

Overview and Scrutiny Management Committee
10:00am – 11:30am on Friday 11th December 2025

Room 77, The Guildhall, Alfred Gelder Street, Hull, HU12AA and MS Teams (Officers Only)

Present:

Councillors: Robinson (Chair), Burton, Gardiner, Hale, Hofman, Kemp, Randall

In attendance:

D. Bell, Executive Director of Corporate Resources, Hull City Council
T. Parker, Assistant Director Finance, Hull City Council
A. Holgate, Head of Governance, Hull City Council
P. Todd, Scrutiny Officer, Hull City Council
C. Brennan, Scrutiny Officer, Hull City Council

Apologies:

Councillor Payne and Pantelakis.

DECLARATIONS OF INTEREST

There were no declarations of interest.

OFFICIAL

Recommendations:	Reasons for Recommendations:
a) N/A	a) N/A

49	MINUTES OF THE MEETING HELD ON 16TH OCTOBER 2025	
A. Holgate (Head of Governance) submitted the minutes from the meeting held on Thursday 21 st November 2025 for approval.		
Recommendations:	Reasons for Recommendations:	
a) That the minutes of the meeting held on Friday 21 st December 2025 be taken as read and correctly recorded.	a) N/A.	

50	DIRECTOR OF FINANCE & TRANSFORMATION PRESENTATION	
The Chair agreed to take this item in combination with item 7, Treasury Management Strategy Statement and Annual Investment Strategy - Midyear Review Report 2025/26.		
Recommendations:	Reasons for Recommendations:	
There were no recommendations.		

51

REVENUE BUDGET MONITORING 2025-26 – THIRD FORMAL REPORT

T. parker (Assistant Director Finance) presented the report and outlined some of its key points, including the Dedicated Schools Grant statutory override, Housing Revenue Account debt reprofiling, and Public Health and Adult Social Care overspends, savings, and forecasts.

“T. parker (Assistant Director Finance) attended the meeting to present the Revenue Budget Monitoring 2025-26 – Third Formal Report providing an overview that highlighted XYZ”

The Committee discussed:

- i. The Dedicated School Grant (DSG) statutory override extension to April 2028 and cost implications to the Council due to the debt accumulated from Special Educational Needs and Disabilities (SEND) deficits. The Committee was informed that the upcoming Local Government Finance Settlement would provide these details, but informally Officers had been advised that some of these costs would be accountable to the Council to discourage deficit buildup during the period up to 2028.
- ii. The Public Health and Adult Social Care Revenue Monitoring, and how forecasting could be improved and external influences anticipated to avoid reoccurring overspends. Officers referred to increased numbers, costs per placement, inflationary and demographic pressures, as well as national issues impacting local demand as some factors influencing forecast predications. While these were outside of the Council’s control, there were areas of local intelligence that Officers were keen to include in future. Further, that overspends were not necessarily due to non-delivery of savings, which continued to be pursued, but cost increases elsewhere. Officers added that there was a behavioural dimension where budgets are intentionally set to be challenging to encourage savings-oriented decisions.
- iii. The £1.8 million of reprofiled debt within the Housing Revenue Account (HRA). The Committee was informed that the HRA was a long-term ring-fenced account focused on investing in properties and that the in-year movements were not as critical as in the general fund. Shifting reserves was not perceived to be problematic to ensure the right level of investment over 30 years. Officers clarified that the specific movement was made because of year-end budget reporting rather than an attempt to offset the underspend position. Further,

Officers acknowledged the point that the underspend might have been avoided with more accurate budgeting, allowing those funds to be redirected to other services. However, they explained that the allocation of resources was constrained by the programme’s delivery capacity.

- iv. The introduction of a retrospective forecast to look at historical changes to council tax and rent increases, which would demonstrate the consequences of those decisions on current finances had they not been made, or made differently.

Recommendations:	Reasons for Recommendations:
<ul style="list-style-type: none"> a. That in future the budget report include data that demonstrates how historical changes to council tax and rent increases have impacted the ongoing budget, and what the situation would have been had these changes not occurred. 	<ul style="list-style-type: none"> a. To provide further information on relevant budget data to improve decision-making.

52	2025/26 CAPITAL MONITORING – SECOND FORMAL UPDATE REPORT	
<p>D. Bell (Executive Director of Corporate Resources) presented the report and outlined some of its key points including the projected capital expenditure of £222 million during 2025/26, and two spend-to-save initiatives around water metering on traveller sites and car parking ticket machines.</p> <p>The Committee discussed:</p> <ul style="list-style-type: none"> i. Traffic Regulation Order’s (TRO), including: the status of a paper bringing proposals for ticket machines in the Marina area; the £63k additional funding within the town centre TRO; contactless enabled machines; and the difficulties faced when using the parking app. The Committee was informed that the additional funding was due to the scheme being more expensive than anticipated and had come 		

<p>from a contingency fund; that the contactless option was a measure to simplify the process while national initiatives to standardise parking apps progressed; and that they would look into and report back on the Marina TRO.</p> <p>ii. The arrangement whereby Hull City Council (HCC) paid Yorkshire Water for the installation of water meters on the four traveller sites. Officers confirmed they would review who held responsibility for the installation of water meters and, if applicable, recover any funds.</p>	
Recommendations:	Reasons for Recommendations:
<p>a. That the Council explore with Yorkshire Water the recovery of funding for the cost of the instalments of water meters on the four traveller sites.</p>	<p>a. To recover any funds back to the Council</p>

53	TREASURY MANAGEMENT STRATEGY STATEMENT AND ANNUAL INVESTMENT STRATEGY - MID YEAR REVIEW REPORT 2025/26	
<p>D. Bell (Executive Director of Corporate Resources) presented the Treasury Management Strategy Statement and Annual Investment Strategy - Mid Year Review Report 2025/26 report and highlighted that short-term lending rates remained around the base rate of 4% but were expected to reduce to 3.5% whereas long-term rates were higher than expected at up to 6%. Officers anticipated long-term rates would eventually return to lower rates at which point they would resume long-term borrowing.</p>		
Recommendations:		Reasons for Recommendations:
<p>There were no recommendations.</p>		

D. Bell (Executive Director of Corporate Resources) presented the report and outlined some of its key points.

- i. That the uncertainty around the Fair Funding modelling was in part due to changes around government assessments of deprivation and housing costs and the details not yet being announced. Officers explained that adjustments designed to alleviate pressures in areas with high housing costs would negatively impact areas with low housing costs. Additionally, there were changes to grants based on scarcity, which would benefit large rural local authorities (LA) but negatively affect small urban LA's. Furthermore, LA responses to the consultation may influence the final settlement, due to be announced on the 17th of December 2025, which further frustrated modelling.
- ii. That with continued efficiencies the medium-term financial position would enable services in 26/27 and 27/28 to be delivered at current levels. The 28/29 position would depend on government direction around the Designation Schools Grant (DSG) override, which once ended would place some of the deficit burden on the Council. Officers clarified that the Ministry of Housing, Communities and Local Government (MHCLG) had advised building this into the 28/29 forecast therefore leading to a gap larger than desired. Officers would be able to revise this number once the settlement was revealed.
- iii. That while Officers welcomed government plans to consolidate local government funding streams into four groups, the basis for how this was to be implemented and on what basis they are granted is unknown. This may result in changes to the overall grant received and therefore complicate forecast predictions.

The Committee discussed:

- i. The welcomed incoming multi-year settlements due to its benefit to the Council. It was noted that a dampener may be imposed which would spread the benefits over a wider timeframe, however members expressed their preference for a settlement which provided its benefits immediately. Officers explained that the dampener would take place over three years, and that to ease the transition, one third of funding for those gaining funds would be received over two years, and vice versa for those losing funds. Officers noted a further

complication to modelling was a series of funding ceilings and floors, which also lacked detail at this stage.

- ii. The predicted efficiency savings and doubt around their delivery based on previous performance, and that should savings fall short of targets this be properly accounted for. Officers explained that savings had been made but not in the correct profile, or slower than targeted. Further, there was a behavioural component whereby tough targets are set to encourage more cost savings measures than would otherwise be achieved through setting a smaller target.
- iii. The use of reserves to address budget shortfalls, how such shortfalls could be avoided through achieving projected savings, and the balance between increasing reserves and funding services. The Commission was advised that the General Fund had not been used to cover shortfalls, although some earmarked reserves had been impacted. Officers advised that reserve levels needed to be strengthened to more sustainable levels and emphasised that maintaining financial security was in the public interest, as ongoing financial uncertainty posed a greater risk to service delivery.
- iv. That the area of uncertainty regarding the DSG related to the interim period after the override terminated and before the government absorbed the burden.

Recommendations:	Reasons for Recommendations:
There were no recommendations.	

55	HOUSEHOLD SUPPORT FUND 7 - REDISTRIBUTION OF FUNDING	
T. parker (Assistant Director Finance) presented the report and outlined some of its key points.		

The Committee discussed:

- i. Welfare Rights and Age UK, and the former’s focus of support towards all ages and latter’s focus on pensioners. Officers further clarified that the conditionality of funding related only to the Age UK post and not the Welfare Rights Team, that the report’s proposal related only to the expansion of the Age UK offer, and that the conditions placed onto the Age UK staff were comparable to the expectations of the Council’s staff in the Welfare Rights Team.
- ii. Members viewed option three as the preferable option, however questioned the basis on which Age UK was selected. They requested that future procurement was carried out fairly for all potential partners. Officers clarified that Age UK was selected due to the requirement to allocate the money quickly, which the pre-existing relationship between it and the Council enabled. Officers added that the Household Support Fund was due to be replaced by the Housing Crisis and Resilience Fund which would bring new conditions and adjust the fund’s size. After this transition Officer’s would review the situation and consider a broader range of providers. It was asked that the recommendation include wording around the requirement to allocate the money quickly which influenced the procurement process.
- iii. The Tenancy Support and Sustainment funding allocation of £35k to council house tenants. Officers responded that the current balance was an attempt to reflect the situation whereby private tenants received higher rents, but that there were tenants in both types of accommodation who required assistance. Members felt private tenancies were of greater need and agreed to recommend that the full £100k be allocated to private tenancies.

Recommendations:	Reasons for Recommendations:
<ul style="list-style-type: none"> a. That the recommendation as set out at section 2 of the report be amended to reallocate the £35k from council housing to private tenancies. b. That Officers consider additional wording to option 3 explaining the tender process was influenced by the need for expediency. 	<ul style="list-style-type: none"> a. To rebalance the distribution of funds to prioritise private tenancies, due to their perceived need for greater assistance. b. For added transparency around the decision-making process.

56	OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE – OUTSTANDING ACTIONS	
<p>Note: The Committee discussed part of the outstanding items during item 3, Minutes of the Meeting held on 16th October 2025.</p> <p>A. Holgate (Head of Governance) submitted the outstanding action list.</p> <p>The Commission discussed the action list.</p> <ul style="list-style-type: none"> i. There had been no feedback regarding the action at minute 40.b which requested a detailed response on how the committee’s comments informed the report and decision-making process, and further that the committee’s comments regarding a decision record had not reached the relevant Member. The committee was informed that comments were shared with Cabinet and that comments should be shared with the relevant Member. ii. The Fernleigh Day Centre Cabinet decision, and communications to residents around the consultation. Officers agreed to provide clarification on whether effected residents had been notified of the decision. 		
Recommendations:		Reasons for Recommendations:
<ul style="list-style-type: none"> a) That the completed items be removed and the Scrutiny Officer follow up on those actions that awaited a response. b) That the committee is provided with the timescales of the consultation exercise regarding Fernleigh Day Care Centre to ensure residents were notified of the decision. 		<ul style="list-style-type: none"> a) To ensure recommendations of the Commission are being addressed in a timely manner. b) To inform the committee and ensure residents were properly informed.

57	OVERVIEW AND SCRUTINY MANAGEMENT COMMITTEE – DRAFT WORK PROGRAMME 2025-2026	
<p>A. Holgate (Head of Governance) submitted the draft work programme.</p>		
Recommendations:		Reasons for Recommendations:
a. That the work programme be noted.	a. N/A	