3,603) |
| 0 | 0 | (239) | Business Rates Levy Distribution | (239) |
| 0 | (1,000) | (1,000) | Provision for Pay Award | (1,019) |
| 2,900 | 1,670 | 2,182 | Total Forecast Budget Overspend | 256 |

Adult and Community Based Services

- 4.3 The final outturn is a net departmental overspend of £0.422m, consisting of a £0.492m overspend within Preventative & Community Based Services, offset by a £0.070m underspend within Adult Social Care. This overspend of £0.422m represents only 1% of the department's overall net budget.
- 4.4 The underspend within Adult Social Care includes the use of some one-off grant funding, staff vacancies and incremental drift. This underspend fully offsets the pressure from the reduced income arising from delaying the implementation of charging for Telecare until 1st October 2024.
- 4.5 The overspend within Preventative & Community Based Services mainly relates to reduced income across the following areas; Cemeteries and Crematoria, arising from the capital works impacting on the operating days/hours of the chapel until October 2024, the Borough Hall and Town Hall Theatre temporary closures and the temporary cessation of activities at Carlton Adventure. All of the noted facilities are now operational.

Children and Joint Commissioning Services

- 4.6 The final outturn is an overspend of £6.559m. This has slightly reduced since the position reported at Q3 (£6.938m). The main reasons for the overspend are increases in the number of children requiring external residential and independent fostering agency placements and the associated adverse impacts on social work staffing budgets. This reflects the increasing complexity of their needs and the significant fees being charged by the external care market.
- 4.7 This area continues to be a risk for all councils however the council has invested in increased "Edge of Care" provision, and it is hoped this initiative will help mitigate and potentially reduce demand and costs. The council is also in the process of opening a new in-house childrens home (expected to open in Autumn 2025). Increased in-house provision will reduce our exposure to the significant fees being charged by the external care market.
- 4.8 Although the overall number of children in our care has remained relatively stable, it is important to note that some children move out of our care and in to special guardianship or child arrangement order arrangements, which, although no longer classified as within our care, still retain financial support payments from the Council.
- 4.9 In recognition of these on-going financial pressures, the 2025/26 MTFS introduced an additional £6.9m of funding for this area.

Development, Neighbourhoods and Regulatory Services

- 4.10 The final outturn for the department is a favourable variance of £1.292m.
- 4.11 Although the department continued to face pressures in relation to Car Parking, Planning income, Street Lighting and Strategic Asset Management, the department proactively managed budgets in an effort to offset pressures both within the department and the wider Council. Work was undertaken to maximise the use of grants and the department benefited from additional Government highways grant for pot-hole repair and from one-off grants such as the UK Shared Prosperity Fund and Safer Streets Funding. There was a positive uptake of the green waste subscription service and an improved negotiated position in relation to concessionary fares. The department also exceeded its salary abatement target.

Finance, IT and Digital

- 4.12 The outturn is an underspend of £0.412m. This is mainly 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.

Legal, Governance and HR

- 4.13 The outturn is an underspend of £0.160m which mainly relates to vacant posts and staff not being at the top of their grade, offsetting reductions in income generation.

Corporate Areas

- 4.14 Interest income generated from the investment of the council's reserves, continue to provide a vital revenue stream to support the overall budget position. Interest of c£3.0m was generated in 2024/25, with the council taking advantage of temporarily high rates of interest. As previously noted, these returns will not be achievable into future years as reserve cash balances reduce, coupled with the expected downwards trend on interest rates.
- 4.15 The national pay offer for 2024/25 was agreed during October. Following ballots, the trade unions accepted the pay offer, which equates to £1,290 per employee regardless of grade, up to spinal point 43. This increase equated to a 5.77% increase at spinal point 2 and 2.50% at point 43. Spinal points above 43 will receive a 2.5% increase. The agreed pay award is below the value provided for when setting the 2024/25 budget, resulting in a saving of approximately £1.000m in 2024/25 and into future years.
- 4.16 The Ministry of Housing, Communities and Local Government (MHCLG) confirmed a one-off distribution from the national business rates levy account. The £100m account balance was distributed via formula and the Council received £0.239m. This income has supported the 2024/25 outturn position.

Budget Savings Monitoring

- 4.17 The 2024/25 budget included the implementation of £1.885m of approved savings plans for year. The vast majority of plans have now been delivered, which is positive given the demands and pressures services have experienced. Directors continue to take the necessary action to mitigate any delays or issues with implementation.
- £1.430m (76%) of the savings have been fully realised.
 - £0.000m (0%) of savings where good progress is being made, with a good prospect that full savings will be achieved.
 - £0.455m (24%) is in respect of areas where delays and issues have been encountered, meaning savings could not be delivered as planned during 2024/25. These are included as pressure/overspends in the outturn position. Further information on the main areas are noted below.
- 4.18 The implementation of charging for the Telecare service was delayed from the 1st April until 1st October 2024. As such only £0.165m of the £0.400m saving was achieved in 2024/25. The £0.235m shortfall is categorised as red in the above monitoring, however, a full year charging period in 2025/26 is forecast to generate income towards the target budget level.
- 4.19 A partnership arrangement for the block booking of children's social care provision with a local provider ceased earlier in the year due to the provider not accepting HBC referrals. Two children are still living in the 3 bedroom home, but the forecast saving of £0.312m has now reduced to £0.130m. The £0.182m reduction is categorised as red in the above monitoring.

Dedicated School Grant

- 4.20 Until the 2022/23 financial year, the Council had successfully managed High Needs Block (HNB) costs within the available annual grant allocation and HNB reserves. This has been achieved despite a significant increase in demands on this service, including the impacts arising from the pandemic.
- 4.21 The 2023/24 outturn was an overspend of £2.348m. This overspend was considered necessary to invest in Hartlepool provision and so avoid placement of pupils with SEND outside the town, wherever possible. In time, this approach will reduce costs for independent and out of town provision and provide an improved outcome for Hartlepool children.
- 4.22 Applying all DSG reserves, the final DSG outturn for 2023/24 was an overspend of £1.589m. Accounting regulations covering the period up to 31st March 2026 do not allow this balance to be included in the General Fund. In accordance with accounting regulations this balance was transferred to the Dedicated Schools Grant Adjustment Account which is an unusable reserve.

- 4.23 Owing to this deficit position the Council had to produce a DSG Management Plan for submission to the Education Skills and Funding Agency (ESFA). This was a complex spend, demand and demographics data exercise, which documented 4 years of actual data, the current years budgeted data and 6 years predicted data. Following meetings with the ESFA the plan has been agreed and will continue to be updated and monitored.
- 4.24 The 2024/25 High Needs Budget exceeded the funding allocation by £3.115m. A one year recovery plan, which included; limiting inflation on Top Up Funding and Special Schools funding, putting in place a target to reduce the Out of Area and Independent School places by meeting need in Hartlepool provision and the transfer of the Growth Fund from the Schools Block to the High Needs Block was agreed by Children's Services Committee. These measures reduced the budget requirement by £0.944m, resulting in a funding shortfall of £2.171m for 2024/25.
- 4.25 The 2024/25 outturn was an overspend of £3.599m (i.e. £1.428m beyond the originally identified 2024/25 shortfall), owing to increases in payments to schools for Individual Pupil Support and increased spending on school based Additionally Resourced Provisions (ARPS's) which keeps Hartlepool children being educated in the Town. This has resulted in a small saving in out-of-town specialist provision. The lag in funding for the Free School which opened in September 2024, also contributed to the overspend.
- 4.26 Underspends on the Early Years Block (£0.233m) and Central Schools Services Block (£0.023m) reduced this overspend to £3.343m, this results in an overall DSG deficit of £4.932m, which poses a significant risk to the council should the accounting regulations override be removed in March 2026. Additional funding has been provided through the settlement for 2025/26, and the on-going position is being closely monitored.

Reserves

- 4.27 The current reserves position and the forecast usage of reserves by year is summarised in the table below, with a more detailed analysis included at **Appendix M**.

| Reserve Area | Balance as at 31st March 2024 (Revised) | Actual Use 2024/25 | Balance as at 31st March 2025 | Forecast Use 2025/26 to 2027/29 | Forecast Balance as at 31st March 2029 |
|--|---|--------------------|-------------------------------|---------------------------------|--|
| | £'000 | £'000 | £'000 | £'000 | £'000 |
| Unearmarked General Fund | 5,500 | 0 | 5,500 | 0 | 5,500 |
| Budget Support Fund | 11,094 | (3,422) | 7,672 | (2,500) | 5,172 |
| Budget Support – Transformation and Invest to Save | 3,750 | (350) | 3,400 | (3,050) | 350 |
| Other Revenue Reserves | 19,409 | 2,358 | 21,767 | (18,675) | 3,092 |
| Revenue Reserves Total | 39,753 | (1,414) | 38,339 | (24,225) | 14,114 |
| Capital Reserves | 25,818 | (7,275) | 18,543 | (18,543) | 0 |
| TOTAL | 65,571 | (8,689) | 56,882 | (42,768) | 14,114 |

- 4.28 Please note the information provided excludes any ring-fenced School, HRA and unusable reserves given their restricted nature.

5. HOUSING REVENUE ACCOUNT (HRA)

- 5.1 The HRA budgeted for a £0.028m surplus for the financial year. The net nil actual position at year end resulted in a £0.028m adverse variance when compared to budget. Further details provided at **Appendix F**.
- 5.2 Rental income was lower than budgeted as new properties did not come online as quickly as anticipated owing to the detection of asbestos which required additional works. Issues in relation to damp and mould continued to arise resulting in an adverse variance on the maintenance budget. There is also an adverse variance in relation to Net Interest Payable owing to an increase in the Capital Finance Requirement and interest rates.
- 5.3 The adverse variance was mitigated through a combination of the following:
- Reduction in contribution to Right to Buy Reserve; and
 - Reduction in voluntary contribution to the Major Repairs Reserve (MRR).
- 5.4 It should be noted that this reduces the future resilience of the HRA, as there will be less funding available for Major Repairs and mitigation of the potential impact of Right to Buy properties.
- 5.5 The HRA reserve remained at £0.500m
- 5.6 The HRA capital position is outlined in **Appendix G**.

6. INCOME COLLECTION AND COLLECTION FUND

Sundry Debts

- 6.1 The Council raised invoices for circa £39.6m of sundry debts income for payment of services in 2024/25. The Council's performance in collecting these debts is positive with 94.81% (2023/24 – 95.36%) of debts collected within the year they are billed. Long term collection remains high with 98.98% (2023/24 - 99.43%) 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 2024/25 is 93.19% which is an improvement on the 92.48% for 2023/24. It remains significantly 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 continues the recovery to historic trends.
- 6.4 More positively, in excess of £3.2m of arrears were collected during 2024/25, which was a further improvement on that collected in 2023/24. 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 £0.103m, in excess of that forecast.
- 6.6 Members may recollect that increased efforts were to be made targeting potential single person discount fraud. An initial target of a 400 reduction during 2024/25 was agreed. During 2024/25 the number claiming single person discount has reduced by 708.
- 6.7 As at the end of 2024/25 the Local Council Tax Support claimant count was 13,091 of which there were 8,675 working age claimants.
- 6.8 The Collection Fund in respect of Council Tax continues to be closely monitored.

Business Rates

- 6.9 The final collection rate for 2024/25 was 96.97%, which is slightly down on the 98.74% in year collection for 2023/24. 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.
- 6.10 The outturn position shows a surplus attributable to Hartlepool of £0.258m, in excess of that forecast.

7 CAPITAL OUTTURN

- 7.1 Details of actual expenditure, budget variations and reprofiling of budget are provided in **Appendices H to L** 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 31/3/24 | Actual Spend 2024/25 | Revised Budget (From Q3) | Additional Schemes and Cost Variations | Revised Budget | Reprofiling of Expenditure |
|---|----------------|-------------------|----------------------|--------------------------|--|----------------|----------------------------|
| | | | 2024/25 | 2024/25 | 2024/25 | 2024/25 | 2024/2025 |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Major Regeneration Schemes | 120,739 | 15,202 | 23,315 | 27,463 | 0 | 27,463 | (4,148) |
| Adult & Community Based Services | 9,236 | 3,641 | 2,281 | 2,651 | 2 | 2,653 | (372) |
| Children's & Joint Commissioning Services | 15,315 | 1,436 | 3,932 | 4,173 | 609 | 4,782 | (850) |
| Development, Neighbourhoods & Regulatory Services | 32,451 | 5,931 | 6,840 | 7,478 | 476 | 7,954 | (1,114) |
| Corporate | 3,119 | 106 | 889 | 865 | 324 | 1,189 | (300) |
| Total Capital Expenditure | 180,860 | 26,316 | 37,257 | 42,630 | 1,411 | 44,041 | (6,784) |

- 7.2 As shown in the above table, actual 2024/25 in-year capital expenditure totaled £37.257m, against a 2024/25 budget (after quarter 4 variations) of £44.041m. This spend position necessitates a reprofiling of £6.784m into 2025/26 and future years.
- 7.3 The main areas of cost variation during quarter 4, included within the £1.411m total variation shown above are; additional schools schemes brought into the capital programme funded from school budgets, year-end capitalisation of Local Transport Plan schemes and year end capitalisation of Corporate IT investment funded by revenue contributions. Full details of any variances and reprofiling of expenditure are shown in **appendices H to L**.

Capital Receipts

- 7.4 During March 2025 a capital receipt of £0.064m was received from sale of land at Brenda Road.

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 2024/25 outturn position of £0.256m overspend and the accompanying financial performance for the year;
- ii) Note the forecast use of reserves at paragraph 4.27;
- iii) Note the 2024/25 outturn in relation to the Housing Revenue Account detailed within Section 5 of the report; and
- iv) Note the capital programme position.

10. REASONS FOR RECOMMENDATIONS

- 10.1 To inform Finance and Corporate Affairs Committee of the Council's 2024/25 financial outturn position.

11. BACKGROUND PAPERS

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

Finance and Policy Committee - Strategic Financial Management Report – as at 30th June 2024 - 16th September 2024.

Finance and Policy Committee - Strategic Financial Management Report – as at 30th September 2024 - 25th November 2024.

Finance and Policy Committee - Strategic Financial Management Report – as at 31st December 2024 – 10th February 2025.

12. CONTACT OFFICERS

James Magog
Director of Finance, IT and Digital
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Paul Dixon
Assistant Director, Corporate and Financial Services
Email: paul.dixon@hartlepool.gov.uk

Sign Off:-

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|--------------------------------------|--------------|
| Managing Director | Date: 4/6/25 |
| Director of Finance, IT and Digital | Date: 4/6/25 |
| Director of Legal, Governance and HR | Date: 9/6/25 |

REVENUE FINANCIAL MONITORING REPORT FOR FINANCIAL YEAR 2024/25 as at 31st March 2025

| Approved 2024/25 Budget £'000 | Description of Service Area | Actual Outturn Adverse/ (Favourable) £'000 | Director's Explanation of Variance |
|-------------------------------------|--|---|---|
| | Adult Social Care | | |
| 74 | Carers | 11 | Minor Variances |
| 3,342 | Commissioning - Adults | 59 | Relates to a combination of historic income pressures relating to Court of Protection administration fees and increased spend across supplies and services budgets. |
| 175 | Departmental Running Costs | 21 | Relates to general departmental spend across a range of supplies and services budgets. |
| 91 | Direct Care & Support (including Telecare) | 85 | The overspend mainly relates to the impact of Telecare charging implementation being delayed until 1 October 2024. |
| 766 | LD & Transition Social Work | (70) | The underspend relates to staff savings from incremental drift and vacancies over and above the departmental salary abatement target. |
| 2,354 | Locality & Safeguarding Team | (240) | The underspend relates to staff savings from incremental drift and vacancies over and above the departmental salary abatement target. |
| 1,195 | Mental Health Services | 10 | Minor Variances |
| 1,575 | OT & Disability Equipment | (2) | Minor Variances |
| 29,037 | Packages of Care | 245 | Increased costs / demand across a number of Older People and Working Age Adults packages of care budgets. |
| 183 | Transformation & Digital | (94) | The underspend relates to staff savings from incremental drift and vacancies over and above the departmental salary abatement target. |
| 1,315 | Working Age Adult Day Services | (95) | The underspend mainly relates to savings within transport costs (25/26 saving), increased hire income and incremental drift within staffing budgets. |
| 40,107 | Adult Social Care Sub Total | (70) | |
| | Preventative & Community Based Services | | |
| 73 | Adult Education | (61) | Mainly relates to increased income from grants. |
| 88 | Allotments | (3) | Minor Variances |
| 27 | Archaeology | (7) | Minor Variances |
| (146) | Coast, Countryside, Heritage and Cemeteries & Crematoria | 262 | The overspend mainly relates to the loss of income from the reduced operating days at Stranton Chapel resulting from the capital improvement works which were completed in Autumn 2024. |
| 1,162 | Community Hubs | 39 | The projected overspend mainly relates to historic budget reductions linked to branch libraries. |
| 90 | Cultural - Events and Theatres | 113 | The overspend mainly relates to the loss of income arising from the temporary closure of the Town Hall Theatre and the Borough Hall. |
| 591 | Cultural - Museums and Galleries | (28) | Relates to various minor underspends across a number of areas. |
| 638 | Sports, Leisure & Recreation Facilities | 177 | The projected overspend mainly relates to the loss of income arising from the temporary closure of Carlton Adventure. |
| 2,523 | Preventative & Community Based Services Sub Total | 492 | |
| 42,630 | Adult & Community Based Services Total | 422 | |

REVENUE FINANCIAL MONITORING REPORT FOR FINANCIAL YEAR 2024/25 as at 31st March 2025

| Approved 2024/25 Budget | Description of Service Area | Actual Outturn Adverse/ (Favourable) | Director's Explanation of Variance |
|-------------------------|--|--------------------------------------|--|
| £'000 | | £'000 | |
| | Children's Services | | |
| 2,673 | Children & Families | 984 | Overspend mainly relates to increases in the number of children subject to Child Arrangement Orders, Special Guardianship Allowances or receiving a Direct Payment. |
| 21,237 | Children in our Care | 6,268 | Overspend mainly relates to an increase in the number of children in our care requiring external residential and independent fostering agency placements. This reflects the increasing complexity of their needs and the significant fees being charged by the external care market. |
| 36 | Early Intervention | (387) | Favourable variance mainly relates to the receipt of grant funding. |
| 456 | Housing, Hardship & Welfare | (567) | Favourable variance mainly relates to the receipt of a number of 'one-off' grants which are offsetting increased temporary accommodation housing costs. |
| 25 | Play & Care | 41 | Overspend mainly relates to historic income pressures. Service is ending in Summer 2025 as part of the 2025/26 MTFS savings proposals. |
| 5,503 | Safeguarding Children | 720 | Overspend mainly relates to increased staffing costs and the Edge of Care team. |
| 635 | Standards, Engagement & Development | 53 | Overspend mainly relates to increased staffing costs. |
| 1,466 | Strategic Commissioning | (438) | Favourable variance mainly relates to the receipt of a number of temporary, 'time limited', grants. |
| 316 | Youth Justice Service | 0 | Underspend of £103k transferred to the ring-fenced YJS Partnership Reserve. |
| 32,347 | Children's Services Sub Total | 6,674 | |
| | Education (excluding DSG) | | |
| 168 | Access to Education | 6 | |
| 157 | Central Support Services | 0 | |
| 486 | Other School Related Expenditure | 21 | Adverse variance is owing to inflationary pressures on historic pension payments. |
| 455 | Raising Educational Achievement | (78) | Variance relates to savings against consultancy and increased recharge income. |
| 547 | Special Needs Services | (53) | Variance relates to savings in supplies and services. |
| 443 | Strategic Management | (27) | Variance relates to savings in supplies and services. |
| 351 | Youth Service | 16 | Adverse variance is owing to reduced income. |
| 2,607 | Education Sub Total | (115) | |
| 34,954 | Children's and Joint Commissioning Services Sub Total | 6,559 | |
| | | | |
| | Public Health Grant | | |
| 3,933 | Children's Services | (3) | Minor variances |
| 2,624 | Substance Misuse Services | (328) | Underspend mainly relates to staff vacancies; this underspend has been transferred into the ring-fenced Public Health reserve at year end. |
| 1,874 | General Public Health Support Services | (65) | Mainly relates to staff vacancies and incremental drift. |
| 633 | Sexual Health Services | 2 | Includes release of £39k funded from Public Health reserve. |
| 0 | Smoking Cessation | 1 | Includes release of £27k funded from Public Health reserve. |
| 451 | Physical Activity | 0 | |
| 14 | Mental Health | 0 | |
| 56 | Health Checks | 27 | Minor variances. |
| 208 | Obesity | 0 | |
| (9,793) | Public Health Grant | (3) | |
| 0 | Contribution to ring-fenced Public Health Grant reserve (Substance Misuse) | 328 | This relates to the underspend on Substance Misuse Services and has been transferred to the Public Health Grant reserve. |
| 0 | Contribution to ring-fenced Public Health Grant reserve (General) | 41 | General net underspend transferred to the ring-fenced Public Health grant reserve. |
| 0 | Public Health Grant | 0 | |
| 34,954 | Children's and Joint Commissioning Services Total (including Public Health Grant) | 6,559 | |

| | Dedicated Schools Grant | Actual Outturn Adverse/ (Favourable) | |
|--------|--------------------------------------|--------------------------------------|--|
| 9,797 | Early Years Block | (233) | |
| 19,845 | High Needs Block | 3,599 | |
| 595 | Schools Block | (23) | |
| 30,237 | TOTAL Dedicated Schools Grant | 3,343 | |

REVENUE FINANCIAL MONITORING REPORT FOR FINANCIAL YEAR 2024/25 as at 31st March 2025

| Approved 2024/25 Budget £'000 | Description of Service Area | Actual Outturn Adverse/ (Favourable) £'000 | Director's Explanation of Variance |
|-------------------------------------|---|---|--|
| | Neighbourhood Services | | |
| (15) | Building Design Team | (142) | Favourable variance reflects increased productivity in relation to large capital schemes. |
| 133 | Construction Team | (95) | Favourable variance reflects increased productivity. |
| 360 | Engineering Services (including Coastal Protection and Contaminated Land) | 10 | |
| 3,154 | Environmental Services | (94) | Favourable variance reflects higher than budgeted income and lower than anticipated fleet costs. The service has also benefited from UKSPF and Safer Streets grant funding during the year. |
| 2,765 | Highways | (110) | Favourable variance reflects action taken to mitigate forecast adverse variance, increased productivity in relation to the trading account and the service benefitted from additional grant funding in year. |
| 2,197 | Passenger Transport | (122) | Favourable variance reflects SEN transport savings as a result of the new SEN school and the cost of tenders for the September cohort being lower than anticipated. |
| 371 | Planning & Development | 52 | Adverse variance reflects shortfall in planning income, the number of large planning applications is down compared to the previous year. |
| 165 | Road Safety | (202) | Favourable variance reflects efficiencies in relation to delivery of road safety initiatives. |
| 1,514 | Street Lighting | 79 | Adverse variance reflects ongoing maintenance costs and column replacements. |
| 2,474 | Sustainable Transport | (608) | Favourable variance reflects favourable contract negotiations in relation to Concessionary Fares, also costs in relation to transport coordinator post now picked up by TVCA. |
| (96) | Vehicle Fleet | (30) | Favourable variance reflects additional income generated in relation to hire. |
| 6,231 | Waste Services | (143) | Favourable variance reflects positive uptake of the green waste subscription service. This is likely to be a one-off surplus owing to potential future increases in step costs in relation to running the service that will off-set this additional income in future years. |
| 19,253 | Neighbourhood Services Sub Total | (1,405) | |
| | Regulatory Services | | |
| (832) | Car Parking & Enforcement | 167 | Adverse variance reflects a reduction in car parking income due to parking concessions and the residual impact of the pandemic, which has not only affected visitor numbers but also many workers who would have used the car parks but now work from home for part of the week. The reduction in car park usage is a national trend. There has also been an increase in business rates. |
| 713 | Community Safety & Engagement | (113) | Favourable variance reflects additional grant income in relation to UKSPF and Safer Streets funding. |
| 1,228 | Facilities Management | (21) | Favourable variance reflects savings arising in cleaning from the temporary closure of some Council buildings and from the early implementation of actions to meet the 2025/26 savings target. |
| 232 | Health & Safety | (6) | |
| 548 | Public Protection | (1) | |
| 1,889 | Regulatory Services Sub Total | 26 | |
| | Development & Growth | | |
| 448 | Economic Growth | (11) | |
| 48 | Procurement & Reprographics | 40 | Reflects income shortfalls in relation to Reprographics. |
| (90) | Strategic Asset Management | 255 | Reflects shortfall in relation fee income and unforeseen additional one off costs in relation to an investment property. |
| 96 | Strategic Development & Sustainability | 0 | |
| 502 | Development & Growth Sub Total | 284 | |
| | Strategic Management & Admin | | |
| 675 | Strategic Management & Admin | (197) | Reflects posts kept vacant to mitigate forecast adverse variances and create opportunities for Modern Apprentices upon completion of their training. |
| 22,319 | Development, Neighbourhoods & Regulatory Services Total | (1,292) | |

REVENUE FINANCIAL MONITORING REPORT FOR FINANCIAL YEAR 2024/25 as at 31st March 2025

| Approved 2024/25 Budget £'000 | Description of Service Area | Actual Outturn Adverse/ (Favourable) £'000 | Director's Explanation of Variance |
|---|---|---|---|
| | Development and Growth | | |
| 232 | Communications and Marketing * | (28) | Favourable variance owing to vacant posts, posts not being at the top of the grade and additional income generation. |
| 165 | Corporate Strategy and Performance * | 1 | |
| 397 | Development and Growth Sub Total | (27) | |
| | Corporate and Financial Services | | |
| (1,047) | Central Administration Recharges | 0 | |
| 1,407 | Corporate Finance | (163) | Favourable variance owing to vacant posts, posts not being at the top of the grade and additional income generation. |
| 219 | Internal Audit | 6 | Note, the budget has been reduced by £52k following the retirement of an officer prior to the start of the financial year. The adverse variance is owing to additional assessment fees. |
| 740 | Shared Services | (86) | Favourable variance owing to vacant posts and posts not being at the top of the grade, this includes some advance savings for the 2025/26 budget. |
| 265 | Corporate Management Running Expenses | (27) | Favourable variance owing to savings on the corporate subscriptions budget. |
| 1,584 | Corporate and Financial Services Sub Total | (270) | |
| | Customer Services and IT | | |
| 338 | Benefits | (129) | Favourable variance owing to vacant posts, posts not being at the top of the grade, additional income generation and non pay savings. |
| 280 | Corporate ICT | (25) | Favourable variance owing to vacant posts and posts not being at the top of the grade. |
| 1,216 | Customer and Support Services | (55) | Favourable variance owing to vacant posts and posts not being at the top of the grade. |
| (133) | Registration Services | 28 | 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. |
| 1,300 | Revenues | (68) | Favourable variance owing to vacant posts, posts not being at the top of the grade and non pay savings. |
| (701) | Revenue & Benefits Central | 134 | The adverse variance is owing to additional costs on printing and postage and reduced court costs income. |
| 2,300 | Customer Services and IT Sub Total | (115) | |
| 4,281 | Finance, IT & Digital Total | (412) | |

* These budgets report to the Managing Director via the Assistant Director for Development and Growth

REVENUE FINANCIAL MONITORING REPORT FOR FINANCIAL YEAR 2024/25 as at 31st March 2025

| Approved 2024/25 Budget £'000 | Description of Service Area | Actual Outturn Adverse/ (Favourable) £'000 | Director's Explanation of Variance |
|-------------------------------------|--|---|--|
| | Legal | | |
| 49 | Civic Attendants | 3 | |
| 188 | Democratic | (57) | Favourable variance owing to vacant posts, this is an advance saving for 2025-26. |
| 483 | Human Resources | 13 | The adverse variance is owing to a reduction in income generation. |
| 707 | Legal Services | (11) | The favourable variance is owing to savings on supplies and services costs and additional income generation. |
| 201 | Managing Director's Office | (32) | Favourable variance owing to a vacant post, this is an advance saving for 2025-26. |
| 171 | Municipal Elections and Registration of Electors | (13) | The favourable variance is owing to additional election income. |
| 34 | Other Office Services | (12) | The favourable variance is owing to additional local land search income. |
| 112 | Scrutiny | (1) | |
| 145 | Support to Members | (40) | Favourable variance owing to reduced civic expenses and conference fees during the year. |
| 33 | Trade Union | (13) | The favourable variance is owing to less staff time recharged against union duties. |
| 10 | Corporate Training | 3 | |
| 2,133 | Legal, Governance and HR Total | (160) | |

HOUSING REVENUE ACCOUNT for 2024/25 as at 31st March 2025
Appendix F

| 2023/24 OUTTURN | | 2024/25 BUDGET | 2024/25 Outturn as at 31/3/2025 | Variance | COMMENTS |
|--------------------|---|-------------------|---------------------------------------|-----------|--|
| £'000 | | £'000 | £'000 | £'000 | |
| | Income | | | | |
| (1,637) | Dwelling Rents | (1,962) | (1,914) | 48 | Reflects new properties not coming on line as quickly as anticipated at budget build, owing to the presence of asbestos in the properties that require additional works. Insurance claim income in relation to Derby Street fire which offsets costs included in repairs and maintenance expenditure below. |
| - | Income from Insurance Claim | 0 | (42) | (42) | |
| (13) | Non-dwelling Rents - Other Income | (24) | (24) | - | |
| (3) | Charges for services and facilities | (5) | (7) | (2) | |
| (1,653) | Income sub total | (1,991) | (1,987) | 4 | |
| | Expenditure | | | | |
| 506 | Repairs and maintenance | 498 | 662 | 164 | Adverse variance reflects the increase in both quantity and higher value repairs for damp issues and includes repair costs in relation to fire damage at Derby Street. |
| 517 | Supervision and management | 454 | 453 | (1) | |
| 24 | Rents, rates, taxes and other charges | 27 | 19 | (8) | Reflects reduction in contribution to mitigate adverse variances. |
| - | Right to Buy Reserve | 50 | 5 | (45) | |
| (86) | Provision for bad or doubtful debts | - | - | - | Reflects a reduction in the voluntary contribution to mitigate adverse variances from high repairs expenditure. |
| 349 | Depreciation (Major Repairs Allowance) | 529 | 398 | (131) | |
| 1 | Discretionary Housing Payments | 5 | 2 | (3) | Adverse variance owing to an increase in the Capital Finance Requirement and interest rates. |
| 10 | Debt Management costs | 12 | 13 | 1 | |
| 332 | Net Interest payable | 388 | 435 | 47 | |
| 1,653 | Expenditure sub total | 1,963 | 1,987 | 24 | |
| 0 | HRA (Surplus) / Deficit for the year | (28) | 0 | 28 | |
| | Movement on the HRA Reserve | | | | |
| (500) | HRA Reserve Opening Balance | (500) | (500) | | |
| - | (Surplus)/Deficit for the year | (28) | - | | |
| (500) | HRA Reserve Closing Balance | (528) | (500) | 28 | |

COUNCIL HOUSING CAPITAL SCHEMES

CAPITAL MONITORING REPORT PERIOD ENDING 31st March 2025

| Code | Scheme Description | Gross Budget | Actual to 31/3/24 | Actual to 31/3/25 2024/25 | Revised Budget (From Q3) 2024/25 | Additional Schemes and Cost Variations 2024/25 | Revised Budget 2024/25 | Reprofiling of Expenditure 2024/2025 | Comments |
|--|--------------------------------|--------------|-------------------|------------------------------|-------------------------------------|---|---------------------------|---|--|
| | | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | |
| S106 | Affordable Housing | 1,432 | 0 | 0 | 223 | 0 | 223 | (223) | S106 Developer Contributions. |
| 7182 | Empty Homes - Phase 3 | 618 | 103 | 0 | 0 | 0 | 0 | 0 | Individual business case approval required for each scheme. No immediate plans to utilise this borrowing approval albeit development schemes are currently being designed and modelled due to recent more favourable funding conditions. |
| 7450 | Hill View Development | 2,240 | 2,182 | 58 | 58 | 0 | 58 | 0 | Final account still to be confirmed due to issues with warranties from developer. Funded from S106 contributions. |
| 7726 | Resettlement Accommodation | 1,418 | 1,194 | 212 | 224 | | 224 | (12) | Scheme complete and final grant claim submitted. |
| 8106 | New Build | 256 | 1 | 0 | 0 | 0 | 0 | 0 | Individual business case approval required for each scheme. No immediate plans to utilise this borrowing approval albeit development schemes are currently being designed and modelled due to recent more favourable funding conditions. |
| 8799 | Major Repairs | 210 | 34 | 69 | 76 | 0 | 76 | (7) | HRA capital work funded from the MRR reserve. |
| 9294 | HRA Adaptations | 41 | 0 | 41 | 100 | (59) | 41 | 0 | HRA capital adaptations to housing stock funded from the MRR reserve. |
| 9317 | Social Housing Decarbonisation | 451 | 83 | 192 | 368 | 0 | 368 | (176) | Scheme complete and final grant claim submitted. |
| COUNCIL HOUSING - CAPITAL SCHEMES | | 6,666 | 3,597 | 572 | 1,049 | (59) | 990 | (418) | |

MAJOR REGENERATION SCHEMES

APPENDIX H

CAPITAL MONITORING REPORT PERIOD ENDING 31st March 2025

| Code | Scheme Description | Gross Budget | Actual to 31/3/24 | Actual Spend 2024/25 | Revised Budget (From Q3) | Additional Schemes and Cost Variations | Revised Budget | Reprofiling of Expenditure | Comments |
|-----------------------------------|---|----------------|-------------------|----------------------|--------------------------|--|----------------|----------------------------|--|
| | | £000 | £000 | £000 | £000 | £000 | £000 | £000 | |
| 8958 | A19/ Elwick Road/ North Lane Junction and Elwick Road/Hartlepool Western Link Project | 24,497 | 1,585 | 377 | 600 | 0 | 600 | (223) | Rephased to 25/26. |
| 7550 | CIP - Highlight | 34,650 | 3,725 | 17,860 | 17,608 | 0 | 17,608 | 252 | Minor acceleration of budget from 25/26. Scheme progressing well. Contract variation costs currently being managed within scheme contingency - position will continue to be monitored closely. |
| 9101 | CIP - Borough Hall Improvement | 2,300 | 109 | 30 | 0 | 0 | 0 | 30 | Acceleration of budget from 25/26 |
| NEW | CIP - Town Hall Theatre Improvement | 700 | 0 | 42 | 200 | 0 | 200 | (158) | Rephased to 25/26 |
| 9159 | CIP - Wingfield Castle and Dam Board | 4,027 | 527 | 214 | 389 | 0 | 389 | (175) | Rephased to 25/26 |
| 9161 | CIP - NMRN & Museum of Hartlepool | 8,500 | 3,678 | 176 | 658 | 0 | 658 | (482) | Rephased to 25/26 |
| 9130 | CIP - Business Park Investment | 760 | 451 | 10 | 14 | 0 | 14 | (4) | Minor rephasing of expenditure to 25/26 |
| 7536 | CIP - SEMH Free School Access Road | 549 | 464 | 40 | 85 | 0 | 85 | (45) | Minor rephasing of expenditure to 25/26 |
| TBC | CIP - Bowling Club Refurbishment | 600 | 0 | 0 | 0 | 0 | 0 | 0 | |
| TBC | CIP - Brierion Sports Complex | 534 | 0 | 23 | 0 | 0 | 0 | 23 | Acceleration of budget from 25/26 |
| 9165 | Towns Fund - Middleton Grange | 13,860 | 202 | 10 | 1,500 | 0 | 1,500 | (1,490) | Scheme currently at RIBA stage 2 (Concept design). Towns Fund grant usage deadline revised by MHCLG to March 2027. Budget reprofiled accordingly. |
| 9231 | Towns Fund - Waterfront Connectivity | 6,200 | 366 | 83 | 1,300 | 0 | 1,300 | (1,217) | All work packages now approved by Town Deal Board and delivery underway. Towns Fund grant usage deadline revised by MHCLG to March 2027. Budget reprofiled accordingly. |
| 7715 | Towns Fund - Wesley Chapel | 1,400 | 402 | 985 | 998 | 0 | 998 | (13) | Minor rephasing of expenditure to 25/26 |
| 9234 | Towns Fund - Health and Social Care Academy | 1,250 | 266 | 964 | 984 | 0 | 984 | (20) | Minor rephasing of expenditure to 25/26 |
| 9235 | Towns Fund - Civil Academy | 2,250 | 1,081 | 1,169 | 1,142 | 0 | 1,142 | 27 | Acceleration of budget from 25/26 |
| 9247 | Levelling Up - Screen Production Village | 18,662 | 2,346 | 1,332 | 1,985 | 0 | 1,985 | (653) | Scheme has completed RIBA stage 3, with RIBA stage 4 (Technical design) to commence shortly. Expenditure reprofiled to reflect latest delivery timeline. |
| Major Regeneration Schemes | | 120,739 | 15,202 | 23,315 | 27,463 | 0 | 27,463 | (4,148) | |

ADULT & COMMUNITY BASED SERVICES

APPENDIX I

CAPITAL MONITORING REPORT PERIOD ENDING 31st March 2025

| Code | Scheme Description | Gross Budget | Actual to 31/3/24 | Actual Spend 2024/25 | Revised Budget (From Q3) | Additional Schemes and Cost Variations | Revised Budget | Reprofiling of Expenditure | Comments |
|---|--|--------------|-------------------|----------------------|--------------------------|--|-----------------|----------------------------|---|
| | | £000 | £000 | 2024/25 £000 | 2024/25 £000 | 2024/25 £000 | 2024/25 £000 | 2024/2025 £000 | |
| 7218 | Disabled Facilities Grant | 5,653 | 1,651 | 1,620 | 1,558 | 0 | 1,558 | 62 | Acceleration of budget from 25/26 |
| 7522 | Stranton Cemetery Flood Alleviation | 583 | 583 | 0 | 0 | 0 | 0 | 0 | |
| 7576 | Seascapes - Seaton High & Lowlight | 103 | 101 | 2 | 2 | 0 | 2 | 0 | |
| 7711 | Carlton Adventure Centre | 434 | 8 | 24 | 79 | 0 | 79 | (55) | Rephased to 25/26 |
| 7811 | Summerhill Cycle Hub | 513 | 497 | 4 | 0 | 0 | 0 | 4 | Acceleration of budget from 25/26 |
| 8088 | Community Hub South - Kitchen Replacement | 55 | 47 | 0 | 0 | 0 | 0 | 0 | |
| 8088 | Community Hub Central - Internal Alterations | 56 | 34 | 0 | 0 | 0 | 0 | 0 | |
| 8108 | Centre for Independent Living | 50 | 0 | 3 | 25 | 0 | 25 | (22) | Rephased to 25/26 |
| 9212 | Relocate Cemetery Office | 90 | 82 | 0 | 8 | 0 | 8 | (8) | Rephased to 25/26 |
| 9232 | Playground Equipment - Levelling Up Parks Fund | 97 | 73 | 5 | 24 | 0 | 24 | (19) | Rephased to 25/26 |
| Allot | Other Allotment Schemes | 192 | 44 | 91 | 68 | 0 | 68 | 23 | Acceleration of budget from 25/26 |
| 8700 | Waverley Allotments - Adult Education Scheme | 51 | 50 | 0 | 1 | 0 | 1 | (1) | Rephased to 25/26 |
| 8828 | Crematorium refurbishment | 848 | 311 | 357 | 537 | 0 | 537 | (180) | Rephased to 25/26 |
| 9310 | Changing Places - Summerhill | 2 | 2 | 0 | 0 | 0 | 0 | 0 | |
| 9311 | Changing Places - Community Hub Central | 105 | 76 | 0 | 29 | 0 | 29 | (29) | Rephased to 25/26 |
| 7716 | Seaton Library refurbishment | 255 | 82 | 140 | 173 | 0 | 173 | (33) | Rephased to 25/26 |
| 7232 | Museum Acquisitions | 2 | 0 | 2 | 0 | 2 | 2 | 0 | Capitalised expenditure funded through RCCO |
| 8534 | Church Street Townscape Heritage Project | 147 | 0 | 33 | 147 | 0 | 147 | (114) | Rephased to 25/26 |
| Total Adult & Community Based Services | | 9,236 | 3,641 | 2,281 | 2,651 | 2 | 2,653 | (372) | |

CAPITAL MONITORING REPORT PERIOD ENDING 31st March 2025

| Code | Scheme Description | Gross Budget | Actual to 31/3/24 | Actual Spend 2024/25 | Revised Budget (From Q3) | Additional Schemes and Cost Variations | Revised Budget | Reprofiling of Expenditure | Comments |
|--|---|---------------|-------------------|----------------------|--------------------------|--|----------------|----------------------------|---|
| | | £000 | £000 | 2024/25 | 2024/25 | 2024/25 | 2024/25 | 2024/2025 | |
| 7384 | Devolved Schools Capital | 535 | 181 | 46 | 182 | 0 | 182 | (136) | Rephased to 25/26 |
| 9238 | Energy Efficiency Capital Funding | 136 | 71 | 28 | 65 | 0 | 65 | (37) | Rephased to 25/26 |
| 7355 | CECA IT Infrastructure and Technology | 42 | 18 | 0 | 24 | 0 | 24 | (24) | Rephased to 25/26 |
| 7355 | CECA TVCA Grant Unallocated | 31 | 0 | 0 | 31 | 0 | 31 | (31) | Rephased to 25/26 |
| 7142 | Schools General - Fire Safety Modifications (Conditions) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 7142 | Schools General - Fire Safety Modifications (Conditions) 23/24 | 44 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 7142 | Kingsley - Fire Safety Modifications | 246 | 71 | 5 | 0 | 0 | 0 | 5 | 25/26 Budget accelerated to accommodate additional spend in 24/25 |
| 7142 | Throston - Fire Safety Modifications | 314 | 232 | 78 | 82 | 0 | 82 | (4) | Rephased to 25/26 |
| 7474 | High Tunstall 3G Pitch | 23 | 22 | 0 | 0 | 0 | 0 | 0 | |
| 7478 | High Tunstall Grass Pitch | 15 | 0 | 0 | 1 | 0 | 1 | (1) | Rephased to 25/26 |
| 7521 | Two Year Old FNE Capacity Funding | 23 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 7770 | St Helens Primary School Main Entrance Access | 56 | 48 | 7 | 8 | 0 | 8 | (1) | Rephased to 25/26 |
| 9148 | Springwell School Increase Capacity | 351 | 351 | 0 | 0 | 0 | 0 | 0 | |
| 9004 | Schools General - Conditions unallocated | 146 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 9004 | Schools General - Contingency | 2 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 9004 | Schools General - Suitability Unallocated (SEMH) | 730 | 0 | 0 | 39 | (13) | 26 | (26) | Reprofiled to align with latest scheme spend - Remaining slipped to 25/26 |
| 9004 | Schools General - Special Provision | 624 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 9004 | Schools General - Basic Need | 1,716 | 0 | 0 | 0 | 0 | 0 | 0 | |
| New | Schools General - Schools Condition - 24/25 onwards | 1,152 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 7768 | Supporting Treatment and Recovery Together (START) - Substance Misuse Service | 3,600 | 0 | 208 | 350 | 0 | 350 | (142) | Rephased to 25/26 |
| 8072 | ICS Case Management Improvement | 37 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 9246 | Children's Centre - Family HUB | 178 | 4 | 174 | 71 | 103 | 174 | 0 | Additional £50k RCCO. Also expenditure transferred from revenue & additional grant funding provided to facilitate additional spend. |
| 9325 | Clavering Primary School - Roofing Works | 17 | 2 | 15 | 7 | 0 | 7 | 8 | Allocated from School Contingency |
| 9313 | Golden Flatts Primary School - Demolish Caretakers Bungalow | 39 | 13 | 26 | 26 | 0 | 26 | 0 | |
| 9313 | Lynnfield Primary School - Roofing Works | 48 | 27 | 21 | 21 | 0 | 21 | 0 | |
| 9315 | Lynnfield Primary School - Heating Renewal | 46 | 20 | 26 | 28 | 0 | 28 | (2) | Reallocated back to Schools Contingency |
| 9312 | Throston Primary School - Heating, Pipework, Radiator renewal | 48 | 42 | 6 | 8 | 0 | 8 | (2) | Reallocated back to Schools Contingency |
| 9389 | Throston Primary School - Heat Source | 35 | 0 | 35 | 29 | 0 | 29 | 6 | Allocated from School Contingency |
| 9243 | Rossmere Youth Centre Refurbishment | 1,300 | 54 | 1,138 | 1,246 | 0 | 1,246 | (108) | Rephased to 25/26 |
| 7727 | Throston Youth Project Centre Refurbishment | 96 | 5 | 86 | 91 | 0 | 91 | (5) | Rephased to 25/26 |
| 9324 | Golden Flatts Primary School RAAC Remedial Works | 58 | 18 | 40 | 0 | 40 | 40 | 0 | Capital Schemes funded by DFE grant funding brought in to capital programme |
| 7149 | Star Centre Children's Home | 700 | 257 | 409 | 443 | 0 | 443 | (34) | Rephased to 25/26 |
| 7731 | Early Years | 121 | 0 | 81 | 121 | 0 | 121 | (40) | Rephased to 25/26 |
| NEW | Early Years North West Area | 127 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 9397 | Clavering Primary School Fan Convectors | 28 | 0 | 28 | 28 | 0 | 28 | 0 | |
| 9391 | Fens Primary School - Heating and Boiler Plant | 110 | 0 | 110 | 110 | 0 | 110 | 0 | |
| 9383 | Fens Primary School - Electrical Rewire (Phase 5) | 66 | 0 | 65 | 66 | 0 | 66 | (1) | Rephased to 25/26 |
| NEW | Golden Flatts Primary School - Heating Emitters / ventilation | 26 | 0 | 0 | 0 | 0 | 0 | 0 | |
| NEW | Golden Flatts Primary School - Lintel Replacements | 30 | 0 | 0 | 0 | 0 | 0 | 0 | |
| NEW | Golden Flatts Primary School - Building Stonework | 20 | 0 | 0 | 0 | 0 | 0 | 0 | |
| NEW | Golden Flatts Primary School - Kitchen Floor Replacement | 10 | 0 | 0 | 0 | 0 | 0 | 0 | |
| NEW | Golden Flatts Primary School - Mains Water & Gas | 112 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 9508 | Horizon School - Heating, Pipework | 76 | 0 | 5 | 0 | 0 | 0 | 5 | Acceleration of budget from 25/26 |
| 7772 | Horizon School - Window Replacement | 90 | 0 | 90 | 95 | 0 | 95 | (5) | |
| NEW | Kingsley Primary School - Window Replacement | 0 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 9390 | Lynnfield Primary School - Electrical Rewire (Phase 2) | 63 | 0 | 63 | 63 | 0 | 63 | 0 | |
| 7739 | Lynnfield Primary School - Heating Pipework Renewal | 32 | 0 | 32 | 32 | 0 | 32 | 0 | |
| 9399 | Lynnfield Primary School - Toilet Cubicle Replacement | 31 | 0 | 31 | 31 | 0 | 31 | 0 | |
| 9398 | Lynnfield Primary School - Hall Flooring Renewal | 10 | 0 | 10 | 10 | 0 | 10 | 0 | |
| 9384 | Miers Avenue Childrens Centre - Lighting Renewal | 12 | 0 | 12 | 12 | 0 | 12 | 0 | |
| 7773 | Rift House Primary School - Window Replacement | 58 | 0 | 58 | 58 | 0 | 58 | 0 | |
| 9393 | Rift House Primary School - Electrical Rewire (Phase 1) | 87 | 0 | 87 | 87 | 0 | 87 | 0 | |
| 9392 | Rift House Primary School - Fire Alarm Renewal | 18 | 0 | 17 | 18 | 0 | 18 | (1) | Rephased to 25/26 |
| 7740 | High Tunstall College of Science (North Building) - Fire Alarm Renewal | 57 | 0 | 57 | 55 | 0 | 55 | 2 | Allocated from School Contingency |
| 9506 | High Tunstall College of Science (North Building) - Electrical Rewire | 88 | 0 | 8 | 0 | 0 | 0 | 8 | Acceleration of budget from 25/26 |
| 9507 | High Tunstall College of Science (Shine Centre) - Electrical Rewire | 40 | 0 | 4 | 0 | 0 | 0 | 4 | Acceleration of budget from 25/26 |
| 9421 | Childrens Homes Purchase | 1,000 | 0 | 254 | 500 | 0 | 500 | (246) | Rephased to 25/26. Property purchased, with required alterations works scheduled to commence shortly. |
| NEW | Springwell School Create Classroom | 70 | 0 | 70 | 69 | 0 | 69 | 1 | Allocated from School Contingency |
| NEW | Greatham Primary School ARP | 19 | 0 | 19 | 19 | 0 | 19 | (19) | Rephased to 25/26 |
| 9441 | Rossmere Family Hub - Boiler Replacement | 9 | 0 | 9 | 9 | 0 | 9 | 0 | |
| 7742 | Stockton Road - Fire Doors | 40 | 0 | 40 | 0 | 40 | 40 | 0 | Capital Schemes funded by revenue funding brought in to capital programme |
| 9439 | Bevan House - Clinical Room | 28 | 0 | 28 | 0 | 28 | 28 | 0 | Capital Schemes funded by revenue funding brought in to capital programme |
| 9437 | Fens Primary School Drainage Works | 7 | 0 | 7 | 0 | 7 | 7 | 0 | Capital Schemes funded by schools revenue funding brought in to capital programme |
| 7399 | Fens Schools Led Premises Work | 39 | 0 | 39 | 0 | 39 | 39 | 0 | Capital Schemes funded by schools revenue funding brought in to capital programme |
| 7399 | High Tunstall Schools Led Premises Work | 227 | 0 | 227 | 0 | 227 | 227 | 0 | Capital Schemes funded by schools revenue funding brought in to capital programme |
| 7399 | Throston Schools Led Premises Work | 16 | 0 | 16 | 0 | 16 | 16 | 0 | Capital Schemes funded by schools revenue funding brought in to capital programme |
| 9009 | Schools ICT | 122 | 0 | 122 | 0 | 122 | 122 | 0 | Capital Schemes funded by schools revenue funding brought in to capital programme |
| 9434 | Horizon School - School Entrance Door Replacement | 38 | 0 | 14 | 38 | 0 | 38 | (24) | Rephased to 25/26 |
| Total Children's and Joint Commissioning Services | | 15,315 | 1,436 | 3,932 | 4,173 | 609 | 4,782 | (850) | |

DEVELOPMENT, NEIGHBOURHOODS & REGULATORY SERVICES

APPENDIX K

CAPITAL MONITORING REPORT PERIOD ENDING 31st March 2025

| Code | Scheme Description | Gross Budget | Actual to 31/3/24 | Actual Spend 2024/25 | Revised Budget (From Q3) | Additional Schemes and Cost Variations | Revised Budget | Reprofiling of Expenditure | Comments |
|---|--|---------------|-------------------|----------------------|--------------------------|--|----------------|----------------------------|--|
| | | £000 | £000 | £000 | £000 | £000 | £000 | £000 | |
| 8306 | Schools - Kitchen Refurbishment | 249 | 22 | 15 | 55 | 0 | 55 | (40) | Rephased to 25/26 |
| S106 | Developers Contribution Fund | 7,038 | 129 | 136 | 209 | 0 | 209 | (73) | S106 Developer Contributions. |
| 7272 | Wheelie Bin Purchase | 353 | 77 | 96 | 90 | 6 | 96 | 0 | Additional 6k RCCO to cover minor overspend |
| 7272 | Food Waste Collection Capital Transitional Grant | 807 | 0 | | 0 | 0 | 0 | 0 | |
| 7344 | Neighbourhood Improvement Programme (NIP) - Brougham Play Area | 77 | 5 | 55 | 72 | 0 | 72 | (17) | Rephased to 25/26 |
| 7437 | NIP - Sinking Fund | 62 | 0 | | 0 | 0 | 0 | 0 | |
| 7440 | NIP - Central Park | 120 | 114 | 4 | 6 | 0 | 6 | (2) | Rephased to 25/26 |
| 7553 | Seaton Toilets | 456 | 337 | 119 | 119 | 0 | 119 | 0 | |
| 7561 | Green Homes Grant - LAD2 | 663 | 660 | | 3 | 0 | 3 | (3) | Rephased to 25/26 |
| 8996 | NIP - Improvements to Parks | 277 | 252 | | 25 | 0 | 25 | (25) | Rephased to 25/26 |
| 9147 | NIP - CCTV in parks | 34 | 16 | 8 | 18 | 0 | 18 | (10) | Rephased to 25/26 |
| 9396 | Waste Transfer Station | 200 | 0 | | 0 | 0 | 0 | 0 | |
| 7466 | DSO Vehicle Purchase | 7,928 | 1,058 | 2,470 | 2,092 | 0 | 2,092 | 378 | Acceleration of budget from 25/26 |
| 7577 | Engineering Design Management (EDM) Hartlepool North NDIP Study | 50 | 0 | | 0 | 0 | 0 | 0 | |
| 7900 | EDM Hartlepool Marina - North Pier | 379 | 4 | 52 | 300 | 0 | 300 | (248) | Rephased to 25/26 |
| 9403 | EDM Headland Seawall | 269 | 0 | 269 | 100 | 148 | 248 | 21 | Additional £148k RCCO |
| 7902 | EDM Hartlepool Drainage Schemes | 36 | 6 | | 0 | 0 | 0 | 0 | |
| 8444 | EDM Town Wall Strengthening | 25 | 25 | | 21 | 0 | 21 | (21) | Re-allocated to Seawall scheme |
| 8578 | EDM Management Unit Study | 28 | 0 | | 5 | 0 | 5 | (5) | Rephased to 25/26 |
| LTP | Local Transport Plan (LTP) Schemes | 12,213 | 3,224 | 3,053 | 3,703 | 214 | 3,917 | (864) | Additional 214k RCCO (capitalised spend) |
| 9331 | Environmental Agency (EA) Hartlepool Easington Road Storage & Screen Study | 60 | 0 | | 60 | 0 | 60 | (60) | Rephased to 25/26 |
| 9332 | EA Hartlepool Bamburgh Rd Surface water drainage study | 60 | 0 | | 0 | 0 | 0 | 0 | |
| 9320 | SS5 - Alley Gates | 37 | 0 | 37 | 0 | 37 | 37 | 0 | Capitalised activity funded by revenue funding brought in to capital programme |
| 9323 | SS5 - Target Service | 6 | 0 | 6 | 0 | 6 | 6 | 0 | Capitalised activity funded by revenue funding brought in to capital programme |
| 7738 | SS - Void Properties | 14 | 0 | 14 | 0 | 14 | 14 | 0 | Capitalised activity funded by revenue funding brought in to capital programme |
| 7066 | Avondene Accommodation, Church St | 67 | 0 | | 0 | 0 | 0 | 0 | |
| 7220 | Private Sector Housing Grants | 67 | 2 | 13 | 0 | 0 | 0 | 13 | Acceleration of budget from 25/26 |
| 7547 | Energy for Waste set up costs | 51 | 0 | 51 | 0 | 51 | 51 | 0 | |
| 9429 | EA West Park Flood Scheme | 825 | 0 | 442 | 600 | 0 | 600 | (158) | Scheme is being delivered on behalf of Environment Agency. |
| Development, Neighbourhoods & Regulatory Total | | 32,451 | 5,931 | 6,840 | 7,478 | 476 | 7,954 | (1,114) | |

CORPORATE

APPENDIX L

CAPITAL MONITORING REPORT PERIOD ENDING 31st March 2025

| Code | Scheme Description | Gross Budget | Actual to 31/3/24 | Actual Spend 2024/25 | Revised Budget (From Q3) | Additional Schemes and Cost Variations | Revised Budget | Reprofiling of Expenditure | Comments |
|------------------------|---|--------------|-------------------|----------------------|--------------------------|--|-----------------|----------------------------|---|
| | | £000 | £000 | 2024/25 £000 | 2024/25 £000 | 2024/25 £000 | 2024/25 £000 | 2024/2025 £000 | |
| 7036 | Uncommitted Corporate Capital Fund | 222 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 7041 | Corporate Capital Pot | 552 | 0 | 0 | 79 | 0 | 79 | (79) | Unutilised corporate allocation |
| 7065 | Fire Risk Assessments | 100 | 15 | 0 | 0 | 0 | 0 | 0 | |
| 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 - Lighting Replacement | 60 | 41 | 0 | 0 | 0 | 0 | 0 | |
| 7730 | Art Gallery - Roof/ Drainage Replacement | 135 | 33 | 102 | 93 | 0 | 93 | 9 | Funded from Corporate Capital Pot |
| 7728 | Exmoor Grove - Replace external windows and doors | 50 | 2 | 17 | 48 | 0 | 48 | (31) | Rephased to 25/26 |
| 9329 | Crematorium - Rewire | 85 | 2 | 48 | 83 | 0 | 83 | (35) | Rephased to 25/26 |
| 9394 | Printer Unit - Equipment | 66 | 0 | 65 | 66 | 0 | 66 | (1) | Rephased to 25/26 |
| NEW | Health and Safety Maintenance Fund | 968 | 0 | 123 | 274 | (32) | 242 | (119) | Schemes rephased to 2025/26 |
| 9419 | Exmoor Grove - Replace Boiler | 128 | 0 | 106 | 128 | 0 | 128 | (22) | Rephased to 25/26 |
| NEW | Borough Hall - Heating and Distribution | 101 | 0 | 0 | 0 | 0 | 0 | 0 | |
| NEW | Boys Welfare - Replace Water Heater | 4 | 0 | 0 | 4 | 0 | 4 | (4) | Rephased to 25/26 |
| 7741 | Exmoor Grove - External Ramp | 20 | 0 | 2 | 0 | 0 | 0 | 2 | Acceleration of budget from 25/26 |
| 7623 | NEC Equipment 24/25 | 356 | 0 | 356 | 0 | 356 | 356 | 0 | Additional £356k RCCO |
| NEW | Brierton Sports Centre - Replace Lighting | 10 | 0 | 0 | 0 | 0 | 0 | 0 | |
| 9436 | Community Recovery | 90 | 0 | 70 | 90 | 0 | 90 | (20) | MHCLG Capital Grant for Community Recovery. |
| Corporate Total | | 3,119 | 106 | 889 | 865 | 324 | 1,189 | (300) | |

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

APPENDIX M

| | Balance as at 31st March 2024 (Revised) | Actual Use | Balance as at 31st March 2025 | Forecast Use of Reserves | | | | Forecast Balance as at 31st March 2029 |
|--------------------------------------|---|----------------|----------------------------------|--------------------------|----------------|----------------|--------------|---|
| | | 2024/25 | | 2025/26 | 2026/27 | 2027/28 | 2028/29 | |
| | | £'000 | | £'000 | £'000 | £'000 | £'000 | |
| Revenue Reserve | 5,500 | 0 | 5,500 | 0 | 0 | 0 | 0 | 5,500 |
| Budget Support Fund (BSF) | 11,094 | (3,422) | 7,672 | (1,000) | (1,500) | 0 | 0 | 5,172 |
| BSF - Transformation Costs | 2,000 | 0 | 2,000 | (1,000) | (500) | (500) | 0 | 0 |
| BSF - Invest to Save | 1,750 | (350) | 1,400 | (700) | (350) | 0 | 0 | 350 |
| Revenue Grants Unapplied | 5,722 | 3,385 | 9,107 | (6,745) | (1,190) | (1,047) | (125) | 0 |
| Business Rates Risk Reserve | 1,000 | (1,000) | 0 | 0 | 0 | 0 | 0 | 0 |
| Insurance Fund | 2,965 | (63) | 2,902 | (65) | (65) | (65) | 0 | 2,707 |
| Children in our Care Reserve | 1,230 | 0 | 1,230 | (1,000) | (230) | 0 | 0 | 0 |
| BSF - Treasury Management Income | 1,150 | (500) | 650 | (650) | 0 | 0 | 0 | 0 |
| Asset Management Reserve | 1,000 | (160) | 840 | (840) | 0 | 0 | 0 | 0 |
| Earmarked Revenue Reserves under £1m | 6,342 | 696 | 7,038 | (3,746) | (2,040) | (867) | 0 | 385 |
| Revenue Reserves Total | 39,753 | (1,414) | 38,339 | (15,746) | (5,875) | (2,479) | (125) | 14,114 |
| Earmarked Capital Reserves | 9,606 | (2,743) | 6,863 | (6,500) | (363) | 0 | 0 | 0 |
| Capital Grants Unapplied | 16,212 | (4,532) | 11,680 | (11,680) | 0 | 0 | 0 | 0 |
| TOTAL | 65,571 | (8,689) | 56,882 | (33,926) | (6,238) | (2,479) | (125) | 14,114 |

FINANCE AND CORPORATE AFFAIRS COMMITTEE

23RD June 2025



Subject: MEDIUM TERM FINANCIAL STRATEGY (MTFS)
2026/27 TO 2029/30

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 the 2026/27 budget.

3. BACKGROUND

- 3.1 The current MTFS position was presented to Finance and Policy Committee and the 2025/26 budget was approved by Council in February 2025, as part of the annual budget setting process. The MTFS 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.
- 3.2 The updated MTFS covers the four financial years 2026/27 to 2029/30. However, in consideration of the position over this period, it is important to

recognise that the Council needs to be financially sustainable beyond this 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, consultation to inform the long-awaited 'Local Authority Funding Reforms' has now commenced. The outcome of funding reforms and also a reset of the business rates system will be delivered in the 2026/27 funding settlement later this year. Further details of the funding reforms are included within this report.

4. BUDGET PRESSURES

- 4.1 The Council must plan for a range of spending pressures and commitments in setting its budget over the MTFS 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.

| | 2026/27 £m | 2027/28 £m | 2028/29 £m | 2029/30 £m | Total £m |
|---------------------------------|---------------|---------------|---------------|---------------|---------------|
| Spending Pressures | | | | | |
| Pay and Price Inflation | 5.551 | 3.882 | 4.224 | 4.324 | 17.982 |
| Children's Social Care | 1.500 | 1.530 | 1.561 | 1.592 | 6.183 |
| Waste Disposal | 0.500 | 0.000 | 0.000 | 0.500 | 1.000 |
| Capital Financing | 0.500 | 0.500 | 0.500 | 0.500 | 2.000 |
| Supported Accommodation | 0.250 | 0.255 | 0.260 | 0.265 | 1.030 |
| Total Spending Pressures | 8.301 | 6.167 | 6.545 | 7.181 | 28.195 |

Pay and Price - Pay Award Inflation

- 4.2 A national pay award for 2025/26 is yet to be agreed. A pay claim for 2025/26 was issued at the end of January 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. The National Employers side of the NJC issued their response on the 25th April 2025, making a full and final pay offer of a 3.2% increase on all spinal points for 2025/26.
- 4.3 Budget provision equating to 3% was included within the Council's 2025/26 budget. At present the employer's offer is broadly in line with our 2025/26 provision, whereas the trade unions requested increase would cause a significant additional budget pressure in 2025/26 and future years. The position will be monitored closely over the coming months, during which period Trade Union member ballots are likely to take place.
- 4.4 Given the uncertainty on pay inflation within local government and in the wider economy, the MTFS has been updated to include a pay award assumption of 3% (previously 2%) for each year. The inflation forecasts and associated pay assumptions in relation to these financial years, 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 rose to 3.5% in April 2025 from 2.6% in March. This rise was largely anticipated and partially driven by the rise in utility prices, namely large increases in water bills in April.
- 4.6 Inflation forecasts and general economic stability continues to be heavily caveated around the potentially volatile impacts of geopolitical factors, namely developments in the Middle East, Ukraine/Russia conflict and the United States economic policy.
- 4.7 Given the generally lower inflationary environment, coupled with a focus on generating procurement efficiencies, general inflation has been allowed for at 2% per year over the remaining MTFS 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 home care rates are determined using an established formula. The annual inflation uplift is based on a range of factors and recent increases have been driven predominantly by increases in the National Living Wage (NLW) and the level of non-pay inflation.
- 4.9 The NLW currently stands at £12.21 an hour (April 2025) and the latest Low Pay Commission (LPC) projections for 2026/27 (issued 2nd May 2025) set out an increase to £12.65 (3.6%) from April 2026 (with a range of £12.50 to £12.80). The LPC noted that, “our remit has not yet been published, so we do not know what the Government will ask us to do in respect of the NLW in 2026. The projected figures above are therefore indicative only and assume that two-thirds of median earnings remains a relevant point of reference”.
- 4.10 A prudent, but reasonable assessment of fee uplifts has been included within the MTFS, this is in excess of prior planning assumptions. This remains an area of risk until uplifts are agreed based on confirmed data. Effectively every 1% increase or decrease in fees has a c£0.350m impact on the budget position.

Pay and Price - Income

- 4.11 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, coupled with the need to maximise income generation.

Energy Inflation

- 4.12 Recent years have seen unprecedented market volatility, driven by Covid-19, the Russia-Ukraine war, extreme weather patterns and geopolitical tensions, as well as the UK and Europe's ambitions to move to better security of supply and alternative generation types. This has created a monumental shift in what typical market activity looks like. This movement from traditional market norms has created a market that is very reactive and has the potential to move far more substantially in very short windows of time.
- 4.13 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.
- 4.14 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.
- 4.15 Although energy pricing is forecast to fall during 2025/26, from a budgeting perspective this is likely only to minimise or remove the requirement to supplement the budget with use of the Energy Reserve. To that end, at this stage it is prudent to maintain the base budget and apply normal inflation increases, with the position monitored closely given the potential for further market volatilities.

Children's Social Care

- 4.16 The budget pressures in this area continue to be of significant concern for our Council, and many across the region and country. Many areas of expenditure relating to children in our care are experiencing significant and on-going demand and inflationary pressures, these include; increasing numbers of children requiring external placements, independent foster agency (IFA) placements, Connected Care and Special Guardianship allowance payments as well as the associated staffing demands.
- 4.17 In addition to the inflationary pressures, the proportion of children needing to be placed in the most costly, external placement homes, continued to increase during 2024 and into 2025. There are currently 43 children in external residential care. The complexity of children's needs is driving this increase, at a time where finite capacity in the specific market is leading to ever increasing prices being demanded for accommodation. The average cost of the current 43 external placements is £7,250 per week, with a range of £3,900 to £28,850 per week. There are currently 6 placements in excess of £10,000 per week.

- 4.18 The Council continues, where possible, to try and mitigate pressures through; promotion of in-house fostering including as part of a large scale regional recruitment initiative, opening new Local Authority run homes within Hartlepool and also working in partnership with local providers to secure local, lower cost placements. In addition, increased staffing resource, is being provided during 2025/26, providing further support to families who are at risk of having children enter the care system. This team commenced its valuable 'edge of care' intervention activity during summer 2024 and has been fully staffed since October 2024.
- 4.19 Despite the approach outlined above and additional resources of £4.5m being added to the budget for 2024/25 and £6.9m for 2025/26, the budget continues to be an area of risk. Given this, the MTFS provides for a further £1.5m per year to manage inflationary and further demand pressures. This will be kept under close review during the year.
- 4.20 The financial impact on the council's financial stability and resilience due to this pressure is of extreme concern and one which requires a multifaceted approach to address. This includes the need for government intervention in the provider market, additional funding from government to acknowledge the correlation of care needs linked to deprivation, introduction of a major early intervention support programme to assist parenting and societal issues impacting on families, alongside, the measures being delivered locally within the resource we have, as noted in 4.18 above.
- 4.21 The Government's Autumn Budget and subsequent 2025/26 local government finance settlement acknowledged the national crisis in this area, with; £880m directed to wider Social Care, the creation of the Children's Social Care Prevention Grant (£250m) and also the use of deprivation measures to distribute the newly created Recovery Grant (£600m).
- 4.22 Subsequent to the activity noted above, in March 2025 government published 'The Families First Partnership (FFP) Programme'. These changes centre around implementing "Family Help and multi-agency child protection reforms that make greater use of Family Group Decision Making. The rollout 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 is currently being developed, as such any additional financial impact is yet to be understood or quantified.

Waste Disposal

- 4.23 Hartlepool has entered into a partnership with six other Local Authorities in the region to procure a new Energy from Waste facility. The procurement process is on-going, with an anticipated go-live date during 2029. The Council has benefitted from very competitive gate fees with the current incumbent,

however, these fees stepped up significantly for the 2025/26 year as part of the contract extension arrangement.

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

Capital Financing

- 4.25 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 MTFS, a capital financing pressure of £0.150m per annum was previously introduced in the MTFS in recognition of a future reduction in Minimum Revenue Provision (MRP) savings, with a further £0.100m increase to reflect the approved borrowing requirement for the Highlight leisure facility. This pressure has been increased to £0.500m to reflect the persistent, higher than anticipated borrowing interest rates. The council will continue to progress a Treasury Management Strategy that minimises borrowing costs and as such, this increased provision will be kept under review.

Supported Accommodation

- 4.26 Supported, "exempt" accommodation provides invaluable support for a range of vulnerable people. Whilst we work with a number of supported accommodation providers, many of which make a positive contribution, there is a growing concern nationally regarding some of the less scrupulous providers. In such accommodation, rental levels tend to be far in excess of private sector Local Housing Allowance Rates, merely by such providers meeting a loose regulatory requirement to provide a level of 'care, support or supervision' to claimants. The government is currently reviewing such provision and intends to implement a number of measures to address some of the wider concerns in this area.
- 4.27 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.
- 4.28 The subsidy loss for the Council was £0.076m in 2021/22. This increased to £0.282m in 2024/25 and is forecast to increase substantially in 2025/26 and over the 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

- 4.29 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 arrangements is on-going and this may result in an MTFS pressure to ensure we continue to mitigate the risk posed as far as possible.

5. GOVERNMENT FUNDING

- 5.1 The Local Government Finance Settlement 2025/26 continued the trend of one-year settlements for councils, which has significantly hampered financial planning in recent years. It provided Hartlepool with a 8.4% increase in Spending Power, against a national average increase of 6.0%.
- 5.2 The above average increase for Hartlepool was the first step of the new national government to begin to reverse the funding cuts of the former government, which disproportionately fell on deprived councils.
- 5.3 The Settlement Policy Statement for 2025/26 confirmed that the additional core national resource (c£1.3bn) into local government, was to be distributed via existing grants but also via the creation of new grants namely the 'Recovery Grant' and 'Children's Social Care Prevention Grant'. The Recovery Grant noted as being highly targeted towards those authorities with the highest levels of deprivation.
- 5.4 Looking forward to 2026/27, the government has committed to, and now commenced a Local Authority Funding Reform process including a reset of the business rates system. In addition, a commitment has been made to multi-year settlements from 2026/27, which will aid medium term budget planning.
- 5.5 The first stage consultation on the Funding Reforms was issued by MHCLG in late December 2024 and closed in February 2025. This early stage consultation focused on the underlying principles of local government funding including; review of relative needs formulae which calculate the cost of delivering services, review of area cost adjustments which take into account cost variations across the country, views on council tax equalisation adjustments for those areas which have low council tax bases, views on introduction of deprivation indices and also the period of transition to increased or decreased funding allocations.

- 5.6 Subsequently, in early April 2025, MHCLG published a second consultation paper; ‘Resetting the Business Rates Retention System’. This consultation closed on the 2nd June 2025. The processing of ‘resetting’ the business rates system results in the rates growth currently sitting with those councils able to grow their business rates receipts being redistributed nationally. The current system was introduced in 2013, and under original plans was due to be reset in 2018. The 2018 reset did not take place and continued to be stalled until now (2026/27). Hartlepool is currently a significant loser from this delay, as we are currently c£1m under our business rates base line position, in part due to the reduced valuation of the Nuclear Power Station, whilst other councils are significantly above the baseline. The consultation is technical in nature, but does indicate a shift from a system prioritising an incentive to grow business rates, to a one focused more on directing funding to ‘need’. The consultation does confirm the system will be fully reset in April 2026, although some form of transitional arrangements are highly likely to be put in place for councils moving to increased or decreased funding levels. Hartlepool are expecting to have an increase in funding as a result of the Business Rates reset.
- 5.7 Future consultations on the business rates reset and also the wider funding reforms will take place over the summer and ultimately inform the 2026/27 Provisional Local Government Funding Settlement which will be published in December 2025. Until the provisional settlement is published there will be no firm understanding of the funding impact for Hartlepool. This MTFS update is predicated on officers latest understanding of the position, which is that the Council has a reasonable expectation of a net increase in funding from these reforms, the extent of this increase and transition periods are very uncertain at this stage.
- 5.8 Section 5.9 to 5.22 below outline the latest MTFP assumptions for each of the funding streams, but as noted above these are subject to change as government funding reform decisions are made.

Revenue Support Grant (RSG)

- 5.9 Over recent years this grant has increased in line with the proceeding September’s CPI. The assumed MTFS increase of 2% is based on the Bank of England target inflation level. There remains a risk that the national quantum of funding available results in a lower or no increase. Ultimately the approach to the funding reforms and rates reset could provide a large adjustment to this grant, but for planning purposes an inflation only uplift is applied and, at this stage, and the potential positive funding increases noted holistically, in sections 5.21 and 5.22 below.

Social Care Funding

- 5.10 The local government funding settlement for 2025/26 provided additional social care funding. It is assumed that all ring fenced Social Care grants

which have been introduced and increased over recent years to support care pressures, will continue into the medium term.

- 5.11 Social Care Grant – this grant can be used to support both children's and adult social care. The MTFS currently assumes no increases to this grant level for 2026/27 and beyond.
- 5.12 ASC Market Sustainability & Improvement Grant – it has been used to make improvements in adult social care, particularly to address discharge delays, social care waiting times, increasing fee rates and workforce pressures. This is a ring-fenced grant for adult social care, requiring a number of conditions to be met, and is retained by the Adult & Community Based Services department to support meeting the objectives of the grant.
- 5.13 Local Authority Better Care Grant – from 2025/26 the Improved Better Care Fund and ASC Discharge grant were merged into a single new grant, the Local Authority Better Care Grant. No increase to this grant is assumed in the MTFS budget model.
- 5.14 Children's Social Care Prevention Grant – this new grant was introduced in 2025/26 to "lay the groundwork for children's social care reform". The distribution of the grant used a new children's funding formula which has weightings towards higher deprivation level authorities. Hartlepool's allocation from this grant totals £0.933m for 2025/26. No increase to this grant is assumed in the MTFS budget model.

Public Health Funding

- 5.15 The Council received its 2025/26 allocation for the Public Health grant on the 7th February 2025. The allocation totalled £10.355m and has been allocated to Public Health priorities. The MTFS assumes an increase of 2% per annum for 2026/27 and future years.

New Homes Bonus (NHB)

- 5.16 This grant was extended for a further year as part of the 2025/26 Settlement, with Hartlepool's allocation being £1.067m.
- 5.17 The government have confirmed that 2025/26 will be the last year for this grant in its current form, as such it has been fully removed from the MTFS from 2026/27.

Business Rates Top Up Grant

- 5.18 The Business Rates multiplier and Top Up grants have historically increased in line with September CPI inflation. At this stage it is assumed the same approach will be adopted and as such the Top Up Grant has been increased by the government's 2% target inflation level.

Recovery Grant

- 5.19 This newly introduced grant totalled £600m nationally for 2025/26. The distribution of funding was “highly targeted” towards places that need it most and used a combination of the indices of multiple deprivation (IMD) and council tax base as the formula for distribution. Hartlepool’s allocation from this grant totals £3.610m for 2025/26. This significant new grant stream, distributed with deprivation as the focus, is likely to have provided the foundations of the anticipated uplift in funding arising from the pending funding reforms i.e. the acceleration of a significant proportion of the anticipated uplift in resources into the 2025/26 financial year.
- 5.20 Following the completion of the funding reforms consultation and introduction of the new funding regime from 2026/27 it is likely that the ‘Recovery Grant’ will cease to exist, but importantly it is assumed that the funding (£3.610m in 2025/26) will still be maintained but merged with a more mainstream grant. At this stage it is prudently assumed that the grant value, or its successor, will remain at the 2025/26 level.

Local Authority Funding Reforms and Business Rates Reset – Holistic Impact

- 5.21 The commentary on government grant increase noted in section 5 above is largely in keeping with the approach to increase forecasts in prior years. Without fully understanding the structure of grants following the conclusion of the funding reforms, it is difficult to comment in more detail as to the likely grants to benefit from the expected positive impact of the reforms. Notwithstanding this, at this stage, it is deemed reasonable to assume that Hartlepool would receive a c£3.4m funding uplift from the reset of the business rates system. This increase has been factored into the MTFS from 2026/27.
- 5.22 Outside of the business rates reset, it is not possible to forecast the likely funding uplift for Hartlepool as a result of the reforms, as such, at this stage the MTFS does not assume additional funding beyond that noted in section 5. The position will be kept under review as further rounds of consultation are released in the coming months.

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 at an assumed 2%. 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 From 2026/27, new powers to set differing rates for particular sectors will likely allow permanently lower charges for those businesses in the Retail Hospitality and Leisure (RHL) sector. For 2025/26 the RHL sector has received relief of 40%, which is a reduction from the 75% relief provided in the 2024/25 financial year.
- 6.3 As noted in section 5, the business rates system will be reset and a new baseline rates position assessed for 2026/27. This provides a position from April 2026 whereby Hartlepool's funding from the government is predicated on an up-to-date view of actual business rates being received, which is welcomed.
- 6.4 As is always the case, the impact of inflationary cost pressures and reduced consumer demand in the wider economy may impact on the collectability of business rates. The position will be kept under review and adjusted should the need arise.

Council Tax

- 6.5 The Council has a track record of Council Tax base growth in recent years. Whilst new build 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 claiming of SPD, which positively impacts the base position.
- 6.6 Whilst housing growth continues to be positive, there remains a risk that the wider economic environment i.e. 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 now allowed for in the budget model and will be kept under review.
- 6.7 There are currently no indications from the Government regarding Council Tax and ASC referendum limits for 2026/27 and beyond, although the increase limit has totaled 5% in recent years. Formal Council Tax decisions will be made later in the budget process, therefore no assumption of an increase is factored into the MTFS at this stage for 2026/27 and future years.

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 MTFS 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.

- 7.2 Reserves have fallen over the 2024/25 financial year, albeit by less than forecast. To a certain extent this reflects timing of spend, but also our in-year spend control actions, in addition to proactive Treasury Management that enabled the Council to take advantage of positive investment rates. Details of reserves held can be found at **Appendix C**.
- 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 has necessitated we do so, but in a planned and carefully managed way. The Budget Support Fund is available to smooth the budget deficits where possible, as well as to meet one-off costs associated with generating on-going efficiencies.
- 7.4 For the 2025/26 budget setting £1.000m of the Budget Support Fund was used to support the overall budget position. The one-off nature of reserves means that the budget position is detrimentally hit in subsequent years as their use unwinds.

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 MTFS period is shown below. The gap to be addressed for 2026/27 is currently forecast to be £5.740m, with a four year gap to 2029/30 of £20.564m. As formal Council Tax decisions will be made later in the budget setting process, the position does not currently include any council tax increase for 2026/27 or future years.
- 8.2 The position presented has both uncertainty and risk regarding spending pressures but also funding uncertainty linked to the government's Local Authority Funding Reforms. **Appendix A** provides greater detail of the main risks and associated sensitivities impacting on the position.

| | 2026/27 £m | 2027/28 £m | 2028/29 £m | 2029/30 £m | Total £m |
|---|---------------|---------------|---------------|---------------|---------------|
| Spending Pressures | | | | | |
| Pay and Price Inflation | 5.551 | 3.882 | 4.224 | 4.324 | 17.982 |
| Children's Social Care | 1.500 | 1.530 | 1.561 | 1.592 | 6.183 |
| Waste Disposal | 0.500 | 0.000 | 0.000 | 0.500 | 1.000 |
| Capital Financing | 0.500 | 0.500 | 0.500 | 0.500 | 2.000 |
| Supported Accommodation | 0.250 | 0.255 | 0.260 | 0.265 | 1.030 |
| Total Spending Pressures | 8.301 | 6.167 | 6.545 | 7.181 | 28.195 |
| Government Grant Changes | (3.206) | (0.545) | (0.559) | (0.575) | (4.886) |
| Gap Before Local Funding | 5.096 | 5.622 | 5.986 | 6.606 | 23.309 |
| Business Rates | (0.485) | (0.495) | (0.505) | (0.515) | (1.999) |
| Council Tax - Base Increase | (0.625) | (0.625) | (0.625) | (0.625) | (2.500) |
| Collection Fund (Surplus)/Deficit | 0.754 | 0.000 | 0.000 | 0.000 | 0.754 |
| Gap Before Current Use of Reserves | 4.740 | 4.502 | 4.856 | 5.466 | 19.564 |
| Temporary Use of Budget | 1.000 | 0.000 | 0.000 | 0.000 | 1.000 |

| | | | | | |
|---|--------------|---------------|---------------|---------------|---------------|
| Support Fund (reversal) | | | | | |
| Bottom Line Gap to be addressed (before Council Tax increases and Savings) | 5.740 | 4.502 | 4.856 | 5.466 | 20.564 |
| Cumulative Gap (before Council Tax increases and Savings) | 5.740 | 10.242 | 15.098 | 20.564 | |

Transformation and Efficiency Strategy

8.3 A strategic and transformational approach to addressing the MTFS 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.

8.4 Transformation activity is progressing in the following key areas;

- **Demand Management;**
 - Adult Social Care – Sustainability
 - Childrens Social Care – Sufficiency
 - Waste and Recycling
- **Service Reviews;**
 - Leisure, Culture and Performance Review
 - Schools Catering and Cleaning Review
- **Land and Property Review**
- **Fees and Charges Review**
- **Digitalisation and Back Office;**
 - Customer Contact
 - Income and Cash Management
 - Revenues collection and maximisation
 - ICT Transformation
 - Digital Blue Print Reviews

8.5 Activity is progressing well on these schemes, to deliver service improvement and savings that will be realised over the MTFS period. Updates on the Transformation Programme activity are provided at **Appendix B**.

8.6 As included in MTFS approved by full Council in February 2025, budget savings associated with this Transformation Strategy will be realised over the MTFS period. To assist budget planning, a high level forecast of additional revenue savings to be achieved through the strategy totals £2.500m. This is currently profiled to be achieved over 2 years £1.500m in 2026/27 and a further £1.000m in 2027/28.

- 8.7 The forecast MTFS position, taking into account the savings targets associated with the Transformation Programme is shown in the table below.

| | 2026/27 £m | 2027/28 £m | 2028/29 £m | 2029/30 £m | Total £m |
|---|---------------|---------------|---------------|---------------|---------------|
| Gap to be Addressed | 5.740 | 4.502 | 4.856 | 5.466 | 20.564 |
| Previously Approved Savings Proposals | (0.155) | 0.000 | 0.000 | 0.000 | (0.155) |
| Transformation / Future Savings | (1.500) | (1.000) | 0.000 | 0.000 | (2.500) |
| Bottom Line Gap to be Addressed (after Savings but before Council Tax increases and use of reserves) | 4.085 | 3.502 | 4.856 | 5.466 | 17.909 |
| Cumulative Gap | 4.085 | 7.587 | 12.443 | 17.909 | |

Use of Reserves

- 8.8 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 and funding reforms, including any transition periods, may continue to necessitate use of some reserves where possible over the period.
- 8.9 The aim of setting the Council's budget is that it should be sustainable over the medium term period, with recurring spend funded by recurring income. Decisions on use of reserves should be made consistent with that aim. As such it continues to be proposed that any use of reserves should be done on a prudent basis over the period so that within the current MTFS cycle the budget is fully sustainable.
- 8.10 The Council's Budget Support Fund (BSF) helps to smooth the budget position over the MTFS period as well as meeting any one off costs associated with budget reductions e.g. redundancies. The table below shows the current reserve balance at the end of 2024/25, usage to balance the 2025/26 budget and a potential further £1.500m usage in 2026/27 whilst the Transformation Strategy is fully delivered (£2.500m total usage over 2 years).

| | BSF £m |
|---|-------------------|
| Balance as at 31 March 2025 | 7.672 |
| Less | |
| Use of reserve to support 2025/26 budget (approved) | (1.000) |

| | |
|---|--------------|
| Use of reserve to support 2026/27 budget (maximum) | (1.500) |
| Forecast uncommitted balance over the period | 5.172 |

Overall Position

- 8.11 The updated MTFS position, taking into account the temporary use of reserves for 2026/27 is shown in the table below. It is important to note, that at this stage, the position does not take into account any potential funding increases from funding reforms beyond those noted above, and also does not take in to account any assumptions on council tax rises in these years.

| | 2026/27 £m | 2027/28 £m | 2028/29 £m | 2029/30 £m | Total £m |
|---|---------------|---------------|---------------|---------------|---------------|
| Gap to be Addressed | 4.085 | 3.502 | 4.856 | 5.466 | 17.909 |
| Maximum Use of Reserves 2026/27 | (1.500) | 1.500 | 0.000 | 0.000 | 0.000 |
| Bottom Line Gap to be Addressed (before Council Tax increases) | 2.585 | 5.002 | 4.856 | 5.466 | 17.909 |
| Cumulative Gap | 2.585 | 7.587 | 12.443 | 17.909 | |

- 8.12 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;
- Local Authority Funding Reform progression and outcome – the government have committed to progressing a full funding reform and implementation, through a multi-year settlement, from 2026/27. This review is likely to direct increased grant resource to Councils like Hartlepool.
 - Business Rates system reset - linked to the Funding Reforms the government have also committed to reset the business rates system baseline, which is significantly overdue. As noted at 5.21, an estimate of funding redistribution has already been taken into account in the MTFS position. Both grant funding changes from funding reform and the business rates reset are likely to have transition periods to phase in changes in resource.
 - Transformation delivery – the delivery of the council's Transformation Programme is underway, as detailed in **Appendix B**. It is critical to delivering further savings over the medium term period which are included in this strategy.
 - Council tax referendum limits and local decisions – the referendum limit for council tax increases over recent years has been set at 5%. The

government's position on future referendum limits is currently unclear. As always, local decisions on council tax rises are informed by the financial position within each council, and therefore considered and approved annually. At this early stage in the budget setting process, the MTFS does not currently assume any increases over the period.

For information - the additional income which could be generated from an increase in council tax at 2%, 3% and 5%, is shown in the table below:

| Increase | 2026/27 | 2027/28 | 2028/29 | 2029/30 | TOTAL |
|-----------------|----------------|----------------|----------------|----------------|---------------|
| | £m | £m | £m | £m | £m |
| 2% | 1.115 | 1.137 | 1.160 | 1.183 | 4.595 |
| 3% | 1.672 | 1.723 | 1.774 | 1.827 | 6.996 |
| 5% | 2.787 | 2.926 | 3.073 | 3.227 | 12.013 |

- 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.

8.13 The Leader of the Council has provided a strong desire that a budget is prepared that confirms a Council Tax freeze for 2026/27. To achieve this, additional funding will be required from central government via the fair funding review, or increased transformation and other savings achieved. Furthermore, budget pressures will need to be contained. Officers will continue to progress the budget strategy keeping all areas under close review and the steer provided by the Council Leader. The MTFS will be periodically updated and reported to committee as part of the budget setting process for 2026/27.

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 | MTFS update and commencement of 2026/27 budget process |
| Finance and Corporate Affairs Committee - November | MTFS Update report including: <ul style="list-style-type: none"> • Updated position based on latest intelligence, inflation and government funding reforms • Consideration of any savings proposals • Review of reserves Set Council Tax Base 2026/27 |

| | |
|--|--|
| | Local Council Tax Support Scheme |
| Individual Policy Committees – November / December | 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 2026/27 consideration of recommendations from F&CA |
| Finance and Corporate Affairs Committee - February | MTFS Update report including: <ul style="list-style-type: none"> • Updated position based on provisional Local Government Finance Settlement latest intelligence and inflation rate • Consideration of feedback from policy committee on savings proposals • Determine budget proposals (including Council Tax and ASC precept) to be referred to full Council. Capital Programme |
| Audit and Governance – February | Treasury Management Strategy report |
| Full Council - February | MTFS Update referral from F&CA committee including budget proposals and agreement on Council Tax and ASC precept Approve final budget and Statutory calculations |

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 MTFS 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 MTFS and any savings proposals are developed and will be reported to future meetings if appropriate. |
| LEGAL CONSIDERATIONS | Will be addressed as MTFS 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 MTFS 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 MTFS and any savings proposals are developed and will be reported to future meetings if appropriate. |
| ASSET MANAGEMENT CONSIDERATIONS | Will be addressed as MTFS 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 MTFS and any savings proposals are developed and will be reported to future meetings if appropriate. |
| CONSULTATION | Will be addressed as MTFS 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 MTFS 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 MTFS.

14. BACKGROUND PAPERS

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

- Finance and Policy Committee - Medium Term Financial Strategy (MTFS) 2025/26 to 2027/28 – 20th January 2025;
- Council - Medium Term Financial Strategy (MTFS) 2025/26 Statutory Budget and Council Tax determination – 20th February 2025.

15. CONTACT OFFICER

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Sign Off:-

| | |
|--------------------------------------|--------------|
| Managing Director | Date: 4/6/25 |
| Director of Finance, IT and Digital | Date: 4/6/25 |
| Director of Legal, Governance and HR | Date: 9/6/25 |

Appendix A

MTFS 2026/27 to 2029/30 - Initial Risk Assessment

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

| Issue and Risk | Potential Impact | | | |
|--|------------------|----------|----------|----------|
| | 2026/27 | 2027/28 | 2028/29 | 2029/30 |
| Pay Awards - Provision included in the MTFS based on 3% per annum. No contingency is built in for a higher award. Each 1% of pay award in excess of the MTFS provision costs c£675k. | Neutral | Neutral | Neutral | Neutral |
| Level of Reserves - the MTFS is currently based on the likelihood of using £1.0m of one-off reserves in 2025/26 and £1.5m in 2026/27. This in effect utilises a significant proportion of the Budget Support Fund. Revenue reserves overall are forecast to drop from £57m to £14m over the coming four years. This would just leave the emergency unallocated general fund, the insurance fund and a small number of earmarked reserves. There would be very limited reserves available should an in year overspend occur. | Negative | Negative | Negative | Negative |
| Childrens Pressures - It is assumed at this stage that the Childrens Social care sufficiency transformation plans will stabilise and contain pressures to the allowance within the MTFS of £1.5m per year. At present there is no guarantee that this will be achieved. | Negative | Negative | Negative | Negative |
| Government Funding - From 2026/27, whilst the government have confirmed that they wish to provide fair funding to councils, they are grappling with a tight economic position and a number of spending priorities, placing in question the ability to provide additional resources to the sector. Notwithstanding this the redistribution of existing resources through planned reforms should favour deprived areas like Hartlepool. | Positive | Positive | Neutral | Neutral |
| Inflationary Pressures - the risk around inflationary pressures has been partially mitigated given the | Negative | Negative | Negative | Negative |

| | | | | |
|--|----------|----------|----------|----------|
| reduced level of CPI over recent months, when compared to recent years. However, there are still risks around the likes of energy prices and goods, given the geopolitical environment, and government policy. | | | | |
| One-off Grants - the council relies on a number of one off specific grants to support initiatives and day to day spend on key service areas. A number of these grants are currently scheduled to end at March 2026, with no confirmation of continuation. Should this situation occur a number of preventative schemes will end, capacity across the council will be reduced and potential redundancy costs incurred. | Negative | Negative | Negative | Negative |
| Borrowing Costs - interest rates and borrowing costs remain stubbornly high. Whilst this is having a short term positive impact on the budget position, over the medium to long term we will need to borrow to fund the capital programme and as such we will require a reduction in these rates so as to prevent a shortfall in our debt charge budget. This will need to be kept under close review and may require some additional or temporary funding to smooth this budget. | Negative | Negative | Negative | Negative |
| Council Tax Base - the base position has seen a significant increase in 2025/26 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 2026/27 and 2027/28 but increased housebuilding could lead to an improved position. | Neutral | Neutral | Neutral | Neutral |
| Waste pressures - there is current uncertainty regarding a number of waste initiatives, including food waste collection, producer responsibility and the suggestion of increased taxation on Energy for Waste facilities. This area will require close monitoring. | Neutral | Negative | Negative | Negative |










| | | | | |
|---|----------|----------|----------|----------|
| DSG High Needs Statutory Override - the council held a negative overspend reserve of £1.589m at the end of 2023/24. A further overspend of £3.343m was recorded in 2024/25 leading to an overall deficit of £4.932 at the end of 2024/25. At this point the statutory override is scheduled to end on 31 st March 2026. The forecast position at this point is an overspend in the region of £9.2m. Should the override end as planned, the council would need to fund the deficit position at that point. We would unlikely have the useable resources to do so and as such may be required to use the council's general revenue reserve or seek Exceptional Financial Support. | Negative | Negative | Negative | Negative |
|---|----------|----------|----------|----------|

Transformation Update

Appendix B


| | | | |
|-------------------------|---|--|---|
| Development Stage |  | Implementation / Now Business as Usual |  |
| Trial approved |  | Yet to progress |  |
| Implementation Approved |  | Not progressed |  |

| | | |
|---------------------------------------|---------|----|
| Additional Savings Identified to date | £77,000 | £0 |
|---------------------------------------|---------|----|








| Project | Overall Description | Current Sub Project Description | Project Status | Project Update | Indicative MTFS Savings 2026/27 | Indicative MTFS Savings 2027/28 |
|---|---|---|---|---|---|---|
| Theme 1 - Demand Management | | | | | | |
| Adult Social Care - Sustainability | <p>To maximise income for the council by introducing online financial assessment, accelerating financial contribution and increasing debt recovery. This will be supported by maximising the income of residents with adult social care needs. Key sub projects include:</p> <p>a. On-line financial assessments – procure a system module and review processes to enable quicker indicative assessments, reducing waiting times and thus enabling income collection to commence earlier.</p> <p>b. Debt collection – strengthen debt collection arrangements via the councils central income and debt management team to sensitively maximise income collection and recovery.</p> <p>A target of £300,000 has been set for this project (included within 2025/26 budget). The target may be refined as the projects develop or additional opportunities arise.</p> | <p>Financial Assessment Review Undertake a review of non-residential clients and their financial contributions, given it is a number of years since such a review has been undertaken.</p> <p>On-line financial assessments Review and amend the approach to self funders to reduce the administrative burden on the council. This includes procurement of an on-line financial assessment module to enable quicker indicative assessments, reducing waiting times and thus enabling income collection to commence earlier.</p> <p>Debt Recovery Arrangements Strengthen debt collection arrangements via the councils income and debt management team to sensitively maximise income collection and recovery.</p> |    | <p>409 active cases transferred to Civica as part of Phase 1 of the project to update non res financial assessments. Civica aim to complete the assessments by the end of May 2025. Discussions to include Phase 2 with the transfer of a further 150 non res assessments that will be due a review over the next 12 months. Project will be evaluated to determine a case for ongoing support from Civica to manage future demand.</p> <p>Subsumed into discussions around digital opportunities.</p> <p>Recruitment to role complete. Assessing reporting and target areas.</p> | TBC | TBC |
| Childrens Social Care Sufficiency | <p>A multi-faceted approach to reduce the number of children coming into care whilst ensuring those in care have their needs met through a more cost effective in house model. Key sub projects include:</p> <p>a. Childrens Homes - progressing the opening of internally run HBC homes and working with trusted providers to reduce placement costs.</p> <p>b. Fostering – consideration of a refreshed model for foster carers that increases capacity of foster placements, including those with higher level of need/complexity.</p> <p>c. Edge of Care – provision of an edge of care team to support young people (including those with additional needs) who are at risk of family breakdown, leading to a reduction in the number of children coming into care.</p> <p>d. Slowing Down the System – mapping the system from contact at the front door through to children existing care. Introducing gatekeeping points to allow for reflection and wider thinking about opportunities to slow the system down and preventing children coming into care. Promote children leaving care through reunification back to family.</p> <p>There are no explicit savings targets associated with this project. The MTFS provides for constrained additional funding from 2026/27 and it is envisaged that these actions will enable the service to continue within those existing resource provisions. Should the Edge of Care team prove to be successful, the associated budget will be mainstreamed at the earliest opportunity.</p> | <p>Childrens Homes Capacity Increase the capacity of internally run HBC care homes so as to avoid the high costs being imposed by external providers due to the current market failure.</p> <p>Fostering Model Refreshed model for foster carers that increases capacity of foster placements including for those with higher level of need/complexity.</p> <p>Edge of Care Provision of an edge of care team to support children and young people (including those with additional needs) who are at risk of family breakdown, leading to a reduction in the number of children coming into care.</p> <p>Slowing the System Down Mapping the system from contact at the front door through to children exiting care and introducing gatekeeping points to allow for reflection and wider thinking about opportunities to slow the system down and prevent children coming into child protection and care and promote children leaving care through reunification back to family.</p> |       | <p>Grange View (phase 2), providing 2 additional places is now open.</p> <p>Property on Fenton Road purchased. Design works complete and internal construction due to commence shortly. Anticipated opening date October 2025.</p> <p>Discussions on-going with charitable organisation regarding support, backed up by Memorandum of Understanding to prioritise Hartlepool children New build options being considered for any future Children Home requirements.</p> <p>Subsumed within digital transformation project - business case being developed for targeted marketing campaign.</p> <p>Team fully in place and demonstrable effectiveness with potential high cost placements being diverted.</p> <p>Work on-going</p> | Cost Avoidance (to keep CSC pressure within MTFS provision) | Cost Avoidance (to keep CSC pressure within MTFS provision) |

Transformation Update

Appendix B


| | | | |
|-------------------------|---|--|---|
| Development Stage |  | Implementation / Now Business as Usual |  |
| Trial approved |  | Yet to progress |  |
| Implementation Approved |  | Not progressed |  |

| | | |
|---------------------------------------|---------|----|
| Additional Savings Identified to date | £77,000 | £0 |
|---------------------------------------|---------|----|







| Project | Overall Description | Current Sub Project Description | Project Status | Project Update | Indicative MTFS Savings 2026/27 | Indicative MTFS Savings 2027/28 |
|---|--|---|--|---|---|---|
| Waste and Recycling | A project to review options with the aim of increasing recycling rates and associated income and reducing residual waste costs and associated costs. An initial target of £50,000 is assigned to this project (included within 2025/26 budget), however, as work develops it is anticipated that a more stretching target will be identified. | Communications campaign Tie in a recycling campaign with food waste campaign to reduce residual waste. |  | Subsumed within digital transformation project - business case being developed for targeted marketing campaign. | TBC | TBC |
| Theme 2 - Service Review | | | | | | |
| Leisure and Culture Operating Model | The review will seek to determine and implement the most efficient and cost effective model for operating leisure and cultural services, maximising income for the Council and managing assets effectively. | Initial Scoping Exercise Procure external consultancy has been procured by the service to undertake an initial options assessment that will inform possible direction of this project. |  | Initial scoping work on-going to determine most appropriate delivery model, which may include current approach. | £0 | TBC |
| Catering and Cleaning Review | Recent years have seen increased challenge in providing a financially sustainable catering and cleaning offer to schools. The academisation of schools, particularly into multi-academy trust structures has led to loss of schools and hence loss of economies of scale. In addition, increased staffing costs, coupled with food inflation has necessitated a greater council contribution to these services. The review will consider how these services can become financially sustainable, initially over a three year period. This may result in the increasing of charges, but equally different provision models may be considered. An initial target of £100,000 is assigned to this project (included within 2025/26 budget), however, as work develops a stretching target may be identified given the aim of financial sustainability. | Catering Review Consideration of options to support the service to become break-even over a three year period. This could include both income generation and cost reduction. Cleaning Review Consideration of options to support the service to become break-even over a three year period. This could include both income generation and cost reduction. |   | Phase 1 of converting school SLAs to a cost recovery model has been undertaken and addresses those sites with the largest individual trading deficits. Price rises are also being implemented. Year 1 savings target should be achievable but it should also be recognised that school catering remains a very volatile budget area. Primary school SLAs have been refocussed to be more output based rather than guaranteeing clients that precise numbers of cleaning hours will be input. This, together with above inflation price increases and further substantial reductions in cleaning of Council buildings means the Year 1 target should be achieved. | TBC TBC | TBC TBC |
| Theme 3 - Land and Property Review | | | | | | |
| Land and Property Review | To address a number of challenges being experienced with council wide asset management, whilst improving utilisation of assets and management to allow the Council to reduce its need for physical assets and the high running costs associated with maintaining a complex property portfolio. There are currently no savings targets associated with this project. It is anticipated that the work undertaken will release assets for sale in a timely manner to generate capital receipts for reinvestment in transformation, whilst also aiding housing growth and other inward investment opportunities. | Surplus Land and Property Review Review of potential surplus land and property assets for release or use. Including HRA. Facilities Management Review Undertake a review of the current operational arrangements for Facilities management across the council and recommend appropriate actions. The project aims to determine the true level of resources consumed by estate management, where they sit and whether a more efficient or effective approach is required to save costs and also minimise risks of asset failure. Future Workplace To determine the work place and property needs of circa 1,000 officers and members situated within the civic centre, including a business case for any proposed options. |    | Initial focus has been on key housing sites with land at Hart recently sold (subject to planning etc.) Work is progressing with consultants to produce an As Is report. Interviews have been held with stakeholders. Work is progressing and various seminars have been held with teams, senior leadership and members. Work being undertaken in tandem with wider Town Deal project. | Capital receipt Service Improvement Service Improvement | Capital receipt Service Improvement Service Improvement |
| Theme 4 - Council Wide Fees and Charges Review | | | | | | |

Transformation Update

Appendix B

| | | | |
|-------------------------|---|--|---|
| Development Stage |  | Implementation / Now Business as Usual |  |
| Trial approved |  | Yet to progress |  |
| Implementation Approved |  | Not progressed |  |

| | | |
|---------------------------------------|---------|----|
| Additional Savings Identified to date | £77,000 | £0 |
|---------------------------------------|---------|----|









| Project | Overall Description | Current Sub Project Description | Project Status | Project Update | Indicative MTFS Savings 2026/27 | Indicative MTFS Savings 2027/28 |
|---|--|--|--|--|--|--|
| Council Wide Fees and Charges Review | The aims of this project include: - Generation of additional charging opportunities to maximise council resources; - Review of existing charging in comparison to regional and national benchmarking data; - Ensure there is a council wide understanding of full cost recovery where that is the policy aim, and that a model is in place to ensure this is achieved; - Ensure there is a council wide awareness of the subsidy arrangements in place for certain services and agreement that this is appropriate and in line with council policy; and - Develop a more strategic and policy lead approach to charging, including the development of a charging policy and published fees and charges schedule. | Council Wide Fees and Charges Review Review of council wide fees and charges, and development of consistent charging tool to be applied across the organisation. |  | 10 areas of review identified and preliminary discussions held. Interim report produced that identifies areas of potential new fees and charges or above inflation increases. Final report expected July for consideration. | TBC | TBC |
| Theme 5 - Digital and Back Office | | | | | | |
| Customer Contact | A review of customer contact to further understand and streamline the customer journey. Our digital led approach will be further embedded across the organisation to shift customer contact online where possible. Back office processes will be streamlined in conjunction with the customer journey review. Key sub projects include: a. Roll out of a new customer focused website to make online enquiries and transactions easier. b. Implementation of a new intranet to reduce internal contact, promote a corporate approach and streamline internal processes. c. Develop increased website interaction through the likes of chat bot or similar enquiry functionality. d. Appropriate consolidation of council websites to ensure a corporate approach to communications and branding, whilst ensuring we maintain the quality and purpose of high performing satellite websites, where deemed appropriate. e. Review of the customer contact model across the organisation to ensure high volume, low complexity enquiries are resolved efficiently and effectively. This element will likely be undertaken over several years reflecting the scale and complexity of such re-organisation. This project is a key enabler of better way of working and minimising the cost of customer contact. Savings will be confirmed as projects develop. At this stage it is envisaged that a stretching savings target will be set. | Council Website Introduction of a new user friendly website that promotes online transactions and eliminates paper based contact. Council Intranet Introduction of a new fit for purpose intranet that reduces inter council contact and promotes consistency and compliance Website Chatbot Introduction of a new fit for purpose intranet that reduces inter council contact and promotes consistency and compliance Website Consolidation Review of all council websites and linked pages to streamline content, reduce duplication and provide one source of information. |     | Website build is continuing. July go-live currently being planned for, subject to testing and sign off. Focus will shift to the intranet, post website go-live. To be progressed post go-live with the new website. To be progressed post go-live with the new website. | N/A (Enabler) N/A (Enabler) TBC TBC | N/A (Enabler) N/A (Enabler) TBC TBC |
| Income and Cash Management | A review of cash usage and management across the council. Key aspects include: a. Client cash management – explore opportunities for pre-payment cards or similar for vulnerable clients who currently are provided cash advances where the council manages their finances. This sub project is a pre-cursor to any review of the cash office, given these transactions account for approximately 50% of the cash office usage. b. Cash Office – review the operation of the cash office in the light of the significant reduction in cash transactions and the sub optimal customer experience of a separate cash office and customer enquiry desks. c. Petty Cash Review – consideration of closing all petty cash floats in operation across the council given the move to on-line and card transactions. d. Card processing – review of our card processing, including ensuring we receive best value for the various card processing regimes in place across the council, and that our processes operate as efficiently as possible and are fully compliant with industry requirements. e. Treasury Investment Review – consolidate the improvements made to daily cash management to ensure opportunities for investment returns are maximised whilst ensuring we | Client Cash Management Review of cash payments to vulnerable adults, replacing cash with pre-payment cards that are simpler to process, provide increased opportunities for use (i.e. where venues / businesses only accept card transactions) and reduce the client to security concerns. |  | Demonstration from a well used card provider has been held. The project has been put on hold given capacity constraints and the need to focus on other Adult Social Care transformation projects given the larger potential financial benefit of those projects. | Existing Saving | Existing Saving |

Transformation Update

Appendix B

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|-------------------------|---|--|---|
| Development Stage |  | Implementation / Now Business as Usual |  |
| Trial approved |  | Yet to progress |  |
| Implementation Approved |  | Not progressed |  |

| | | |
|---------------------------------------|---------|----|
| Additional Savings Identified to date | £77,000 | £0 |
|---------------------------------------|---------|----|







| Project | Overall Description | Current Sub Project Description | Project Status | Project Update | Indicative MTFS Savings 2026/27 | Indicative MTFS Savings 2027/28 |
|---|--|---|---|--|--|--|
| | prioritise security and liquidity of our cash balances. A savings target of £100,000 has been set for this project and is included within the 2024/25 MTFS savings proposals. No additional savings are envisaged. | Petty Cash Review Review all physical petty cash still in operation across the council and replace with electronic processes. |  | On-going | Existing Saving | Existing Saving |
| | | Cash Office Review Review the future operation of an independent cash office, potentially merging with existing reception desks so providing a more joined up process. |  | Yet to commence - requires completion of Client Cash Management and Petty Cash review given these are the most significant transaction volumes. | Existing Saving | Existing Saving |
| | | Daily Treasury Management Review Ensure continued compliance with revised TM operations, maximising daily cash flows and returns on investment, including via Money Market Funds. |  | Complete. Money Market funds opened, inter LA borrowing / lending approach agreed. Daily process revised and operating well in order to maximise overnight returns. | Existing Saving | Existing Saving |
| Revenues Collection and Maximisation | The council has an historically strong Council Tax and NNDR collection achievement. In recent years, collection has been challenging given the hangover from the covid-19 pandemic where enforcement action was suspended, the subsequent cost of living crisis and a general increase in the number who can afford to pay but are hesitant to do so. Arrears collection remains strong but increased in year collection will ultimately lead to higher overall collection and lower costs to collect. | Text Reminder Re-introduction Re-introduce text reminders prior to summons to drive up payment compliance. |  | Text reminders re-introduced during year. The team seek to collect mobile phone numbers when interacting with customers in order to increase ability to send reminders going forward. | Maintenance of collection fund, collection rate. | Maintenance of collection fund, collection rate. |
| | Key elements include: a. Continue to promote and expand online Council Tax to reduce printing and postage costs and streamline access to information for the household. b. Develop processes to enable customers to update their records linked to back office systems so eliminating re-keying of data by revenues staff and thus improving efficiency in the process. | Council tax On-line Expansion Increase households signed up to on-line council tax billing so as to reduce printing and postage costs. |  | 4,500 individuals now signed up. Target 10,000 households. | Maintenance of collection fund, collection rate. | Maintenance of collection fund, collection rate. |
| | c. Work with VCS sector to adopt different ways of interacting with those in poverty to support payment of council tax and reduction in arrears. d. Continue and widen fraud prevention work making use of all available data sources and new technology to minimise both intentional and unintentional fraud. e. Consider other digital innovations to promote debt collection. | Gov-tech System Automation Introduce gov-tech automation that enables customer data to be seamlessly integrated into back office systems without manual intervention by revenues staff. |  | Currently experiencing technical issues as part of implementation. | TBC | TBC |
| | Whilst this project initially focuses on council tax and business rates collection, expansion to other areas, for example sundry debt, is likely as the project continues. An initial savings target of £125,000 has been set for this project (included in the 2025/26 budget), and this includes £100,000 from the increase to the Council Tax Base for 2025/26. Increased payment of council tax will ensure the council is able to continue with its 98.5% collection rate. It is unlikely to result in increased income generation. | Poverty Approach Refresh Work with VCS to simplify messages and make council contact less burdensome for vulnerable customers. |  | Regular meetings with VCS representatives being held. Council tax messaging, billing and payment information simplified for 2025/26 billing. VCS / Community Hubs to support communications throughout the year to provide support for more vulnerable clients. | Maintenance of collection fund, collection rate. | Maintenance of collection fund, collection rate. |
| | | Fraud Reduction Increase fraud prevention work, initially targeting Single Person Discount to reduce fraudulent claimants. |  | The number of SPD claimants has decreased by 786 from March 2024 (17,411) to April 2025 (16,625). This will generate on-going savings over £250,000, with additional backdated recovery. Additional associated savings within LCTS and HB have also materialised. A business plan is progressing to extend the remit to explicitly target LCTS fraud and error. | Existing Saving | Existing Saving |

Transformation Update

Appendix B


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|-------------------------|---|--|---|
| Development Stage |  | Implementation / Now Business as Usual |  |
| Trial approved |  | Yet to progress |  |
| Implementation Approved |  | Not progressed |  |

| | | |
|---------------------------------------|---------|----|
| Additional Savings Identified to date | £77,000 | £0 |
|---------------------------------------|---------|----|


| Project | Overall Description | Current Sub Project Description | Project Status | Project Update | Indicative MTFS Savings 2026/27 | Indicative MTFS Savings 2027/28 |
|----------------------------|--|---|---|--|--------------------------------------|--------------------------------------|
| ICT Transformation | <p>There is a strong argument that the council has historically underfunded its ICT provision. This has resulted in the council being somewhat "behind the curve" with regard to ICT provision and transformation.</p> <p>The council entered into a new managed contract in December 2023 which will ensure transformation of the IT environment, and this work is progressing well, with systems migrated to the cloud, new rationalised printer estate, rollout of M365 licences and migration to Windows 11, in addition to a programme to refresh older laptops to ensure an evergreen desktop estate. Work has already been carried out to increase cyber resilience, however, there continues to be an assessment of the rapidly evolving and ever-changing cyber threat landscape and what protection/mitigation needs to be implemented by the council.</p> <p>This work will continue as an enabler to wider transformation. As well as modernising our ways of working, there will also be a focus on data retention and quality to ensure the organisation can make best use of emerging opportunities, such as Artificial Intelligence.</p> <p>Where opportunities emerge to consolidate systems, this will be explored.</p> <p>As a key enabler project, there is no savings target currently associated with this project. This may be revised should system consolidation opportunities arise.</p> | Migration to teams telephony Project required because Skype for Business is going out of support in October 2025. The main focus of the migration was to move to a unified communication solution that had instant messaging, video meetings and telephony in same application. Phase 1 focussed on a like for like replacement for areas of the organisation that was utilising Skype. Phase 2 to focus on areas which did not have an appropriate telephony setup. |  | Phase 1 complete. Phase 2 on-going. | Enabler | Enabler |
| | | Windows 11 Migration Project required due to Windows 10 going out of support October 2025. In addition migration to Windows 11 delivers background functionality required for NEC to deliver on some aspects of managed service contract. |  | Migration in progress, over 90% now migrated. | Enabler | Enabler |
| | | Printer refresh Replacement of managed print solution comprising new printers and improved user interface (including use of door entry cards and mobile phones). Also includes capability to introduce printing restrictions based on numbers of pages, copies or documents. |  | Printer refresh complete. | Saving part of ICT contract refresh. | Saving part of ICT contract refresh. |
| | | Scrap It and migration of data centre to cloud Project involves the review of existing files on the file share. This should result in the deletion of any out of date or inaccurate information and removal of duplicated files. It will also necessitate the collation of "archived" files into folders with naming conventions that indicate appropriate retention periods. The cleansed data/files will be migrated to M365 (MS Teams areas) utilising the in-built tools in M365. This project will have significant resource implications across the council but is a fundamental part of the transformation journey and without it the council will not be able to realise the benefits of its investment in M365 or any AI tools/applications. |  | Yet to commence other than early planning. | Enabler | Enabler |
| | | Purview rollout with revised corporate wide retention policies Implementation of Microsoft tool which allows files in M365 to be managed from the perspective of security marking and retention. Pre-requisite is that files MUST be in M365. The tool cannot be applied to the file share. |  | Will only commence post migration to M365. | Enabler | Enabler |
| Digital Blue Print Reviews | <p>There are a number of emerging digital solutions to high cost spend areas. These include the use of Artificial Intelligence, but also existing mainstream technology to improve processes and therefore save money.</p> <p>The council will look to progress a number of these in tranches over the medium term period. These will be subject to individual business case development. Individual projects may migrate to existing transformation programmes, should they align better.</p> <p>In conjunction, the council's internal digital team will undertake holistic transformation reviews of service areas on a rolling basis, with a view to identifying the removal of manual processes, system integrations and general efficiency improvements.</p> <p>Savings targets will be developed for this project as digital solutions are developed and rolled out.</p> | Pre-empting demand for adult services Placing sensors in the homes of residents who are in the cohort of residents who could be nearing care requirements. Sensors then alert friends/family if support needed. Also provides resident profile via sensor data. |  | Goals and capabilities session with all managers, facilitated by Triple Value Impact, held on 4 April. Initial sessions with potential technology partners took place in April and May. Follow up workshop undertaken 30 May with business case to be completed during June. | TBC | TBC |

Transformation Update


Development Stage





 Implementation / Now Business as Usual

Trial approved











 Yet to progress

Implementation Approved


 Not progressed

| | | |
|---------------------------------------|---------|----|
| Additional Savings Identified to date | £77,000 | £0 |
|---------------------------------------|---------|----|









| Project | Overall Description | Current Sub Project Description | Project Status | Project Update | Indicative MTFS Savings 2026/27 | Indicative MTFS Savings 2027/28 |
|---------|---------------------|---|---|---|---------------------------------|---------------------------------|
| | | Reducing Domiciliary Care supply issues through involving the community in care Minimise the number of in-person DC visits through use of Alexa type systems for reminders, check in's etc. |  | Goals and capabilities session with all managers, facilitated by Triple Value Impact, held on 4 April. Initial sessions with potential technology partners took place in April and May. Follow up workshop undertaken 30 May with business case to be completed during June. | TBC | TBC |
| | | Financial assessment automation using Open Banking Utilises open banking permission from the client to pre-populate care assessments (i.e. access banking data to identify bills, rent, savings, benefits, etc.). Typically populates 60% to 80% of assessments financial data. |  | Goals and capabilities session with all managers, facilitated by Triple Value Impact, held on 4 April. Initial sessions with potential technology partners took place in April and May. Follow up workshop undertaken 30 May with business case to be completed during June. | TBC | TBC |
| | | Adults SC in Home Tec Links to opportunities above whereby in home technology on kettle, bed, doorways etc. could be used as part of care packages. |  | Goals and capabilities session with all managers, facilitated by Triple Value Impact, held on 4 April. Initial sessions with potential technology partners took place in April and May. Follow up workshop undertaken 30 May with business case to be completed during June. | TBC | TBC |
| | | Finding Foster Carer Using public data to undertake a targeted marketing campaign based on profile of likely foster carers. |  | Business Case to be finalised during June for consideration. | TBC | TBC |
| | | Decreasing residual waste by increasing recycling Using data to target households to reduce recycling contamination so increasing recycling and reducing secondary waste disposal costs. |  | Business Case to be finalised during June for consideration. | TBC | TBC |
| | | Software application rationalisation, contract efficiency and data mapping Tool to map all HBC software applications, contract status and data mapping in order to rationalise currently used applications and systems and to minimise future procurement costs. |  | Business Case to be finalised during June for consideration. | TBC | TBC |
| | | Using Artificial Intelligence to automate SARS requests Use of AI to support production of Subject Access Requests to improve efficiency and responsiveness. |  | Business case finalised, wider Information Governance group have been consulted and feedback is positive. Whilst savings in staff time are likely, these will be difficult to achieve given disparate across the organisation. Business case to be considered during June. | TBC | TBC |
| | | Using conversational AI to chase aged debt Uses 'Webio' AI solution to enter in to a debtor conversation via whatsapp or other communications channels. Promote debt payment and could lead to efficiencies in debt collection. |  | Proof of Concept trial agreed and subject to IT and Information Governance sign off, this will be progressed later in the summer post set up. | TBC | TBC |
| | | Magic Notes - AI tool (Social Care) Magic Notes is an AI tool that records conversations and summarises into standard templates / letters etc. Use elsewhere has suggested saving in admin time and frontline practitioner time and also an improvement in the quality of interactions and documentation. |  | Six week pilot involving 30 staff within Adult Social Care commenced 14 April. Initial feedback positive with the amount of time social workers spent on admin reduced by an average of more than 12 hours per week. Business case to be considered during June to widen and extend use for the remainder of the year for more ASC teams and extend into Childrens Social Care. A full business case will be developed during this time to identify savings and timescales for those savings. | TBC | TBC |

Transformation Update

Appendix B

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|-------------------------|---|--|---|
| Development Stage |  | Implementation / Now Business as Usual |  |
| Trial approved |  | Yet to progress |  |
| Implementation Approved |  | Not progressed |  |

| | | |
|---------------------------------------|---------|----|
| Additional Savings Identified to date | £77,000 | £0 |
|---------------------------------------|---------|----|

| Project | Overall Description | Current Sub Project Description | Project Status | Project Update | Indicative MTFS Savings 2026/27 | Indicative MTFS Savings 2027/28 |
|---------|---------------------|---|---|--|---------------------------------|---------------------------------|
| | | Home to School Transport Advanced route planning software examination for route planning on home to school transport. |  | Proof of Concept agreed, subject to IT and Information Governance sign off. | TBC | TBC |
| | | Automated Meter Reading Use of Kwigly who provide energy intelligence software that enables quicker and more detailed intelligence of energy use and billing across the asset portfolio, enabling energy "waste issues" to be identified much sooner than manual or other assessment. |  | Implemented 1 Dec 2024. First 10 weeks identified 6 energy use anomalies that were immediately resolved saving £12,000 in energy costs, together with CO2 savings. Note this included schools who reside on our energy contracts. Whilst no explicit savings for MTFS purposes, supports wider environmental objectives and reduces wasted energy spend. | Cost Avoidance | Cost Avoidance |
| | | Smart Sockets Use of AI on selected sockets to automatically switch off appliances when not needed to reduce electricity drain, saving energy costs and carbon emissions. |  | Savings not deemed significant enough to progress on an ad-hoc basis but will be considered if any major retrofit or new builds proposed. | Not progressed | Not progressed |
| | | Education Health Care Plans Use of Agilisys EHCP AI package that produces EHCP through interrogation of documents and data sources, so saving officer time. |  | Pilot complete. SEN team report positive outcomes. Meeting held on 30 May to hear Agilisys' proposals and to consider purchasing the tool and any associated business case. Given resource pressures in this area, an MTFS saving may not arise. | TBC | TBC |
| | | E-invoicing / Early Payment Discount Introduction of e-invoicing automation to illuminate the need for re-keying invoice data. Introduction of a voluntary early payment discount for suppliers. |  | Business Case agreed. Timetable for implementation in place with an aim for both to be implemented 1 April 2026. | £77,000 | £0 |
| | | Hartlepool Now (Chatbot) NE Innovation Funding secured to develop chatbot functionality on Hartlepool Now improving access to timely information and advice. |  | Completed research and development element of the project. Now pilot testing. A small group of Community Navigators are currently testing the Chat Bot to review information that it returns. Review meeting at the end of June to feedback on testing. Next steps to establish community focus group to carrying on testing. | Service Improvement | Service Improvement |
| | | Hartlepool Now (Signapse) Use of AI to support the conversion of information, Advice and Guidance on the Hartlepool Now website into BSL. |  | Planning meeting for with This is Focus in June 2025 to discuss the implementation of SignApse on Hartlepool Now. | Service Improvement | Service Improvement |
| | | Sign Video Use of Video Relay Service and Video Relay Interface across key Council contact points, using QR codes, Tablets and Phones to enable people who use BSL to access real time access to an interpreter / translator. |  | Service Level Agreement signed, within iBCF budget parameters circa £8k. Remaining £2k of budget to support the purchase of equipment and to promote the service in Hartbeat. A soft launch will commence in July with a full launch to coincide with the launch of the new Council website. | Service Improvement | Service Improvement |

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

APPENDIX C

| | Balance as at 31st March 2024 (Revised) | Actual Use | Balance as at 31st March 2025 | Forecast Use of Reserves | | | | Forecast Balance as at 31st March 2029 |
|--------------------------------------|---|----------------|----------------------------------|--------------------------|----------------|----------------|--------------|---|
| | | 2024/25 | | 2025/26 | 2026/27 | 2027/28 | 2028/29 | |
| | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 | £'000 |
| Revenue Reserve | 5,500 | 0 | 5,500 | 0 | 0 | 0 | 0 | 5,500 |
| Budget Support Fund (BSF) | 11,094 | (3,422) | 7,672 | (1,000) | (1,500) | 0 | 0 | 5,172 |
| BSF - Transformation Costs | 2,000 | 0 | 2,000 | (1,000) | (500) | (500) | 0 | 0 |
| BSF - Invest to Save | 1,750 | (350) | 1,400 | (700) | (350) | 0 | 0 | 350 |
| Revenue Grants Unapplied | 5,722 | 3,385 | 9,107 | (6,745) | (1,190) | (1,047) | (125) | 0 |
| Business Rates Risk Reserve | 1,000 | (1,000) | 0 | 0 | 0 | 0 | 0 | 0 |
| Insurance Fund | 2,965 | (63) | 2,902 | (65) | (65) | (65) | 0 | 2,707 |
| Children in our Care Reserve | 1,230 | 0 | 1,230 | (1,000) | (230) | 0 | 0 | 0 |
| BSF - Treasury Management Income | 1,150 | (500) | 650 | (650) | 0 | 0 | 0 | 0 |
| Asset Management Reserve | 1,000 | (160) | 840 | (840) | 0 | 0 | 0 | 0 |
| Earmarked Revenue Reserves under £1m | 6,342 | 696 | 7,038 | (3,746) | (2,040) | (867) | 0 | 385 |
| Revenue Reserves Total | 39,753 | (1,414) | 38,339 | (15,746) | (5,875) | (2,479) | (125) | 14,114 |
| | | | | | | | | |
| Earmarked Capital Reserves | 9,606 | (2,743) | 6,863 | (6,500) | (363) | 0 | 0 | 0 |
| Capital Grants Unapplied | 16,212 | (4,532) | 11,680 | (11,680) | 0 | 0 | 0 | 0 |
| | | | | | | | | |
| TOTAL | 65,571 | (8,689) | 56,882 | (33,926) | (6,238) | (2,479) | (125) | 14,114 |

FINANCE AND CORPORATE AFFAIRS COMMITTEE

23 JUNE 2025



Subject: HOUSEHOLD SUPPORT FUND 7 2025/26

Report of: Director of Public Health and Director of Finance, IT and Digital Services

Decision Type: Key Decision Ref CJCS 166/25

1. COUNCIL PLAN PRIORITY

| Hartlepool will be a place: |
|--|
| - where people are enabled to live healthy, independent and prosperous lives. |
| - where those who are vulnerable will be safe and protected from harm. |
| - of resilient and resourceful communities with opportunities for all. |
| - with a Council that is ambitious, fit for purpose and reflects the diversity of its community. |

2. PURPOSE OF REPORT

- 2.1 To present to Finance and Corporate Affairs Committee information on the delivery of phase six of the government's Household Support Fund (HSF) and provide details of the agreed proposals for delivery of a phase seven scheme to support those in greatest need of assistance throughout 2025/26. Due to the government's late announcement of the Household Support Fund grant a delegated decision was taken by the Executive Director of Children's Services on 29 April to allocate the funding in consultation with the Managing Director and Chair of Finance and Corporate Affairs Committee. The following sets out further details of the allocation.
- 2.2 To seek delegation to the Executive Director in consultation with the Chair of Finance and Corporate Affairs Committee, to amend funding pots so as to ensure full utilisation of grant within the time period.

3. BACKGROUND

- 3.1 Since the 30 September 2021 the Government has made available a Household Support Fund targeting vulnerable households to help them with food and essentials items during financial hardship. Guidelines have varied on schemes with changes of focus from children (phase one) to children and pensioners (phase two), to children, pensioners and those unable to source help from elsewhere (phase three and beyond).

- 3.3 The latest HSF 2025/26 guidance document advises:

The primary objective of The Fund is to provide crisis support to vulnerable households in the most need with the cost of essentials. The secondary objective is to provide preventative support to prevent vulnerable households from falling into – or falling further into – crisis. Authorities are expected to offer support throughout the duration of The Fund Period and must develop delivery plans to reflect this.

Rather than focus on one specific vulnerable group, Authorities should use the wide range of data and sources of information at their disposal, including through engagement with relevant TPOs, to identify and provide support to a broad cross section of vulnerable households to prevent escalation of problems. It is important to stress that The Fund is intended to cover a wide range of low-income households in need, including families with children of all ages, pensioners, unpaid carers, care leavers and disabled people, larger families, single-person households, and those struggling with one-off financial shocks or unforeseen events.

- 3.4 Eligible spend includes:

Crisis support:

- Essentials including energy, water and food support;
- Wider essentials including support with bills clothing, period and hygiene products, essential transport-related costs;
- One off payments to prevent a crisis for example, insulation or energy efficient household items which reduce bills, the purchase of equipment such as fridges, freezers, ovens, slow cookers etc; and
- Housing costs (excluding mortgage support)

Preventative support:

- Funding activities which prevent vulnerable households from falling into – or falling further into – crisis. This could include specific support to individual residents or wider support within the broader community;
- Advice services to provide supplementary advice including debt, benefit and or employment advice;
- Any support with the aim of providing longer-term and sustainable solutions. This could include, but is not limited to:
 - assistance with and/or access to affordable food such as subsidised food pantries and community kitchens;

- provision of cooking lessons with an emphasis on cost-effective methods.

3.5 In accordance with the guidance, authorities can deliver the scheme through a variety of routes, including:

- Proactive support by identifying households in need;
- Application-based support where individuals approach the authority for support; and
- Issuing grants to Third Party Organisations (TPOs) to provide support on behalf of the Authority.

As part of their offer, every authority must operate at least part of their scheme on an 'application' basis providing people with the opportunity to come forward to ask for support.

3.6 On 4th March 2025 the Council received formal notification of the arrangements for the administration of the latest HSF including final guidance and details of the local grant determination. HBC has been awarded with £1,750,170.48 for a 12 months period. This reflects a 12% reduction in the award when compared with previous years (£1,986,042.50).

3.7 Between October 2024 and March 2025, HBC delivered HSF6 across Hartlepool and the below table outlines the available funding, allocation streams and the estimated reach.

| Support stream | Value | Estimated number of awards |
|---|-----------------|----------------------------|
| Shopping vouchers for children in low income families (including free school meals) | £447,020 | 7542 |
| Pensioners on a low income (LCTS) | £259,020 | 4450 |
| Food and bills via third party organisations | £114,000 | 1568 |
| Welfare support via application | £107,170 | 437 |
| Housing | 12,000 | 15 |
| Total | £939,210 | 14,012 |

4. PROPOSALS/OPTIONS FOR CONSIDERATION

4.1 The latest data tells us that:

- 39% of our children live in poverty including approximately 6,000 entitled to Free School Meals for financial reasons. If we extend this to include 2 year olds through to 19 year olds in education or training this increases to approximately 8,000 children and young people;
 - Approximately 13,000 households benefit from the Local Council Tax Support Scheme (LCTS), an indicator of low income;
 - Approximately 11,000 households are in receipt of Universal Credit which includes those who are working but on a low income and are therefore in need of support.
- 4.2 The methods chosen to deliver the previous HSF schemes in Hartlepool have proven effective in reaching vulnerable households through the provision of both crisis and preventative support. The support provided by Third Party Organisations (TPO) has been essential in helping the local authority in its delivery approach and reach.
- 4.3 Officers have met to explore the available options to maximise the impact of HSF7 to support vulnerable households in Hartlepool in accordance with the grant conditions. This has included considering what support can be delivered through Local Council Tax Support, food vouchers, support through voluntary and community sector organisations and the welfare support team.
- 4.4 It should be noted that the administration of such a large grant creates pressure on the capacity and workload of the local authority and the third party organisations that deliver on the Council's behalf. It is essential that, in accordance with the guidance, 5% of the grant is used to support delivery of the scheme by the council and TPOs.
- 4.5 Third Party Organisations have proved crucial in supporting the delivery of previous HSF grant schemes. Expressions of interest were therefore sought in March and April 2025 from organisations who may wish to deliver aspects of the HSF in conjunction with the local authority. The following providers were identified as potential delivery partners with the capacity, resilience and infrastructure required to meet the DWP's HSF compliance requirements:
- Hartlepool Foodbank – food parcels;
 - Citizens Advice – energy and fuel top ups and payments;
 - Advice @ Hart – energy and fuel top ups / energy saving devices; and
 - West View Advice and Resource Centre – household essentials linked to energy.
- 4.6 Based on previous grant delivery experience, the latest Terms and Conditions of the grant and the 12% reduction in the overall grant, it is proposed that the grant for 2025/26 is distributed by the following means:

| Organisation/Scheme | Allocation - | Rationale |
|--|--------------|---|
| Support for families with dependent children aged up to 19 years (in education or training) | £742,700 | To provide two supermarket vouchers over the 12 month grant period at the value of £50 each (£100 in total) to all children eligible for free school meals (financially vulnerable) aged 2 - 19. |
| Support for pensioners in receipt of benefit (LCTS) | £440,800 | To provide two payments or supermarket vouchers over the 12 month grant period at the value of £50 each (£100 in total) to pensioners in receipt of LCTS. |
| HSF application fund (delivered by the Welfare Support team) – aimed at those who can evidence they are struggling but unable to access other forms of support. This would help those above the Free School Meal threshold and those that are working but on a low income. | £226,000 | The Welfare Support Team receive and make awards with regard to applications for energy, food, household essentials and goods. These awards will be made based on personal circumstances and are not means tested. <i>An application process would apply.</i> |
| HSF application fund (delivered by the Housing Advice Team) for help with exceptional housing costs not already covered by other funding streams. This would help those on benefits and those working but on a low income. | £20,661.96 | The Housing Advice Team would take applications from residents struggling with exceptional housing costs. This may include help to move to a more affordable property, help with rent arrears or an unexpected dip in income that has caused financial stress. <i>An application process would apply.</i> |

| | | |
|---|---------|---|
| Hartlepool Food Bank | £40,000 | Food parcels/bags of shopping to be distributed to advice agencies in town as part of value added services. The grant would be used to buy food rather than use foodbank public donations. |
| Citizen's Advice Bureau | £90,000 | To provide fuel vouchers and help paying energy bills; to provide energy household essentials. Both organisations can access fuel bank vouchers that can be used for pre paid meter top ups and / or can help those on direct debits or monthly bills. <i>An application process would apply with evidence of need required before support is provided.</i> |
| Advice at Hart | £90,000 | |
| West View Advice and Resource Centre | £10,000 | To provide household essentials that make cost of living more affordable. This would be in conjunction with their existing HBC commissioned debt and money advice service. |
| Contribution to Hartlepool Food Offer leaflet | £500 | Production of leaflet with advice on services providing low cost and free food distributed across public venues |
| Poverty Truth Commission | £2,000 | Contribution towards the work of the Commission on behalf of the Hartlepool community |

| | | |
|----------------------------------|---|--|
| HBC and TPO Grant administration | £87,508.52 | To cover the costs of the staffing, administration, printing, postage etc. associated with delivering the scheme for both HBC and Third Party Organisations. |
| Total | Anticipated grant and spend- £1,750,170.48 | |

4.7 Using this method of delivery this would mean that –

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

4.8 Should it become clear that individual strands of support outlined in 4.6 above are not being fully utilised, it is proposed to give delegation to the Executive Director, in conjunction with the chair of Finance and Corporate Affairs Committee, to amend funding pots to ensure full utilisation of grant within the time period.

5. OTHER CONSIDERATIONS/IMPLICATIONS

| | |
|---------------------------------|--|
| RISK IMPLICATIONS | The Council is being asked to administer a Government grant for local people based on local need. Public expectations that the grant can fully alleviate the cost of living pressures must be carefully managed. In addition administration of such a grant creates risk for the Council in that officers have to mobilise resources quickly to develop the local scheme, eligibility criteria and implementation plan. There is a reputational risk to the Council if the scheme is not delivered effectively and efficiently and does not reach those most in need of support. |
| FINANCIAL CONSIDERATIONS | The Council is being asked to administer the Household Support Fund Grant, valued at £1,750,170.48 for the period April 2025 to March 2026. The conditions of grant allows for reasonable administrative |

| | |
|--|--|
| | costs, to be claimed against the grant. Proposals outlined in the report, ensure the Council and its partners limit administrative costs to no more than 5% of the total grant allocation. |
| LEGAL CONSIDERATIONS | The proposals outlined reflect the draft Terms and Conditions of the grant. |
| CHILD AND FAMILY POVERTY | A Child and Family Poverty impact assessment has been completed and is attached at Appendix 1 to this report. |
| EQUALITY AND DIVERSITY CONSIDERATIONS | The proposals outlined in this report are targeted to support those in greatest need of financial assistance. The scheme will be administered based on need and inclusive of all those with protected characteristics. It will reach those in receipt of benefits and those that are working but on a low income. |
| STAFF CONSIDERATIONS | It will be necessary for officers from HBC to implement and deliver the proposals outlined in this report on top of their current duties and responsibilities and it may be necessary for HBC to employ additional staff on a temporary basis to ensure the scheme is administered effectively. |
| CONSULTATION | <p>Feedback from previous beneficiaries of the scheme tells us that shopping vouchers and energy top ups are very effective and that this should continue as the main focus of the grant.</p> <p>In preparing this report an expression of interest exercise was completed with TPOs to partner with the local authority to deliver the HSF in Hartlepool.</p> |

6. RECOMMENDATIONS

- 6.1 To note the agreed proposals for delivery of 2025/26 Household Support Fund.
- 6.2 To approve delegation to the Executive Director in consultation with the Chair of Finance and Corporate Affairs Committee, to amend funding pots to ensure full utilisation of grant within the time period.

7. REASONS FOR RECOMMENDATIONS

- 7.1 The Household Support Fund is a significant grant that is being provided to Hartlepool Borough Council to support local residents and mitigate some of

the impact of financial hardship. Finance and Corporate Affairs Committee has responsibility to agree the arrangements for the provision of assistance to local residents

8. BACKGROUND PAPERS

- 8.1 Department for Work and Pensions: Household Support Fund: Guidance for County Councils and Unitary Authorities in England (1 April 2025 to 31 March 2026)

9. CONTACT OFFICERS

Craig Blundred
Director of Public Health
Sally.robinson@hartlepool.gov.uk
01429 523910

James Magog
Director of Finance, IT and Digital
James.magog@hartlepool.gov.uk
01429 523093

Sign Off:-

| | |
|--------------------------------------|------------------|
| Managing Director | Date: 29.05.2025 |
| Director of Finance, IT and Digital | Date: 29.05.2025 |
| Director of Legal, Governance and HR | Date: 29.05.2025 |

| 1. Is this decision a Budget & Policy Framework or Key Decision? Yes If YES please answer question 2 below | | | | |
|--|-----------------|-----------------|-----------|--|
| 2. Will there be an impact of the decision requested in respect of Child and Family Poverty? YES If YES please complete the matrix below | | | | |
| GROUP | POSITIVE IMPACT | NEGATIVE IMPACT | NO IMPACT | REASON & EVIDENCE |
| Young working people aged 18 - 21 | Yes | | | The Household Support Grant is targeted to mitigate the impact of poverty and financial hardship on those most in need between April 2025 and March 2026. The provision of assistance through the implementation of the scheme will have a positive impact on those who experience poverty by providing assistance in terms of funding for food, fuel, water, exceptional housing costs other essential items. |
| Those who are disabled or suffer from illness / mental illness | Yes | | | |
| Those with low educational attainment | Yes | | | |
| Those who are unemployed | Yes | | | |
| Those who are underemployed | Yes | | | |
| Children born into families in poverty | Yes | | | |
| Those who find difficulty in managing their finances | Yes | | | |
| Lone parents | Yes | | | |
| Those from minority ethnic backgrounds | Yes | | | |
| | | | | |
| Poverty is measured in different ways. Will the policy / decision have an impact on child and family poverty and in what way? <div style="height: 100px;"></div> | | | | |

| Poverty Measure (examples of poverty measures appended overleaf) | POSITIVE IMPACT | NEGATIVE IMPACT | NO IMPACT | REASON & EVIDENCE |
|--|-----------------|----------------------------------|-----------|--|
| Low income households | Yes | | | The Household Support Grant is targeted to mitigate the impact of poverty and financial hardship on those most in need between April 2025 and March 2026. The provision of assistance through the implementation of the scheme will have a positive impact on those who experience poverty by providing assistance in terms of funding for food, fuel, water, exceptional housing costs other essential items. |
| | | | | |
| | | | | |
| Overall impact of Policy / Decision | | | | |
| POSITIVE IMPACT | X | ADJUST / CHANGE POLICY / SERVICE | | |
| NO IMPACT / NO CHANGE | | STOP / REMOVE POLICY / SERVICE | | |
| ADVERSE IMPACT BUT CONTINUE | | | | |
| Examples of Indicators that impact of Child and Family Poverty. | | | | |
| Economic | | | | |
| Children in Low Income Families (%) | | | | |
| Children in Working Households (%) | | | | |
| Overall employment rate (%) | | | | |
| Proportion of young people who are NEET | | | | |
| Adults with Learning difficulties in employment | | | | |
| Education | | | | |
| Free School meals attainment gap (key stage 2 and key stage 4) | | | | |

| |
|---|
| Gap in progression to higher education FSM / Non FSM |
| Achievement gap between disadvantaged pupils and all pupils (key stage 2 and key stage 4) |
| Housing |
| Average time taken to process Housing Benefit / Council tax benefit claims |
| Number of affordable homes built |
| Health |
| Prevalence of underweight children in reception year |
| Prevalence of obese children in reception year |
| Prevalence of underweight children in year 6 |
| Prevalence of obese children in reception year 6 |
| Life expectancy |

FINANCE AND CORPORATE AFFAIRS COMMITTEE

23 JUNE 2025



Subject: CHILDRENS HOMES - PROVISION OF LOAN

Report of: Director of Finance, IT and Digital

Decision Type: Key Test i (General Exception applies)

1. COUNCIL PLAN PRIORITY

Hartlepool will be a place:

- where people live healthier, safe and independent lives. (People)

2. PURPOSE OF REPORT

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

3. BACKGROUND

3.1 The Council continues to consider all options to mitigate the significant increase in Children's Social Care costs, particularly in respect of private sector residential placements. In recent years this has included increasing the provision of Council run children's homes that have proved to be less costly to run in comparison to private placements in the independent sector. Given the continued pressures, both current and forecast, the council continues to look for properties to convert into Council run homes.

3.2 At its meeting of 10 July 2024, Full Council agreed borrowing approval of up to £1m to be set aside to fund the purchase and renovation of properties into children's homes. Individual schemes would only progress subject to a business case.

3.3 Finding the right location and premises for children's homes can be challenging. A multi-disciplined officer group has been established to lead this project to ensure that any property purchased is fully suitable and that costs of conversion are clear and transparent at the outset and form part of the overall business case.

- 3.4 To date one property has been purchased to renovate and open as an additional childrens home. This will provide up to three additional places in the Borough and ensure the Council is less reliant on the private provider sector. Identifying a further property has proven challenging.
- 3.5 The Council has been working with Changing Futures North East (CFNE), a registered charity, to support their aim of opening a residential childrens home in Hartlepool. Whilst the majority of the required funding has been secured in principle by CFNE, there remains a funding gap that needs to be bridged in order to progress the project.

4. PROPOSAL

- 4.1 In order to provide certainty to third party funders, and also to bridge the funding gap, it is proposed that the Council provide a loan facility to CFNE. In doing so, it is hoped that this will allow the project to progress, potentially providing up to an additional four places within Hartlepool. The loan agreement will be backed up by a memorandum of understanding seeking to ensure that the Council has first refusal on any care places.
- 4.2 Supporting a trusted charitable provider, has the potential to ensure places are provided at a similar cost to that provided by an in-house home, but without the management overhead the council incurs. This will contribute to a mixed market for childrens homes, but critically reduce our reliance on private sector run homes.
- 4.5 Financial details of the funding request are detailed in **CONFIDENTIAL APPENDIX 1. 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, (paragraph 3) information relating to the financial or business affairs of any particular person (including the authority holding that information.** The loan agreement will fully cover interest payments and principal repayment in respect of the loan.
- 4.6 Provision of the loan will be subject to due diligence and third party funding being 'secured', to ensure that any risk to the Councils financial position is mitigated as far as possible.
- 4.7 The alternative option would be not to provide the loan. This would result in the project not progressing and result in the Council continuing to be exposed to the private independent sector more than necessary.

5. OTHER CONSIDERATIONS

| | |
|---------------------------------|---|
| RISK IMPLICATIONS | As set out in the report, including the confidential Appendix 1. |
| FINANCIAL CONSIDERATIONS | As set out in the report, including the confidential Appendix 1. |

| | |
|--|---|
| SUBSIDY CONTROL | The loan will be provided at a market interest rate and will be secured against the property. |
| LEGAL CONSIDERATIONS | As set out in the report, including the confidential Appendix 1 . |
| CHILD AND FAMILY POVERTY | A Single Impact Assessment is attached at Appendix 2 |
| EQUALITY AND DIVERSITY CONSIDERATIONS | A Single Impact Assessment is attached at Appendix 2 |
| STAFF CONSIDERATIONS | No relevant issues. |
| ASSET MANAGEMENT CONSIDERATIONS | No relevant issues. |
| ENVIRONMENT, SUSTAINABILITY AND CLIMATE CHANGE CONSIDERATIONS | No relevant issues. |
| CONSULTATION | Not applicable |

6. RECOMMENDATIONS

6.1 It is recommended that the Committee

- i) Approves the proposals to release funding requested as detailed in **CONFIDENTIAL APPENDIX 1. 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, (paragraph 3) information relating to the financial or business affairs of any particular person (including the authority holding that information;**
- ii) Delegates the agreement on the final sum and loan terms to the Managing Director in consultation the Director of Finance, IT and Digital, Director of Legal, Governance and Human Resources and the Leader of the Council.

7. REASONS FOR RECOMMENDATIONS

7.1 To provide a funding option to support the provision of a charity run Childrens Home within Hartlepool.

8. BACKGROUND PAPERS

8.1 None

9. CONTACT OFFICER

James Magog
Director of Finance, IT and Digital
Email: james.magog@hartlepool.gov.uk
Telephone: 01429 523093

Sign Off:-

| | |
|--------------------------------------|--------------------|
| Managing Director | Date:4 June 2025 |
| Director of Finance, IT and Digital | Date: 4 June 2025 |
| Director of Legal, Governance and HR | Date: 10 June 2025 |

Hartlepool Borough Council – Single Impact Assessment Form

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

Section 1 – Details of the proposed action being considered

| | |
|--|--------------------------------|
| 1.1 Lead Department: | Finance, IT and Digital |
| 1.2 Lead Division: | Finance and Corporate Services |
| 1.3 Title of the proposed action: | |
| Childrens Home – Provision of Loan | |
| 1.4 Brief description of the proposed action: | |
| To provide a loan to a charitable organisation to support the provision of an additional Childrens Home within Hartlepool. | |
| 1.5 Who else is involved: | |
| Colleagues within Childrens Services, Finance and Legal have been involved in progressing the project. | |
| 1.6 Who will make the final decision about the proposed action: | |

Hartlepool Borough Council – Single Impact Assessment Form

Finance and Corporate Affairs Committee

1.7 Which wards will be affected by the proposed action? Tick all that apply

| | | | | | |
|-----------------|--------------------------|--------------------|--------------------------|-----------------------------------|--------------------------|
| All wards | <input type="checkbox"/> | Hart | <input type="checkbox"/> | Seaton | <input type="checkbox"/> |
| Burn Valley | <input type="checkbox"/> | Headland & Harbour | <input type="checkbox"/> | Throston | <input type="checkbox"/> |
| De Bruce | <input type="checkbox"/> | Manor House | <input type="checkbox"/> | Victoria | <input type="checkbox"/> |
| Fens & Greatham | <input type="checkbox"/> | Rossmere | <input type="checkbox"/> | N/A - Internal council activities | X |
| Foggy Furze | <input type="checkbox"/> | Rural West | <input type="checkbox"/> | | |

1.8 Completed By:

| Name | Job Title | Date Completed |
|------------|--|----------------|
| Paul Dixon | Assistant Director (Finance and Corporate) | 10/06/2025 |

| 1.9 Version | Author | Summary of Changes | Date |
|-------------|------------|--------------------|------------|
| 1 | Paul Dixon | Initial Draft | 10/06/2025 |
| | | | |
| | | | |

Section 2 – Explaining the impact of the proposed action

Hartlepool Borough Council – Single Impact Assessment Form

2.1 What data and evidence has informed this impact assessment?

There is a significant pressure on councils nationally due to the numbers and cost of Children in our Care. Locally Hartlepool Borough Council continues to explore opportunities to mitigate overspends on Childrens Social care.

Improving the “mix” of providers, shifting away from the private provider sector and move to in house or trusted charitable providers is a key aim of our transformation strategy for Children Social Care. This loan proposal supports that aim.

2.2 If there are gaps in evidence or not enough information to assess the impact, how have you addressed this or how will you address it?

| Gap(s) Identified | How it / they have or will be addressed |
|-------------------|---|
| None | |

Hartlepool Borough Council – Single Impact Assessment Form

2.3 Risk Score

| Impact | Negative Impact Score | Explanation – what is the impact? |
|---|--|---|
| Age | | |
| <input type="checkbox"/> Positive Impact <input type="checkbox"/> Negative Impact <input checked="" type="checkbox"/> No Impact | Likelihood score: e.g. Almost certain 4 Impact score: e.g. Major 3 Overall score: e.g. Red 12 | There is no specific impact based on this criteria. |
| Disability | | |
| <input type="checkbox"/> Positive Impact <input type="checkbox"/> Negative Impact <input checked="" type="checkbox"/> No Impact | Likelihood score: Impact score: Overall score: | There is no specific impact based on this criteria. |
| Gender Reassignment | | |
| <input type="checkbox"/> Positive Impact <input type="checkbox"/> Negative Impact <input checked="" type="checkbox"/> No Impact | Likelihood score: Impact score: Overall score: | There is no specific impact based on this criteria. |
| Marriage and Civil Partnership | | |
| <input type="checkbox"/> Positive Impact <input type="checkbox"/> Negative Impact <input checked="" type="checkbox"/> No Impact | Likelihood score: Impact score: Overall score: | There is no specific impact based on this criteria. |

Hartlepool Borough Council – Single Impact Assessment Form

| Impact | Negative Impact Score | Explanation – what is the impact? |
|---|--|---|
| Pregnancy and Maternity | | |
| <input type="checkbox"/> Positive Impact <input type="checkbox"/> Negative Impact <input checked="" type="checkbox"/> No Impact | Likelihood score: Impact score: Overall score: | There is no specific impact based on this criteria. |
| Race (Ethnicity) | | |
| <input type="checkbox"/> Positive Impact <input type="checkbox"/> Negative Impact <input checked="" type="checkbox"/> No Impact | Likelihood score: Impact score: Overall score: | There is no specific impact based on this criteria. |
| Religion or Belief | | |
| <input type="checkbox"/> Positive Impact <input type="checkbox"/> Negative Impact <input checked="" type="checkbox"/> No Impact | Likelihood score: Impact score: Overall score: | There is no specific impact based on this criteria. |
| Sex | | |
| <input type="checkbox"/> Positive Impact <input type="checkbox"/> Negative Impact <input checked="" type="checkbox"/> No Impact | Likelihood score: Impact score: Overall score: | There is no specific impact based on this criteria. |

Hartlepool Borough Council – Single Impact Assessment Form

| Impact | Negative Impact Score | Explanation – what is the impact? |
|---|--|---|
| Sexual Orientation | | |
| <input type="checkbox"/> Positive Impact <input type="checkbox"/> Negative Impact <input checked="" type="checkbox"/> No Impact | Likelihood score: Impact score: Overall score: | There is no specific impact based on this criteria. |
| Care Leavers (Local) | | |
| <input checked="" type="checkbox"/> Positive Impact <input type="checkbox"/> Negative Impact <input type="checkbox"/> No Impact | Likelihood score: Impact score: Overall score: | There is a potential positive impact to future care leavers that have been in our care, increased local provision with Hartlepool to better meet their needs. |
| Armed Forces (Local) | | |
| <input type="checkbox"/> Positive Impact <input type="checkbox"/> Negative Impact <input checked="" type="checkbox"/> No Impact | Likelihood score: Impact score: Overall score: | There is no specific impact based on this criteria. |
| Poverty and Disadvantage (Local) | | |
| <input type="checkbox"/> Positive Impact <input type="checkbox"/> Negative Impact <input checked="" type="checkbox"/> No Impact | Likelihood score: Impact score: Overall score: | There is no specific impact based on this criteria. |

Hartlepool Borough Council – Single Impact Assessment Form

Section 3 - Mitigation Action Plan or Justification

| Group(s) impacted | Proposed mitigation | How this mitigation will make a difference | By when | Responsible Officer |
|-------------------|---------------------|--|---------|---------------------|
| N/A | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

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

Section 4 - Sign Off

| Responsible Officer sign off: | |
|---|--|
| Name | Paul Dixon |
| Job title | Assistant Director (Finance and Corporate) |
| Assistant Director / Director sign off: | |
| Name | James Magog |
| Job title | Director of Finance, IT and Digital |

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

Hartlepool Borough Council – Single Impact Assessment Form

Section 5 - Review (To be completed after implementation)

| 5.1 Review completed by: | | |
|--------------------------|-----------|-----------------------|
| Name | Job Title | Date review completed |
| | | |

| 5.2 Did the impact turned out as expected? |
|--|
| |

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

| 5.4 Were there any unexpected outcomes? |
|---|
| |

Hartlepool Borough Council – Single Impact Assessment Form

5.5 Following the review please identify next steps here (Select one)

- ☐ Additional mitigation required (give details below - 5.6)
- ☐ Original proposed course of action needs to be revisited
- ☐ No further action required

5.6 Additional mitigation(s) or justification

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

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

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

FINANCE AND CORPORATE AFFAIRS COMMITTEE

23 JUNE 2025



Subject: FREE SCHOOL MEALS – AUTO-ENROLMENT

Report of: Director of Finance, IT and Digital

Decision Type: Key Test ii (General Exception applies)

1. COUNCIL PLAN PRIORITY

Hartlepool will be a place:

- where people live healthier, safe and independent lives. (People)

2. PURPOSE OF REPORT

2.1 The purpose of the report is to:

- i) Agree to introduce auto-enrolment for Free School meals beginning in the academic year 2025/26.

3. BACKGROUND

3.1 Families are currently eligible for free school meals should they meet certain criteria, primarily the family's income and receipt of specific benefits. As an example, children are eligible if their parents receive Income Support, income based Jobseekers Allowance, income related Employment and Support Allowance, or Universal Credit with a new annual earned income of less than £7,400. This income threshold has not increased since 2018, despite other benefits increasing in line with inflation.

3.2 Within Hartlepool there are 6,034 recipients of free school meals as at 24 April 2025. The service is administered on an application basis and is managed by the benefits team within the council.

3.3 Application is normally made by the parents on-line using the council's website or by telephone to the benefits team. The team undertake several validations and if approved confirm with the parent and also inform the school. This is done on a continuous basis. However, there is normally a significant spike in the summer holidays.

- 3.4 As schools have ultimate responsibility to check the eligibility of the applicant and enrol them, the benefit team charge schools an SLA for administering the scheme. All but five schools signed up to the SLA in 2024/25.
- 3.5 In addition to the demonstrable public health and financial benefit for the child and family, the number of children claiming a free school meal is the main determinant of pupil premium grant received by schools – the higher the take up, the increased funding received. Primary schools receive £1,515 for all pupils who are eligible for free meals, and secondary schools receive £1,075 for pupils in Year 7 to Year 11 who are eligible. Funding is also provided under 'FSM Ever6' covering any pupil that has been recorded as eligible in the past 6 years. As such there is also a financial incentive for schools to increase take up.
- 3.6 Transitional protection has been in place to protect existing recipients from losing their entitlement due to changes in Universal Credit criteria. This initially ended on the 31 March 2025. When in operation this ensured that pupils who were eligible on 1 April 2018 or became eligible since continued to receive free meals until 31 March 2025, even if their household is no longer eligible under the benefits criteria. After this date, it had been anticipated that any existing claimants who no longer meet the eligibility criteria would still receive free school meals until the end of their current phase of education.
- 3.7 The impact of the end of transitional arrangements would have been two-fold:
- a) The number of children in receipt of free school meals would likely reduce over the coming years as their phase of education ends; there are likely to be children, historically in receipt of free meals, that no longer meet the criteria; and
 - b) The free school meal caseload would become significantly more volatile, thus impacting on the administration of the system. Protection ensured an element of stability as, once eligible, children did not often become ineligible. From 1 September 2025 the weekly entitlement and calculation of Universal Credit may also have led to a weekly shift in free school meal eligibility. The benefits team are not currently resourced to manage this volatility.
- 3.8 The government's recent announcement regarding free school meals eligibility, includes the following main points, with further guidance to be issued in due course:
- a) That transitional arrangements be continued, regardless of any change in household circumstances or phase of education until the end of the 2025/26 school year.
 - b) From the start of the 2026/27 school year, the Department of Education will introduce new eligibility criteria meaning that all children from

- households in receipt of Universal Credit will be entitled to receive a free meal.
- c) That schools and local authorities should recheck eligibility for all pupils in receipt of free meals, ahead of the October census, and crucially that the rechecks should not be carried out more than once a year to prevent families from experiencing any loss of entitlement during the school year; and
 - d) All transitional arrangements, including protection to the end of current phase of Education will cease at the end of the 2025/26 school year.
- 3.9 These announcements should significantly reduce the expected volatility in caseload. The ending of transitional arrangements at the end of 2025/26 will remove a number of families from eligibility at that stage, however, the new criteria will support more families in accessing free school meals, without the in year volatility.
- 3.10 Prior to the initial 31 March deadline, the benefits team identified 181 children on our systems that were felt could be eligible. This suggests that the number of eligible children that are not claiming is low. After a take up campaign, the team awarded 45 of those children a free meal.
- 3.11 In recent years a number of Local Authorities have progressed auto enrolment for free school meals in various guises. This means that if parents have signed up (or not opted out), and the local authority identifies that the child is eligible, they will automatically enrol them for free meals.
- 3.12 A number of Local Authorities have determined not to progress auto enrolment on the basis of legal constraints around data and the fact that we are not asking parents to actively sign up for auto-enrolment.
- 3.13 The Children's Wellbeing and Schools Bill had its third reading in parliament during March. As part of this reading an amendment to allow the automatic enrolment for eligible children was proposed. The government's response set out that they are exploring options to further data sharing to help more eligible families access free school meals, and that these are set to be in place by the 2026 academic year. Note, the Bill, now referred to the House of Lords, does not appear to include for auto enrolment, suggesting the amendment in its current guise was not accepted.
- 3.14 Separately, The Free School Meals (Automatic Registration of Eligible Children) Bill, a private members bill, had its second reading on the 14 March 2025. Whilst private members' bills are unlikely to make it into law, there does appear to be increasing support for this approach. The debate was adjourned until 11 July 2025 and further discussions are expected to take place as part of the Children's Wellbeing and Schools Bill and the Child Poverty Strategy.
- 3.15 Should auto-enrolment of free school meals be legislated, there would be a reasonable expectation of a new burdens payment from government to cover anticipated costs, for those councils that have yet to implement.

4. PROPOSAL

- 4.1 Subject to any system or information governance constraints, which are still being worked through, it is proposed to commence with auto-enrolment for free school meals from September 2025.
- 4.2 An initial exercise would be undertaken to contact all Hartlepool parents currently deemed eligible identifying that the council is proposing auto-enrolment for free school meals. Parent would be able to exercise their rights not to be included. Schools would also be contacted to advise of the proposal. In the future notice would be provided through the admissions process.
- 4.3 Parents will still be able to apply using the current approach where the child is not auto-enrolled.
- 4.4 Where schools do not buy into the SLA (5 in 2024/25), they will be encouraged to do so in order to achieve full coverage across the borough. If they choose not to do so, children attending that school will not be eligible for auto enrolment and will have to apply. However, the council will provide basic information to that school in order to encourage a pro-active approach by that school to maximise sign up and ensure we have some form of coverage across all of Hartlepool.
- 4.5 It is difficult to ascertain the administrative burden of this process, in part because it would be dependent on the numbers becoming eligible. Whilst it was initially considered to be high, the government announcement regarding transitional arrangements and new eligibility is likely to reduce the administrative impact.
- 4.6 At this stage it is anticipated one full time Band 7 benefit officer post will be required, together with some printing and postage increases. The annual cost is therefore estimated to be circa £40,000. Whilst we could seek to recover this cost from schools via the anticipated increase in pupil premium, given free school meal sign up may still drop following the end of protections, this could be difficult to achieve.
- 4.7 For the first year, we will initially seek to use existing resource until we can fully quantify the impact. Otherwise, the cost of the scheme in 2025/26 financial year will be met by staff slippage savings across the Finance, IT and Digital department. The on-going cost has been factored into pay and price increases within the medium term financial plan, set out elsewhere on today's agenda.
- 4.8 The alternative option would be not to progress with auto-enrolment and continue the current practice of applications and periodic promotions. We know that some children in Hartlepool who are eligible for a free school meal are not receiving them. This option is not recommended.

5. OTHER CONSIDERATIONS

| | |
|--|---|
| RISK IMPLICATIONS | No relevant issues. |
| FINANCIAL CONSIDERATIONS | As set out in main body of the report. |
| SUBSIDY CONTROL | No relevant issues |
| LEGAL CONSIDERATIONS | The council is relying on Public Task as the legal basis for auto-enrolment. Parents will not be asked to opt in, but will be able to exercise their rights not to be included. |
| CHILD AND FAMILY POVERTY | A Single Impact Assessment is attached at Appendix A |
| EQUALITY AND DIVERSITY CONSIDERATIONS | A Single Impact Assessment is attached at Appendix A |
| STAFF CONSIDERATIONS | No relevant issues. |
| ASSET MANAGEMENT CONSIDERATIONS | No relevant issues. |
| ENVIRONMENT, SUSTAINABILITY AND CLIMATE CHANGE CONSIDERATIONS | No relevant issues. |
| CONSULTATION | Schools will be notified of the proposed approach. |

6. RECOMMENDATIONS

6.1 It is recommended that Members:

- i) Agree to progress with auto-enrolment for Free School meals beginning in the academic year 2025/26.

7. REASONS FOR RECOMMENDATIONS

7.1 To maximise the entitlement to free school meals for families within Hartlepool.

8. BACKGROUND PAPERS

8.1 None

9. CONTACT OFFICERS

James Magog
Director of Finance, IT and Digital
Email: james.magog@hartlepool.gov.uk
Telephone: 01429 523093

Sign Off:-

| | |
|--------------------------------------|-------------------|
| Managing Director | Date: 4 June 2025 |
| Director of Finance, IT and Digital | Date: 4 June 2025 |
| Director of Legal, Governance and HR | Date: 4 June 2025 |

Hartlepool Borough Council – Single Impact Assessment Form

5.3 Appendix A

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

Section 1 – Details of the proposed action being considered

| | |
|---|-------------------------------------|
| 1.1 Lead Department: | Finance, IT and Digital |
| 1.2 Lead Division: | Customer Services and IT (Benefits) |
| 1.3 Title of the proposed action: | |
| Free School Meals – Auto-enrolment | |
| 1.4 Brief description of the proposed action: | |
| To auto-enrol any families that meet the eligibility criteria for free school meals. Thus eliminating the need for families to submit an application form in most circumstances. | |
| 1.5 Who else is involved: | |
| Whilst the benefits team, will undertake the administration and lead the proposal, colleagues within Childrens Services (Admissions Team and Information and Performance Team) have been involved in the project, as has Legal, IT and Finance. | |

Hartlepool Borough Council – Single Impact Assessment Form

5.3 Appendix A

1.6 Who will make the final decision about the proposed action:

Finance and Corporate Affairs Committee

1.7 Which wards will be affected by the proposed action? Tick all that apply

| | | | | | |
|-----------------|-------------------------------------|--------------------|--------------------------|-----------------------------------|--------------------------|
| All wards | <input checked="" type="checkbox"/> | Hart | <input type="checkbox"/> | Seaton | <input type="checkbox"/> |
| Burn Valley | <input type="checkbox"/> | Headland & Harbour | <input type="checkbox"/> | Throston | <input type="checkbox"/> |
| De Bruce | <input type="checkbox"/> | Manor House | <input type="checkbox"/> | Victoria | <input type="checkbox"/> |
| Fens & Greatham | <input type="checkbox"/> | Rossmere | <input type="checkbox"/> | N/A - Internal council activities | <input type="checkbox"/> |
| Foggy Furze | <input type="checkbox"/> | Rural West | <input type="checkbox"/> | | |

1.8 Completed By:

| Name | Job Title | Date Completed |
|----------------|------------------|----------------|
| Gillian Harvey | Benefits Manager | 10/06/2025 |

| 1.9 Version | Author | Summary of Changes | Date |
|-------------|----------------|--------------------|------------|
| 1 | Gillian Harvey | Initial Draft | 10/06/2025 |
| | | | |
| | | | |

Section 2 – Explaining the impact of the proposed action

| 2.1 What data and evidence has informed this impact assessment? | |
|--|---|
| <p>Nationally there is concern that eligible children are not receiving the free school meals that they are entitled to. There may be a number of reasons for this, including; lack of awareness, complexity of the application process, but also perceived stigma of claiming free school meals. There may be other individual reasons.</p> <p>Locally we believe that we have a high take up of free school meals. An exercise undertaken in March using benefit information we hold only identified 181 children that we felt may be eligible, that were not already in receipt of free school meals. Following a take up campaign, which required families to physically apply, we awarded 45 children a free meal. Whilst low numbers, this represents 45 children in receipt of a free meal and potentially circa £50,000 of additional funding to Hartlepool schools.</p> | |
| 2.2 If there are gaps in evidence or not enough information to assess the impact, how have you addressed this or how will you address it? | |
| Gap(s) Identified | How it / they have or will be addressed |
| None | |

2.3 Risk Score

| Impact | Negative Impact Score | Explanation – what is the impact? |
|---|--|--|
| Age | | |
| <input type="checkbox"/> Positive Impact <input type="checkbox"/> Negative Impact <input checked="" type="checkbox"/> No Impact | Likelihood score: e.g. Almost certain 4 Impact score: e.g. Major 3 Overall score: e.g. Red 12 | Whilst there may be a positive impact, there is no specific impact based on this criteria. |
| Disability | | |
| <input type="checkbox"/> Positive Impact <input type="checkbox"/> Negative Impact <input checked="" type="checkbox"/> No Impact | Likelihood score: Impact score: Overall score: | Whilst there may be a positive impact, there is no specific impact based on this criteria. |
| Gender Reassignment | | |
| <input type="checkbox"/> Positive Impact <input type="checkbox"/> Negative Impact <input checked="" type="checkbox"/> No Impact | Likelihood score: Impact score: Overall score: | Whilst there may be a positive impact, there is no specific impact based on this criteria. |
| Marriage and Civil Partnership | | |
| <input type="checkbox"/> Positive Impact <input type="checkbox"/> Negative Impact <input checked="" type="checkbox"/> No Impact | Likelihood score: Impact score: Overall score: | Whilst there may be a positive impact, there is no specific impact based on this criteria. |

Hartlepool Borough Council – Single Impact Assessment Form

5.3 Appendix A

| Impact | Negative Impact Score | Explanation – what is the impact? |
|---|--|--|
| Pregnancy and Maternity | | |
| <input type="checkbox"/> Positive Impact <input type="checkbox"/> Negative Impact <input checked="" type="checkbox"/> No Impact | Likelihood score: Impact score: Overall score: | Whilst there may be a positive impact, there is no specific impact based on this criteria. |
| Race (Ethnicity) | | |
| <input type="checkbox"/> Positive Impact <input type="checkbox"/> Negative Impact <input checked="" type="checkbox"/> No Impact | Likelihood score: Impact score: Overall score: | Whilst there may be a positive impact, there is no specific impact based on this criteria. |
| Religion or Belief | | |
| <input type="checkbox"/> Positive Impact <input type="checkbox"/> Negative Impact <input checked="" type="checkbox"/> No Impact | Likelihood score: Impact score: Overall score: | Whilst there may be a positive impact, there is no specific impact based on this criteria. |
| Sex | | |
| <input type="checkbox"/> Positive Impact <input type="checkbox"/> Negative Impact <input checked="" type="checkbox"/> No Impact | Likelihood score: Impact score: Overall score: | Whilst there may be a positive impact, there is no specific impact based on this criteria. |

Hartlepool Borough Council – Single Impact Assessment Form

5.3 Appendix A

| Impact | Negative Impact Score | Explanation – what is the impact? |
|---|--|---|
| Sexual Orientation | | |
| <input type="checkbox"/> Positive Impact <input type="checkbox"/> Negative Impact <input checked="" type="checkbox"/> No Impact | Likelihood score: Impact score: Overall score: | Whilst there may be a positive impact, there is no specific impact based on this criteria. |
| Care Leavers (Local) | | |
| <input type="checkbox"/> Positive Impact <input type="checkbox"/> Negative Impact <input checked="" type="checkbox"/> No Impact | Likelihood score: Impact score: Overall score: | Whilst there may be a positive impact, there is no specific impact based on this criteria. |
| Armed Forces (Local) | | |
| <input type="checkbox"/> Positive Impact <input type="checkbox"/> Negative Impact <input checked="" type="checkbox"/> No Impact | Likelihood score: Impact score: Overall score: | Whilst there may be a positive impact, there is no specific impact based on this criteria. |
| Poverty and Disadvantage (Local) | | |
| <input checked="" type="checkbox"/> Positive Impact <input type="checkbox"/> Negative Impact <input type="checkbox"/> No Impact | Likelihood score: Impact score: Overall score: | Auto-enrolment will increase the number of families benefiting from Free School meals by removing the need to complete an application in the majority of cases. |

Section 3 - Mitigation Action Plan or Justification

| Group(s) impacted | Proposed mitigation | How this mitigation will make a difference | By when | Responsible Officer |
|-------------------|---------------------|--|---------|---------------------|
| N/A | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

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

Section 4 - Sign Off

| | |
|--|-------------------------------------|
| Responsible Officer sign off: | |
| Name | Gillian Harvey |
| Job title | Benefits Manager |
| Assistant Director / Director sign off: | |
| Name | James Magog |
| Job title | Director of Finance, IT and Digital |

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

Section 5 - Review (To be completed after implementation)

| 5.1 Review completed by: | | |
|---------------------------------|------------------|------------------------------|
| Name | Job Title | Date review completed |
| | | |

| 5.2 Did the impact turned out as expected? |
|---|
| |

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

| 5.4 Were there any unexpected outcomes? |
|--|
| |

5.5 Following the review please identify next steps here (Select one)

- ☐ Additional mitigation required (give details below - 5.6)
- ☐ Original proposed course of action needs to be revisited
- ☐ No further action required

5.6 Additional mitigation(s) or justification

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

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

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

FINANCE AND CORPORATE AFFAIRS COMMITTEE

23RD JUNE 2025



Subject: APPRENTICESHIP POLICY
Report of: DIRECTOR OF LEGAL, GOVERNANCE AND HR
Decision Type: Non-Key

1. COUNCIL PLAN PRIORITY

Hartlepool will be 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 update members of the Finance and Corporate Affairs Committee on the new Apprenticeship Policy (attached as **Appendix 1**).

3. BACKGROUND

- 3.1 The Council has successfully offered apprenticeships for several years under various arrangement. This has included a partnership with Hartlepool College of Further Education acting as an apprenticeship training agency and employing apprentices on the Council's behalf. Since the introduction of the Apprenticeship Levy, it has been necessary for Council to directly employ apprentices. To date this has taken place without any formal policy arrangements being in place.
- 3.2 The Policy has been formally approved by the Executive Leadership Team (ELT) and Trade Unions through Single Table.

4. PROPOSALS/OPTIONS FOR CONSIDERATION

- 4.1 The proposal is to formalise the current apprenticeship arrangements with an apprenticeship policy to guide the delivery and consistency of apprenticeships across the Council.
- 4.2 Members of the Finance and Corporate Affairs Committee are requested to review and comment on the Apprenticeship Policy taking account of the following financial considerations which cannot be funded by the Apprenticeship Levy.
- Costs associated with any training not covered within the apprenticeship programme that may be required for an apprentice to be 'job ready' at the end of the apprenticeship.
 - Meeting the costs for an apprentice to resit the End Point Assessment on two occasions (further resits at Manager's discretion) should it be required.

5. OTHER CONSIDERATIONS/IMPLICATIONS

| | |
|--|---------------------------------|
| RISK IMPLICATIONS | None |
| FINANCIAL CONSIDERATIONS | None |
| SUBSIDY CONTROL | None |
| LEGAL CONSIDERATIONS | None |
| SINGLE IMPACT ASSESSMENT | Attached as Appendix 2 . |
| STAFF CONSIDERATIONS | None |
| ASSET MANAGEMENT CONSIDERATIONS | None |
| ENVIRONMENT, SUSTAINABILITY AND CLIMATE CHANGE CONSIDERATIONS | None |

| | |
|---------------------|---|
| CONSULTATION | Internal consultation has been undertaken with trade unions and the LJCC. |
|---------------------|---|

6. RECOMMENDATIONS

- 6.1 That the Committee approve the new Apprenticeship Policy.

7. REASONS FOR RECOMMENDATIONS

- 7.1 The policy gives clarity to managers on the commitment of the Council to support apprentices and the different models of delivery.

8. BACKGROUND PAPERS

- 8.1 None.

9. CONTACT OFFICERS

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01429 523548

Sign Off:-

| | |
|--------------------------------------|-----------------|
| Managing Director | Date: 4 June 25 |
| Director of Finance, IT and Digital | Date: 4 June 25 |
| Director of Legal, Governance and HR | Date: 4 June 25 |



Apprenticeship Policy & Procedure

1. Policy Statement

- 1.2 This apprenticeship policy defines the Council's approach to apprenticeships, and the use of the Apprenticeship Levy, to support the delivery of the workforce strategy and workforce planning process by recruiting new talent, and upskilling both new and existing employees to help fill skills gaps, provide development opportunities and aid retention.

2. Scope

- 2.1 This policy applies to all existing Council employees and also those recruited directly into apprenticeship roles. This policy does not apply to HBC volunteers, agency workers/casual workers or school-based employees where the school does not form part of the Council's apprenticeship levy.
- 2.2 All employees can express an interest in embarking on an apprenticeship programme/qualification providing they are in a job role that supports the requirements, set out in apprenticeship standards approved by the Institute for Apprenticeships and the length of their employment contract is equal to or exceeds the duration of the apprenticeship (including end point assessment).

3. Objectives

- 3.1 The Council's objectives in relation to apprenticeships are
- To contribute to the Council's long-term goal to grow its own talent and support workforce planning.
 - To use apprenticeships to fill hard to recruit roles and upskill recruits to the desired level.
 - To upskill existing staff, encouraging retention, creating a career pathway and a talent pipeline for the future.
 - To provide line managers with the opportunity to develop the workforce through apprenticeship programmes.
 - To enhance the reputation of the Council as an employer.
 - To develop a workforce that is diverse and inclusive, and promotes equality of opportunity.
 - To fully utilise the Apprenticeship Levy fund as a development resource for existing and new employees.
 - To increase the number of people within the Council undertaking qualifications using apprenticeship training programmes.

4. Understanding Apprenticeships

- 4.1 An apprentice is a learner (either directly recruited as an apprentice or an existing employee) who is taking part in an apprenticeship training programme/qualification whilst in a related job role, learning new skills and applying them in the workplace.

An apprentice will:

- combine practical training in a job with study
- work alongside experienced staff

- gain job-specific skills
- get time for study related to the role (currently set nationally at 20% of working time)
- externally recruited apprentices will have the same employment rights as other employees, as set out in their contract of employment or apprenticeship agreement.

4.2 Further information on apprenticeships can be found in guidance document HR-G?

5. Roles and Responsibilities

5.1 Apprentices

Apprentices are responsible for having a clear understanding of the training programme they are committing to. This includes:

- Following instructions or guidance given to them by their line manager/nominated supervisor/mentor and asking for clarity if required.
- Following the Council's policies and procedures and ensuring they comply with their job role.
- In line with legislation, consider the health and safety of themselves and others whilst undertaking their role.
- Ensuring they deliver the highest quality work they are able to, working hard to fulfil the requirements to pass their assessments, assignments and qualification.
- Completing the apprenticeship standard and meeting the deadlines for work submissions.
- meeting regularly with the training provider, assessor and their line manager
- Uploading assignments, recording development and training activity, in particular 'off the job' training in accordance with the Training Provider's tracking system.
- Participating in 3 way quarterly reviews between apprentice, line manager and departmental apprenticeship representative. This does not apply to existing employees undertaking an apprenticeship programme.
- If required, attend and participate in apprenticeship promotional events.

5.2 Line Manager

In addition to their usual people management role, line managers are responsible for all operational aspects of the apprenticeship, specifically but not limited to:

- Manage recruitment process for apprentices within their service area in conjunction with Departmental Workforce/Apprenticeship Representative (depending on type of apprenticeship), keeping Head of Service/Assistant Director updated.
- Liaise with the HR service prior to agreeing apprentice start date.
- Carrying out a departmental induction.

- Follow the Probation Procedure.
- Being committed to supporting the apprentice for the full duration of the apprenticeship programme.
- Supporting and dealing with any issues in accordance with the national apprentice standards and Council policies.
- Working with the apprentices and training provider to ensure that appropriate work is planned to develop the required skills, knowledge and behaviours.
- Create an environment that is conducive to learning and vary the work to ensure that the objectives can be met.
- Using the Training Provider's tracking system to monitor the apprentices progress, 'off the job training', ensuring that it meets the minimum of 20%.
- Reviewing the quality of the assignments and data from the tracking system/training provider to inform their regular 1:1 conversations
- Providing coaching, guidance and feedback to help apprentices develop the knowledge and skills to meet the requirements of the apprenticeship standard.
- Allocating a mentor/buddy who has the appropriate skills and capabilities for each apprentice to provide additional support.
- Meeting with the training provider and the apprentice regularly, to discuss their progress and any issues which may need to be addressed.
- Participating in 3 way quarterly reviews between apprentice, line manager and departmental apprenticeship representative. This does not apply to existing employees undertaking an apprenticeship programme.
- Informing the training provider and the HR Service of any issues which may affect the successful completion of the apprenticeship qualification in the agreed timescale.
- Conducting risk assessment for the job role.
- Preparing and guiding the apprentice through their End Point Assessment (such as reviewing submissions, mock presentations).

5.3 Departmental Apprenticeship Representative

- Support managers to identify apprenticeship opportunities in their areas.
- Seek departmental approval for the annual apprenticeship intake and feed requirements into the HR service.
- Support the line manager through the recruitment process.
- Attend Apprenticeship Working Group Meetings.
- Lead on 3 way quarterly reviews between apprentice, line manager and departmental apprenticeship representative (Route 1 as outlined in 7.1 below) . This does not apply to existing employees undertaking an apprenticeship programme.
- Monitor Apprenticeship Performance Management, including probation.
- Attend where required, ad-hoc meetings with apprenticeship training providers.
- Attend and participate in apprenticeship promotional events.
- Participate in apprenticeship assessments centres when required.

5.4 HR Service

- Support managers to identify apprenticeship opportunities in their areas.
- Identify and engage the services of suitable training providers to support the relevant Apprenticeship programmes.
- Seek ELT approval for the annual apprenticeship intake.
- Co-ordinate the care leaver priority interview process.
- Support large scale/multiple post recruitment process.
- Manage the enrolment process.
- Ensure all provider contracts, associated documentation and processes are compliant with the apprenticeship funding rules
- Manage the apprenticeship induction day with the Training Provider.
- Monitor apprenticeship progress against the programme.
- Liaise with apprenticeship training providers to ensure programmes are delivered as agreed and positive outcomes are achieved.
- Maintain corporate monitoring and reporting processes for all Council apprenticeships.
- Manage and monitor the Council's Digital Apprenticeship Account.
- Attend and participate in apprenticeship promotional events.
- Seek opportunities to enhance the apprenticeship offer.

6. APPRENTICESHIP LEVY AND SALARY COSTS

- 6.1 The apprenticeship training and on-programme assessment costs will be met from the Council's Apprenticeship Levy Account.
- 6.2 Any salary costs and associated expenses (milage claims, professional membership fees) for employing an apprentice cannot be funded by the Apprenticeship Levy and these will need to be met from departmental budgets.
- 6.3 The Council's Digital Apprenticeship Levy Account is managed by the HR Service.

7. APPRENTICESHIP ROUTES

- 7.1 The Council supports 3 apprenticeship routes.

Route 1 - Apprentice – recruited externally A fixed term apprenticeship agreement (HR-F?) for the purposes of completing an apprenticeship programme where no prior experience is required. Paid national apprenticeship minimum wage. Whilst there is no guarantee of a job role upon completion every effort will be made to support the apprentice to secure employment.

Route 2 - Succession Planning – recruited internally or externally A fixed term job role that requires a level of experience and is created for the purpose

of developing an individual to move into a vacant and/or difficult to fill position e.g. Social Worker. Paid Council job evaluated rate of pay.

- If recruited to externally there is flexibility to offer a qualified job role upon completion should one be available.
- If recruited to internally consideration can be given to retaining the substantive post for the employee to return to. This is at the discretion of the Head of Service.

Route 3 - Existing Employee – qualification route Undertaking an apprenticeship programme relevant to their current job role/service area to upskill/gain a qualification. Generally no change to pay band unless or job role upon completion unless in a development scheme role.

- 7.2 To progress an apprenticeship through any of the routes detailed above the manager needs follow the process detailed in the step by step guide linked to this policy(HR-G?)

8. Care Leavers Accessing an Apprenticeship

- 8.1 The Council is committed to supporting care leavers to access apprenticeships and aims to fill 25% of its apprenticeship opportunities with care leavers on an annual basis.
- 8.2 Any care leaver interested in an apprenticeship with the Council will be given a priority interview (route 1 only), providing they meet the essential qualification requirements for the apprenticeship. Following interview, if the recruiting manager does not feel the care leaver is suitable for the apprenticeship, a request to decline must be escalated to the Assistant Director in the department where the apprenticeship is based.
- 8.3 The care leaver priority interview process will be co-ordinated by the HR Service who will liaise with the Through Care Team and the manager of the apprenticeship opportunity.

9 Recruiting an Apprentice (route 1 & 2)

- 9.1 All new apprenticeship posts (excluding route 3) will be recruited in accordance with this policy and the Council's *Recruitment and Selection Policy and Procedure*.
- 9.2 The manager is responsible for all elements of the recruitment process. Once a successful candidate has been identified, the pre-employment process completed and the individual cleared to start, the manager must liaise with the HR service to jointly agree a start date and commence the enrolment process.
- 9.3 In cases, where a large number of applications have been received for a particular apprenticeship then the HR Service can, at the request of the manager, deliver an assessment centre to facilitate the shortlisting process. (HR-G?).

- 9.4 Where there is a requirement to fill multiple positions of the same apprenticeship across more than one department, the HR service can support a joint recruitment exercise. (HR-G?).

10. Existing Employees (route 3) Undertaking an Apprenticeship Programme/qualification

- 10.1 For an existing employee to undertake an apprenticeship programme/qualification they must be in a job role that provides them with the opportunity to develop and apply the knowledge, skills and behaviours set out in the apprenticeship standard. The contract of employment also needs as a minimum to be equal to the duration of the apprenticeship, including the end the point assessment period.
- 10.2 Approval for an existing employee to participate in an apprenticeship programme/qualification is undertaken at a departmental level. Once approval is granted the manager in conjunction with the departmental workforce development representative must liaise with the HR service to ensure that an approved training provider is engaged to enable apprenticeship levy funds to be accessed.

11. Apprenticeship Pay, Terms and Conditions

- 11.1 All new apprentices recruited into the Council through **route 1** will be employed on a fixed term apprenticeship agreement, have the same terms and conditions, as other employees, be managed in accordance with HR policies and procedures and will receive the national apprentice rate of pay.
- 11.2 Employees recruited (internally/externally) into a developmental role via **route 2** to support succession planning, will be employed on a fixed term employment contract, have the same terms and conditions as other employees and will be paid the pay band commensurate with the role as determined by the job evaluation process. If the applicant is internal, consideration to hold the employee's substantive role open will be determined on a case-by-case basis.
- 11.3 There will be no change to the pay, terms and conditions for existing employees accessing an apprenticeship to upskill through **route 3** unless in a development scheme role.
- 11.4 The **minimum** duration for an apprenticeship is 8 months. Where an apprentice has completed the learning before 8 months, training should continue within the workplace for the minimum duration documented on the apprenticeship agreement issued during the recruitment process for new apprentices or enrolment process for existing employees.
- 11.5 Should the apprentice be part time (less than 30 hours); the duration of the apprenticeship programme will need to be extended pro-rata to ensure the apprentice is able to complete all the required modules. This will be agreed with the apprenticeship training provider during the enrolment process at the

start of the apprenticeship. Should the hours of work change mid programme then a revised end date must be agreed with the training provider. For further guidance contact HR.

12. Onboarding, Performance Management and Support

- 12.1 In addition to the Council Induction managers should ensure that all new apprentices receive a departmental induction as part of their onboarding, providing them with key information about the team they are joining and the role they are undertaking.
- 12.2 All new apprentices employed by the Council are subject to the Probation Procedure therefore, managers must ensure that this process is followed and that any issues or additional support requirements are addressed and monitored. Completed probation documentation should be forwarded to apprenticeships@hartlepool.gov.uk.
- 12.3 Managers should hold regular 1:1 review meetings with apprentices including employees undertaking an apprenticeship to ensure they are continuously supported throughout their apprenticeship.
- 12.4 For new apprentices recruited through **route 1**, with no previous experience quarterly reviews need to take place with departmental Apprenticeship Representative, line manager and apprentice, The purpose of the review is to assess the apprentice's performance in the workplace, review progress against their course of study and provide the opportunity for both the manager and apprentice to share feedback with each other. These reviews should be arranged and led by the departmental Apprenticeship Representative who will support both the manager and apprentice individually.
- 12.5 All apprentices and their line manager should fully participate in the 3 way review process with the training provider this also applies to any workplace observations and visits as and when required. These interactions will be initiated and led by the training provider.

13. Additional Training

- 13.1 The Council recognises the importance of an apprentice recruited through routes 1 and 2 being job ready at the end of their apprenticeship. Managers should review the essential criteria, to ensure apprentices are ready for the job they are being trained for upon successful completion of their apprenticeship. If this highlights the likelihood of any gaps the manager should consider and where possible take steps to address this throughout the apprenticeship. If this incurs extra costs these will need to be met from existing departmental budgets.

14. End Point Assessment/Resit

- 14.1 The final stage of an apprenticeship is the end point assessment (routes 1,2 & 3), the costs for this assessment are met from the apprenticeship levy

however, this does not cover any resits. Should an apprentice fail the end point assessment then the Council will as a minimum support two resits. The cost of the resit will be met from existing departmental budgets. Any further resits are at the manager's discretion.

15. Applying for Internal Vacancies – Route 1 only

- 15.1 At the end of successfully completing an apprenticeship, the apprentice will be able to apply for any Council vacancy for the job role for which they have been trained and qualified to perform, if a role is available.
- 15.2 There can be no guarantee of employment at the end of successfully completing an apprenticeship however, the council will, where possible, seek to employ an apprentice, should they wish to remain with the Council.
- 15.3 If towards the end of the apprenticeship, a post is not available for an apprentice to apply the Manager should follow *the Fixed Term Contract Guidance for Managers* and contact HR. The *Redeployment Policy and Procedure* should be followed and apprentice should be placed 'at risk' with every effort made to redeploy them. CV preparation and Interview Skills will be available on request.

16. Leaving the Council whilst undertaking an Apprenticeship

- 16.1 If an apprentice/employee chooses to leave the council prior to completing their apprenticeship, the appropriate contractual notice period will need to be provided and the *Leaver Policy* followed. The Apprenticeship Levy funding for the apprentice will cease and any funds already used, cannot be recouped from an apprentice/employee leaving the Council. This is in accordance with the Government's Apprenticeship Funding Rules.

Documentation

| | |
|------------|-------------------------------|
| HRPP-57/F1 | Apprenticeship Agreement |
| HRPP-57/F1 | Quarterly Review Template |
| HRPP-57/G1 | Understanding Apprenticeships |
| HRPP-57/G1 | Step by Step Guide |

Related Policies, Procedures and Guidance

Recruitment and Selection Policy and Procedure
Probation Procedure
Fixed Term Contract Guidance or Managers
Redeployment Policy and Procedure
Leavers Policy and Procedure

Policy Review

This Apprenticeship Policy and Procedure was adopted on (date).

This policy will be reviewed on a 3 yearly basis, unless changes necessitate an earlier review. The latest version, which supersedes all previous versions, is available on HBC Intranet.

A history of most recent policy changes can be found in the table below:

| Version | Date | Change |
|----------------|------------------|---------------|
| 1 | February 2025 | New Policy |

Hartlepool Borough Council – Single Impact Assessment Form

6.1 Appendix 2

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

Section 1 – Details of the proposed action being considered

| | |
|--|---------------------------------------|
| 1.1 Lead Department: | Legal, Governance and Human Resources |
| 1.2 Lead Division: | Human Resources |
| 1.3 Title of the proposed action: | |
| Apprenticeship Policy | |
| 1.4 Brief description of the proposed action: | |
| To introduce an Apprenticeship Policy to define the Council’s approach to apprenticeships, and the use of the Apprenticeship Levy, to support the delivery of the workforce strategy and workforce planning process by recruiting new talent, and upskilling both new and existing employees to help fill skills gaps, provide development opportunities and aid retention | |
| 1.5 Who else is involved: | |
| Internal Council Departments | |

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6.1 Appendix 2

1.6 Who will make the final decision about the proposed action:

Finance and Corporate Affairs Committee

1.7 Which wards will be affected by the proposed action? Tick all that apply

| | | | | | |
|-----------------|--------------------------|--------------------|--------------------------|-----------------------------------|--------------------------|
| All wards | <input type="checkbox"/> | Hart | <input type="checkbox"/> | Seaton | <input type="checkbox"/> |
| Burn Valley | <input type="checkbox"/> | Headland & Harbour | <input type="checkbox"/> | Throston | <input type="checkbox"/> |
| De Bruce | <input type="checkbox"/> | Manor House | <input type="checkbox"/> | Victoria | <input type="checkbox"/> |
| Fens & Greatham | <input type="checkbox"/> | Rossmere | <input type="checkbox"/> | N/A - Internal council activities | √ |
| Foggy Furze | <input type="checkbox"/> | Rural West | <input type="checkbox"/> | | |

1.8 Completed By:

| Name | Job Title | Date Completed |
|--------------|------------------------------------|----------------|
| Julie Wilson | Organisational Development Advisor | 4 June 2025 |

| 1.9 Version | Author | Summary of Changes | Date |
|-------------|--------------|--------------------|-------------|
| 1 | Julie Wilson | New SIA | 4 June 2025 |
| | | | |
| | | | |

Section 2 – Explaining the impact of the proposed action

| 2.1 What data and evidence has informed this impact assessment? | |
|---|---|
| <ul style="list-style-type: none"> • Examination of data relating to both previous and existing apprentices demonstrates individuals with protected characteristics are accessing Council apprenticeships. • Consideration given to taking positive action as a Corporate Parent by formalising Care Leavers as a priority group for apprenticeships. • Policy consultation with and adapted to feedback from Executive/Departmental Management Teams and Trade Unions. • Employees accessing development opportunities such as qualifications and apprenticeships, follow the Council's Qualification Based Training Policy, which includes a multi-layer approval process through to Departmental Management Team level to ensure all requests are considered fairly and consistently. • Recruitment of apprentices follows the Council's existing Recruitment and Selection Policy and Procedure which has processes to safeguards against discriminatory recruitment practices. • Apprenticeships are delivered in accordance with the Government's Apprenticeship Funding Rules which support equity, fairness and accessibility for all. Identified Training Providers are subject to OFSTED Inspections. | |
| 2.2 If there are gaps in evidence or not enough information to assess the impact, how have you addressed this or how will you address it? | |
| Gap(s) Identified | How it / they have or will be addressed |
| None | |

2.3 Risk Score

| Impact | Negative Impact Score | Explanation – what is the impact? |
|---|--|-----------------------------------|
| Age | | |
| <input type="checkbox"/> Positive Impact <input type="checkbox"/> Negative Impact <input checked="" type="checkbox"/> No Impact | Likelihood score: e.g. Almost certain 4 Impact score: e.g. Major 3 Overall score: e.g. Red 12 | |
| Disability | | |
| <input type="checkbox"/> Positive Impact <input type="checkbox"/> Negative Impact <input checked="" type="checkbox"/> No Impact | Likelihood score: Impact score: Overall score: | |
| Gender Reassignment | | |
| <input type="checkbox"/> Positive Impact <input type="checkbox"/> Negative Impact <input checked="" type="checkbox"/> No Impact | Likelihood score: Impact score: Overall score: | |
| Marriage and Civil Partnership | | |
| <input type="checkbox"/> Positive Impact <input type="checkbox"/> Negative Impact | Likelihood score: Impact score: Overall score: | |

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| Impact | Negative Impact Score | Explanation – what is the impact? |
|-------------|-----------------------|-----------------------------------|
| √ No Impact | | |

| Impact | Negative Impact Score | Explanation – what is the impact? |
|---|--|-----------------------------------|
| Pregnancy and Maternity | | |
| <input type="checkbox"/> Positive Impact <input type="checkbox"/> Negative Impact <input checked="" type="checkbox"/> No Impact | Likelihood score: Impact score: Overall score: | |
| Race (Ethnicity) | | |
| <input type="checkbox"/> Positive Impact <input type="checkbox"/> Negative Impact <input checked="" type="checkbox"/> No Impact | Likelihood score: Impact score: Overall score: | |
| Religion or Belief | | |
| <input type="checkbox"/> Positive Impact <input type="checkbox"/> Negative Impact <input checked="" type="checkbox"/> No Impact | Likelihood score: Impact score: Overall score: | |
| Sex | | |
| <input type="checkbox"/> Positive Impact | Likelihood score: Impact score: | |

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| | | |
|---|----------------|--|
| <input type="checkbox"/> Negative Impact <input checked="" type="checkbox"/> No Impact | Overall score: | |
|---|----------------|--|

| Impact | Negative Impact Score | Explanation – what is the impact? |
|---|--|---|
| Sexual Orientation | | |
| <input type="checkbox"/> Positive Impact <input type="checkbox"/> Negative Impact <input checked="" type="checkbox"/> No Impact | Likelihood score: Impact score: Overall score: | |
| Care Leavers (Local) | | |
| <input checked="" type="checkbox"/> Positive Impact <input type="checkbox"/> Negative Impact <input type="checkbox"/> No Impact | Likelihood score: Impact score: Overall score: | The Council is the Corporate Parent for Children placed in its care, and has also extended its commitment to protected characteristics at a local level to include Care Leavers. As a consequence, the Executive Leadership Team made a decision to take positive action and offer priority interviews to care leavers ahead of a competitive external recruitment exercise for levels 2 & 3 apprenticeships. |
| Armed Forces (Local) | | |
| <input type="checkbox"/> Positive Impact <input type="checkbox"/> Negative Impact <input checked="" type="checkbox"/> No Impact | Likelihood score: Impact score: Overall score: | |
| Poverty and Disadvantage (Local) | | |

| | | |
|---|--|--|
| <input type="checkbox"/> Positive Impact <input type="checkbox"/> Negative Impact <input checked="" type="checkbox"/> No Impact | Likelihood score: Impact score: Overall score: | |
|---|--|--|

Section 3 - Mitigation Action Plan or Justification

| Group(s) impacted | Proposed mitigation | How this mitigation will make a difference | By when | Responsible Officer |
|-------------------|---------------------|--|---------|---------------------|
| None | | | | |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

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

Section 4 - Sign Off

| | |
|--|--------------------------------------|
| Responsible Officer sign off: | |
| Name | Rachel Clark |
| Job title | Head of Human Resources |
| Assistant Director / Director sign off: | |
| Name | Hayley Martin |
| Job title | Director of Legal, Governance and HR |

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

Section 5 - Review (To be completed after implementation)

| 5.1 Review completed by: | | |
|--------------------------|-----------|-----------------------|
| Name | Job Title | Date review completed |
| | | |

| 5.2 Did the impact turned out as expected? |
|--|
| |

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

| 5.4 Were there any unexpected outcomes? |
|---|
| |

5.5 Following the review please identify next steps here (Select one)

- ☐ Additional mitigation required (give details below - 5.6)
- ☐ Original proposed course of action needs to be revisited
- ☐ No further action required

5.6 Additional mitigation(s) or justification

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

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

| |
|--|
| |
|--|

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