

**PART 1 – UPDATE OF 2026/27 BUDGET POSITION**

The following table details changes in recurring resources received in late January/early February 2026.

Changes in recurring resources

	Increase / (decrease) in funding £
<u>Government Grant</u>  On 9 February 2026 the final settlement was issued and for the Authority this confirmed the Government funding has increased from the provisional settlement. This reflects an increase in the Floor Funding Grant of £571,048 and net increase in Revenue Support Grant/Top Up Grant of £255.	571,303
<u>Business Rates / Section 31 Grants</u>  From 2026/27 section 31 grants will not be directly received by Fire and Rescue Services, as these grants will be paid via the four councils Collection Fund. Final information was received from the four councils in the week ending 6 February and this enabled 'local' resources in relation to Business Rates (including rolled in Section 31 grants) to be finalised. Overall these resources total £2,443,519 compared to the December MTFS estimate of £2,540,000.	(96,481)
<u>Safety Net Grant</u>  For 2026/27 only, the shortfall in Business Rates income referred to above will be covered by payment of Safety Net Grant, which is being paid in recognition of the complexity of the national funding reforms being introduced from April 2026.  The recurring impact of the 2026/27 reduction in these resources will need to be addressed when the MTFS is rolled forward. It is expected that this reduction can be offset from a slightly higher Council Tax base than currently forecast. This position will not be confirmed until the four councils set their 2027/28 Council Tax bases.  From 2027/28 onwards Safety Net Grant will only be paid where Business Rates reductions exceed thresholds set by the Government.	96,481
<b>Net increase in recurring resources</b>	<b>571,303</b>

The net increase in recurring resources of £571,303 enables reliance on the use of the Budget Support Fund to be reduced by this amount – i.e. from £973,001 to £401,698. The additional resources are reflected in the statutory budget calculations detailed in Part 2 (which updates recommendation 6).

The following table details changes in one-off resources and proposal for allocating these resources:

Changes in one-off resources and proposed use

	Increase in funding / (proposed use) £
<p><u>Share of Collection Fund balances</u></p> <p>The four councils Collection Fund account for difference between forecast and actual Council Tax / Business Rates income and can either be a surplus or deficit. The Authority receives a share of these balances.</p> <p>For the 2026/27 statutory calculations there is one off Business Rates Collection Fund in deficit net deficit of £815. For Council Tax three are in surplus and two are significant, totalling a one off benefit of £184,400, which is not sustainable. The overall surplus is £183,585, which is £13,595 more than the forecast of £170,000.</p>	13,585
<p><u>Funding for Fire Behaviour Training Units (FBTUs)</u></p> <p>As detailed in section 9 of the report it is recommended that the one off 2025/26 Collection Fund surplus is allocated to reduce the funding shortfall for replacing FBTUs. A Collection Fund surplus of £170,000 was forecast. The actual figure is £183,585, which results in funding shortfall for FBTUs of £136,415, compared to a forecast of £150,000. Since the MTFS report was prepared work has been completed on the forecast 2025/26 outturn and an underspend is forecast, which can be allocated to address this shortfall.</p>	(13,585)
<b>Uncommitted one off resources</b>	<b>0</b>

**PART 2 - 2026/2027 COUNCIL TAX RESOLUTIONS**

The Authority is recommended to approve the following, which reflect the final resources detailed in Part 1:

1. For the purpose of Section 42 A, B of the Local Government Finance Act 1992, the following amounts in respect of 2026/27:
  - (a) The Council Tax Base for 2026/27 as 168,904.46 as notified by the relevant billing authorities.
2. That the Council Tax requirement for the Authority's own purposes for 2026/27 is £16,799,237.
3. That the following amounts be calculated by the Authority for 2026/27 in accordance with Sections 42 to 48 of the Local Government Finance Act 1992 and relevant regulations:-

- (a) £36,777,596 Being the aggregate of the amounts which the Authority estimates for the items set out in Section 42 to 48 of the Local Government Finance Act 1992 and relevant regulations.
- (b) £19,978,359 Being the aggregate of the sums which the Authority estimate will be payable to it in respect of Revenue Support Grant £11,853,769, Top Up Grant of £5,497,486, Business Rates income of £2,443,519 and the estimate to be paid from the Collection Funds of the billing authorities of £183,585 as at 31<sup>st</sup> March 2026, in accordance with Section 99 (3) (b) of the Local Government Finance Act 1988 and the Local Government Charges for England (Collection Fund Surpluses and Deficits) Regulations 1995 amended.
- (c) £16,799,237 Being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Authority in accordance with Section 42B (1) (2) of the Act as its Council Tax requirement for the year.
- (d) £99.46 Being the amount calculated by the Authority in accordance with Section 44 of the Local Government Finance Act 1992, as the basic amount of Council Tax for the year.

4. That the Authority, in accordance with Section 47 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the tables below as the amounts of Council Tax for 2026/27 for each of the categories of dwellings:

Property Band	Council Tax (£)
A	66.31
B	77.36
C	88.41
D	99.46
E	121.56
F	143.66
G	165.77
H	198.92

5. The precept payable by each billing authority in accordance with Section 48 of the 1992 Act, as follows:-

Billing Authority	£
Hartlepool	2,682,934
Middlesbrough	3,686,206
Redcar and Cleveland	4,192,354
Stockton	6,237,743

6. Approve that the Authority's basic amount of Council Tax for 2026/27 is not excessive in accordance with the principles approved under section 52ZB Local Government Finance Act 1992 and that no local referendum will be carried out in relation to Chapter 4ZA of the Local Government Finance Act 1992.