

EXECUTIVE

Date: Wednesday 11th June, 2025 Time: 5.00 pm Venue: Mandela Room
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AGENDA

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THE MAYOR

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9. Any other urgent items which in the opinion of the Chair, may be considered.

Charlotte Benjamin
Director of Legal and Governance Services

Town Hall
Middlesbrough
Tuesday 3 June 2025

MEMBERSHIP

Mayor C Cooke (Chair) and Councillors I Blades, T Furness, P Gavigan, L Henman, J Rostron, J Ryles, P Storey and N Walker

Assistance in accessing information

Should you have any queries on accessing the Agenda and associated information please contact Scott Bonner / Chris Lunn, 01642 729708 / 01642 729742, scott_bonner@middlesbrough.gov.uk / chris_lunn@middlesbrough.gov.uk

EXECUTIVE

A meeting of the Executive was held on Wednesday 14 May 2025.

PRESENT: Mayor C Cooke (Chair) and Councillors P Gavigan, L Henman, P Storey and N Walker

OFFICERS: D Alaszewski, C Benjamin, S Bonner, B Carr, G Field, L Grabham, R Horniman, A Humble and E Scollay

APOLOGIES FOR ABSENCE: Councillors T Furness, J Ryles and J Thompson

24/103 **DECLARATIONS OF INTEREST**

There were no declarations of interest received at this point in the meeting.

24/104 **MINUTES - EXECUTIVE - 30 APRIL 2025**

The minutes of the Executive meeting held on 30 April 2025 were submitted and approved as a correct record.

The Mayor requested that updates contained in reports needed to be included within the actions section of Executive reports and if those actions could then be included on forthcoming Executive Forward Plans.

24/105 **HOUSEHOLD SUPPORT FUND 2025/2026**

The Executive Member for Finance submitted a report for Executive's consideration.

The purpose of the report was to seek approval for the Household Support Fund (HSF) scheme for the 2025/26 financial year. In addition, the report sought delegated authority be provided to the Director of Finance and Transformation, in consultation with the Executive Member for Finance, to make any modifications or minor revisions to the scheme and make decisions in respect of any remaining funds to ensure they were distributed in line with the guidance and within the defined timescales.

On 30 October 2024, the Secretary of State for Work and Pensions announced the HSF would be extended for a further 12 months from 1 April 2025 to 31 March 2026.

Each Local Authority was required to prepare a local scheme to determine how the funding would be provided and be allocated. The grant amount allocated to Middlesbrough was £2,914,447.24. Government guidance required Local Authorities to clearly advertise the scheme to residents, including publication on the Council website.

The value of individual awards was to be determined by Local Authorities in accordance with the parameters set out in the guidance.

The proposed scheme was based on the Council's previous successful HSF schemes and included an amount for pensioners who were no longer eligible for the state Winter Fuel Payment under the changed criteria introduced in 2024. The scheme was designed to support vulnerable residents and low-income households which included children, pensioners, people with disabilities and other households who may be experiencing financial difficulties brought about by the economic challenges. The proposed scheme was set out in Table 1 in the report.

Estimated expenditure equated to £2.681m, excluding administration costs. In line with the guidance, the Council was able to recover administration costs to deliver the scheme and those had been calculated at £0.233m. This equated to 8% of the scheme funding which was consistent with the level involved with the previous HSF scheme and plan.

Any remaining funds following implementation of the delivery plan, and administrative costs, would be allocated to Council Tax accounts with a current award of Council Tax Reduction

(CTR) and where an outstanding balance remained following the issue of a summons in the 2025/26 financial year. The criteria may also be widened to incorporate accounts not in receipt of CTR.

The scheme had been designed to provide support across the defined 12-month period available to make awards. The scheme would be subject to six-monthly reviews to allow alterations to be made, should the scheme requirements change to keep pace with events and demand.

Appropriate counter fraud measures would be put in place to minimise risk in accordance with the Council's policies and procedures Counter fraud.

A discussion took place about how this initiative, and others like it, could be publicised among communities. It was discussed that Ward Councillors had a key role to play in such publicity.

OPTIONS

Do nothing; however, without a suitable scheme with sufficient defined criteria approved by the Council's Executive, Section 151 Officer and presented to the DWP, the funds could not be used by the Council to benefit vulnerable residents and low-income households.

Funding could be distributed differently amongst the groups identified or across different groups. The plan presented had taken account of the government guidance and experience gained through prior schemes to ensure maximum reach to those in need of support.

ORDERED that Executive:

- 1. Approves the HSF delivery plan for 2025/6, which would be delivered between 1 April 2025 and 31 March 2026 as set out in Table 1 (paragraph 4.7) to target the main groups below where each had a Council Tax or rental liability for their home:**
 - **Families with children in receipt of benefits.**
 - **Pensioners in receipt of Council Tax Reduction but not eligible for the Winter Fuel Payment (who could this year receive the full amount of the Winter Fuel Payment from HSF)**
 - **Pensioners who were not in receipt of Council Tax Reduction subject to the qualifying criteria (listed in table 1, para 4.7).**
 - **Singles/Couples which includes those of pensionable age in receipt of benefits.**
 - **Application-based awards for residents not in receipt of CTR or other benefits.**
- 2. Approves that any remaining funds following implementation of the delivery plan were allocated to Council Tax accounts, with a then current award of CTR and where an outstanding balance remained following the issue of a summons in the 2025/26 financial year. The Council also reserved the right to widen the group to include those accounts not in receipt of CTR.**
- 3. Approves that delegated authority be provided to the Director of Finance and Transformation in consultation with the Executive Member for Finance to make any modifications or minor revisions to the scheme and make decisions in respect of any remaining funds to ensure they are distributed in line with the guidance and within the defined timescales.**

REASONS

The urgent decision was required as Central Government had only recently advised of a further round of the HSF. This funding had been due to end on 31 March 2025, the guidance on this was not provided until 19 March 2025, and the HSF delivery plan must be submitted to the DWP by the 30 May 2025, hence the short timescale for implementation.

Under paragraph 7.25.2 of the constitution, provision was made, under exceptional circumstances, for an urgent decision to be implemented immediately upon a decision being taken and a call-in is therefore not possible. If the HSF plan was subject to a valid call-in, the earliest date for this to be considered by the Overview and Scrutiny Panel would be beyond the deadline date of 30 May 2025. This would then have meant that the Council would be unable to access grant funding of £2,914,447.24 which was available to provide crisis support to vulnerable households in most need with the cost of essentials.

The Council needed to confirm an approach and submit an approved delivery plan to the DWP by 30 May 2025 for awards to be made between 1 April 2025 to 31 March 2026.

It was a key decision that impacted on two or more wards and would incur expenditure above £250,000.

The minor amendments that may have been required would result in no changes to the threshold to services and support provided.

That delegated authority was provided to the Director of Finance and Transformation in consultation with the Executive Member for Finance to make any modifications or minor revisions to the scheme and make decisions in respect of any remaining funds to ensure they were distributed in line with the guidance and within the defined timescales.

24/106

ANY OTHER URGENT ITEMS WHICH IN THE OPINION OF THE CHAIR, MAY BE CONSIDERED.

The Mayor, and Executive, expressed their thanks to Councillor Janet Thompson for her hard work and dedication as Executive Member for Neighbourhoods.

The decision will come into force immediately as the decision was considered under urgency provisions.

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MIDDLESBROUGH COUNCIL

Report of:	Chief Executive
Relevant Executive Member:	The Mayor
Submitted to:	Executive
Date:	11 June 2025
Title:	Corporate Performance: Quarter Four 2024/2025, Year End
Report for:	Decision
Status:	Public
Council priority:	Plan All
Key decision:	No
Why:	Decision does not reach the threshold to be a key decision
Subject to call in?	Yes
Why:	Non-Urgent Decision.

Proposed decision(s)

That Executive:

- approves the proposed changes to the Executive actions, detailed at Appendix 1
- notes the progress and position of the corporate performance disciplines, including the Transformation Portfolio
- notes delivery status of the Council Plan 2024-27 supporting workplan at Quarter Four, detailed at Appendix 2
- notes delivery status of Council Plan 2024-27 Outcome Measures at Quarter Four, detailed at Appendix 3 and Appendix 4
- notes the activities / outcomes of completed Council Plan workplan initiatives as detailed at Appendix 5
- notes the Strategic Risk Register, at Appendix 6
- notes corporate projects benefits / outcomes delivered in 2024/25 as detailed at Appendix 7
- notes Transformation project benefits / outcomes in 2024/25 as detailed at Appendix 8

Executive summary

This report advises the Executive of progress against corporate performance at Quarter Four 2024/25 Year End, providing the necessary information to enable the Executive to discharge its performance management responsibilities against the following performance disciplines:

- Actions pertaining to decisions approved via Executive reports;
- Delivery of the Council Plan 2024-27 and associated outcome measures;
- Strategic Risk Register performance;
- Programme and Project management performance;
- Transformation progress and performance; and
- Other matters of compliance.

Where appropriate, this report seeks approval of any changes or amendments, where these lie within the authority of the Executive.

1. Purpose of this report and its contribution to the achievement of the Council Plan ambitions

1.1 This report advises the Executive of corporate performance at the end of Quarter Four and 2024 / 2025 Year End, and where appropriate seeks approval of any changes, where these lie within the authority of the Executive. The primary purpose of the report is to set out how effectively the Council is delivering activity to deliver against each of the Council Plan priorities, aims and ambitions and underpinning workplan activities.

Our ambitions	Summary of how this report will support delivery of these ambitions and the underpinning aims
A successful and ambitious town	<p>13 Council Plan Workplan initiatives are supporting delivery of the Council Plan's ambitions and aims to achieve a successful and ambitious town which are reported within this report.</p> <p>Positive progress reported includes:</p> <ul style="list-style-type: none"> - Development of an Economic Growth Strategy and Masterplan for the town - Development of a new Local Plan for Middlesbrough - Development of the Council's Education and Skills Strategy.
A healthy Place	<p>22 Council Plan Workplan initiatives are supporting delivery of the Council Plan's ambitions and aims to achieve a healthy place which are reported within this report.</p> <p>Positive progress reported includes:</p> <ul style="list-style-type: none"> - Increasing the amount of reablement provided to reduce the need for on-going care - Improve health literacy through delivery of a Healthy Start pilot model for prevention of ill-health in schools - Development of a Community Capacity Building Strategy with focus on social capital and community wealth building.
Safe and resilient communities	<p>8 Council Plan Workplan initiatives are supporting delivery of the Council Plan's ambitions and aims to achieve safe and resilient communities across Middlesbrough which are reported within this report.</p> <p>Positive progress reported includes:</p> <ul style="list-style-type: none"> - Reducing Crime and Anti-Social behaviours across Middlesbrough through the continued working with the Community Safety Partnership - Improving the safety and health of the public and the environments in which they live and work through review of public protection policies and interventions - Review and implementation of an Empty Homes strategy to support the Councils wider approach to tackling crime and ASB.
Delivering best value	<p>13 Council Plan Workplan initiatives are supporting delivery of the Council Plan's ambitions and aims to achieve safe and</p>

	<p>resilient communities across Middlesbrough which are reported within this report.</p> <p>Positive progress reported includes:</p> <ul style="list-style-type: none"> - Increasing the level of grant income to support development of new service delivery initiatives - Remodelling of the Council's Planning Service to reflect increasing demand and complexity, address recruitment and retention difficulties, and deliver improved customer service.
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2. Recommendations

2.1 That the Executive:

- approves the proposed changes to the Executive actions, detailed at Appendix 1
- notes the progress and position of the corporate performance disciplines, including the Transformation Portfolio
- notes delivery status of the Council Plan 2024-27 supporting workplan at Quarter Four, detailed at Appendix 2
- notes delivery status of Council Plan 2024-27 Outcome Measures at Quarter Four, detailed at Appendix 3 and Appendix 4
- notes the activities / outcomes of completed Council Plan workplan initiatives as detailed at Appendix 5
- notes the Strategic Risk Register, at Appendix 6
- notes corporate projects benefits / outcomes delivered in 2024/25 as detailed at Appendix 7
- notes Transformation project benefits / outcomes in 2024/25 as detailed at Appendix 8

3. Rationale for the recommended decision(s)

3.1 To enable the effective management of performance and risk in line with the Council's Local Code of Corporate Governance.

4. Background and relevant information

4.1 The Council's Scheme of Delegation gives the Executive collective responsibility for corporate strategic performance, together with associated action.

4.2 This report provides the necessary information to enable the Executive to discharge its performance management responsibilities, setting out progress against priority performance disciplines and other key associated items, together with actions to be taken to address any issues identified.

4.3 The projected financial outturn at Quarter Four and 2024/2025 Year End, is presented separately to this meeting of the Executive, and so not repeated here. There are plans in development to integrate performance, risk and financial reporting for future financial years.

4.4 As part of continuous improvement in performance and risk management, the Council's Leadership Management Team (LMT) has implemented monthly reviews of corporate performance utilising a Directorate Performance dashboard, drawing data from a range of performance feeder systems.

4.5 The output from these sessions is reflected through quarterly updates to the Executive and covering in addition, progress in delivering actions agreed by the Executive, key Directorate performance issues and other performance-related matters.

Overall progress at Quarter Four 2024/25

4.6 The Council's performance overall at the end of Quarter Four 2024/25 maintained achievement in two of the five corporate performance disciplines as set out in the Council's risk appetite, which is a dip to that reported at Quarter Three 2024/25.

Performance discipline	Q4 2024/25	Q3 2024/25	Q2 2024/25	Q1 2024/25	Expected standard	Standard achieved	Trend
Executive actions	64% (30/47)	51% (32/63)	67% (36/54)	68% (30/44)	90%	No	↑
Council Plan 2024-27 outcome measures	30% (12/40)	13% (5/39)	13% (5/39)	13% (5/39)	90%	No	↑
Council Plan workplan	89% (46/56)	100% (55/56)	98% (55/56)	98% (55/56)	90%	No	↓
Strategic Risk Register	91%	90%	91%	94%	90%	Yes	↑
Programme and Project Management	100% (17/17)	100% (14/14)	100% (15/15)	100% (18/18)	90%	Yes	↔

4.7 It should be noted that performance against Council Plan outcomes for Quarter Four 2024/25 is measured by tracking progress against baseline key performance indicators, as outlined in the Council Plan 2024-27 and its associated workplan. It is expected that over time, 90% of the outcome measures will be achieved.

Progress in delivering Executive actions

4.8 Actions agreed by the Executive to deliver approved decisions are tracked by LMT, each month. If following Executive approval, any action is found to be no longer feasible, appropriate, or cannot be delivered within the approved timescales, this report will be used to advise the Executive as such, and to seek approval of alternative actions or amended timescales.

4.9 At Quarter Four 2024/25, 30 of 47 live actions (64%) were reported as on target to be delivered by the agreed timescales; an improvement from the 51% reported at Quarter Three 2024/25, however continuing to remain below the 90% expected standard of achievement of actions.

4.10 There are seven proposed amendments to Executive actions presented for approval at Quarter Four as detailed in Appendix 1. It is assumed that the remainder of Executive actions will be achieved within originally approved timescales and a further update on progress against plans, will be provided at Quarter One 2025/26.

4.11 Of those seven amendments detailed in Appendix 1, the reasons for the proposed amendments are as follows:

- The report pertaining to *Developing a New Nunthorpe Community Facility* report has two actions relating to 'Conduct Construction Tender,' (to extend from 02/01/2025 to 31/05/2025) and 'Seek Executive approval to proceed to construction stage and present 25-year lease', (to extend from 02/01/2025 to 31/05/2025), seeking approval for a change to the end date, due to a delay in finalising scheme design, alongside a recent drainage issue which is under investigation.
- The *2024/25 Quarter Two Revenue and Capital Monitoring and Forecast Outturn* report has two actions relating to 'Undertaking Service Reviews' in both Crematorium and Fleet services, (to extend from 31/12/2024 to 30/09/2025), seeking approval or a change to the end date, due to service reviews being postponed until after budget setting.
- The *Breastfeeding Borough Declaration* report has two actions at risk, one relating to the implementation of the Breastfeeding Boroughs Declaration and one relating to achieving full Breastfeeding Borough status, (to extend from 31/03/2025 to 30/06/2025), due to the Breastfeeding campaign now running until the end of March 2025.
- The *Dental Health and the Impact of Covid-19* report has an action relation to the development of a local oral health strategy, which is seeking extension from 31/03/2025 to 30/06/2025, due to the strategy still being in development and which is ICB led.

Progress in delivering the Council Plan 2024-27

4.12 The Council Plan is the Council's overarching business plan for the medium-term and sets out the priorities of the Elected Mayor of Middlesbrough and the ambitions for our communities and the ways in which we seek to achieve them.

4.13 The Leadership Team collaborated with the Mayor and the Executive to develop and shape the Mayor's priorities for the town, to inform the Council Plan 2024-27.

4.14 The Council Plan articulates the four priorities of the Mayor and outlines the approach that will be taken to addressing those priorities:

Mayor's Priority	Description
A successful and ambitious town	Maximising economic growth, employment, and prosperity, in an inclusive and environmentally sustainable way.
A healthy place/	Helping our residents to live longer and healthier lives, improving life chances and opportunities to thrive.
Safe and resilient communities	Creating a safer environment, where residents can live more independent lives.
Delivering best value	Changing how we operate, to deliver the best outcomes for residents and businesses.

4.15 The underpinning initiatives and workplans which enable effective delivery of the Council Plan 2024-27 ambitions and measures of success, and the proposed performance and governance arrangements, were approved at a meeting of the Executive on 10 April 2024, and together they demonstrate a robust approach to the delivery of key priority activities across Council services.

Council Plan 2024-27: outcomes

4.16 Progress of delivery of the Council Plan 2024-27, is monitored via detailed milestone plans which support each initiative under the four priorities and link to success measures determining the impact upon:

- the types of businesses being established in Middlesbrough, to ensure that we attract those which will give residents access to well-paid and rewarding careers,
- healthy life expectancy of residents of Middlesbrough, who currently experience ill-health much earlier than wealthy areas across the UK,
- community safety, as part of our plans to reduce crime and make residents and communities feel safer,
- progress against the Council's governance improvement journey, to provide assurance to members of the public and our partners, that the services we are providing are value for money.

4.17 Performance management and monitoring of the Council Plan adheres to the corporate programme and project management framework where applicable and is reported to all senior managers and Members as part of this quarterly corporate performance results report, presented to Executive for noting and decision, where applicable.

4.18 Performance overall against the Council Plan 2024-27 outcome measures at Quarter Four 2024/25 Year End, is reported as 12 of 40 (30%) either of an improving or static trend, against the 90% performance standard, detailed in Appendix 3.

Outcome Status	Q4 2024/25	Previous reported position	Expected standard	Standard achieved	Trend
Number (%age) GREEN	10/40 (25%)	4 / 39 (10%)	90%	No	↑
Number (%age) AMBER	2/40 (5%)	1 / 39 (3%)	N/A	N/A	↑
Number (%age) RED	28/40 (70%)	34 / 39 (87%)	N/A	N/A	↓

4.19 Of those outcome measures reporting as Green and of an improving trend, the following narrative is provided below with further detail provided at Appendix 3:

- *New Homes Completed:* With a target is 410 and reported performance at 445, the outcome has overachieved by 35 units at Quarter Four 2024/25 Year End.
- *Cancer Screening coverage (Breast Cancer):* Reported performance against this outcome is 67.9% against a target of 67.10%, demonstrates an improvement and upward trend for Breast Cancer Screening uptake in 2023/24, compared to 63.7% in 2022/23, which had significantly dropped during and post COVID-19 period.

- *Percentage of children achieving at least the expected level of development in communication, language and literacy skills at the end of reception:* Reported performance of 70.3% (2023/24) against the target of 67.70% is a significant increase compared to 61.7% reported in 2022/23.
- *Obesity prevalence in children (aged 10 to 11):* Reported performance of 25.6% (2023/24) against the target of 25.80%, demonstrates a positive upward trend compared to 28.5% in 2022/23. Active Healthy Eating campaigns in schools and educating parents continue.
- *Number of adults aged 65 and over whose long-term support needs are met by admission to residential and nursing care homes (per 100k population):* Reported performance of 374.4 against a target of 738.6, demonstrates a significant decrease in the number of adults aged 65 and over whose long-term support needs are met by admission to residential and nursing care homes. This is as a result of the support provided to enable adults to be independent for longer.
- *Bus Patronage:* Reported performance of 3,218,815 against the target of 6,170,735, demonstrates an upward trajectory to meet target when Quarter Four 2024/25 Year End figures are made available.
- *Rail Patronage:* Reported performance of 1,519,254 against the target of 1,441,801, demonstrates a positive increase in the number of people choosing to use rail services.
- *Number of publicly accessible electric vehicle charging points:* Reported performance of 55 against the target of 54, demonstrates that the target has been fully met, and with an additional 21 publicly accessible electric vehicle charging points installed in Middlesbrough Council car parks, and a further 34 on-street charging points.
- *Total Middlesbrough Council website page views:* Whilst no specific target was set, the current reported position of 3,181,585 visits against the previous reported position of 2,103,027, shows a growing increase in the number of website page views. The council website was reviewed, and content improved during 2024/25.
- *Total MyMiddlesbrough user accounts:* Whilst no specific target was set, the current reported position of 114,727 accounts against the previous reported position of 111,305, shows a steady increase in the number of MyMiddlesbrough user accounts being created.

4.20 Of those outcomes reporting as Red and of a worsening trend, the following narrative is provided below with further detail provided at Appendix 4:

- *Number of pupils in local authority funded alternative provision:* The target is 0.42%, with current reported performance at 0.65%. Exclusions figures within Middlesbrough are remaining stable with suspension figures forecasted to reduce by the end of the academic year. The rise reported is reflective of the number of children in 'alternative provision' through either a permanent exclusion, suspension or an intervention to avoid a permanent exclusion.

- *Estimated un-ringfenced reserves as a % net revenue expenditure:* The target is 37.54%, with reported performance at 12.98%, however the final 2024/25 Year End outturn cannot be finalised until after the time of writing this report, though it is expected to be closer to the target figure.
- *Crime rate per 1,000 population:* The target for 2024/25 is 149.2, with reported performance at 159.26. The key contributing factor was a significant increase in young people given a conditional discharge, following the civil disorder that occurred in August 2024.
- *Anti-Social Behaviour Rate per 1,000 population:* The target for 2024/25 is 29.7, with reported performance at 39.02. Seasonal variations, civil disorder and an increase in pro-active partnership campaigns have led to an increase in recorded ASB incidents, which has led to the increased outturn figure.
- *First time entrants into the Criminal Justice System:* The target is 163, reported performance is at 392.74. The key contributing factor was a significant increase in young people who were given a conditional discharge as a result of being involved in the civil disorder that occurred in August 2024.
- *Number of completed affordable homes delivered (gross):* The target is 155, with reported performance at 133. It should be noted that although the Council have control over land release and planning permission, they do not have direct control over private development timescales.
- *New homes started:* The target is 410, and reported performance is 378, however it should be noted that although the Council have control over land release and planning permission, they do not have direct control over private development timescales.
- *Rate of births of new enterprises per 10,000 resident population aged 16 and above:* The target is 67, with reported performance at 51. Contributing factors include economic downturn and uncertainty, legislation changes and a general shift in consumer behaviour. Locally in Middlesbrough, there are several incentives in delivery which support start up business opportunities.
- *Household waste sent for reuse, recycling and composting:* The target for 2024/25 is 33%, with reported performance at 20.8% (at Quarter Three, awaiting Year End outturn), due to contamination rates being higher than expected. Efforts continue on a range of interventions to improve the recycling rates, including educating our residents by roadshows and visits to hubs and schools, refuse crews stickering bins to identify contaminated bins, letters sent to residents advising how to correct any contaminated bins and regular social media posts.
- *Residual household waste per household:* The target for 2024/25 is 578.45kg, with reported performance at 729.14kg (at Quarter Three, awaiting Year End outturn), largely due to adjustments for residents moving to a fortnightly collection not reducing waste in some areas. Targeted education is being rolled out to specific areas to assist further with reducing waste.
- *Households owed a duty under the Homelessness Reduction Act per 1000 population:* The target is 4.1, reported performance is 7.26. Key reasons include

social factors such as poverty, deprivation, substance use, offending, poor mental and physical health and unemployment which all contribute to a person's ability to secure and sustain accommodation. The council continues to strengthen links with wider services and organisations to promote an early intervention approach to prevent homelessness where possible and conduct more 'upstream' work. There has been a concentrated effort over recent months to improve the quality of casework and decisions made by the team

- *Adult Obesity (18 years plus):* The target is 32.4%, and reported performance is 34.7% however, this figure was derived from a national annual survey which was last undertaken in 2022/23, so is now outdated.
- *Obesity prevalence in children at reception age (four to five years):* The target is 11.3% and last reported performance was 13.8% for the 2023/24 school academic year. Key contributing factors include a higher prevalence in areas of deprivation, the cost of living crisis and the affordability and convenience of choosing fast / unhealthy food.
- *Children Looked After (CLA) placed out of area:* The target is 10%, reported performance is at 14.40% due to the complexities involved in children's care, national searches are undertaken where we do not have availability to place children more locally.

4.21 The expectation is that over time and the duration of the Council Plan, 90% of the outcome measures will be achieved, as these are outcome measures predicted over the period of the Council Plan, 2024-27.

4.22 Current and previous outcome measures have generally focused on existing published data sets which whilst they provide consistency and regional and national comparators, meaningful localised data and insights would be more impactful.

4.23 A level of strategic cohesion and planning is required to ensure delivery of all Council activity, contributes towards effective and successful delivery of the Council Plan priorities through articulation of what it is we want to achieve / impact / change (the outcomes) and how we then deliver that change (through an enabling strategy) for each Priority. Those outcomes then drive our direction and intention as a Council.

4.24 Outcome measures for the next iteration of the Council Plan will therefore be derived through collaboration with services, to understand the impactful work that we as an authority have influence over in shaping and affecting.

Council Plan 2024-27: workplan

4.25 At Quarter Four 2024/25, performance against the Council Plan workplan is detailed in Appendix 2 and summarised below as below the corporate standard of 90%, with 89% of all initiatives on target to be achieved in full, within approved timescales.

Status	Q4 2024/25 position	Q3 2024/25 position	Q2 2024/25 position	Q1 2024/25 position	Expected standard	Standard achieved	Trend
COMPLETED	23% (13 / 56)	14% (8 / 56)	5% (3 / 56)	2% (1 / 56)	90%	Yes	↓

GREEN	66% (37 / 56)	86% (49 / 56)	93% (52 / 56)	98% (55 / 56)			
AMBER	0% (0 / 56)	0% (0 / 56)	0% (0 / 56)	0% (0 / 56)	n/a	n/a	↔
RED	11% (6 / 56)	0% (0 / 56)	2% (1 / 56)	0% (0 / 56)	n/a	n/a	↓

4.26 There are six Council Plan initiatives reporting as off-track at Quarter Four as detailed below:

- *Prevent and / or delay the need for formal service provision through improved access to reliable and timely advice and information, to support independent and healthy living*, is delayed from 31/03/2025 to 31/06/2025 due to a dependency on the redesign of the ASC approach through 'Three Conversations'.
- *Increase pathways offer for homeless households that embody choice; safety and dignity and provide routes into sustainable, long-term accommodation*, is delayed from 31/03/2025 to 30/08/2025 due to an external review of homelessness to inform our future strategy.
- *Increase the effectiveness of prevention through the development of more signposting and a consistent strengths-based approach to the promotion of independence at the "front door" of ASC*, is delayed from 31/03/2025 to 31/08/2025 due to a dependency on the implementation of the Customer model and Three Conversations approach.
- *Work with partners to ensure safe and effective systems and processes are in place for the protection of victims of domestic abuse and their children*, is delayed from 31/03/2025 to 30/06/2025 due to a delay in a change of approach requiring a needs assessment to inform a new strategy.
- *Review of Children's and Young People placements, including processes and procedures to ensure robust decision-making and allocation*, delayed from 31/03/2025 to 30/04/2025 awaiting approval of 2024/25 Year End report.
- *Implement new delivery model for Procurement*, delayed from 31/03/2025 to 31/12/2025, due to awaiting the outcome of piloting a new contract management model.

4.27 There are no proposed amendments to Council Plan workplan actions presented for approval at Quarter Four. It is assumed that the remainder of Council Plan workplan actions will be achieved within originally approved timescales and a further update on progress against plans, will be provided at Quarter One 2025/26.

4.28 At Quarter Four 2024/25 Year End, 13 Council Plan initiatives were fully completed. A summary of the key activities and outcomes achieved that have contributed towards the achievement of the Council Plan priorities, are detailed in Appendix 5 and include:

A Successful and Ambitious Town:

- *Establish a strategic leadership role for the provision of housing to ensure that the provision aligns with needs*: Identification and recruitment of a permanent Head of Housing to identify current routes and costs used for providing temporary accommodation and the developing a demand led model for the financially efficient supply of housing which meets service user needs.

- *Improve outcomes through delivery of the Priority Education Area action plan at Key Stages 1, 2 and 4:* This work has seen an improvement in reading attainment at the end of Key Stage 1 from 63% to 68%, through support to schools to develop writing skills across the curriculum, to improve outcomes at Key Stage 2 and 4 and support to schools to secure outcomes in mathematics at the end of Key Stage 4, from 34% to 45%

A Healthy Place:

- *Develop and implement a pilot approach to housing and support, for inclusion health groups and ensure this is reflected in the Supported Housing Strategy:* This work has seen a significant increase in support and additional housing solutions within South Tees, for 48 residents.
- *Strengthen our approach to supporting dementia friendly communities programme through increasing voluntary and community sector capacity:* This work has seen funding secured for community grassroots organisations to support the wellbeing of residents who live with dementia and their carers. Additionally, increased opportunities for care home residents with a dementia diagnosis to access dementia friendly activities, an increase in volunteers to support programmes aimed at supporting people living with dementia, aimed at reducing chronic loneliness and delivering Age Friendly and Dementia Friendly Training to voluntary and community organisations making their service and activities more inclusive.
- *Relaunch Welfare Strategy to support Middlesbrough's vulnerable residents who need financial assistance, advice and support:* This activity has resulted in a significant increase in accessing unclaimed benefits, which can be attributed to the volume of referrals coming into the service from residents and staff referrals, alongside a joint pilot with Public Health on the auto enrolment of free school meals for those that meet specific government criteria which identified and enabled 546 more children to have a free school meal and an additional £765k in Pupil Premium funding for Middlesbrough schools. Support was also provided to 194 pensioners that were no longer entitled to the winter fuel payments but were eligible to claim pension credits and 860 individuals were also supported through Discretionary Housing Payments.
- *Reduce health inequalities caused by excess weight, through implementation of the core Healthy Weight Declaration commitments:* Although the impact of this will take time to realise, key activities include, Eat Well Schools, embedding school food standards into holiday activities, a cooking programme for vulnerable people and a weight stigma e-learning module.
- *Improve environmental standards of the town, through increased levels of environmental enforcement:* This activity has resulted in a range of positive impacts on environmental enforcement across the town such as the recovery of stray dogs, legal micro-chipping notices served, a significant number of vehicles seized for being untaxed or abandoned. Fixed penalty fines for fly-tipping and case files prepared and submitted for legal review for fly-tipping offences.

Safe and Resilient Communities:

- *Implement a multidisciplinary approach (SHIFT) to increase prevention opportunities through early intervention:* Since its launch in September 2024, the SHIFT programme has seen 17 of 27 children with no arrests, 22 children had not committed

any proven offences, and 21 children had not been missing. Children's Social Care involvement reduced for 4 children with 4 children moved back to Middlesbrough, 2 of whom were previously in custody and 2 were living in placements out of area and Guide's ratings of mental health had improved for 6 children from the identified cohort.

Delivering Best Value:

- *Develop and implement approach to achieve organisational change through implementation of transformation portfolio of programme and projects and associated governance structure:* The implementation of a transformation programme with robust governance structures in place has enabled cross-Directorate strategic discussion and decision making, with improvements made to programme and project management processes and documentation and the successful delivery of 21 transformation initiatives / projects which realised significant savings during 2024/25.
- *Refresh the Information Strategy to ensure legal compliance in regard to information governance:* This work has resulted in the completion of an assessment of the quality of data held by the organisation to inform priorities, and the approval of a refreshed Information Strategy to enable data to be open and transparent and reuse data in predictive analytics to support services to better forecast demand and target resources.
- *Implementation and review effectiveness of demand and cost modelling forecast, for high-spend areas to feed into MTFP assumptions:* This work has resulted in focused activity to review and implement a demand and cost modelling forecast, for high-spend areas, leading to an improved production of the current Medium Term Financial Plan (MTFP) and supporting the achievement of a balanced budget for the next two financial years.
- *Implementation of a People Strategy to underpin the Council's cultural transformation ambitions and financial stability:* The People Strategy is live and will see the implementation of a wide range of activities across six key themes and delivery of a successful staff awards event.
- *Maximise grant opportunities to support service delivery:* This activity has seen the recruitment of a Grants Review Officer to support the achievement of existing and future savings, a review of Section 17 funds to maximise the use of funding from other sources, recruitment of a temporary bid writer to horizon scan grant portals and identify bid opportunities across directorates, and the introduction of parenting assessments expertise in-house to train up and to avoid future external costs and support demand management.

Strategic Risk Register (SRR)

4.29 The Strategic Risk Register (SRR) sets out the key risks, which if they occurred, could stop the Council achieving its objectives, as set out in the Council Plan.

4.30 The Register also sets out control measures in place to reduce the impact and / or likelihood of a risk occurring, as well as further planned actions to manage the risk.

Risks in the SRR are identified and managed by the Council's Leadership Management Team in line with the Risk and Opportunity Management Policy, agreed by Executive in 2023. Progress in managing these risks is reported to the Leadership Management Team on a monthly basis, with a full review of the SRR conducted on a quarterly basis.

4.31 The more volatile the risk, the more closely it must be monitored and managed. Managers are responsible for identifying and recording the countermeasures / actions required to address risks and opportunities and maintaining those details within the Council's risk management solution. Countermeasures to risk will include actions to terminate, transfer, treat or tolerate the risk. Actions in relation to opportunity will include exploitation (fully or partially) or avoidance.

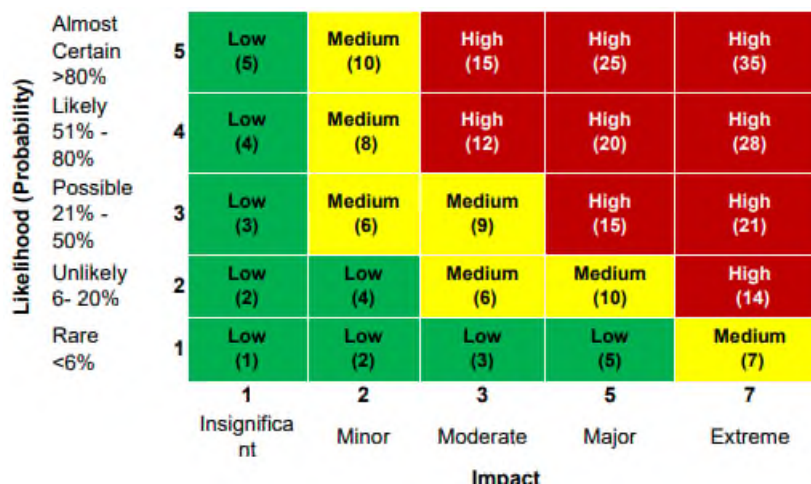
4.32 The Strategic Risk Register contained 14 risks at the end of Quarter Four 2024/25. The quarterly review of the SRR identified inclusion of the following new risk:

SR-16: Removal of the statutory override preventing the Dedicated Schools Grant (DSG) deficit from being met from general fund resources. If the statutory override issued by central government expires as planned on 31 March 2026, without providing a national solution to the current shortfall in funding compared to demand and cost of high needs provision, this will mean that the High Needs Funding Deficit will be required to be met from the Council's general fund resources. Based upon the current projection of the Dedicated Schools Grant (DSG) high needs deficit compared to the level of revenue reserves, this will result in the Council's reserves being exhausted and the Council's s151 Officer potentially being required to issue a s114 Notice. This is likely to be the case for the majority of local authorities nationally.

4.33 The following additional actions were identified to manage this risk:

- Lobbying Government to resolve the High Needs Fund (HNF) budget
- Work with schools and settings to reduce the number of children and young people who are excluded.
- Promote greater inclusion within mainstream settings.
- Reduce the number of children and young people on out of area provision.

4.34 Risks within the SRR are scored three times, using the following table: the first score assesses the likelihood and impact of the risk occurring without any control measures in place; the second assesses the impact of the control measures currently in place; and the third sets a target for the management of the risk.



Directorate Risk Registers

4.35 The Strategic Risk Register has a supporting suite of Directorate Risk Registers. The Council's Leadership team agrees escalations and de-escalations of risk. In addition, directorate management teams review their risks, monthly. This and other measures ensure the Council has a grip on its risk management approach. Below is a summary position of actions taken during Quarter Four to manage held at the directorate level:

Directorate Risk Register	Regeneration	Adults	Public Health	Children's Services	Environment	Finance	Legal and Governance Services
New Risks	1	0	0	0	1	0	0
New Actions	8	0	0	6	6	0	5
New Assessments	0	2	0	0	1	10	0
Deactivated Risks	0	0	2	0	1	7	0

Progress in delivering Programmes and Projects

4.36 The Council maintains a portfolio of programmes and projects in support of achievement of the Council's strategic priorities. At Quarter Four 2024/25, 100% (17 of 17) of the programmes / projects within the portfolio, remained on-track to deliver against project time, cost, scope, and benefits, remaining above the expected combined standard of 90%.

Status	Q4 2024/25 position	Q3 2024/25 position	Q2 2024/25 position	Q1 2024/25 position	Expected standard	Standard achieved	Trend
GREEN	100% (17 / 17)	93% (13 / 14)	100% (15 / 15)	100% (18 / 18)	90%	Yes	↑
AMBER	0% (0 / 17)	7% (1 / 14)	0% (0 / 15)	0% (0 / 18)			
RED	0% (0 / 17)	0% (0 / 15)	0% (0 / 15)	0% (0 / 18)	N/A	N/A	↔

4.37 During 2024/25, three large corporate projects were successfully delivered as summarised below with further information on the benefits achieved detailed in Appendix 7:

- *Inspecting Local Authority Children's Services (ILAC)* Improvement to address six key areas identified by OFSTED
- A range of *Town Fund Initiatives* to improve the physical environment and provision of outdoor recreational facilities
- A *Review of the Middlesbrough Council Website* to improve and enhance the Council's web presence, improve the intranet and online interaction with our customers

Transformation progress and performance

4.38 The Council has an established Transformation Programme; *Recover, Reset, Deliver*, which is designed to align with the vision and ambitions of the Council Plan, and aims to deliver tangible outcomes that benefit the people of Middlesbrough whilst delivering value for money and a financially sustainable organisation.

4.39 The 'Approach to Transformation of Middlesbrough Council' report to full Council on 27 March 2024 outlined the contents of the Transformation Portfolio, which is structured around six themed programmes. These programmes encompass a range of activities, key business changes, and complex projects aimed at addressing the emerging challenges and opportunities.

4.40 The scope of the Transformation Programme and its associated investment provides assurance on and aims to secure the delivery of all the savings of £21.028m approved by Council at its budget meeting on 8 March 2024. Investment in the resource required to physically deliver, such as programme management, finance expertise and subject matter experts, will support the Council in delivering all approved savings.

4.41 A report on 'Resetting the Council's approach to Transformation and Delivery of the Council Plan' was approved at Executive on 30th April 2025, which will see a reduction in strategic programmes from six to four.

4.42 To ensure the success of the now established governance framework and board structure, key roles and responsibilities have been designated at each layer, with the Executive being the ultimate accountable body for successful delivery of the transformation portfolio, in its entirety.

4.43 This Executive-approved governance structure ensures that projects and programmes are scrutinised in a uniform way, with exceptions escalated to senior responsible officers to ensure action is taken to bring the portfolio, programmes and projects back on-track, where required and / or necessary.

4.44 The position of savings within the transformation portfolio were reported to the Leadership Team and through the Transformation Portfolio governance and performance management reporting cycle arrangements throughout 2024/25, and detail and summary for Quarter Four 2024/25 of financial savings achieved, is provided

in the 2024/25 Revenue and Capital Outturn report presented at the same meeting of the Executive, and so are not repeated here.

4.45 The position was presented at Quarter Four 2024/25, by the number of projects within the portfolio and broken down by RAG rating, is as follows:

RAG	Adults		Children's		Property		Customer		Place-Based		Target Operating Model and Core Services		Total (No.)	Total (%)
Benefits and / or savings(s) realised. Evidence provided.	9	44%	3	20%	0	0%	0	0%	5	25%	4	20%	21	28%
Benefits and / or savings(s) on track. Assured plans in place.	3	38%	8	40%	3	60%	0	0%	12	60%	14	70%	40	53%
Medium risk to benefits and / or savings(s). Mitigation in play / in development	1	6%	1	13%	1	20%	0	0%	0	0%	1	5%	4	5%
High-risk to benefits and / or savings(s). Limited scope for mitigation.	3	13%	3	27%	1	20%	0	0%	1	5%	0	0%	8	11%
Benefits and / or saving(s) are undeliverable.	0	0%	0	0%	0	0%	0	0%	2	10%	1	5%	3	4%
TOTAL	16	21%	15	20%	5	7%	0	0%	20	26%	20	26%	76	100%

4.46 At the end of Quarter Four 2024/25, 61 out of 76 projects and saving initiatives have delivered in full, equating to 81% (Blue and Green RAG totals combined).

4.47 Two projects; ECS04: Review of Community Facilities and ECS10: Replacement Wheeled Bins Charge were removed from the portfolio as agreed by Council as part of the '2025/26 Revenue Budget, Medium Term Financial Plan and Council Tax setting report'. The remaining 13 projects / savings initiatives have been carried forward to be achieved in 2025/26 and full delivery continues to be assumed, based on latest assurance position.

4.48 Successful delivery of the first year of the transformation programme has contributed to achieving a balanced budget for the next two financial years, 2025/26 and 2026/27.

4.49 Delegated decision-making powers relating to any required approvals for proposed changes to time, scope, cost and benefit of individual projects programmes, enabling them to be brought back within agreed tolerances are as set out in the Programme and Project Management Framework (PPMF). This is with the exception where such changes are a key or urgent decisions and would require Executive approval through an additional report.

4.50 During Quarter Four 2024/25 a number of project gateways were approved. Gateway approvals are required project lifecycle stages, which ensure appropriate and robust assurance and challenge has been applied to the scoping, planning and development of the necessary project documentation and delivery plans, which are then monitored through the transformation governance arrangements.

4.51 The gateway approvals for Quarter Four 2024/25, are summarised below:

Thematic Programme	Project	Gateway approval type	Approved
Place-Based	Junk Job collection chargeable	Change control	Jan
Property	Property Rationalisation	Change control	
Property	Property Management	Change control	
Children's	Introduce Reunification team	Project Brief	
Children's	Preventing Care Starts and Placement Sufficiency Programme	Programme Definition Document (PDD)	
Children's	Introduce supplier incentive Scheme across Children's purchasing	Change control	
Children's	Placements	Change control	
Children's	Maximising grants	Change control	
Children's	Introduce Reunification team	Project Brief	Feb
Adult Social Care	Expansion of Autism Day Services	Change control	
Adult Social Care	Reprovision of Levick Court	Change control	
Adult Social Care	Review of Direct Payments	Change control	
Place-Based	Chargeable Junk Job collection	Change control	
Children's	Reduction in agency costs	Change control	Mar
Place-Based	Replacement wheeled bin charge	Project Closure Report	
Place-Based	Review of Community Facilities	Project Closure Report	
Place-Based	Fleet Services review	Project Brief	
Target Operating Model	Review of MBC Customer Relationship Manager (CRM) and Content Manager System (CMS)	Project Brief	
Target Operating Model	Artificial Intelligence (AI) Discovery Assessment	Project Brief	

4.52 Due to the Council's financial challenges at the time the transformation programme was initiated, the first year of the programme was heavily focused on continuous improvement activities and savings / increased income initiatives to contribute towards a balanced budget rather than true transformation and business change. During 2024/25, a number of key projects were successfully delivered, with the detail provided in Appendix 8.

4.53 As we move into 2025/26 the Chief Executive has set a new direction for the programme as detailed in 'Resetting the Council's approach to Transformation and Delivery of the Council Plan' report for Executive on 30 April 2025, prior the time of writing this report. This next phase of transformation will see a shift in focus to non-financial benefits and improved outcomes, which will demonstrate the impact of the transformation activity, in addition to any financial savings.

4.54 To assist with the new direction and to ensure the transformation portfolio is focused on delivering true transformational change, through new approaches to service delivery design, driving improved efficiencies and the implementation of effective demand management, the portfolio has been reviewed to separate out those saving initiatives from actual change projects, with a proposal to refine the governance arrangements in a pragmatic and proportionate manner.

Progress in other corporate performance matters

Status	Q4 2024/25 position	Q3 2024/25 position	Q2 2024/25 position	Expected standard	Standard achieved	Trend
P 1 / 2 audit actions in time	87.4%	88%	100%	90%	Yes	↓
FOI / EIR responded to <20 days	66%	69%	61%	90%	No	↑
% live SARs overdue	19%	38%	6%	90%	No	↑
Information security incidents	32	30	34	N/A	N/A	↓
Incidents reported to the ICO	2	0	1	N/A	N/A	↑
% complaints closed in time	82%	86%	82%	90%	No	↑

** Measure reflects actions agreed to be delivered in 2024/25*

4.55 In addition to the above performance and risk issues, the Leadership and Management Team review a range of other performance measures on a monthly basis, including compliance with agreed actions from internal audits, responsiveness to statutory information requests, information security incidents and complaints.

4.56 At the end of Quarter Four 2024/25, the key points of note in matters of compliance, are:

- There has been a slight reduction in the level of compliance with statutory timescales for FOI and EIRs, however performance continues to remain below acceptable levels. Capacity in services to respond to these statutory requests continues to be an issue. It is also impacted by the volume of requests they are also dealing with through the Members Enquiries system in some areas. The central team have increased their activity in relation raising awareness of legal obligations. The Council has also commissioned a new ICT system to improve request processing, which will go live during 2025/26.
- Compliance with the legal timescales in relation to Subject Access Requests (SARs) relates to a very small number of complex SARs (3). Requesters are receiving information from their requests as it has been prepared and the Council is in ongoing communication with them. The Council has had to source additional external capacity during Quarter Four to support staff to manage ongoing high demand for SARs, which has improved compliance, though it remains below target.
- The audit actions which were not completed in line with timescales relate to 2 Priority One actions from the Direct Payments internal audit, for which information has been sent to Veritau and 3 Priority Two actions. All other actions were completed within 14 days of going overdue.

5. Ward Member Engagement if relevant and appropriate

5.1 Not applicable.

6. Other potential alternative(s) and why these have not been recommended

6.1 The council is required to operate a performance management framework in order to ensure delivery of its best value duty; to not do so would place the council at risk of failing in its statutory responsibility in this regard.

7. Impact(s) of the recommended decision(s)

Topic	Impact
Financial (including procurement and Social Value)	There are no direct financial implications rising from the recommendations set out in this report.
Legal	There are no legal impacts of the proposed decisions or recommendations, and they are consistent with and will promote the achievement of the Council's legal duty to achieve Best Value.
Risk	The proposed recommendations are key to and consistent with supporting delivery of the Council's strategic priorities and risks, as set out in the Council Plan.
Human Rights, Public Sector Equality Duty and Community Cohesion	The ambitions of the Council Plan set out how the Council will improve outcomes for all its residents and highlight where additional activity is required to address inequalities in outcomes that exist across groups and individuals. This approach was impact assessed as part of the development of the 2024-2027 Council Plan, which found that the plan would have a positive impact by addressing inequalities.
Reducing Poverty	The ambitions of the Council Plan set out how the Council will work with partners to support our residents out of poverty and improve community resilience to prevent people falling into poverty. Meeting this challenge is central to all of the ambitions within the Council Plan.
Climate Change / Environmental	The ambitions of the Council Plan set out how the Council will protect and improve our environment, as part of the "A healthy place" priority which focuses on improving levels of recycling, protecting and improving parks and open spaces, and improving environment standards of the town. There are no direct impacts on this theme as a result of this and performance to date is reflected in Appendix 2: Council Plan workplan; progress at Quarter Four 2024/25. Where impact on climate change and environment is considered as part of wider programmes, projects or Executive reports, these will be referenced within the detail of the report
Children and Young People Cared for by the Authority and Care Leavers	The ambitions of the Council Plan set out how the Council will respond and react to Children and Young People cared for by the authority and care leavers, across the "A successful and ambitious town", "A healthy place," and "Safe and Resilient Communities" priorities. There are no direct impacts on this theme as a result of this and performance to date is reflected in Appendix 2: Council Plan workplan; progress at Quarter Four 2024/25. Where impact on Children and Young People cared for by the authority and care leavers is considered as part of wider programmes, projects or Executive reports, these will be referenced within the detail of the report.
Data Protection	Whenever the council delivers activities and uses data to assess impact, it takes the necessary steps to ensure it complies with the requirements of GDPR In any use of personal data that is undertaken within that work.

Actions to be taken to implement the recommended decision(s)

Action	Responsible Officer	Deadline
Performance management feeder systems to be updated according to approval from Executive.	J Chapman	30 Jun 2025
For those outcome measures reporting as Red and of a worsening trend, services are to develop action plans to address and mitigate where possible for Quarter One 2025/26 report.	J Chapman	30 Sept 2025

Appendices

1	Executive actions proposed amendments at Quarter Four 2024/25
2	Council Plan workplan progress at Quarter Four 2024/25
3	Council Plan outcome measures reporting as Green with an improving trend at Quarter Four 2024/25
4	Council Plan outcome measures reporting as Red with a worsening trend at Quarter Four 2024/25
5	Council Plan initiatives fully completed during 2024/25 and associated benefits and outcomes
6	Strategic Risk Register
7	Corporate portfolio projects benefits / outcomes delivered in 2024/25
8	Transformation portfolio project benefits / outcomes delivered in 2024/25

Background papers

Body	Report title	Date
Council	The Council Plan 2024-27	08/03/2024
Council	Approach to Transformation of Middlesbrough Council	27/03/2024
Council	Transformation of Middlesbrough Council	24/04/2024
Executive	Quarter One 2024/25 Corporate Performance Report	04/09/2024
Executive	Quarter Two 2024/25 Corporate Performance Report	04/12/2024
Executive	Quarter Three 2024/25 Corporate Performance Report	05/12/2025

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Appendix 1: Executive actions proposed amendments at Quarter Four 2024/25

Executive of	Report	Action	Owner	Agreed Due Date	Proposed Revised Due Date
22/05/2024	Developing a New Nunthorpe Community Facility	Conduct Construction Tender	REG	02/01/2025	31/05/2025
22/05/2024	Developing a New Nunthorpe Community Facility	Seek Executive Approval to proceed to Construction Stage and present 25-year lease.	REG	02/01/2025	31/05/2025
04/12/2024	2024/25 Quarter Two Revenue and Capital Monitoring and Forecast Outturn	Service Reviews to be undertaken in following areas as detailed in para.4.26 to 4.30 (Fleet Services)	REG	31/12/2024	30/09/2025
04/12/2024	2024/25 Quarter Two Revenue and Capital Monitoring and Forecast Outturn	Service Reviews to be undertaken in following areas as detailed in para.4.26 to 4.30 (Crematorium Services)	REG	31/12/2024	30/09/2025
19/07/2023	Breastfeeding Borough Declaration	Executive agrees for South Tees to be Breastfeeding Borough status.	PH	31/03/2025	30/06/2025
19/07/2023	Breastfeeding Borough Declaration	Implementation of the Breastfeeding Boroughs Declaration by the Infant Feeding Steering group over the next 12 months, leading to a full Breastfeeding Boroughs status by April 2024	PH	31/03/2025	30/06/2025
13/03/2024	Dental Health and the Impact of Covid-19	That a locally tailored oral health strategy is developed, which is based on an oral health needs assessment.	PH	31/03/2025	30/06/2025

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Appendix 2: Council Plan workplan progress at Quarter Four 2024/25

We will attract and grow businesses to increase employment opportunities	Q1 2024/25 position	Q2 2024/25 position	Q3 2024/25 position	Q4 2024/25 position
Implementation of an Economic Growth Strategy and Masterplan for the town, articulating both the aspirations of the Council and key partners and the key future investment priorities.	G	G	G	G
Expand the towns cultural offer through creation of a Cultural Masterplan, alongside exploration of external investment to ensure long term sustainability.	G	G	G	G
Increase the local economic impact of new job creation in key sectors.	G	G	G	G
Improve the range of health and employment related services offered to the public through successful delivery of the Levelling Up Partnership funds.	G	G	G	G

We will improve attainment in education and skills	Q1 2024/25 position	Q2 2024/25 position	Q3 2024/25 position	Q4 2024/25 position
Transform Middlesbrough's approach to delivery of learning through implementation of the Council's Education and Skills Strategy.	G	G	G	G
Improve outcomes through delivery of the Priority Education Area action plan at key stages 1, 2 and 4.	G	G	C	C
Increase parental understanding of the importance of literacy for under 5's through a programme of learning	G	G	G	G
Improve life chances by increasing children's and young people's access to high quality education through delivery of the Learning and Education Strategy.	G	G	G	G
Develop and deliver a programme of qualifications and learning to support people into / back into employment through Middlesbrough Community Learning.	G	G	G	G

We will ensure housing provision meets local demands	Q1 2024/25 position	Q2 2024/25 position	Q3 2024/25 position	Q4 2024/25 position
Develop and progress a new Local Plan for Middlesbrough which balances growth aspirations with the longer-term needs of the Middlesbrough community.	G	G	G	G
Continue to grow housing sites and opportunities in Middlesbrough, to enable the development of 450 units of new housing per year.	G	G	G	G
Establish a strategic leadership role for the provision of housing to ensure that the provision aligns with needs.	G	G	C	C
Increase pathways offer for homeless households that embody choice; safety and dignity and provide routes into sustainable, long-term accommodation.	G	G	G	R

We will improve life chances of our residents by responding to health inequalities	Q1 2024/25 position	Q2 2024/25 position	Q3 2024/25 position	Q4 2024/25 position
Boost recruitment and retention of practitioners through delivery of the childcare expansion in Early Years	G	G	G	G
Roll-out the extended childcare entitlement to increased number of children from 9months+, who have access to Early Years provision	G	G	G	G
Increase outcomes for under 5's through successful delivery of the Best Start Pathway.	G	G	G	G

Develop research architecture and attract funding, to support development of our local understanding of key issues affecting health inequalities.	G	G	G	G
Reduce health inequalities caused by excess weight, through implementation of the core Healthy Weight Declaration commitments.	G	G	G	C
Improve wellbeing in Middlesbrough through embedding a 'health in all' policies approach in all planning and transport decision-making.	G	G	G	G
Improve health literacy through delivery of a Healthy Start pilot model for prevention of ill-health in schools.	G	G	G	G
Reduce inequalities through improvements to cancer screening programmes uptake	G	G	G	G
Improve prevention services delivered in primary and secondary care to increase uptake	G	G	G	G

We will protect and improve our environment	Q1 2024/25 position	Q2 2024/25 position	Q3 2024/25 position	Q4 2024/25 position
Increase the levels of recycling in Middlesbrough from 30% to 38%.	G	G	G	G
Protect and improve our parks and open spaces through retention of Green Flag Status	G	G	G	G
Improve environmental standards of the town, through increased levels of environmental enforcement.	G	G	G	C

We will promote inclusivity for all	Q1 2024/25 position	Q2 2024/25 position	Q3 2024/25 position	Q4 2024/25 position
Strengthen our approach to supporting dementia friendly communities programme through increasing voluntary and community sector capacity	G	G	C	C
Prevent and / or delay the need for formal service provision through improved access to reliable and timely advice and information, to support independent and healthy living	G	G	G	R
Develop and implement a pilot approach to housing and support, for inclusion health groups ensure this is reflected in the Supported Housing Strategy	C	C	G	C

We will reduce poverty	Q1 2024/25 position	Q2 2024/25 position	Q3 2024/25 position	Q4 2024/25 position
Relaunch Welfare Strategy to support Middlesbrough's vulnerable residents who need financial assistance, advice and support	G	G	G	C

We will provide support for adults to be independent for longer	Q1 2024/25 position	Q2 2024/25 position	Q3 2024/25 position	Q4 2024/25 position
Increase the effectiveness of prevention through the development of more signposting and a consistent strengths-based approach to the promotion of independence at the "front door" of Adult Social Care	G	G	G	R
Increase the amount of reablement provided to reduce the need for on-going care	G	G	G	G
Develop an enhanced range of accommodation and support options for adults with a learning disability to promote independence and reduce the reliance on residential care provision	G	G	G	G

Reduce the need for on-going care through the expanded use of the Connect Service, assistive technology and digital solutions	G	G	G	G
Re-locate and expand our specialist autism Day Care service	G	G	G	G
Develop a Community Capacity Building Strategy with focus on social capital and community wealth building	G	G	G	G

We will Improve transport and digital connectivity	Q1 2024/25 position	Q2 2024/25 position	Q3 2024/25 position	Q4 2024/25 position
Implementation of a transformed customer model to achieve improved customer access, outcomes and savings	G	G	G	G
Improve public highways and infrastructure to support connectivity across Middlesbrough and the Tees Valley	G	G	G	G

We will promote new ideas and community initiatives	Q1 2024/25 position	Q2 2024/25 position	Q3 2024/25 position	Q4 2024/25 position
Introduce a neighbourhood working model to ensure Council services are more closely aligned to community needs	G	G	G	G

We will reduce crime and antisocial behaviour	Q1 2024/25 position	Q2 2024/25 position	Q3 2024/25 position	Q4 2024/25 position
Reduce Crime and Anti-Social behaviours across Middlesbrough through the continued working with the Community Safety Partnership	G	G	G	G
Improve the safety and health of the public and the environments in which they live and work through review of public protection policies and interventions	G	G	G	G
Implement a multidisciplinary approach (SHIFT) to increase prevention opportunities through early intervention	G	C	C	C
Work with partners to ensure safe and effective systems and processes are in place for the protection of victims of domestic abuse and their children	G	G	G	R
Revise and implement an Empty Homes strategy to support the Councils wider approach to tackling crime and ASB	G	G	G	G

We will ensure robust and effective corporate governance	Q1 2024/25 position	Q2 2024/25 position	Q3 2024/25 position	Q4 2024/25 position
Implement and embed a Member Development Strategy and Programme to extend learning and development opportunities	G	G	G	G
Develop and implement approach to achieve organisational change through implementation of transformation portfolio of programme and projects and associated governance structure	C	C	C	C
Refresh the Information Strategy to ensure legal compliance in regard to information governance	A	R	C	C

We will set a balanced revenue budget and Medium-Term Financial Plan to restore financial resilience and sustainability	Q1 2024/25 position	Q2 2024/25 position	Q3 2024/25 position	Q4 2024/25 position
Increase internal residential capacity through the purchase of suitable properties	G	G	G	G
Improve recruitment and retention of social worker related posts through more targeted and effective marketing	G	G	G	G
Maximise grant opportunities to support service delivery	G	G	C	C
Implementation of a People Strategy to underpin the Council's cultural transformation ambitions and financial stability	G	C	C	C
Increase sales and maximise rental income of the Council's asset portfolio to ensure financial sustainability and promote economic growth	G	G	G	G
Remodel the Council's Planning Service to reflect increasing demand and complexity, address recruitment and retention difficulties, and deliver improved customer service	G	G	G	G
Complete new delivery model for Procurement and Contract Management across Council services	G	G	G	R
Increase level of grant income to support development of new service delivery initiatives	G	G	G	G
Retender pensions administration service, to ensure value for money for fund and scheme members	G	G	G	G
Implementation and review effectiveness of demand and cost modelling forecast, for high-spend areas to feed into MTFP assumptions	G	C	C	C
Review of Children's and Young People placements, including processes and procedures to ensure robust decision-making and allocation	G	G	G	R
Increase internal residential capacity through the purchase of suitable properties	G	G	G	G

Key:	
C	Complete
G	On-track
A	Some slippage
R	High risk of deliverability
U	Undeliverable

Appendix 3: Council Plan outcome measures reporting as Green with an improving trend at Quarter Four 2024/25

Council Plan Ambition	Council Plan Aim	Directorate	Measure of Success	Council Plan starting position	Previous performance	Previous performance period	Current performance	Performance period	Overall target	Trend	Data refresh frequency	Data Reporting Level	Narratives
A successful and ambitious town	We will ensure housing provision meets local demands	Regeneration	New Homes: Completed	600	410	2023/24	445	2024/25	410	↑	Quarterly	Local	At Q4 year-end 2024/25, the reported position is an overachievement of 35 new homes completed against a target of 445.
A healthy place	We will improve life chances of our residents by responding to health inequalities	Public Health	Cancer Screening coverage: Breast Cancer	63.6%	63.7%	2022-23	67.9%	2023/24	67.1%	↑	Annual	National	The current reported position is the last available reported data for 2023/24, which demonstrates an improvement and upward trend for Breast Cancer Screening uptake of 67.9% compared to 63.7% in 2022/23 which had significantly dropped during and post Covid-19 period.
		Education & Partnerships	Percentage of children achieving at least the expected level of development in communication, language and literacy skills at the end of reception	61.7%	61.7%	2022-23	70.3%	2023/24	67.7%	↑	Annual	National	Data is updated annually. The current reported position is the last available reported data for 2023/24, which shows a significant improvement and upward trend of 70.3% compared to 61.7% in 2022/23.
		Public Health	Obesity prevalence in children (aged 10 to 11)	28.5%	28.5%	2022-23	25.6%	2023/24	25.8%	↑	Annual	National	The current reported position is the last available reported data for 2023/24, which shows obesity in children age 10 to 11 is improving and is within the national target of 25.80%. Active Healthy Eating campaigns in schools and education parents continue.
	We will promote inclusivity for all	Adult Social Care & Health Integration	Proportion of people who use services who find it easy to find information about Adults Social Care services	79.2%	79.2%	2023/24	73.0%	2024/25	67.9%	↓	Annual	Local	Above target. Trend fluctuates throughout the year.
	We will support for adults to be independent for longer	Adult Social Care & Health Integration	Number of adults aged 65 and over whose long-term support needs are met by admission to residential and nursing care homes (per 100k pop)	1,374.2	374.4	2023/24	374.4	Q3 2024/25	738.6	↑	Annual	Local	The current reported position is the latest available reported data for 2023/24, which demonstrates a positive decrease in the the number of adults aged 65 and over whose long-term support needs are met by admission to residential and nursing care homes as a result of the support provided to enable adults to be independent for longer.
	We will improve transport and digital connectivity	Environment & Community Services	Bus Patronage	6,170,735	1,571,293	Q1 2024/25	3,218,815	Q2 2024/25	6,300,000	↑	Quarterly	Local	Current target and outturn position is cumulative to end of current Quarter. On track to meet target when Q3 figures are available. Q1 16447522, target 1575000. Q2 3218815, target 3150000.
		Environment & Community Services	Rail Patronage	1,237,650	1,413,530	2022/23	1,519,254	2023/24	1,441,801	↑	Annual	National	Data is updated annually. A 2% Increase target based on previous year's performance was applied for 2024/25. Current reported position to end Q3 2024/25 shows a positive upward trend of rail patronage.
		Environment & Community Services	Number of publicly accessible Electric Vehicle charging points	20	37	Q2 2024/25	55	Q3 2024/25	54	↑	Quarterly	Local	The current reported position at 2024/25 year-end is full achievement of the 55 target. 21 publicly accessible Electric Vehicle charging points were installed within MBC car parks and a further 34 on-street.
		Environment & Community Services	Total Middlesbrough Council website page views	2,103,027	2,103,027	2023/24	3,181,585	2024/25	TBD	↑	Quarterly	Local	No target set however, current reported position shows a growing increase in the number of website page views.
		Environment & Community Services	Total MyMiddlesbrough user accounts	83,813	111,305	Q3 2024/25	114,727	Q4 2024/25	TBD	↑	Quarterly	Local	No target set however, current reported position shows a steady increase in the number of MyMiddlesbrough user accounts created.
Safe and resilient communities													

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Appendix 4: Council Plan outcome measures reporting as Red with a worsening trend at Quarter Four 2024/25

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Council Plan Ambition	Council Plan Aim	Directorate	Measure of Success	Council Plan starting position	Previous performance	Previous performance period	Current performance	Performance period	Overall target	Trend	Data refresh frequency	Data Reporting Level	Narratives
A successful and ambitious town A healthy place Safe and resilient communities	We will improve attainment in education and skills	Education & Partnerships	Number of pupils in local authority funded alternative provision	0.45%	0.45%	Q2 2024/25	0.65%	Q3 2024/25	0.42%	↓	Quarterly	Local	Increase is directly related to the number of children being excluded from schools. This figure for permanent exclusions continues to remain high in Middlesbrough and as the academic year progresses, more children require a placement in commissioned alternative provision.
	We will ensure housing provision meets local demands	Adult Social Care & Health Integration	Households owed a duty under the Homelessness Reduction Act	25.6	6.86	Q2 2024/25	7.26%	Q3 2024/25	4.10%	↓	Quarterly	National	A range of social factors contribute to a person's ability to secure and sustain accommodation. MBC continue to strengthen links with wider services and organisations to promote an early intervention approach to prevent homelessness where possible. Housing has been added as a transformation theme in recognition of the Council's need to address homelessness.
		Regeneration	Number of completed affordable homes delivered (gross)	168	168	2023/24	133	2024/25	155	↓	Quarterly	Local	This is the annual figure, the last Q was higher than previous ones, showing good direction of travel within the year.
		Regeneration	New Homes: Started	480	480	2023/24	378	2024/25	410	↓	Quarterly	Local	Council have control over land release and planning permission, they do not have direct control over private development timescales.
	We will improve life chances of our residents by responding to health inequalities	Public Health	Obesity prevalence in children at reception age (aged four to five years)	12.8%	12.8%	2022-23	13.8%	2023/24	11.3%	↓	Annual	National	Key contributing factors include a higher prevalence in areas of deprivation, the cost of living crisis and the affordability and convenience of choosing fast / unhealthy food.
		Public Health	Adult Obesity (18 years plus)	35.3%	34.7%	2022-23	67.6%	2023/24	32.4%	↓	Annual	National	Outturn is derived from a national annual survey which was last undertaken in 2022/23 so is now outdated.
	We will protect and improve our environment	Environment & Community Services	Household waste sent for reuse, recycling and composting	24.6%	24.5%	Q2 2024/25	18.4%	Q3 2024/25	33.0%	↓	Quarterly	Local	Contamination rates higher than expected. Efforts are continuing to educate residents through roadshows and visits to hubs and schools and social media promotions.Final end-year performance will not be available until end June. For Q4 we will be moving to a rolling 4Q average.
		Environment & Community Services	Residual household waste per household	943.7	699.33	Q2 2024/25	729.14	Q3 2024/25	578.45	↓	Quarterly	Local	Adjustment for residents moving to a fortnightly collection has not reduced waste in some areas. Targeted education is being rolled out to specific areas to assist further with reducing waste.
	We will reduce crime and antisocial behaviour	Environment & Community Services	Anti-Social Behaviour Rate per 1,000 population	38.58	38.58	2023/24	39.02	2024/25	29.70	↓	Quarterly	Regional	Seasonal variations and an increase in pro-active partnership campaigns have led to an increase in recorded ASB rate figures.The previous 8mths showed improved long-term trend.
		Multiple	First time entrants into the Criminal Justice System per 100,000	189.82	392.74	Q1 2024/25	392.74	Q2 2024/25	163.00	↓	Quarterly	Local	The key contributing factor was a significant increase in young people given a conditional discharge following the civil disorder that occurred in August 2024. These took time to parse through the justice system.
		Environment & Community Services	Crime rate per 1,000 population	14.05	10.66	Feb-25	12.60	Mar-25	11.24	↓	Monthly	Regional	Overall through the year has large fluctuations.
	Delivering best value	We will set a balanced revenue budget and Medium Term Financial Plan to restore financial resilience and sustainability	Finance	Estimated unringfenced reserves as a % net revenue expenditure	21.56%	21.56%	2023/24	12.98%	2024/25	37.54%	↓	Annual	Local
Finance			Total debt as percentage of core spending power	104.2%	173.8%	2023/24	199.3%	2024/25	244.6%	↓	Annual	Local	As above waiting 2024/25 outturn confirmation.
Children's Services			CLA placed out of area	15.0%	12.7%	Q3 2024/25	14.4%	Q4 2024/25	10.0%	↓	Quarterly	Local	National searches are undertaken where we do not have availability to place children more locally.
We will ensure robust and effective corporate governance		Legal & Governance Services	Number of member-to-member complaints	7	7	2024/25	10	2024/25	0	↓	Quarterly	Local	We continue to monitor themes in regard to incoming complaints, and training and guidance is provided where appropriate. Complaints are monitored through the quarterly reports to Standards Committee.
		Legal & Governance Services	GDPR Mandatory Training Completion %	87.0%	92.3%	Q3 2024/25	91.5%	Q4 2024/25	100%	↓	Quarterly	Local	The ICO recommended KPI is 95% to allow flexibility to account for turnover, long-term absence, and training renewals. Communications and actions to require completions were taken in last week of April to bring this up to 95% corporately.

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Appendix 5: Council Plan initiatives fully completed during 2024/25 and associated benefits and outcomes

Council Plan Priority	Council Plan Initiative	Activity Description	Key Benefits / Outcomes
A Successful and Ambitious Town	We will ensure housing provision meets local demands	CP-REG-07 Establish a strategic leadership role for the provision of housing to ensure that the provision aligns with needs	<ul style="list-style-type: none"> • Secondment to a Head of Housing role to identify current routes and costs used for providing temporary accommodation • Business case development to recruit to a permanent Head of Housing role to deliver savings • Development of a demand led model for the financially efficient supply of housing to meet service user needs
A Successful and Ambitious Town	We will improve attainment in education and skills	CP-E&P-02 Improve outcomes through delivery of the Priority Education Area action plan at key stages 1, 2 and 4.	<ul style="list-style-type: none"> • Supported schools to secure improved outcomes in reading so that attainment at the end of Key Stage 1 improved from 63% to 68% • Support schools to develop writing across the curriculum to improve outcomes at Key Stage 2 and 4 • Support schools to secure outcomes in mathematics at the end of Key Stage 4 from 34% to 45%
A Healthy Place	We will promote inclusivity for all	CP-PH-08 Develop and implement a pilot approach to housing and support, for inclusion health groups ensure this is reflected in the Supported Housing Strategy:	<ul style="list-style-type: none"> • An increase in the number of local residential rehabilitation bedspaces within South Tees, from six to twenty-one (with the possibility of up to four more); • Securing an additional six buildings across South Tees as a result of this programme. They provide a range of accommodation options, serving different purposes but provide a minimum of 33 x additional bedspaces in total (potentially more); • A comprehensive strategy and accompanying actions that will ensure that there are new and/or additional, high quality accommodation • The imminent launch (i.e. within the first half of 25/26) of the following accommodation-based initiatives: <ul style="list-style-type: none"> ○ Housing First-style accommodation with dedicated and enhanced multi-agency outreach and support package delivered via a cluster of properties (minimum 3 x 2-bed units); ○ An Oxford House (minimum 3-bed), which will see people who are abstinent living in a mutually supportive, 'dry' environment; ○ A 'prehabilitation' offer from an 8-bed unit, whereby people who are engaging with our community support services will move into the property and receive enhanced support from people with lived experience. This will better prepare them for detoxification and residential rehabilitation, providing the best chance of successful recovery outcomes.
A Healthy Place	We will promote inclusivity for all	CP-PH-07 Strengthen our approach to supporting dementia friendly communities programme through increasing voluntary and community sector capacity	<p>Identify and secure funding for community grassroots organisations to support wellbeing of residents living with dementia and their carers:</p> <ul style="list-style-type: none"> • Supported 3 community groups to access funding through Middlesbrough Council Small Grants Fund.

			<ul style="list-style-type: none"> Supported Grassroots music with bid to big lottery fund for intergenerational activity for care homes Know Your Neighbourhood Fund secured through collaboration with PH and Libraries and funding has supported 3 organisations to deliver dementia friendly community activities <p>Increased Opportunities for Care home residents with a dementia diagnosis to access dementia friendly activities:</p> <ul style="list-style-type: none"> Regular Community Activities set up through collaboration with Public Health and Dementia Friendly Businesses, Includes:- Good Vibes social afternoon (Dorman's Social Club) has up to 100 local people attending which includes care home residents. My Place Dementia Cafe has up to 5 care homes attending with residents who have a dementia diagnosis Intergenerational activity with Schools and Care Homes included world book day activity. Working with 5 local care homes. Supported Grassroots music to secure funding to do intergenerational music sessions with 2 care homes (Piloted through an MBC Small Grants fund) <p>Identify Volunteers to support programmes aimed at supporting people living with dementia which are aimed at reducing chronic loneliness:</p> <ul style="list-style-type: none"> Public Health are working with 35 recruited Age Friendly Ambassadors (Ambassador Programme) and most have completed dementia awareness to help support inclusive community events including community roadshow and international older people's day (October). Working with MBC volunteers lead and MVDA to create formal volunteer roles for inclusive projects including sensory clinic, dementia action week and International Older Peoples day events. <p>Delivery Age Friendly and Dementia Friendly Training to voluntary and community organisation to make their service and activities more inclusive for people living with dementia and their carers:</p> <ul style="list-style-type: none"> 45 Staff from the VCS have attended Age Friendly Training from August 2023 – August 24. Over 600 dementia friends created through delivery of Dementia Awareness Sessions
A Healthy Place	We will reduce poverty	CP-FIN-01 Relaunch Welfare Strategy to support Middlesbrough's vulnerable residents who need financial assistance, advice and support	<ul style="list-style-type: none"> A significant increase in unclaimed benefits which can be attributed to the volume of referrals coming into the service from residents and staff referrals. The total unclaimed benefits identified in 2024/25 was £3,053,163, which was broken down as £2,713,658 in ongoing awards and £339,503 in arrears payments. When compared to the previous financial year, the total unclaimed benefits were £1,430,732 which therefore represents an increase in benefit take up of 213% year on year. The benefit service, in conjunction with the Public Health team, undertook a pilot exercise in 2024/25 around the auto enrolment of free school meals for those children who met specific government criteria. During the pilot exercise, 546 more children now qualify for a free school meal which has also assisted Middlesbrough Schools with an additional £765k in pupil premium funding (this funding is recurring year on year). In addition to the

<div> <div>Page</div> <div>41</div> </div>			<p>identification of a free school meal, residents were also offered a full benefit check and a referral to the welfare rights team to ensure their benefit was maximised.</p> <ul style="list-style-type: none"> As part of the Governments changes to welfare, the winter fuel payment was removed for some pensioners and only payable to those who met specific criteria. As a result, the service undertook a targeted take up campaign to ensure those who were entitled to pension credits, and subsequently the winter fuel payment, did not miss out. The outcome was that 194 pensioners are now entitled to pension credit with annual additional income totalling £716,248. Again, a full benefit check was undertaken to ensure all assistance was being received. Central Government issue each LA with funding to help residents with any housing related costs such as shortfalls in rent, storage or removal costs and deposits etc through the Discretionary Housing Payment scheme. In 2024/25, the benefit service spent £370,076 of this grant which covered 1,478 awards for 860 unique individuals. This element of the welfare strategy was of particular interest to a number of internal services who utilise this fund to help residents wherever possible. The compilation of a directory of support offered through the welfare strategy launched on the Middlesbrough Council's website, provides officers and residents with a single point of reference. A recent initiative also surrounded the individual teams within resident and business support who are being brought together to form a welfare support team. This will incorporate Crisis Support, Community Support, Free School Meals, Discretionary Housing Payments, Household Support Fund, Food and Fuel Support, White Goods, Welfare Rights and benefit take up therefore providing one focussed team to assist residents with any support required.
A Healthy Place	We will improve life chances of our residents by responding to health inequalities	CP-PH-02 Reduce health inequalities caused by excess weight, through implementation of the core Healthy Weight Declaration commitments.	<p>Health inequalities caused by excess weight include (but are not limited to) addressing food insecurity, creating safe and accessible environments through Physical Activity, supporting healthy food choices, expanding weight management services, reducing stigma around obesity, working in collaboration with LA departments. We have work ongoing across these areas that have their own performance relating to reducing inequalities relating to excess weight:</p> <ul style="list-style-type: none"> Eat Well Schools Embedding School Food Standards into Holiday, Activities and Food Programme Cooking programmes for vulnerable people through MEC grant You've Got This - creating safe and accessible environments through Physical Activity Managing Undernutrition South Tees Service Tier 2 Adult Weight management consultation Weight Stigma e-learning module <p>To note: The impact of the above activities take time to measure their effectiveness.</p>
A Healthy Place	We will protect and improve our environment	CP-ECS-03 Improve environmental standards of the town, through increased levels of environmental enforcement.	<p>For the period 1-19th December 2024 and 1-30th January 2025 combined</p> <ul style="list-style-type: none"> 23 stray dogs recovered from the 30 reports – 14 returned to owners and 2 dog remains under the 7-day statutory period prior to assessment and consideration for rehoming and 2 dogs passed for rehoming. 4 Legal microchipping notices served.










			<ul style="list-style-type: none"> • 37 vehicles seized for being either untaxed or abandoned. • 3 Fixed penalty notice issued for fly tipping offences and commercial duty of care (Failing to provide waste transfer notes on request of the authority) • 3 case files prepared and submitted for legal review; this is for fly tipping offences.
Safe and Resilient Communities	We will reduce crime and anti-social behaviour	CP-CS-CC-01 Implement a multidisciplinary approach (SHIFT) to increase prevention opportunities through early intervention	<ul style="list-style-type: none"> • Implementation of SHiFT programme in September 2024 • 17 (out of 27) children had no arrests, 22 children had not committed any proven offences, and 21 children had not been missing. • Children's Social Care involvement had reduced for 4 children with 4 children moved back to Middlesbrough, 2 of whom were previously in custody and 2 were living in placements out of area. • Guide's ratings of mental health had improved for 6 children from the identified cohort.
Delivering Best Value	We will ensure robust and effective corporate governance	CP-LGS-02 Develop and implement approach to achieve organisational change through implementation of transformation portfolio of programme and projects and associated governance structure	<ul style="list-style-type: none"> • The implementation of a Transformation programme with robust governance structures in place that have enabled cross-Directorate strategic discussion and decision making. • Improvements made to Programme and Project management processes and documentation. • The successful delivery of 21 transformation initiatives / projects • The achievement of £11.797m savings during 2024/25 (subject to final year-end assurance)
Delivering Best Value	We will ensure robust and effective corporate governance	CP-LGS-03 Refresh the Information Strategy to ensure legal compliance in regard to information governance	<ul style="list-style-type: none"> • Assessment of the quality of data held by the organisation to inform priorities • Approval of a refreshed Information Strategy that will enable data to be open and transparent. • Enable the reuse of data in predictive analytics to support services to better forecast demand and target resources.
Delivering Best Value	We will set a balanced revenue budget and Medium Term financial Plan to restore financial resilience and stability	CP-FIN-06 Implementation and review effectiveness of demand and cost modelling forecast, for high-spend areas to feed in to MTFP assumptions	<ul style="list-style-type: none"> • Focused activity to review and implement a demand and cost modelling forecast, for high-spend areas has led to an improved production of the current MTFP supported the achievement of a balanced budget for the next two years.
Delivering Best Value	We will set a balanced revenue budget and Medium Term Financial Plan to restore financial resilience and stability	CP-LGS-04 Implementation of a People Strategy to underpin the Council's cultural transformation ambitions and financial stability	<ul style="list-style-type: none"> • Development of an action plan to outline activity against six key themes: <ul style="list-style-type: none"> ○ Recruitment and Retention ○ Equality, Diversity and Inclusion ○ Performance and Recognition ○ Culture and Communications ○ Learning and Development ○ Health, Safety and Wellbeing

			<p>Key areas of progress in the first year launch includes:</p> <ul style="list-style-type: none"> • Culture and Communication theme key activities <ul style="list-style-type: none"> ○ New Staff awards event held with over 140 submissions from all services ○ CEX Roadshow planned to increase staff awareness and engagement ○ Staff survey completed; new survey developed to roll out in June 2025 to measure progress ○ HR Newsletter and Manager Briefings rolled out • Learning and Development theme key activities <ul style="list-style-type: none"> ○ Induction Programme reviewed and relaunched ○ Coaching and Mentoring Programmes developed and launched ○ School Work Experience Programme developed and launched ○ New 2-year OD plan for staff and managers at all levels developed and approved by LMT for launch in September
Delivering Best Value	We will set a balanced revenue budget and Medium Term Financial Plan to restore financial resilience and stability	CP-CS-CC-05 Maximise grant opportunities to support service delivery	<ul style="list-style-type: none"> • Recruitment to a temporary Grants Review Officer to support the achievement of existing and future savings • Review of Section 17 to maximise the use of funding from other sources • Recruited to a temporary bid writer that will support scanning portals and identifying bid opportunities across directorates • Brought parenting assessments expertise in-house and trained up our successors to avoid external costs within our control to support demand management

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





Appendix 6: Strategic Risk register progress at Quarter Four 2024/25







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Code	Risk Description		Original Score	Current Score	Target Score	Managed By
SR-01	Failure to Maintain a balanced budget and MTFP	<p>Failure to set a legal and balanced annual budget and to maintain a sustainable Medium Term Financial Plan (MTFP)</p> <p>The Council is required to set a legally balanced revenue budget by 11 March in advance of each forthcoming financial year. Failure to achieve this objective will require the s151 Officer to issue a statutory s114 Notice to the Council.</p> <p>The Council has a best value duty to set and maintain a sustainable and balanced Medium Term Financial Plan including maintenance of its reserves position to demonstrate financial resilience to be able to respond to unforeseen and complex financial challenges presented by the wider economic environment.</p>	<div><div><div>35</div><div></div></div></div>	<div><div><div>21</div><div></div></div></div>	<div><div><div>21</div><div></div></div></div>	Director of Finance and Transformation
Current Mitigation			Future Mitigation	Responsible Officer	Director	Target Date
<ul style="list-style-type: none">• Responsibility and Accountability for Financial Management reinforced by Accountability Agreements for all Directors• Monthly budget monitoring, forecasting, and tracking of savings delivery by Directors with accountability to the Interim CEO through LMT and development and delivery of financial recovery plans to control within approved budget• Monthly budget challenge sessions chaired by Director of Finance for all Directorates to enable development of insight, understanding and wider collaboration of colleagues in order to address significant financial risks.• Timely briefing of Mayor and Executive Members on significant financial challenges with agreement for action.• Quarterly budget challenge sessions chaired by the Executive Member for Finance & Governance to engage Executive Members.			Development of balanced 2024/25 Budget and MTFP to 2026/27	Director of Finance and Transformation 	Chief Executive; Director of Finance and Transformation	11-Mar-2024
			Refresh of the 2025-26 MTFP process	Andrew Humble 		28-Jul-2024
			Failure of the Recover, Reset, Deliver Transformation Portfolio	Chief Executive 		31-Mar-2025
			Failure of the Recover, Reset, Deliver Transformation Portfolio to identify further savings	Chief Executive 		31-Mar-2026
			Monthly budget monitoring to be put in place	Director of Adult Social Care and Health Integration; Director of Children's Care; Director of Children's Services 		31-Mar-2024
			MOU surrounding agency costs as a region to be implemented.	Director of Children's Care 		30-May-2025




<ul style="list-style-type: none"> Monthly monitoring of income budgets, council tax and business rates collection rates and debt levels. Update MTFP ahead of Council Planning and budget setting process for 2024/25. Implementation of budget management Power BI dashboard over Business World financial management system in order to improve accessibility of financial information for Directors, Heads of Service and Budget Manager. Implementation and expansion of purchase to pay compliance dashboards for use by Directors, Heads of Service and Budget Managers to drive increase in compliant procurement in relation to retrospective ordering, on vs off contract spend and use of purchase cards 	Monthly budget monitoring to be put in place	Director of Adult Social Care and Health Integration; Director of Children's Care ✓		31-Mar-2024
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


Code	Risk Description		Original Score	Current Score	Target Score	Managed By			
Page 46 SR-02	Volatility in the demand, complexity and cost of children's social care.	The risk that demand and cost of and children's social care continues to escalate on the scale experienced in 2022/23, is the single biggest risk to the Councils financial viability. More financially sustainable solutions for meeting social care needs of children need to be secured with urgency to ensure delivery within the approved budget for 2023/23.	<div><div><div>Probability</div><div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div>Impact</div></div></div><div>35</div></div>	<div><div><div>Probability</div><div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div>Impact</div></div></div><div>28</div></div>	<div><div><div>Probability</div><div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div></div><div>Impact</div></div></div><div>21</div></div>	Chief Executive; Director of Children's Care; Director of Children's Services			
			Current Mitigation		Future Mitigation		Responsible Officer	Director	Target Date
			Children's input <ul style="list-style-type: none">Weekly activity data through Chat reports/ dataMonthly financial monitoring with Finance BPDevelopment of demand modelPlacement review has taken place to manage costs associated with young people.MOU surrounding agency costs as a region to be implemented in April 2025.Recruitment and retention strategy reviewed to increase permanent staff within the local authority.		Weekly placements panel to be put place for high cost placements		Director of Adult Social Care and Health Integration; Director of Children's Care	Director of Children's Care; Director of Children's Services; Director of Education and Partnerships	30-Jun-2023
					Review Placements Manager post		Claire Walker		29-Feb-2024
					Monthly budget monitoring to be put in place		Director of Adult Social Care and Health Integration; Director of Children's Care; Director of Children's Services		31-Mar-2024
MOU surrounding agency costs as a region to be implemented.	Director of Children's Care	30-May-2025							

<ul style="list-style-type: none"> Transformation of Children's Services underway. Access to grants being followed up. 						
Code	Risk Description		Original Score	Current Score	Target Score	Managed By
SR-03	Volatility in the demand and cost of adult's social care	The potential for underlying demand and cost pressures to arise in adult social care presents a significant risk to the Council's overall financial viability and measures must be put in place to manage within approved budget.	 35	 20	 9	Director of Adult Social Care and Health Integration
Current Mitigation			Future Mitigation	Responsible Officer	Director	Target Date
Local Government settlement Budget Management process Contract management processes Savings programme in place Demand model in place Monthly demand reported to DMT - activity not just finance			Monthly budget monitoring to be put in place	Director of Adult Social Care and Health Integration; Director of Children's Care 	Chief Executive; Director of Adult Social Care and Health Integration; Adult Social Care and Public Health Senior Managers	31-Mar-2024
			Develop a demand model, which monitors performance across activity demand and unit costing, to understand 'current state.'	Director of Adult Social Care and Health Integration; Dee Evans; Victoria Holmes 		31-Mar-2026
			Develop a forecast model, which uses the 'current state' model, to predict activity demand and financials across Adults Social Care in the next 1/2/5 years.	Dee Evans; Victoria Holmes 		31-Mar-2026

Code	Risk Description		Original Score	Current Score	Target Score	Managed By
SR-04	Unlawful decision by the Council	If the Council took a decision that was unlawful then there is a risk of legal challenge or regulatory action that could damage its reputation and its financial position.	 35	 10	 6	Director of Legal and Governance
Current Mitigation			Future Mitigation	Responsible Officer	Director	Target Date
Council constitution and supporting policy framework Corporate policies and procedures Compliance checks across key areas including HSE, Risk etc, covering the corporate governance framework Standard report formats Statutory officer posts to oversee governance			Refresh the committee report format	Ann-Marie Johnstone 	Chief Executive; Director of Legal and Governance	31-Jul-2023
			Review the report development process	Ann-Marie Johnstone 		31-Jul-2023
			Complete delivery of the Corporate Governance Improvement Plan	Ann-Marie Johnstone 		31-Mar-2025







Annual Governance Statement assessment process Internal and external audit processes Refreshed whistleblowing policy Legal and finance report clearance process Regular review of the Council Constitution.	Complete delivery of the Section 24 Action plan	Ann-Marie Johnstone	✓		31-Mar-2025
	Progress report on improvement against the Best Value Notice by the independent Board considered by Council	Ann-Marie Johnstone	✓		31-Mar-2024
	Progress report on improvement against BV notice considered by Executive	Ann-Marie Johnstone	✓		30-Sep-2024










Code	Risk Description		Original Score	Current Score	Target Score	Managed By
SR-05	Serious accident or death occurred as a result of failure to comply with Health and safety legislation and regulations	If a serious accident or death occurred as a result of failure to comply with Health and safety legislation and regulations, then this could result in financial and reputational damage and individual prosecutions of staff.	 35	 15	 10	Chief Executive
Current Mitigation			Future Mitigation	Responsible Officer	Director	Target Date
Comprehensive suite of Health and Safety policies and procedures. Mandatory and complimentary Health and safety training for all Council staff. Dedicated HSE Advisor team Incident investigation system (My Compliance) to learn from incidents. HSE intranet page with important HSE information Audit schedule HSE steering group Fire Management System implemented across Council premises.			Fire Safety Management Policy Statement	Director of Regeneration; Gary Welch	Chief Executive; Director of Legal and Governance; Director of Regeneration	31-Jul-2023
			CEO to produce H&S Statement of Intent for the Council.	Chief Executive; Gary Welch		31-Jul-2023
			Risk from reinforced autoclaved aerated concrete (RAAC) collapsing in maintained schools or other Council assets	Director of Regeneration; Richard Horniman		31-Mar-2025
			Implementation of service area audits by the health and safety unit to give further assurance of sound HSMS within directorates.	Gary Welch		31-Mar-2025








Code	Risk Description		Original Score	Current Score	Target Score	Managed By
SR-07	Unable to recruit and retain key staff	If the Council is unable to recruit and retain key staff , then this could impact on its' ability to deliver	 15	 9	 3	Director of Legal and Governance







		critical services which could cause harm to people and could result in government intervention.				
Current Mitigation			Future Mitigation	Responsible Officer	Director	Target Date
Benchmarking salaries against other local authorities and similar roles in other disciplines to remain competitive. Work/life balance system such as agile working, 9 day fortnight, collaboration areas etc. Advertising roles on multiple platforms such as LinkedIn and other social networking sites with the aim of reaching target audience.			Benchmark grades and salaries against NE local authorities	Kerry Rowe 	Chief Executive; Director of Legal and Governance	31-Jul-2023
			Review recruitment process	Nicola Finnegan 		31-Oct-2023
			Create new people and cultural transformation strategy	Nicola Finnegan 		31-Oct-2023
			review the people strategy after the first year of implementation	Nicola Finnegan 		30-Apr-2025
			Recruitment of Chief Executive and S151 Officer	Director of Legal and Governance 		31-Mar-2025
			Track delivery of first quarterly report to LMT on delivery against People Strategy	Nicola Finnegan 		31-Jul-2024
Code	Risk Description		Original Score	Current Score	Target Score	Managed By
page 49 SR-08	Fail to ensure an approach to cyber security that meets good practice standards as set out by the National Cyber Security Centre and other bodies	If the Council fails to ensure a sound approach to cyber security (technology, processes and awareness), then this could result in a cyber-attack which disrupts service delivery, increases risks to service users and incurs significant financial costs to respond to and recover from an attack.	 35	 14	 10	Director of Legal and Governance; Stephanie Bradley; Gemma Cooper; Ben Knudsen
Current Mitigation			Future Mitigation	Responsible Officer	Director	Target Date
* Annual ICT health checks (Internal and external penetration testing). * Compliance with PSN and PCI standards. * Internal scanning as new systems go live. * Robust defence systems including firewalls, content filtering and endpoint protection. * Robust 60 day patching and maintenance cycle. * Test complete and continue to test. * Health check recommendations reviewed and implemented. * Membership of North East WARP and CiSP. * Use of Protective DNS.					Chief Executive; Director of Legal and Governance	

* Robust backup regime, including off-line tape backups to ensure recovery. *Cyber Incident Response (CIR) partner and contract in place.				
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
Code	Risk Description		Original Score	Current Score	Target Score	Managed By
SR-09	Corporate Governance arrangement not fit for purpose	If the Council's Corporate Governance arrangements are not fit for purpose and appropriate action is not taken to rectify this at pace , this could result, censure from the Council's auditors within a public interest report that would damage the Council's reputation and/or in government formal intervention including removal of powers from officers and members and direction of council spend.	 15	 10	 9	Director of Legal and Governance
Current Mitigation			Future Mitigation	Responsible Officer	Director	Target Date
<p>External reports commissioned on Corporate governance and findings reflected within a Corporate Governance Improvement Plan</p> <p>Improvement Board in place</p> <p>Detailed improvement plan in place that has delivered a range of changes to corporate governance processes</p> <p>Annual Governance Statement process and supporting action plan. Draft AGSs in place for both 2021/22 and 2022/23</p> <p>Regular reports to Audit Committee on aspects of corporate governance to provide assurance</p>			Complete delivery of the Section 24 Action plan	Ann-Marie Johnstone 	Chief Executive; Director of Legal and Governance	31-Mar-2025
			Refreshed approach to corporate governance agreed by council	Ann-Marie Johnstone 		31-Jul-2023
			Corporate peer review held to assess process	Ann-Marie Johnstone 		31-Jan-2025
			Develop the detailed delivery plan	Gemma Cooper 		30-Sep-2023
			Progress report from MIIAB to Council by end March 2024	Ann-Marie Johnstone 		31-Mar-2024
			Progress report from MIIAB to Executive by end July 2024	Ann-Marie Johnstone 		31-Jul-2024
			Continue to implement a scheme of sub-delegations where appropriate to further improve governance around officer delegated decisions.	Director of Legal and Governance 		31-May-2025
			Seek an LGA Corporate Peer Challenge review within the next two years to provide an external review of the Council's corporate governance arrangements.	Director of Legal and Governance 		25-Jan-2025













	Continue to be addressed by the Corporate Governance Improvement Plan and the sec 24 action plan put in place to respond to the statutory recommendations of the EA and the governance weaknesses identified by CIPFA, Government and the Council itself.	Chief Executive 		31-Mar-2025
	A robust officer scheme of delegations and sub-delegations is required to ensure effective, appropriate and timely taking of decisions that can be taken by officers. (20/21 action). This will be addressed following the review of the constitution in 2024.	Director of Legal and Governance 		31-May-2025
	Refresh the Information Strategy during 2024.	Ann-Marie Johnstone 		30-Jun-2025
	In 2024/5 the Council will continue to deliver against its improvement plan and move towards BAU practices that provide assurance to government that the Council is maintaining a culture of good governance.	Chief Executive 		31-Mar-2025
	Development of a Workforce Plan to ensure staff at all levels have the skills and capabilities to be successful in their roles	Nicola Finnegan 		31-Mar-2025
	Complete the first annual review of the People Strategy	Nicola Finnegan 		30-Apr-2025
	Complete recruitment process for all interim appointments in a Leadership Management Team position	Nicola Finnegan 		31-Mar-2025
	Complete the first annual review of the Member Development Strategy to assess effectiveness and impact on culture and compliance	Ann-Marie Wilson 		30-Nov-2024
	Commence reporting annually on how the Audit Committee has complied with CIPFA good practice, discharged its responsibilities, and include an assessment of its performance. The report should be available to the public.	Director of Legal and Governance; Ann-Marie Johnstone 		31-Oct-2025




	Review current governance arrangements for Audit Committee and make recommendations in relation to inclusion of co-opted independent members for Committee consideration	Director of Legal and Governance 		31-Oct-2025
	The Council will refresh its approach to customers within a revised Customer Services Strategy that will set out how customer services will be delivered within the Council's target operating model developed within the Transformation programme	Janette Savage 		14-Feb-2025
	Review the Consultation and Engagement policy to ensure it aligns with the wider needs of the organisation that will emerge from the Transformation Programme.	Ann-Marie Johnstone 		30-Jun-2025
	Put in place a strategic Partnerships Strategy.	Chief Executive 		31-Oct-2025
	Review the process for managing any changes to reports that occur between publication and meetings	Director of Legal and Governance 		31-May-2025
	The Council is implementing a Corporate Landlord Model as part of the transformation work. This sets out the framework for property decisions and will be formally considered by Executive prior to full adoption.	David Jamison 		30-Nov-2024
	A clear Asset Acquisition Policy reflecting these requirements is integrated into the Corporate Landlord Model framework that will be considered by Executive.	David Velemir 		31-Mar-2025


Code	Risk Description		Original Score	Current Score	Target Score	Managed By
SR-10	Negative Impact of Mayoral Development Corporation	If the Council's ambitions for town centre regeneration or the wider financial sustainability of the organisation are negatively impacted by the establishment of a Mayoral Development Corporation that would take over some of the Council's existing statutory roles. This could potentially result in a lack of investment in the town, reduction in the Council's business rates income, loss of commercial income and reduction in asset holdings affecting the Council's financial viability. Reputational damage is also possible through the incorrect discharge of responsibilities such as town planning or business rate relief.	 10	 15	 3	Director of Regeneration
Current Mitigation			Future Mitigation	Responsible Officer	Director	Target Date
Council representation on the board of the MDC Pushing for no detriment clauses in the MDC constitution Engagement with TVCA on the development of future MDC projects			Heads of Terms agreed on individual asset transfers	Director of Regeneration 	Chief Executive; Director of Regeneration	31-Jul-2025
			Delivery of planning functions until robust alternative is in place	Director of Regeneration 		31-Dec-2023
			Agree robust business rates protocols	Leanne Miller; Janette Savage 		30-Apr-2025









Code	Risk Description		Original Score	Current Score	Target Score	Managed By
SR-11	Failure to have strategic partnership working.	If the Council does not work with its partners to establish a strategic approach to partnership working based on principles of timely and meaningful collaboration, co-design and with common purpose to inspire and build a team beyond the council that are galvanised to deliver for the town, it is unlikely to achieve delivery of the Council plan ambitions and outcomes for our residents will not improve.	<div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></di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Code	Risk Description	Original Score	Current Score	Target Score	Managed By
SR-12	<p>Fail to deliver quality practice within children's safeguarding services</p> <p>If the Council fail to deliver quality practice within children's safeguarding services, then this may result in further government intervention, serious harm to individuals and loss of financial control.</p>	 <p>35</p>	 <p>15</p>	 <p>10</p>	Director of Children's Care; Director of Children's Services
Current Mitigation		Future Mitigation	Responsible Officer	Director	Target Date
<p>• Delivered Children's services improvement plan</p> <p>• Monthly performance monitoring boards in place</p> <p>• Review to be undertaken of Children's Care</p> <p>• Monthly audit activity and reports undertaken to consider the quality of practice.</p> <p>• Implementation of children's improvement board April 2025.</p> <p>• Commitment to SHiFT, to improve quality and management of practice.</p> <p>• Ongoing monitoring via OFSTED with an annual conversation take place.</p> <p>• OFSTED future inspections to continue.</p> <p>• Internal audit to review working practices.</p>		Implementation of post ILACs improvement plan	Director of Adult Social Care and Health Integration; Director of Children's Care ✓	Chief Executive; Director of Children's Care; Director of Children's Services	31-Jan-2024
		Creation and recruitment to the head of Quality Principal Social Work Learning and Review	Director of Adult Social Care and Health Integration; Director of Children's Care ✓		30-Sep-2023
		Review progress in delivery of the ILACS improvement plan to assess progress and impact of actions	Director of Adult Social Care and Health Integration; Director of Children's Care; Director of Children's Services ✓		30-Apr-2024
		Complete delivery of the ILACs improvement	Director of Adult Social Care and Health Integration; Director of Children's Care; Director of Children's Services ▶		31-Jan-2026

Code	Risk Description		Original Score	Current Score	Target Score	Managed By
SR-13	Failure to deliver transformation successfully	If the Council fails to transform its service delivery model to a model that can deliver outcomes for residents at a reduced cost base, then the Council's financial position will become untenable and may result in the issuing of a S114 Notice.	 35	 15	 5	Chief Executive; Director of Finance and Transformation
Current Mitigation			Future Mitigation	Responsible Officer	Director	Target Date
PPMF in place Transformation governance arrangements and reporting cycle agreed Funding of £4.827m agreed by Council to fund transformation work			Failure of the Recover, Reset, Deliver Transformation Portfolio	Chief Executive 	Chief Executive	31-Mar-2025
			Failure of the Recover, Reset, Deliver Transformation Portfolio to identify further savings	Chief Executive 		31-Mar-2026
			Agree the content and approach of the transformation portfolio	Chief Executive 		30-Apr-2024
			First cycle of Transformation governance arrangements scheduled	Gemma Cooper 		30-Apr-2024
			Develop specification for transformation resourcing	Gemma Cooper 		30-Apr-2024
Code	Risk Description		Original Score	Current Score	Target Score	Managed By
SR-14	Failure to ensure effective governance of the Middlesbrough Development Corporation	If the Middlesbrough Development Corporation fails to reflect the relevant findings from the review of Teesworks governance in its structures, then there is a risk that it could fail to ensure value for money or good governance in its decision making, which will have an adverse impact on the economic vitality of the Town Centre.	 35	 10	 10	Director of Regeneration
Current Mitigation			Future Mitigation	Responsible Officer	Director	Target Date
- Teesworks report and commitment from TVCA to reflect findings in the governance arrangements of the MDC - Council representatives on the MDC Board			Refresh the Local Plan	Paul Clarke 	Chief Executive; Director of Regeneration	31-Mar-2025

Code	Risk Description		Original Score	Current Score	Target Score	Managed By
SR-15	Threats to Social Cohesion and Democratic Resilience	If Communities feel disconnected and that they do not live in a safe and resilient environment that promotes the best outcomes for citizens of the town. This could lead to local flashpoints which would be damaging to community relations, the reputation and image of a multi-cultural Middlesbrough.	 Impact	 Impact	 Impact	Marion Walker
Current Mitigation			Future Mitigation	Responsible Officer	Director	Target Date
Internal Controls (Current Mitigations in place): <ul style="list-style-type: none"> Community tension monitoring undertaken. Community engagement undertaken. Neighbourhood safety liaison in place. Prevent operational group risk plans in place Liaison with policing partners to verify validity of possible demonstrations. Initial credibility verification through visual audits using CCTV operations and open sources. Gatekeeping protocols with marketing and communications for potentially controversial communications Ongoing promotion of education around disinformation and building of media literacy by partners within the local authority and via social media Monthly meetings held with senior leadership. Gold and Silver recovery group meetings with senior leadership teams across the organisation and partners. Action plan developed by silver group to be reported to gold with escalations. Community safety partnership reconstituted to provide greater strategic oversight. MBC have secured £600k to be spent in response to community tensions as a further control. 			Promote social cohesion through a dedicated local government effort, amplifying and reinforcing democratic freedoms and norms; and supporting evidence-based local cohesion initiatives.	Marion Walker	Chief Executive; Director of Environment & Community Services	30-Aug-2025
			Build resilience in local communities against extremist ideologies and narratives, including conspiracy theories and disinformation (PREVENT).	Marion Walker		30-Aug-2025
			Engage people utilising the neighbourhood model, tying in with partnership organisations, VCS, local community groups and elected members. We will work to find solutions with communities and not to them.	Marion Walker		30-Aug-2025
			Develop an early tension warning system that monitors and alerts the local authority and other key local partners about growing tensions.	Marion Walker		30-Aug-2025
			Marginalise and isolate extremist and other malign actors to prevent the mainstreaming of extremist ideologies and dangerous conspiracy theories which are causing severe harm and disruption in local areas (PREVENT).	Marion Walker		30-Aug-2025
			Respond quickly and effectively to flashpoint incidents and triggers.	Marion Walker		30-Aug-2025

	Repair relationships and engagement between local communities where they have broken down following serious conflict and flashpoint incidents.	Marion Walker			30-Aug-2025
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Code	Risk Description		Original Score	Current Score	Target Score	Managed By
SR-16	Removal of the statutory override preventing the DSG deficit from being met from general fund resources.	If the statutory override issued by central government expires as planned on 31 March 2026, without providing a national solution to the current shortfall in funding compared to demand and cost of high needs provision, this will mean that the High Needs Funding Deficit will be required to be met from the Council's general fund resources. Based upon the current projection of the DSG high needs deficit compared to the level of revenue reserves, this will result in the Council's reserves being exhausted and the Council's s151 Officer potentially being required to issue a s114 Notice. This is likely to be the case for the majority of local authorities nationally.	<div><div><div>Probability</div><div>Impact</div></div></div> 15	<div><div><div>Probability</div><div>Impact</div></div></div> 15	<div><div><div>Probability</div><div>Impact</div></div></div> 9	Director of Education and Partnerships
Current Mitigation		Future Mitigation	Responsible Officer	Director	Target Date	
<ul style="list-style-type: none">Lobbying Government to resolve the funding issue and provide a long term solution to the DSG deficit issueDelivering DBV (Delivering Better Value) action plan.Liaising with DofE regularlyWorking with schools and settings to continuously review the funding models.		Lobbying Government to resolve the funding issue and provide a long term solution to the DSG deficit issue	Director of Finance and Transformation 	Director of Children's Services; Director of Education and Partnerships	31-Mar-2026	
		Ongoing monitoring of the HNF budget	Director of Education and Partnerships 		31-Mar-2026	
		Work with schools and settings to reduce the number of children and young people who are excluded.	Director of Education and Partnerships 		31-Mar-2026	
		Promote greater inclusion within mainstream settings.	Director of Education and Partnerships 		31-Mar-2026	
		Reduce the number of children and young people on out of area provision.	Director of Education and Partnerships 		31-Mar-2026	

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Appendix 7: Corporate portfolio projects and the benefits / outcomes delivered in 2024/25

Directorate	Project Title	Project Description	Intended Benefits / Outcomes	Actual Benefits / Outcomes
Children's Services	Inspecting Local Authority Children's Services (ILAC) Improvement Project	<p>This project was implemented following the ILAC inspection in March 2023 to address 6 key areas identified by Ofsted as needing to improve.</p> <ul style="list-style-type: none"> Planning for children Private Fostering Arrangements Management Footprint Voice of the Child Care Leaver Support Workforce Stability 	<ul style="list-style-type: none"> Planning for children is consistent across the service with evidence of IRO footprint on case records driving plans for children Children in private fostering arrangements are appropriately identified and supported Management footprint and casework supervision is evident on case records driving SMART plans and positive outcomes for children Sustained improvements in support and outcomes for Care Leavers including KIT; Health; access to suitable accommodation and employment Permanent recruitment of all roles across all service areas to provide stability of the workforce and reduce the number of changes of social workers for children. 	<ul style="list-style-type: none"> Audit outcomes: 18% good, 60% Requires Improvement (RI) and 22% inadequate IRO footprint on cases average over a 6mth period was 453, with a total of 147 IRPs raised. Monthly private fostering review panel in place Wider understanding of private fostering across the partnership Evidence of management footprint including Service Managers when concerns escalate Children and Young People's voices are heard and responded to; they influence and contribute to their own plans and strategic planning Senior leadership team and 3 / 5 heads of service now permanent
Environmental and Community Services	Town Fund Initiatives	The aim of the project was to implement a range of initiatives across the Town to improve the physical environment and provision of outdoor recreational facilities using £1m funded by The Towns Fund	<ul style="list-style-type: none"> Delivery of 17 improvement / refurbishment schemes 	<ul style="list-style-type: none"> 16 schemes fully delivered. One scheme was assessed as not viable and removed from the programme.
Legal and Governance Services	Website Review	The aim of the project was to improve and enhance the Council's Web presence, improve the intranet and online interaction with our customers and citizens.	<ul style="list-style-type: none"> Channel shift of residents, businesses and visitors to interacting with us online rather than using more expensive methods of communication like phone and face to face. 	<ul style="list-style-type: none"> Website page views increased from 2,382,980 in the year prior to the new website being launched to 3,351,584 Time reduction of 1.4 FTE per week

			<ul style="list-style-type: none">• Time reduction of 1.5 FTE per week for the Digital team to administer the website• Increase in positive Resident feedback to 85%• Average page load speed reduced to less than 2 seconds.• Improvement score for website accessibility to 95%	<ul style="list-style-type: none">• Resident feedback positivity rating rose to 92%• Average page load speed reduced to 1.4 seconds• Improvement score for website accessibility to 97%
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Appendix 8: Transformation portfolio project and the benefits / outcomes delivered in 2024/25

Programme	Project Ref / Title	Project Description	Key Benefits / Outcomes at year end
Adult Social Care	ASC03: Introduction of a Residential Care Panel	Provide increased scrutiny of placement applications with particular focus on housing and accommodation.	<ul style="list-style-type: none"> Implementation of ASC scheme of delegation to improve decision making which has resulted in 17 people moving from residential care placements to more appropriate accommodation to meet their needs.
Adult Social Care	ASC15: Review of ASC Client Income Contribution	Comprehensive review of client contributions to care package costs to ensure individuals are charged appropriately.	<ul style="list-style-type: none"> Implementation of automated benefit check as part of the reviews which ensured residents are maximising their income and in receipt of all relevant support, improving customer experience.
Children's Services	CC06: SHiFT	Implementation of a multi-disciplinary approach to increase prevention opportunities through early intervention, working with children caught up in, or at risk of, the destructive cycle of crime. Cohort consists of 27 young people.	<ul style="list-style-type: none"> Implementation of SHiFT programme in September 2024 17 (out of 27) children had no arrests, 22 children had not committed any proven offences, and 21 children had not been missing. Children's Social Care involvement had reduced for 4 children with 4 children moved back to Middlesbrough, 2 of whom were previously in custody and 2 were living in placements out of area. Guide's ratings of mental health had improved for 6 children from the identified cohort.
Children's Services	CS08: Redesign of short break provision	Reshape the children's care short breaks review process for children and young people with disabilities to improve processes and outcomes.	<ul style="list-style-type: none"> Reduction in the amount of unused funds for Short Breaks activities by implementing an automated recovery process. Savings target achieved as a result of unused direct payment awards from unallocated short breaks through reviews. Implementation of an effective tracking system identifying budgets for each child resulting in improved monitoring and review of spend.
Children's Services	CC02: Placements	Undertake a deep dive of placements for children to ensure they are placed in the most appropriate placement to meet their needs.	<ul style="list-style-type: none"> 17 young people have stepped down from external residential placements out of the identified cohort. Implementation of weekly Care Resources Panel and Residential Placement Panel which provides scrutiny and challenge and has seen an improvement in practice and decision making.
Customer Programme		The programme will revolutionise how customers access our services by creating a consistent experience across all contact channels while improving digital services.	<ul style="list-style-type: none"> Approval of Customer Strategy by Executive in February 2025. Implementation of an improved telephony solution / functionality providing an increased customer experience.

Place-based Services	ECS01: Fortnightly Collection Residual Waste	Change the frequency of refuse collection service from weekly to fortnightly for the collection of household waste and offer a provision of larger refuse bins to residents.	<ul style="list-style-type: none"> Implementation of fortnightly bin collections contributing to improved recycling rates of 18%. Reduction of staffing and fuel / equipment costs by moving to fortnightly refuse service.
Place-based Services	ECS03: Junk Job collection will be chargeable	Implement a charge for residents for collection of junk jobs/bulky waste	<ul style="list-style-type: none"> Implementation of online digital booking system resulting in an improved process / service for customers when accessing the service. Wider improvements to other online customer facing e-forms resulting in a streamlined approach for customers.
Place-based Services	REG04: Improve commercial potential of Town Hall and Theatre to maximise potential and range of performance	Exploring partnerships with private sector promoters and joining up management / programming arrangements	<ul style="list-style-type: none"> Enhanced Town Hall performance programme offering, improving the Towns commercial offer.
Place-based Services	ECS06: Increase in recycling education and enforcement	Encouraging residents to put less waste in their residual bin and recycle the Council will improve recycling rates	<ul style="list-style-type: none"> Implementation of Recycling education awareness programme for residents including schools. Roll out of in person awareness education events and regular social media campaigns to promote offering.
Property	REG07: Deliver a better coordinated housing supply model	Investing in better co-ordination of the way the Council provides housing to reduce the overall spend on emergency, temporary and short-term accommodation	<ul style="list-style-type: none"> Approval of Business Case and associated funding by Executive in December 2024 to enable housing accommodation / units to be acquired.
Target Operating Model	Target Operating Model	The model demonstrates how the Council should operate in order to ensure that the organisations budgets are balanced alongside cohesive service delivery, which better meets the needs of residents using approaches that are effective, valuable and sustainable.	<ul style="list-style-type: none"> Approval of Target Operating Model by Executive in November 2024.

MIDDLESBROUGH COUNCIL	
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Report of:	Director of Finance and Transformation (s151 Officer)
Relevant Executive Member:	Executive Member for Finance
Submitted to:	Executive
Date:	11 June 2025
Title:	2024/25 Revenue and Capital Outturn
Report for:	Decision
Status:	Public
Council Plan priority:	All
Key decision:	Yes
Why:	Decision(s) will incur expenditure or savings above £250,000 and have a significant impact in two or more wards
Subject to call in?	Yes
Why:	Non-Urgent Decision

Proposed decision(s)
<p>That the Executive approve the recommendations below relating to revisions to the Capital Programme:</p> <ul style="list-style-type: none"> the inclusion of additional expenditure budgets to the Capital Programme totalling £0.322m for 2024/25 which are externally funded (detailed in Appendix 6). Subject to approval this will increase the approved 2024/25 Capital Programme budget to £107.463m. the proposed virements over £250,000 between schemes in the 2024/25 Capital Programme approved by Council in March 2024 which are funded from within existing Council resources (detailed in Appendix 6). <p>That the Executive notes the Council's year-end financial outturn for the financial year 2024/25, and the improved financial position which includes the following:</p>

- an underspend of £2.257m on the revenue budget
- a requirement to use only £2.443m of the £13.400m Exceptional Financial Support (EFS) approved in-principle by the Ministry of Housing, Communities & Local Government (MHCLG)
- no requirement to borrow for the EFS, as capital receipts already held will be used
- increased levels of usable unrestricted revenue reserves, with £21.654m available at 31 March 2025

Executive summary

This report advises the Executive of the Council's year-end financial outturn for the financial year 2024/25, and seeks approval of revisions to the capital programme in relation to activity in Quarter Four.

The report enables the Executive to discharge its financial management responsibilities by setting out the following position at year-end 2024/25 (31 March 2025):

- General Fund Revenue Budget year-end outturn;
- statement of the Council's reserves and provisions;
- Capital Programme year-end outturn;
- statement of the Council's borrowing and prudential indicators;
- statement of the level of debt owed to and to be recovered by the Council;
- actions that have been taken and are planned to be taken in order address the issues identified.

The main highlights of the report are:

- the net revenue budget year-end outturn for 2024/25 is an **underspend of £2.257m (1.6%)** as summarised by Directorate in Table 1, which is an improvement of £2.251m from that reported at Quarter Three.
- that due to the improved financial position of the Council during 2024/25 the only element of the £13.400m Exceptional Financial Support (EFS) approved in principle by the Ministry of Housing, Communities & Local Government (MHCLG) that will be required to be used in 2024/25 is £2.443m of the £4.700m provided to set a balanced budget in 2024/25 (this is still subject to formal approval by MHCLG)..
- as the amount of EFS required is now much smaller, capital receipts already held by the Council will be utilised for the EFS rather than borrowing which was originally advised to Elected Members. This will mean that the Council will not incur any capital borrowing costs. The use of capital receipts for EFS will not affect the planned use of capital receipts generated from asset sales for the Transformation required by the Council in future years (paragraph 4.6).
- the final year-end underspend of £2.257m includes **£2.816m of net savings which were not deliverable in 2024/25** (Tables 3 and 4 and Appendix 2), however these were offset by a total of £5.073m of net underspends across the Council.
- the final year-end underspend of £2.257m includes **£6.457m of net underspends which were one-off in 2024/25 only** (as detailed in Appendix 1)

with the remainder being net overspends which will be ongoing in future years. This will inform the review of the Council's Medium Term Financial Plan (MTFP) which will take place over Summer 2025.

- the General Fund Balance was £11.100m and usable earmarked unrestricted revenue reserves were £10.554m at 31 March 2025. This means that the Council had a total of **£21.654m of usable unrestricted revenue reserves at 31 March 2025** (Table 5 and Appendix 3). This is in line with that recommended by the Director of Finance in the Reserves Policy for 2024/25 approved by Council on 8 March 2024 to rebuild the Council's financial resilience.
- **the deficit of £7.920m for 2024/25 on the Dedicated School Grant**, mainly relating to the High Needs Block, which increased the **forecast cumulative deficit to £22.213m at 31 March 2025** (Table 7). This is a major risk as the statutory override is due to end on 31 March 2026. The DSG recovery actions and risks to the Council's financial resilience are set out in Appendix 5.
- **the 2024/25 Capital Programme year-end outturn of £57.163m** is a reduction of £50.300m from the revised £107.463m budget (Table 6). This is largely due to slippage of planned expenditure from 2024/25 into 2025/26 and 2026/27 (Appendix 7). The Executive agreed measures to improve capital programme management and forecasting at its meeting on 13 November 2024.
- that **£4.447m of qualifying revenue expenditure has been funded from Flexible Use of Capital Receipts (FUoCR)** in accordance with the FUoCR strategy for 2024/25 approved by Council on 24 April 2024 (Table 9 and Appendix 8).
- the level of Middlesbrough's share of Collection Fund and General Fund Debtors on 31 March 2025 (Tables 11 and 12)
- that this report should be read together with the separate 2024/25 Treasury Management Outturn report to this Executive.

1. Purpose of this report and its contribution to the achievement of the Council Plan ambitions

- 1.1 The report discharges the responsibilities of the Executive to manage and control the revenue budget, capital programme and overall balance sheet position of the Council.

Our ambitions	Summary of how this report will support delivery of these ambitions and the underpinning aims
A successful and ambitious town	This report covers both the revenue budget and capital programme of the Council and as a result it supports all the ambitions within the Council Plan.
A healthy Place	
Safe and resilient communities	
Delivering best value	The proposed recommendations are consistent with and will promote the achievement of the Council's general legal duty to achieve Best Value in accordance with Section 3 of the Local Government Act 1999 (as amended by s137 of the Local Government & Public Involvement in Health Act 2007). The report provides assurance that the Council has effective corporate governance arrangements in place, and that the Council is able to manage its finances within the budget approved by Council for 2024/25, and also ensures that the Medium Term Financial Plan to restore financial resilience and sustainability is not impacted.

2. Recommendations

- 2.1 That the Executive **approve**:

- the inclusion of additional expenditure budgets to the Capital Programme totalling £0.322m for 2024/25 which are externally funded (detailed in Appendix 6). Subject to approval this will increase the approved 2024/25 Capital Programme budget to £107.463m.
- the proposed virements over £250,000 between schemes in the 2024/25 Capital Programme approved by Council in March 2024 which are funded from within existing Council resources (detailed in Appendix 6).

- 2.2 That the Executive notes the Council's year-end financial outturn for the financial year 2024/25, and the improved financial position which includes the following:

- an underspend of £2.257m on the revenue budget
- a requirement to use only £2.443m of the £13.400m Exceptional Financial Support (EFS) approved in-principle by the Ministry of Housing, Communities & Local Government (MHCLG)
- no requirement to borrow for the EFS, as capital receipts already held will be used
- increased levels of usable unrestricted revenue reserves, with £21.654m available at 31 March 2025

3. Rationale for the recommended decision(s)

- 3.1 To enable the effective management of finances, in line with the Council's Local Code of Corporate Governance, the Scheme of Delegation and financial regulations.

4. Background and relevant information

- 4.1 The Council's Scheme of Delegation gives the Executive collective responsibility for corporate strategic performance and financial management, monitoring and control. Standing Orders and Financial Procedures require the Executive's approval for major virements between revenue budgets, and in-year changes to the Council's Capital Programme within approved Council resources within the approved policy framework.
- 4.2 This report enables the Executive to discharge its financial management responsibilities by setting out the Council's position for the financial year ended 31 March 2025.
- 4.3 Financial Procedure Rule 18.38.3 of the Council's constitution requires the Executive's approval of revenue and capital programme budget virements over £250,000.
- 4.4 The Executive has considered quarterly reports forecasting the 2024/25 Revenue and Capital Programme outturn during the course of the 2024/25 financial year and this report presents the final year-end outturn for 2024/25.

Revenue Budget

- 4.5 The previous Director of Finance (S151 Officer) issued her Section 25 Report to Council Members in the 2024/25 Revenue Budget, Medium Term Financial Plan, and Council Tax setting report approved by Council on 8 March 2024. The report set out the basis upon which the revenue budget was considered to be robust and the basis upon which reserves were considered adequate, being dependent upon the approval of Exceptional Financial Support (EFS) by the Ministry of Housing, Communities and Local Government (MHCLG) (formerly DLUHC) as summarised below:

Exceptional Financial Support 2024/25 approved in-principle by MHCLG

Directorate	2024/25 £m
Required to balance 2024/25 budget	4.700
Contingency for non-delivery of budgeted 2024/25 savings risk	3.500
Contingency for capital receipts delivery risk	4.600
General contingency	0.600
TOTAL	13.400

- 4.6 Based on the year-end revenue budget outturn position detailed below, the only element of EFS required to be used in 2024/25 is £2.443m of the £4.700m approved in principle by MHCLG in order to set a balanced budget for 2024/25 (this is still subject to formal approval by MHCLG). As the amount of EFS required is now much smaller, capital receipts already held by the Council will be utilised for the EFS rather than borrowing which was originally advised to Elected Members. This will mean that the Council will not incur any capital borrowing costs. The use of capital receipts for EFS

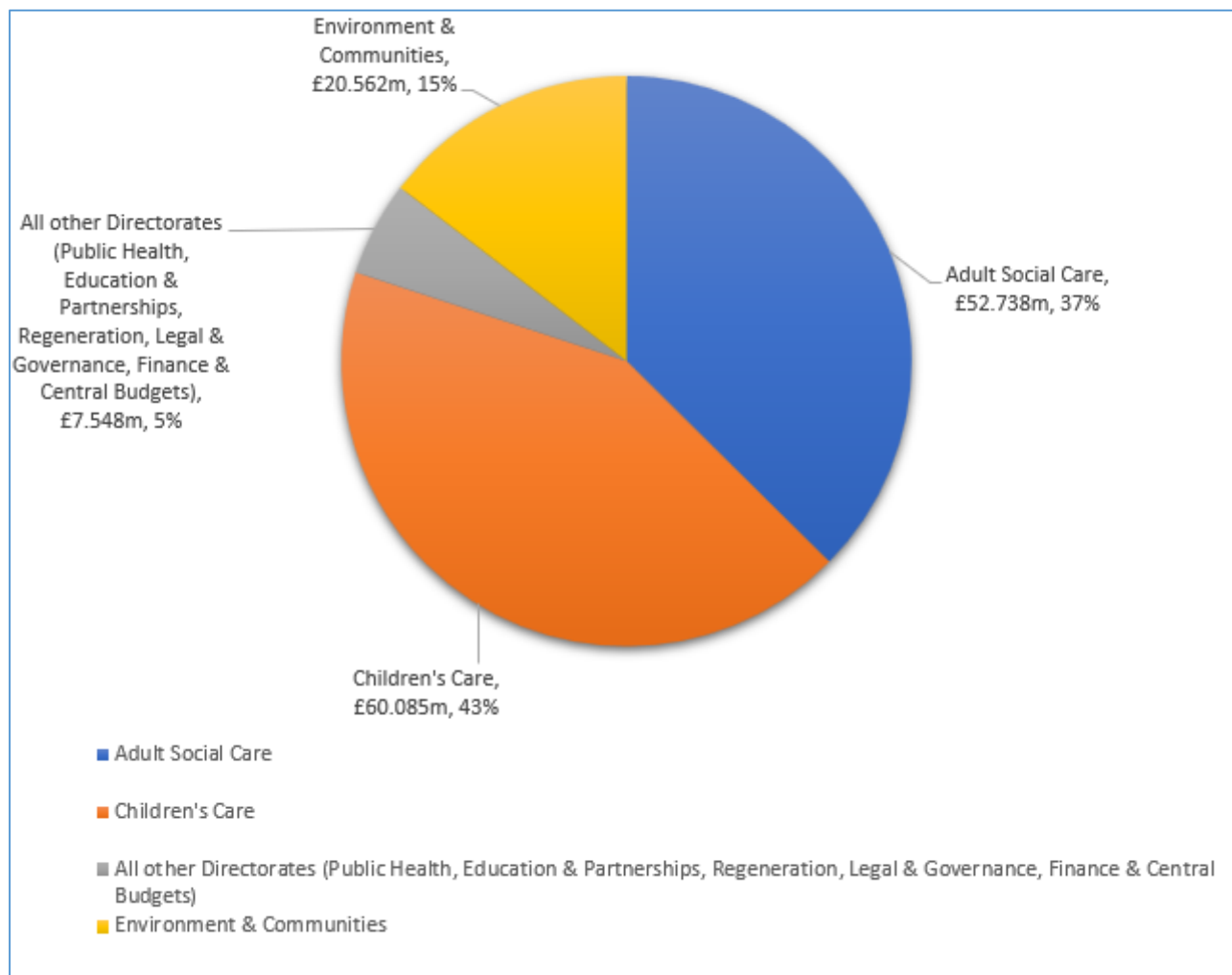
will not affect the planned use of capital receipts generated from asset sales for the Transformation required by the Council in future years.

- 4.7 The 2024/25 final year-end revenue budget outturn at 31 March 2025 (Quarter Four) was an underspend of (£2.257m) (1.6%) against the approved budget of £143.190m. This represents an improvement of £5.999m from that forecast at Quarter One and an improvement of £2.251m from that forecast at Quarter Three. This was achieved by the budgetary control measures which existed during 2024/25 and which will be continued during 2025/26 (detailed in paragraph 4.52), and the agreed actions from the budget challenge sessions held during 2024/25 (detailed in the quarterly budget monitoring reports during 2024/25).
- 4.8 The analysis of the financial outturn by Directorate is set out in Table 1. This is also illustrated in Chart 1 which shows simply that 80% of the Council's expenditure in 2024/25 was spent on Social Care (Children's and Adult).

Table 1 – Summary of Net Revenue Budget Final Outturn 2024/25 by Directorate

						MEMO YEAR-END OUTTURN VARIANCE SPLIT	
All Directorates	Original Budget Full Year	Current Budget Full Year	Year-end Outturn	Year-end Outturn Variance	Movement from Quarter Three Forecast Outturn Variance	Savings Delivery Variance	Other variances
	£m	£m	£m	£m	£m	£m	£m
				Adv / (Fav)	Adv / (Fav)	Adv / (Fav)	Adv / (Fav)
Adult Social Care	52.075	52.735	52.738	0.003	(0.185)	0.626	(0.623)
Public Health	0.006	(0.508)	(0.508)	0.000	0.000	0.000	0.000
Children's Care	54.038	56.242	60.085	3.843	(0.629)	1.911	1.932
Education & Partnerships	7.992	7.468	6.866	(0.602)	0.060	0.000	(0.602)
Regeneration	2.023	2.530	2.143	(0.387)	0.180	0.080	(0.467)
Environment & Communities	20.176	20.445	20.562	0.117	(0.377)	(0.306)	0.423
Legal & Governance	10.387	11.001	10.546	(0.455)	(0.235)	0.063	(0.518)
Finance	3.121	4.120	3.633	(0.486)	(0.804)	0.198	(0.684)
Chief Executive	0.242	0.279	0.279	0.000	0.000	0.000	0.000
Total Directorates	150.060	154.312	156.344	2.032	(1.991)	2.572	(0.541)
Central Budgets	(6.870)	(11.122)	(15.411)	(4.289)	(0.260)	0.244	(4.533)
Total Budget	143.190	143.190	140.933	(2.257)	(2.251)	2.816	(5.074)

NOTE – Environment & Communities includes an overachievement of £0.515m against the savings for the implementation of Green Waste charging (ESC02), and Adult Social Care includes an early achievement of £0.085m against the Sheltered Housing review saving (ASC01) – see Table 4. Legal & Governance outturn includes unachieved savings of £0.051m that have been achieved in other directorate's outturn figures.

Chart 1 – Net Revenue Budget Final Outturn 2024/25 % split by Directorate

4.9 Table 1 shows that there is a £3.843m overspend on the Children's Care budget for 2024/25 comprising of non-delivery of savings of £1.911m plus £1.932m of other income and expenditure pressures. This has mainly arisen due to the numbers of external residential placements increasing from 70 to 80 (14.3%) during the financial year, along with the average price for active placements increasing from £4,570 to £5,131 per week (12.3%). The number of highly complex placements has increased significantly during 2024/25 from 9 to 14 (55.6%), with these placements involving multiple complexities and links to other agencies, such as Health. The increase in external residential placements is despite a reduction in the overall number of Looked after Children, from 512 to 506 (1.1%) during 2024/25.

4.10 It should also be noted that whilst Children's Care has not fully delivered all the budget savings required in 2024/25, the review of placements, the modernising fostering project, development of edge of care provision, the reunification project funded by Department for Education (DfE), and other measures by the Service have prevented costs from increasing further (cost avoidance) and these actions are ongoing in the future. Further details of these were provided in paragraph 4.30 of the Quarter Three budget monitoring report.

- 4.11 Following the Residential and Supported Accommodation for Children in Our Care and Care Leavers Update report to Executive on 30 April 2025 in which Executive approved the move to preventative measures as opposed to reliance on residential placements for children, the Service are currently reviewing the existing internal residential provision in order to ensure it is fit for purpose in the future to support forecast demand, including reviewing the local job/skills and staffing market.
- 4.12 The overspend on the Children's Care budget has been offset by net underspends across other service directorates and also large one-off underspends against budgets held centrally (mainly contingency budgets).
- 4.13 A summary of the main variances is provided in Table 2 below with a detailed analysis of the main variances included in Appendix 1 together with an assessment of the 'one-off' variances totalling a (£6.457m) net favourable variances and 'ongoing' variances totalling a £4.200m net adverse variances. This information will be used to reassess the 2025/26 budget assumptions as part of Quarter One 2025/26 budget monitoring. It should be noted that 'one off mitigations' have a favourable impact only in 2024/25 and do not support the 2025/26 budget position. Those plans that have delivered 'ongoing' cost reductions or income generation may have a favourable impact upon the 2025/26 budget position if they have not already factored into the 2025/26 budget assumptions, and these will be reviewed as part of a review of the Council's MTFP during Summer 2025.

Table 2 – Summary of Revenue Budget Main Variances 2024/25

	£m
Adult Social Care – unachieved savings	0.626
Adult Social Care – other - mainly by maximising one-off grants	(0.623)
Children's Social Care – increased numbers and complexity of external residential placements	1.932
Children's Social Care –unachieved savings	1.911
Central – one-off savings against centrally held inflation and contingency budgets	(4.289)
Other variances (Environment & Communities, Education & Partnerships, Regeneration, Legal and Governance, and Finance)	(1.811)
Total	(2.257)

Budget Savings Delivery

- 4.14 The approved 2024/25 revenue budget for 2024/05 included savings totalling £15.302m in 2024/25.
- 4.15 The savings tracker included in Table 3 summarises performance in 2024/25 and the impact upon delivery for 2025/26, categorising the level of achieved savings at £11.886m (78%) and unachieved savings at £3.416m (22%), and also shows performance for each Directorate against the 2024/25 approved savings. Further details of savings categorised as unachievable ("Red") are attached at Appendix 2, and Table 4 ties up the unachievable savings ("Red") in Table 3 with the unachievable

savings shown in Table 1. Savings delivery plans are monitored via the Thematic and Corporate Transformation Boards.

- 4.16 The unachieved savings in 2024/25 are required to be achieved in full or replaced fully with alternative approved savings in future years otherwise this will have negative impact on the Council's MTFP. Note that this will be in addition to the savings for 2025/26 onwards which were included in the 2025/26 budget approved by Council in February 2025.
- 4.17 As announced at Full Council on 26 March 2025 the plan to charge for residents parking permits approved as part of the 2024/25 budget setting process is currently being paused. The savings associated with this (£0.125m in 2024/25 and a further £0.125m in 2025/26) will be submitted for removal from the Council's budget in the next update of the Council's MTFP to be approved by Executive.

Table 3 – Savings Programme Assurance Summary for 2024/25 by Directorate

Directorate	Approved Budget	Savings achieved in 24/25	Savings forecast to be achieved in 24/25	Medium risk to savings delivery in 24/25	Savings not achieved in 24/25 (see note 1)	Savings are undeliverable (see note 2)	24/25 (£m)	% Red (by Directorate)
		Blue	Green	Amber	Red	Purple		
Adult Social Care	(5.757)	(5.046)	0.000	0.000	(0.711)	0.000	(5.757)	12%
Children's Care	(5.080)	(3.169)	0.000	0.000	(1.911)	0.000	(5.080)	38%
Education & Partnerships	(0.285)	(0.285)	0.000	0.000	0.000	0.000	(0.285)	0%
Environment & Community Services	(1.522)	(1.313)	0.000	0.000	(0.209)	0.000	(1.522)	14%
Regeneration	(0.607)	(0.527)	0.000	0.000	(0.080)	0.000	(0.607)	13%
Finance	(1.379)	(1.181)	0.000	0.000	(0.198)	0.000	(1.379)	14%
Legal & Governance	(0.428)	(0.365)	0.000	0.000	(0.063)	0.000	(0.428)	15%
Central Budgets	(0.244)	0.000	0.000	0.000	(0.244)	0.000	(0.244)	100%
TOTAL	(15.302)	(11.886)	0.000	0.000	(3.416)	0.000	(15.302)	22%
Overall Percentages		78%	0%	0%	22%	0%	100%	

Note 1 - For savings rated RED not achieved in 2024/25, it is assumed they will be made in full in 2025/26 and future years.

Note 2 - For savings rated PURPLE and undeliverable, an alternative plan / saving is required for Executive approval.

Table 4 – Reconciliation of unachievable savings (“Red”) in Table 3 with the unachievable savings shown in Table 1

Savings	RAG	24/25 (£m)
Overall Savings not achieved in 2024/25 (Table 3). Assumed will be made in full in 2025/26 and future years.	Red	(3.416)
Savings realised (delivered) in 2024/25 that are early achievement of 25/26 savings : ASC01 Sheltered Housing	Blue	0.085
Savings realised (delivered) in 2024/25 that are early achievement of 25/26 savings : ECS02 Green Waste	Blue	0.515
Final Outturn Variance - unachieved savings (per Table 1)		(2.816)

Council Reserves and Provisions

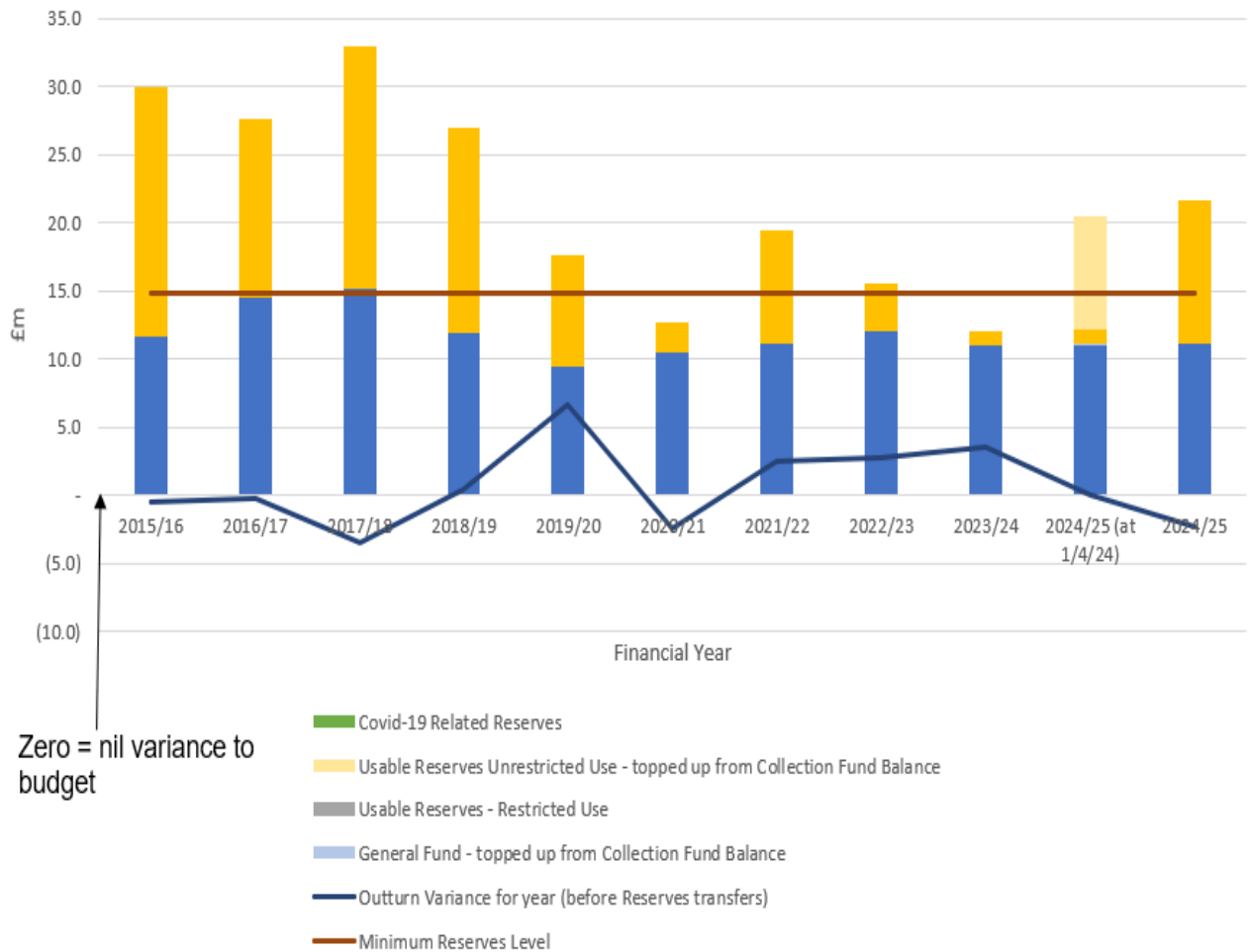
- 4.18 Table 5 summarises the Council's General Fund reserves and provisions showing the movement between 31 March 2024 and 31 March 2025, with full details included in Appendix 3. Table 5 shows that the Council has usable unrestricted revenue reserves at 31 March 2025 of £21.654m (highlighted yellow in Table 5).

Table 5 – Summary of General Fund Balance, Reserves, and Provisions

	<u>Closing Balance</u> <u>31/03/24 / Opening</u> <u>Balance 01/04/24</u>	<u>Amendments to</u> <u>Opening Balance</u> <u>from Collection</u> <u>Fund Surplus</u>	<u>REVISED OPENING</u> <u>BALANCE 01/04/24</u>	<u>Use in Year</u>	<u>Additional</u> <u>Contributions</u>	<u>Transfers from /</u> <u>(to) General Fund</u>	<u>Transfers between</u> <u>Reserves</u>	<u>CLOSING BALANCE</u> <u>AT 31/3/25</u>
	£m	£m	£m	£m	£m	£m	£m	£m
GENERAL FUND RESERVE	10.986	0.114	11.100	-	-	-	-	11.100
USABLE EARMARKED RESERVES								
Restricted Use	1.880	-	1.880	-	0.013	0.796	-	2.689
Unrestricted Use	1.069	8.211	9.280	-	1.230	0.027	0.017	10.554
	2.949	8.211	11.160	-	1.243	0.823	0.017	13.243
UNUSABLE EARMARKED RESERVES	(8.885)	-	(8.885)	(13.453)	5.525	-	-	(16.813)
SCHOOL BALANCES	4.599	-	4.599	(2.674)	1.125	-	-	3.050
PROVISIONS	4.530	-	4.530	(0.401)	1.393	-	(0.017)	5.505
	14.179	8.325	22.504	(16.528)	9.286	0.823	-	16.085

- 4.19 Figure 1 below shows the trajectory of Middlesbrough's unrestricted usable reserves from 2015/16 through to 2024/25 year-end closing balance against both the recommended minimum reserves level and the reported outturn position.

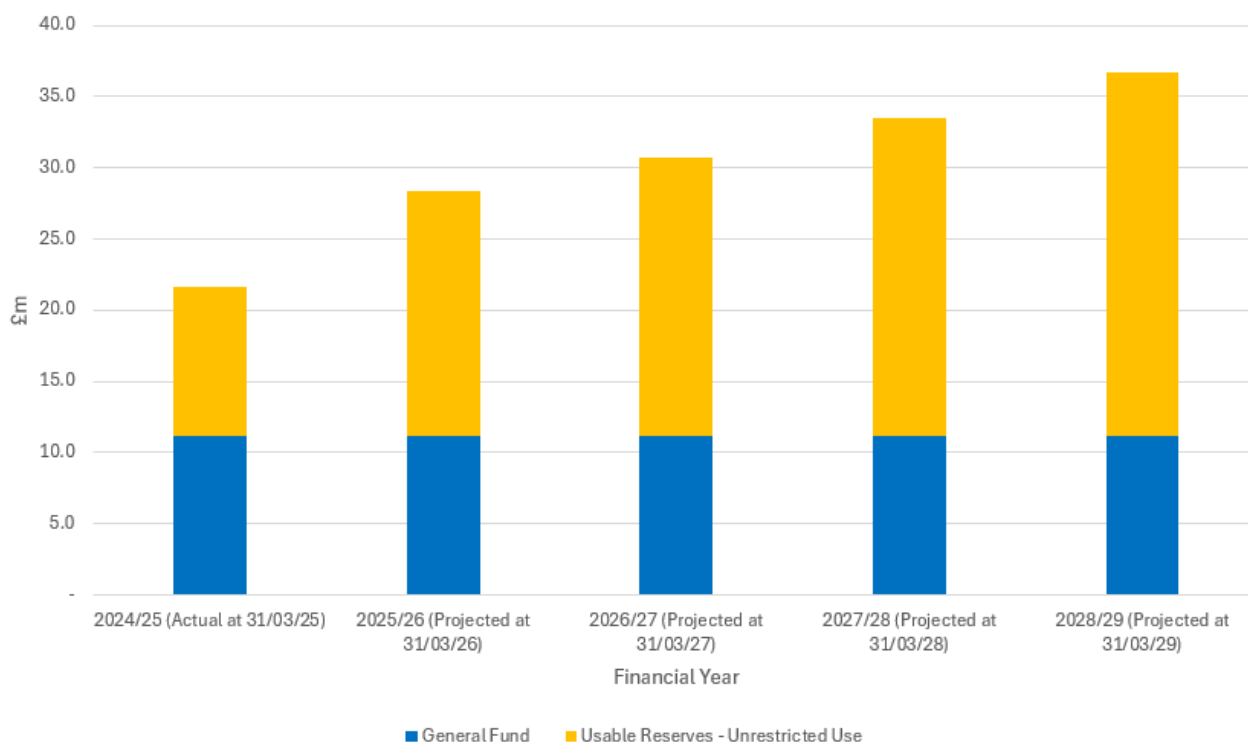
Figure 1 - Middlesbrough Council - Unrestricted Reserves Balances from closing balance 2015/16 through to year-end closing balance 2024/25 and reported outturn variance per year



4.20 The Council must continue to rebuild its unrestricted revenue reserves over the period of the MTFP in order to strengthen the Council's financial resilience and to provide sufficient resilience to support the management of risks in the delivery of the revenue budget over the current MTFP period. Reserves will increase in future years due to planned contributions to reserves as set out in the Reserves Policy in the 2025/26 Revenue Budget, Medium Term Financial 2025/26 to 2028/29, and Council Tax report to Council on 19 February 2025.

4.21 Figure 2 below shows the projected unrestricted usable reserves through to the end of 2028/29 after planned contributions, however this will depend on any unplanned drawdowns of reserves.

Figure 2 Projected Unrestricted Usable Reserves from closing balance 2024/25 through to closing balance 2028/29



Contingency Budget and Change Fund

4.22 Table 6 summarises the use of the 2024/25 Corporate Contingency budget and Change Fund Reserve which are controlled under the delegated powers of the s151 Officer. Further detail and a summary of the expenditure approved for utilisation of these budgets is set out at Appendix 4.

Table 6 – Summary of the use of Corporate Contingency Budget and Change Fund Reserve 2024/25

	<u>Corporate Contingency</u> £m	<u>Change Fund Reserve</u> £m
Starting Budget 2024/25	1.422	1.053
Contributions 2024/25	-	1.730
Other adjustments	1.310	
Available for use	2.732	2.783
Allocated in year	(1.320)	(0.017)
BALANCE REMAINING UNCOMMITTED ON CORPORATE CONTINGENCY - INCLUDED IN 24/25 OUTTURN	1.412	
CLOSING BALANCE ON CHANGE FUND RESERVE AT 31/3/25		2.766

Dedicated Schools Grant (DSG)

4.23 Local authorities receive a ring-fenced grant from central government each year, which can only be used to fund education – Dedicated Schools Grant (DSG). The DSG budget is accounted for separately to the main Revenue Budget. The Council received £197.453m (before deductions and recoupment) of Dedicated Schools Grant (DSG) for 2024/25. The funding comprised of a number of blocks:

- Schools Block
- Central School Services Block
- High Needs Block
- Early Years Block

A large proportion of the Schools Block is passported directly to academies (known as recoupment). Alongside this, agreed place funding for academies and FE colleges is also deducted from the High Needs block for specialist places. After deductions and recoupment the Council received DSG of £63.719m in 2024/25 including an agreed disapplication of £0.699m transfer from Schools Block to High Needs Block.

4.24 The forecast expenditure of £71.639m (after deductions) is a year-end overspend of £7.920m on DSG within 2024/25 as summarised in Table 7.

Table 7 - Dedicated Schools Grant (DSG) after recoupment and deductions

	2024/25 Income	2024/25 Expenditure	2024/25 Year-end Overspend	Balance as at 31/03/2024	Cumulative DSG Deficit as at 31/03/2025
	£m	£m	£m	£m	£m
Early years Block	18.256	17.973	(0.283)	(0.467)	(0.750)
Schools Block	13.053	12.861	(0.192)	(0.298)	(0.490)
High Needs Block	31.349	39.785	8.436	15.079	23.515
Central school services Block	1.061	1.019	(0.042)	(0.021)	(0.063)
TOTAL	63.719	71.639	7.920	14.293	22.213

4.25 There was a £14.293m total cumulative deficit on the DSG reserve at the end of 2023/24, which included £15.079m attributed to the High Needs Block. The DSG deficit has increased during 2024/25 as shown in Table 7 above and there is a total cumulative DSG deficit of £22.213m at 31 March 2025. This includes £23.515m relating to the High Needs Block which is partly offset by £1.302m of surpluses across the other blocks.

4.26 The DSG is subject to a statutory override by central Government which instructs Councils to account for the DSG deficits and resulting negative balance in a separate reserve and not to fund it by using its General Fund resources. This is planned to end

on 31 March 2026 whilst measures to resolve the national issues with expenditure and funding were implemented. There is limited impact of measures taken to date and if the statutory override is removed without a government led solution in 2025, this presents a significant risk to the Council's financial position as the size of the DSG deficit at 31 March 2025 of £22.213m is greater than all of the Council's usable revenue reserves of £21.654m at 31 March 2025 and the DSG deficit is currently forecast to increase in future years of the MTFP by more than the forecast increase in reserves. Like many local authorities, this could result in the Council being subject to a s114 Notice. The Education Service is working with Finance to look at options to improve the deficit figures during future years, but there is a likelihood of significant deficits continuing to arise in future years and this will therefore remain a significant risk in the future.

- 4.27 The position that the Government plans to take on this national issue which presents significant financial risks for many local authorities needs to be made clear, and it is essential that a solution is provided early in 2025/26. This risk has been added to the Strategic Risk Register and will be reflected in the Annual Governance Statement for 2024/25. Further information relating to DSG and the work being undertaken by the Council with the DfE is set out in Appendix 5.

Capital Programme Final Outturn 2024/25

- 4.28 On 8 March 2024 Council approved a capital programme for 2024/25 of £88.549m (the original 2024/25 capital budget). This was revised to £97.215m as approved by Executive within the 2023/24 Revenue and Capital Outturn and Development of MTFP report of 26 June 2024 to take account of 2023/24 programme slippage and some new externally funded schemes. The budget was revised at Quarter One by the addition of a total of £8.973m in 2024/25, by a further £0.523m in Quarter Two and a further £0.430m in Quarter Three in order to add new externally funded schemes / additional external funding to existing schemes.
- 4.29 The budget has been further revised at Quarter Four by the addition of a total of £0.322m in 2024/25 in order to add new externally funded schemes / additional external funding to existing schemes (detailed in Appendix 6). Subject to Executive approval of incorporating these within the Capital Programme, the revised budget for 2024/25 is £107.463m as summarised in Table 8.
- 4.30 During Quarter Four, including the above £0.322m for 2024/25, the Council received confirmation of additional external funding of £4.451m which will be utilised on new schemes and the enhancement of existing schemes within the capital programme. Details of all of the additional funding and the schemes to which it is attributed to are provided in Appendix 6.
- 4.31 There are also virements in relation to schemes requested for approval by Executive between schemes in the Capital Programme approved by Council in March 2024 which are funded from within existing Council resources and where there is no increase in planned expenditure above that approved by Council for funding by capital receipts and borrowing (details are provided in Appendix 6). For information, virements that are fully grant funded are also included within Appendix 6.

4.32 The final outturn at 31 March 2025 is expenditure of £57.163m, an underspend of £40.052m (41%) against the original budget adjusted for 2023/24 slippage, £49.978m (46%) against the Quarter Three 2024/25 revised budget, and £50.300m (47%) against the final 2024/25 budget.

4.33 The £57.163m expenditure was funded by:

- £31.930m (56%) grants and external funding/contributions
- £12.890m (23%) capital receipts
- £12.343m (21%) borrowing

4.34 Table 8 summarises the capital programme approved budget, outturn, and variance for 2024/25.

Table 8 – summary of capital programme approved budget, year-end outturn, and variance for 2024/25

Directorate	2024/25	2024/25	2024/25	2024/25	2024/25	2024/25	2024/25	MEMO	
	Capital Programme Budget (as approved by Council 8/3/24)	Revised Capital Programme Budget (as per Executive report 26/6/24)	Revised Capital Programme (as at Quarter Three)	Revised Capital Programme (as at Quarter Four)	Year-end Outturn	Year-end Outturn Variance	Year-end Outturn Variance % against Revised Budget at Quarter Four		
	£m	£m	£m	£m	£m	£m	%	Slippage	Underspend
Regeneration	21.582	27.428	29.628	29.657	17.753	(11.904)	(40.14)	(11.809)	(0.095)
Environment and Community Services	17.396	17.294	22.017	22.395	16.131	(6.264)	(27.97)	(6.233)	(0.031)
Public Health	0.043	0.519	0.689	0.689	0.489	(0.200)	(29.03)	(0.192)	(0.008)
Education and Partnerships	12.040	13.912	14.159	14.395	7.943	(6.452)	(44.82)	(6.040)	(0.412)
Children's Care	2.035	2.026	2.026	1.704	0.417	(1.287)	(75.53)	(1.279)	(0.008)
Adult Social Care	1.213	1.351	3.937	3.938	3.457	(0.481)	(12.21)	(0.481)	-
Legal and Governance Services	2.350	2.795	2.795	2.795	3.314	0.519	18.57	0.519	-
Finance	4.790	4.790	4.790	4.790	0.769	(4.021)	(83.95)	(0.692)	(3.329)
Transformation Programme	13.700	13.700	13.700	13.700	4.447	(9.253)	(67.54)	(9.253)	-
Exceptional Financial Support	13.400	13.400	13.400	13.400	2.443	(10.957)	(81.77)	-	(10.957)
Total	88.549	97.215	107.141	107.463	57.163	(50.300)	(46.81)	(35.460)	(14.840)

- 4.35 Capital slippage results from a delay in delivery of projects compared to the planned delivery. Whilst expenditure remains within the approved project budget, this results in an in-year underspend which is required to be carried forward to the new financial year. This is called slippage. The confirmed amount of slippage from 2024/25 of £35.460m is reprofiled and carried forward to financial years 2025/26 to 2028/29 to reflect revisions to the expected delivery and expenditure timescale. £5.780m of the stated £35.460m slippage has been identified following reviews of the status of the projects within the capital programme during Quarter Four. Details of capital slippage for 2024/25 as at Quarter Four are shown in Appendix 7.
- 4.36 The major reasons for the underspend of £14.840m are that there was a reduction of £10.957m relating to Exceptional Financial Support (EFS) which was planned to be funded from borrowing. These funds were set aside as contingency for capital receipts delivery risk (£4.600m) which was not required as sufficient planned capital receipts were realised to fund the transformation expenditure in the year, the contingency for savings programme delivery risk (£3.500m), and the general contingency (£0.600m) which will all not be required now based upon the revenue outturn. Additionally, the revenue outturn underspend of (£2.257m) has meant that only £2.443m of the £4.700m EFS planned to be used to balance the 2024/25 budget will be required, for which capital receipts will be used (see paragraphs 4.5 and 4.6 for further details). Also, as outlined in the Quarter One report there was an underspend of £3.100m of Council resources due to the Capitalisation of Property Finance Lease Arrangements scheme, and at Quarter Four this underspend has increased to £3.129m.
- 4.37 At Quarter Four, £3.649m of funding profiled for future year expenditure has also been removed from the capital programme, the schemes and impact are:
- Children's Services Financial Improvement Plan – On 30 April 2025, Executive approved the "Residential and Supported Accommodation for Children in Our Care and Care Leavers Update" report. The report agreed a move to preventative measures as opposed to a reliance upon residential placements for children, and that the original intention of growing internal beds is no longer fit for purpose. The remaining £2.931m of Council funding allocated to this scheme can therefore be removed and utilised for other schemes in the future.
 - Linthorpe Road Cycleway - £0.414m of unrequired grant funding provided by TVCA has been removed from the capital programme
 - Towns Fund – £0.304m of grant has been removed from the capital programme to compensate for a reduction in assumed grant provided by TVCA in relation to the Brownfield Housing Fund. The Council is still in dialogue with TVCA regarding the funding and hope that it will be released. The removal of the funds is deemed worst case scenario and will be reinstated depending upon the final decision re the withheld funds. The Towns Fund grant has been used in accordance with Towns Fund conditions.
- 4.38 On 24 April 2024 Council approved the "Transformation of Middlesbrough Council" report, including approval for £13.700m of transformational expenditure which would be funded through the flexible use of capital receipts. Table 9 summarises the amounts allocated through each Transformation theme and the spend as at the end of 2024/25. A full list of all expenditure within themes can be found at Appendix 8.

Table 9 – Transformation Expenditure Funded Through Flexible Use of Capital Receipts 2024/25

Summary By Theme	2024/25 Budget Approved By Council (£m)	2024/25 Outturn (£m)	Difference (£m)
Adult Social Care	1.047	0.691	(0.356)
Children's Services	0.734	0.608	(0.126)
Place	0.262	0.332	0.070
Target Operating Model	0.944	0.858	(0.086)
Customer	0.904	0.228	(0.676)
Property / Regeneration	0.085	0.083	(0.002)
Enabling	1.507	0.988	(0.519)
Redundancy	6.500	0.659	(5.841)
Contingency	1.717	-	(1.717)
Total	13.700	4.447	(9.253)

- 4.39 On 19 February 2025 Council approved the “2025/26 Revenue Budget, Medium Term Financial Plan and Council Tax setting” report. The report includes a section which updates on the Capital Programme 2025/26 to 2028/29 and Capital Strategy 2025/26. This provides an update on the Flexible Use of Capital Receipts with £7.500m anticipated to be expended within 2025/26. The total allocation of £26.700m has been retained but reviewed with planned expenditure now extending into 2027/28 and 2028/29. Expenditure relating to Transformation will be reviewed on a regular basis and updates will be provided to Executive and Council where appropriate.
- 4.40 Table 10 summarises and Appendix 9 details updated outturn expenditure for 2024/25 and forecast expenditure for the period 2025/26 to 2028/29 split over the various schemes and the proposed funding.

Table 10 – Summary of Capital Programme 2024/25 to 2028/29

Directorate	2024/25 Actual £m	2025/26 Forecast £m	2026/27 Forecast £m	2027/28 Forecast £m	2028/29 Forecast £m	TOTAL £m
Regeneration	17.753	32.617	34.823	5.070	3.810	94.073
Environment and Community	16.131	24.774	11.148	5.108	7.256	64.417
Public Health	0.489	0.971	-	-	-	1.460
Education and Partnerships	7.943	10.241	1.111	-	-	19.295
Children's Care	0.417	0.711	-	-	-	1.128
Adult Social Care	3.457	3.925	1.669	1.050	1.120	11.221
Legal and Governance Services	3.314	1.629	2.222	2.185	2.185	11.535
Finance	0.769	0.203	0.389	-	-	1.361
Transformation Programme	4.447	7.500	7.150	6.303	1.300	26.700
Exceptional Financial Support	2.443	-	-	-	-	2.443
Total EXPENDITURE	57.163	82.571	58.512	19.716	15.671	233.633
Funded by						
Borrowing	12.343	16.191	23.161	7.413	8.371	67.479
Capital Receipts	6.000	6.000	6.000	6.000	6.000	30.000
Flexible Use of Capital Receipts	4.447	7.500	7.150	6.303	1.300	26.700
Exceptional Financial Support - Flexible Use Of Capital Receipts	2.443	-	-	-	-	2.443
Grants	31.693	50.801	15.678	-	-	98.172
Contributions	0.237	2.079	6.523	-	-	8.839
Total FUNDING	57.163	82.571	58.512	19.716	15.671	233.633

- 4.41 The previous Director of Finance led the development of strengthened governance and reporting arrangements during 2024/25. These were detailed in the Capital Programme Governance Improvement report which was approved by Executive on 13 November 2024. The revised arrangements for capital governance, management and reporting have been implemented by the newly appointed Director of Finance and Transformation and Director of Regeneration. The Corporate Capital Board and the Strategic Capital Board have been created and were operational for the development of the 2025/26 capital programme contained in the 2025/26 Budget, Medium Term Financial Plan 2025/26 to 2028/29 and Council Setting report to Council on 19 February 2025.

Collection Fund - Council Tax and Business Rates income

- 4.42 Income received from Council Tax and Business Rates (NNDR) is a major source of revenue income for the Council and funds around 62% of its annual expenditure in delivering all Council services. It is accounted for within the Collection Fund and operates under the Government regulations. Due to the prescribed mechanisms for operating the Collection Fund, the financial impact of any 2024/25 income collection variances from the estimated forecast done at Quarter Three (which is used in setting

the Council Tax for 2025/26) do not immediately affect the General Fund position. By illustration, the impact of any final surplus or deficit variance on the Collection Fund for 2024/25 is fed into the development of the 2026/27 budget and MTFP and any cost/benefit does not impact the 2025/26 financial year. Table 11 below shows the Collection Fund position for 2024/25.

Table 11 – Collection Fund 2024/25

COLLECTION FUND BALANCE	Council Tax (£m)	Business Rates (£m)	Total (£m)
Balance brought forward at 1 April 2024	(12.783)	(2.162)	(14.945)
Contribution for Previous Years Surplus / (Deficit)	9.231	1.251	10.482
Deficit / (Surplus) for the year	(1.356)	2.639	1.283
Balance carried forward at 31 March 2025	(4.908)	1.728	(3.180)
Allocated to:	83.4%	49%	
Middlesbrough Council	(4.093)	0.847	(3.247)
Amount incorporated in budget for 2025/26	3.281	(0.229)	3.052
Additional surplus available for 2026/27	(0.812)	0.618	(0.195)

4.43 The 2024/25 MTFP presented to Council in March 2024 included the estimated effect of Council Tax and Business Rates income. In the context of the current economic climate and the Cost of Living Crisis, there is an ongoing risk to the levels of collection of these taxes which may result adversely upon collection rates. The actual in-year collection rate for 2024/25 was 93.03% for Council Tax and 97.29% for Business Rates. Overall collection rates remain respectable and present as a surplus on the collection fund as precept amounts have been prudently set lower than actual collection rates. Over a period of time (circa. 10 years) Council Tax collection rates (pre welfare reform) were around 98.7% and post welfare reform are around 97.6%, with business rates hovering around 97.7%.

4.44 The budgeted Council Tax base set for each year includes assumptions on housing growth. If there is a variance in growth in housing numbers compared to the levels budgeted, this will impact upon Council Tax income due.

Debt Recovery Performance

4.45 A key workstream within the plans to recover the Council's financial position is the renewed focus upon recovering monies owed to the Council from the following sources

- Council Tax
- Business Rates
- Sundry (general) debt
- Housing Benefit Overpayments

- 4.46 The Council's approach to improving debt recovery performance whilst maintaining appropriate support to residents and businesses who are entitled to available help, advice and support, was detailed in Appendix 11 of the Quarter Three report. Progress has been included in quarterly monitoring reports throughout 2024/25 with the position at year-end 2024/25 (31 March 2025) shown in Table 12 below

Table 12 – Debt Collection Performance 2024/25

Category of Collectable Debt	Balance at 1/4/24 (£m)	Movement in-year (£m)	Balance at 31/03/2025 (£m)
Council Tax	36.773	3.910	40.683
Business Rates	8.391	0.117	8.508
Sundry Debt	15.516	(4.885)	10.631
Housing Benefits Overpayments	6.535	(1.177)	5.358
Total	67.215	(2.035)	65.180

Note that the figures for Council Tax and Business Rates are Middlesbrough's share of the Collection Fund debt (Council Tax 83% and Business Rates 49%).

Actions to be taken to ensure financial sustainability in future years of the MTFP

- 4.47 While the Council has achieved significant improvement in its financial position from that which existed at the start of the 2024/25 financial year, it continued to spend above its available annual income sources in 2024/25. Whilst there is a year-end underspend of (£2.257m) for 2024/25 this is after using £2.443m of EFS to balance the budget, which means without the use of EFS the Council spent above its annual revenue income streams in 2024/25.
- 4.48 The 2025/26 Revenue Budget, Medium Term Financial 2025/26 to 2028/29, and Council Tax report to Council on 19 February 2025 set out the future financial position of the Council. Both this report and that report should be read together to fully understand the context within which the Council is operating and the financial challenges that it faces.
- 4.49 Whilst the report to Council on 19 February 2025 showed that balanced budgets could be set for 2025/26 and 2026/27, there was a budget gap of £2.726m remaining for 2027/28, rising to £5.170m by 2028/29. This may increase upon review of the MTFP during Summer 2025 if demand for services increases or new pressures emerge. This review of the MTFP will include updating where possible, if information available, assumptions around government funding.
- 4.50 The successful delivery of approved savings within the Recover, Reset, Deliver Transformation Portfolio as detailed in the budget and MTFP report to Council in February 2025 are critical to delivering within the approved 2025/26 budget and future

years of the MTFP. The Transformation Portfolio is required to develop a further pipeline of new projects that will deliver further income growth and/or expenditure reduction to balance future years in the MTFP to secure the longer term financial sustainability of the Council, and to modernise and transform to enable the Council to deliver improved outcomes for residents, businesses and visitors to the town within a financially sustainable cost envelope

4.51 A corporate approach to delivering within the approved 2025/26 budget is essential and robust budget management and control practices must be complied with. This includes but is not limited to:

- Expenditure and income will be managed within approved budgets and subject to virement rules in accordance with Financial Procedure rules and specifically [18.32 to 18.42](#).
- The over achievement of individual savings/income targets associated with approved budget proposals, should be 'banked' and reported in full through the Transformation Portfolio savings tracker and via corporate budget monitoring and forecasting reports.
- Individual budget surpluses generated through savings delivery and/or business as usual activity will be considered by Directors, LMT and the Executive as in relation to securing the achievement of controlling directorate net expenditure and the wider total General Fund net expenditure for 2025/26 within the approved budget.
- Any new or unplanned expenditure within approved council policies, will require Directors to reprioritise approved revenue or capital budgets in accordance with established virement rules and financial limits. Exceptional expenditure that could not be planned for, should be discussed with the s151 Officer for consideration of application of appropriate central contingency budgets.
- New or unplanned expenditure that is outside the approved budget and policy framework is reserved for a decision by Council in accordance with the [Constitution](#).
- Any recurring savings achieved in Directorates from cross cutting savings initiatives must be transferred to the cross cutting savings budget and must not be utilised by Directorates to fund other expenditure or cover other Directorate pressures.

4.52 The following budgetary control measures implemented during 2023/24 and 2024/25 will be continued in 2025/26 :

- Monthly budget monitoring, including officer budget clinics for all services chaired by the s151 Officer, and quarterly member led budget clinics led by the Executive Member for Finance for all services. For Children's Care there will be monthly member led budget clinics as this is a high risk service area
- Service reviews to be undertaken for areas where significant financial pressures are forecast
- Vacancy control measures for all posts, and controls on the recruitment of agency staff

- Monthly management reports to enable directors to ensure compliance with non-essential spending controls on travel, expenses, purchase cards, expenditure over £5,000
- Further improvements to Business World and Power BI budget management dashboards to improve financial information available to budget holders (including training) to improve financial awareness and budget monitoring
- Further training in the use of Business World to process orders and invoices to improve data quality within the Finance system
- Further procurement training for all staff involved in procuring goods and services to ensure compliance with procurement rules
- Strengthened capital programme governance, management and reporting arrangements including the holding of Officer and Strategic Capital Boards (as detailed in the report to Executive on 13 November 2024)

5. Ward Member Engagement if relevant and appropriate

5.1 Not applicable

6. Other potential alternative(s) and why these have not been recommended

6.1 The alternative would be to not approve changes to the Council's capital programme and to not report the Council's financial year-end financial outturn for the financial year 2024/25. This would not enable the Executive to discharge their responsibilities to manage and control the revenue budget, capital programme and overall balance sheet position of the Council.

7. Impact(s) of the recommended decision(s)

Topic	Impact
Financial (including procurement and Social Value)	This report sets out the implications associated with the financial performance of the Council in managing its revenue, grant and capital resources for the financial year 2024/25 and the financial implications are incorporated throughout. The report should be read in conjunction with the 2025/26 Budget, Medium Term Financial Plan 2025/26 to 2028/29, and Council Tax setting report presented to Council on February 2025, and also the 2024/25 Treasury Management Outturn report to this Executive to fully understand the financial position of the Council.
Legal	The proposed recommendations are consistent with and will promote the achievement of the Council's general legal duty to achieve Best Value in accordance with Section 3 of the Local Government Act 1999 (as amended by s137 of the Local Government & Public Involvement in Health Act 2007).
Risk	In line with the Council's Risk Management Policy, the corporate Strategic Risk Register will be reported to this Executive as part of the Corporate Performance Update: Quarter Four 2024/25 Year End report.

Human Rights, Public Sector Equality Duty and Community Cohesion	The complete overall impact assessment included in Appendix 3 of the 2024/25 budget report to Council on 8 March 2024 , along with all the individual impact assessments found that there was a justified adverse impact from these proposals in order to ensure the Council is able to maintain a balanced budget and continue to meet its statutory obligations.
Reducing Poverty	The proposed recommendations in this report do not directly impact on Reducing Poverty.
Climate Change / Environmental	The proposed recommendations in this report do not directly impact on Climate Change/Environmental issues.
Children and Young People Cared for by the Authority and Care Leavers	The proposed recommendations in this report do not directly impact on Children and Young People Cared for by the Authority and Care Leavers.
Data Protection	The proposed recommendations in this report do not directly impact on Data Protection issues.

Actions to be taken to implement the recommended decision(s)

Action	Responsible Officer	Deadline
Corporate revenue budget spending controls set out in the main body of the report will continue to be applied to Directorates in 2025/26.	Director of Finance and Transformation	31/3/26
Amendments to the capital programme for 2024/25 to be actioned, subject to approval by Executive	Director of Finance and Transformation	30/6/25

Appendices

1	Analysis of the main variances 2024/25 including assessment of the 'one-off' or 'ongoing' nature of the variances
2	Detailed savings tracker of savings categorised as unachievable in 2024/25 ("Red") by Directorate
3	Detailed Reserves and Provisions Movements between 1/4/24 and 31/3/25
4	Summary of projects approved for utilisation of Contingency Budgets and Change Fund 2024/25
5	Dedicated Schools Grant
6	Capital Programme Quarter Four 2024/25 – New External Funding & Virements Between Schemes
7	Capital Programme Outturn 2024/25 – Details of capital slippage
8	Transformational Expenditure Funded through Flexible Use of Capital Receipts 2024/25

9	Revised Capital Programme to 2028/29
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Background papers

Body	Report title	Date
Executive	2024-25 Budget and MTFP – Application for Exceptional Financial Support	17/1/24
Executive	Middlesbrough Independent Improvement Advisory Board: First Update Report	17/1/24
Council	Corporate Governance Improvement Plan and Section 24 Action Plan progress report	17/1/24
Council	Flexible Use of Capital Receipts Policy	17/1/24
Executive	2024/25 Revenue Budget, Medium Term Financial Plan, and Council Tax setting	28/2/24
Executive	Prudential Indicators and Treasury Management Strategy Report – 2024/25	28/2/24
Council	2024/25 Revenue Budget, Medium Term Financial Plan, and Council Tax setting, and Treasury Management Strategy 2024/25	8/3/24
Council	Approach to Transformation of Middlesbrough Council	27/3/24
Council	Transformation of Middlesbrough Council	24/4/24
Executive	2025/26 Budget and MTFP Approach and Timetable	22/5/24
Executive	2023/24 Revenue and Capital Outturn and development of MTFP	26/6/24
Executive	2025/26 Medium Term Financial Plan	4/9/24
Executive	Revenue and Capital Budget – Forecast Year-end Outturn position at Quarter One 2024/25	4/9/24
Executive	Capital Programme Governance Improvement	13/11/24
Executive	Revenue and Capital Budget – Forecast Year-end Outturn position at Quarter Two 2024/25	4/12/24
Executive	2025/26 Draft Budget and Medium-Term Financial Plan 2025/26 to 2028/29	4/12/24
Executive	Treasury Management Mid-Year review – 2024/25	4/12/24
Executive	Revenue and Capital Budget – Forecast Year-end Outturn position at Quarter Three 2024/25	5/2/25
Executive	2025/26 Budget, Medium Term Financial Plan 2025/26 to 2028/29, and Council Tax setting	5/2/25
Council	2025/26 Budget, Medium Term Financial Plan 2025/26 to 2028/29, and Council Tax setting	19/2/25
Executive	2024/25 Treasury Management Outturn Report	11/6/25

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Appendix 1 - Analysis of the main variances 2024/25 including assessment of the "one-off" or "ongoing" nature of the variances

This summarises the final 2024/25 revenue budget year-end outturn position into the major variances and the reasons for them. It also compares this with the position forecast at Quarter Three. The variances have then been analysed into those that were one-off for 2024/25 and those that are likely to be ongoing and continue to have an effect in the future . The ongoing variances have then been analysed into those that have already been accounted for in the 2025/26 budget and MTFP and those that have not (Recurring - Other).

Directorate	Service Area	Summary of variances over £250,000	2024/25 Q3 forecast year-end Overspend/ (underspend) £m	2024/25 year-end Overspend/ (underspend) £m	Expected Effect on MTFP			Comments on future effect on MTFP
					One-off 24/25	Recurring (Budget adjustment already made in 25/26)	Recurring (Other)	
Adult Social Care	Prevention, Provider & Support Service	Mainly due to Levick Court 24/25 budget saving : ASC11 £0.311m not being achieved, due to further consideration of alternative options regarding the unit's future cost plus cost of re-provisioned care to the independent sector £0.165m. Partly offset by one-off carers underspend shown within "Purchasing Other".	0.502	0.298	(0.178)	-	0.476	Levick Court : Savings issue on-going in 25/26
	Access & Safeguarding	Mainly due to staff savings due to difficulties in recruitment (£0.328m)	(0.339)	(0.409)	(0.409)	-	-	
	Access & Safeguarding : Temporary Accommodation	Combination of increased demand and delays in Move On work due to sickness and vacancies in key roles.	0.504	0.438	-	-	0.438	Temporary Accommodation issue on-going in 25/26
	Purchasing : Direct Payments / Personal Care	"Pressures Round" contract charged to the Discharge Fund grant offsetting by Direct Payments realigning of spend (both one-off for 24/25) and underspend in Personal Care	(0.305)	(0.114)	0.145	(0.259)	-	
	Purchasing : Other	Additional Fairer Charging income and early achievement of 25/26 savings offset by increase in Bad Debt Provision	(0.464)	(0.094)	0.475	(0.569)	-	25/26 Budget already adjusted for additional Fairer Charging income
	Purchasing : Savings/Growth/Inflation	Shortfall against Adult Transformation & Review Savings (ASC12 and ASC13)	0.253	0.173	0.173	-	-	
	Other Variances less than £0.250m	Across directorate	0.037	(0.289)	(0.289)	-	-	
			0.188	0.003	(0.083)	(0.828)	0.914	
Public Health	Substance Misuse	Savings mainly arose from underspend on treatment related costs and vacancy savings due to staff turnover	(0.532)	(0.713)	(0.713)	-	-	
	Other Variances less than £0.250m	Across directorate	0.292	0.203	0.203	-	-	
	Transfer to Public Health Reserve	Transfer underspend to Public Health Reserve per grant conditions	0.240	0.510	0.510	-	-	
			-	-	-	-	-	
Children's Care	Corporate Parenting	Increased cost of Agency staffing and unachieved savings	0.575	1.161	1.161	-	-	Unregulated placements should reduce in 25/26
	Assessments & Safeguarding Care Planning	Agency pressures and emergency placement costs of provision	-	0.285	0.285	-	-	Team removed in Assessments at budget setting as per savings put forward by Directorate. Unregulated placements should move to Residential placements. Agency pressures should reduce through regional Memorandum of Understanding.
	External Residential Placements	Number of placements in excess of budget and increased complexity. Includes unachieved 2024/25 budget savings : CC02 Review of Placements £1.1m and CC06 Shift Programme £0.400m	2.642	2.171	-	2.171	-	Growth put in 25/26 budget for demand, however placements made since budget set have exceeded budget contingency and this needs closely monitoring.
	External Residential Contributions	Pressure from reduced contributions from Health and Education towards placements	0.283	0.222	-	0.222	-	Corrected at budget setting
	Internal Residential Provision	Cost of Agency staffing covering significant absences across the service area	1.397	0.153	0.153	-	-	Savings target challenge due to postponement of additional internal residential provision
	Fostering & Adoption services	Lower than budgeted fostering placements, both internal and external	-	(0.587)	(0.587)	-	-	Realigned at budget setting based on updated demand forecast
	Other Services	Staff savings on vacant posts across service	(1.022)	(1.031)	(1.031)	-	-	Posts removed at budget setting and structures realigned from the savings project undertaken.
	Management	Cost of Agency staffing covering management posts and significant agency resource worker engagements	0.586	1.469	1.469	-	-	Permanent staff at senior level has reduced requirement at budget setting and level of Agency Resource workers required should reduce in 25/26

Directorate	Service Area	Summary of variances over £250,000	2024/25 Q3 forecast year-end Overspend/ (underspend) £m	2024/25 year-end Overspend/ (underspend) £m	Expected Effect on MTFP			Comments on future effect on MTFP
					One-off 24/25	Recurring (Budget adjustment already made in 25/26)	Recurring (Other)	
	Other Variances less than £0.250m	Across directorate	0.011	-	-	-	-	
			4.472	3.843	1.450	2.393	-	
Education	Integrated Transport Service	Following a reassessment of demand from start of academic year in September 2024 there is an additional forecast saving of £0.621m for 2024/25. This is in addition to the £0.732m transferred to Central Budgets at Quarter One.	(0.676)	(0.620)	(0.620)	-		- Reduction in previous growth provided already accounted for in MTFP for 2025/26 and future growth added for 26/27. Refresh due Summer 2025 to test model and check demand numbers.
	Other Variances less than £0.250m	Across directorate	0.014	0.018	0.018	-		- MTFP requests to be made from Service area for Family Hubs continuation after grant potentially ends, and also further requests to be made for resources to cover growth in demand across Directorate
			(0.662)	(0.602)	(0.602)	-	-	
Regeneration	Investment Properties	Income below budget set at Cleveland Centre and Captain Cook Shopping Centres offset by increased income above budget at Teesside Advanced Manufacturing Park (TAMP) where the sale concluded later than originally expected which provided additional rent to the Council whilst in it's ownership.	0.377	0.514	(0.171)	0.685		- Reduced income at Cleveland Centre and Captain Cook shopping centres likely to continue in 25/26 and future years.
	Property Services	Mainly due to savings on the running costs budgets, including a one-off rates refund of relating to the Crematorium.	(0.835)	(0.936)	(0.244)	(0.692)		- Running costs budget has been amended in 25/26.
	Economic Development	Reduced income at Boho buildings following previous main tenant moving to Boho X.	-	0.369	-	-	0.369	The tenancy levels at the Boho buildings have reduced significantly due to previous main tenant moving to Boho X. The pressure will be recurring until such time that new tenants are sourced.
	Economic Development	Additional grant income and fees above budget associated with project work	-	(0.182)	(0.182)	-	-	
	Regeneration Management	Saving not achieved in 24/25 relating to improved housing co-ordination and provision (REG07)	0.080	0.080	0.080			Whilst savings will be achieved from the initiative in 25/26 they will address to overspend within the services and therefore are classed as cost reduction. Other permanent savings within the Directorate have been identified to ensure that the savinn will be achieved.
	Other Variances less than £0.250m	Across directorate	(0.188)	(0.232)	(0.232)	-	-	
			(0.566)	(0.387)	(0.749)	(0.007)	0.369	
Environment & Community Services	Bereavement Services	Reduced income due to falling demand for service of £0.232m, and £0.122m due to increased costs relating to purchase of equipment and materials to facilitate burials at cemeteries. This is partially offset by staff savings due to posts being held vacant	0.449	0.354	0.122	0.232		Decreasing number of cremations may impact on future income
	Waste Collection	Overachievement of income from implementation of charging for Green Waste Collection Service (£0.515m) partially offset by the junk job saving shortfall £0.084m. This was partially offset by unbudgeted expenditure as a result of the additional staffing required to meet the demand for garden waste.	(0.020)	(0.148)	0.367	(0.515)		- Overachievement of income from implementation of charging for Green Waste Collection Service already accounted for in 25/26 budget and MTFP.
	Fleet Management	Increased staff costs due to recruitment issues	0.600	0.445		-	0.445	In addition to recruitment issues which are likely to continue, there is an increase in number of fleet vehicles in the future due to growth in Waste (Recycling) and Area Care.
	Highways Maintenance	Increased use of internal staff for grant funded projects	(0.181)	(0.290)	(0.290)		-	
	Street Lighting	Energy costs above budget	0.190	0.265			0.265	Potential future costs to be re-evaluated based on latest available forecast energy costs which can fluctuate.
	Car Parking	Charging for Residents Permits not implemented in 2024/25	0.125	0.125			0.125	Following announcement at Council on 26 March 2025 this has been paused and will be submitted for removal by Executive approval in next review of the MTFP.

Directorate	Service Area	Summary of variances over £250,000	2024/25 Q3 forecast year-end Overspend/ (underspend) £m	2024/25 year-end Overspend/ (underspend) £m	Expected Effect on MTFP			Comments on future effect on MTFP
					One-off 24/25	Recurring (Budget adjustment already made in 25/26)	Recurring (Other)	
	Supported Communities	Additional unringfenced grants received that can be used to cover work previously budgeted	(0.784)	(0.822)	(0.822)			- Home Office Grant which is unringfenced will be received in 25/26 but has already been committed.
	Across Directorate	Other variances below £250,000	0.115	0.188	0.188			
			0.494	0.117	(0.435)	(0.283)	0.835	
Legal & Governance Services	Legal Childcare	Legal fees associated with childcare issues continue to be significantly more than the budget provided.	-	0.189	-	-	0.189	Legal childcare costs are likely to continue to be above budget in 25/26..
	Across directorate	Other variances below £250,000 - Mainly staffing savings due to vacancies and recruitment delays and over achievement of income	(0.220)	(0.644)	(0.644)	-	-	
			(0.220)	(0.455)	(0.644)	-	0.189	
Finance	Cross-cutting Savings	Budget saving (FIN07) reduction in contractual spend	0.350	-	-	-	-	- Now reported under Central Budgets (pressure nil at year end for 24/25 - met by savings on inflation budgets for 24/25 only)
	Central Support Services & Overheads to Grants	Mainly due to overhead recovery charged to grants being higher than anticipated	-	(0.297)	(0.297)	-	-	
	Resident & Business Support - Housing Benefits Subsidy	Due to timing issues of Housing Subsidy claims - budget set for the year based on initial Subsidy estimate, final actual Subsidy amount does not transpire until year end and this has led to increased pressure on this budget.	0.180	0.271	0.271	-	-	
	Resident & Business Support - Operational - Non-Housing Benefits Subsidy	Mainly due to savings on staffing due to vacancies and recruitment delays , one-off grant income, and changes to Bad Debt Provision requirement - offset by underachievement of savings target FIN02 (Review of Council Tax Single Persons Discount) due to timing issues in being able to release the saving from Collection Fund into General Fund.	(0.159)	(0.379)	(0.379)	-	-	
	Other Variances less than £0.250m	Across directorate	(0.053)	(0.081)	(0.081)	-	-	
			0.318	(0.486)	(0.486)	-	-	
Chief Executive	Other Variances less than £0.250m	Across directorate	-	-	-	-	-	- No variances over £250k
			-	-	-	-	-	
Central Budgets	General Fund	Levy Account Surplus received from Government on 31/3/25 and revisions to accruals made relating to previous years for Enterprise Zone discounts repayable to Central Government	(0.147)	(0.722)	(0.722)			
	Capital Financing	Additional costs relating to finance leases due to change of accounting treatment offset by lower borrowing costs and additional interest received	-	0.251	0.251			
	Pay & Prices Contingencies	Underspend following settlement of 24/25 pay award for local government staff	(1.490)	(1.490)	(1.490)			
	Inflation held Centrally	Funding set aside to cover inflation pressures in year - balance unused	(1.431)	(0.731)	(0.731)			
	Centrally Held Grants	Surplus on S31 grant received from Collection Fund	(0.001)	(0.322)	(0.322)			
	Contingencies for Future Uncertainty	Savings from growth awarded at 24/25 budget setting but not required in 24/25 - returned centrally from Directorates for 24/25. (Waste Disposal - ECS and Integrated Transport Unit - Education & Partnerships)	(1.258)	(1.412)	(1.412)			

Directorate	Service Area	Summary of variances over £250,000	2024/25 Q3 forecast year-end Overspend/ (underspend) £m	2024/25 year-end Overspend/ (underspend) £m
	Other Variances less than £0.250m	Across directorate	0.298	0.137
			(4.029)	(4.289)
Total Variance			(0.006)	(2.257)

Expected Effect on MTFP			Comments on future effect on MTFP
One-off 24/25	Recurring (Budget adjustment already made in 25/26)	Recurring (Other)	
(0.482)		0.619	Recurring pressure is FIN07 (Contractual Spend reductions) cross cutting £0.700m saving which sits under Central but which was achieved on a one-off basis only in 24/25. It has only been possible so far to adjust permanently by £0.081m savings on contractual inflation budget
(4.908)	-	0.619	
(6.457)	1.275	2.925	

Appendix 2

Appendix 2

Detailed savings tracker of savings not achieved in 2024/25 categorised as “Red” by Directorate

Saving Initiative	24/25 RED (£m)
ASC02: Temporary Accommodation Review – Budgeted saving not achieved due to the area being significantly overspent & any savings in 24/25 were essentially cost avoidance.	0.165
ASC11: Re-provision of Levick Court – Budgeted saving of £0.311m not achieved due to detailed consideration of options. A partial one-off mitigation was found of 0.095m in 24/25.	0.216
ASC13: Review of Direct Payments – Original budgeted saving of £0.660m not fully achieved due to delays in recruiting review staff. The saving has however been achieved fully achieved from April 25.	0.300
ASC14: Court of Protection Service Charges – Delay in receipt of confirmation of Court of Protection awards from the Office of Public Guardian, resulting in shortfall of income in 24/25. Saving will be achieved fully in 25/26	0.030
Sub-total: Adult Social Care	0.711
CC02: Review of Placements – The various projects have generated reductions, but these were outweighed by growth in demand. Growth has subsequently been added to 25/26 budget.	1.100
CC06: SHIFT Project – It has since been determined that SHIFT is primarily to drive service improvements rather than budgeted cost savings. Saving has been merged with CC02 above.	0.400
CS04: Introduce Supplier Incentive Scheme across Children’s Purchasing – The saving was not achieved in 24/25. It is highly unlikely to realise purchasing savings through placement providers and an alternative saving option is likely to be required.	0.031
CS07: Reduction in Agency Costs – Not achieved in 24/25 due to continued requirement of agency staff across Children’s. Saving carried forward to 25/26. New Memorandum of Understanding (capped agency rates on social work) should help to achieve some of this saving moving forward.	0.380
Sub-total: Childrens Care	1.911

Appendix 2

ECS03: Chargeable Junk Jobs – Saving not achieved in 24/25 due to delay in system going live. Saving will be achieved in 25/26.	0.084
ECS08: Residents Parking Permit Charge – The saving was not achieved in 24/25. As announced at Full Council on 26 March 2025 a pause has been made on the plan to charge for residents parking permits approved as part of the 2024/25 budget setting process, . The savings associated with this (£0.125m in 2024/25 and a further £0.125m in 2025/26) will be submitted for removal from the Council's budget in the next update of the Council's MTFP to be approved by Executive.	0.125
Sub-total: Environment & Communities	0.209
LGS02: DBS renewals – This saving has not been achieved in 24/25, however, has been mitigated by other underspends within the directorate.	0.012
LGS03: Cross-cutting review of administrative roles - Whilst the saving was partially achieved within the Legal directorate, there were one-off savings from vacant posts / recruitment delays relating to administrative roles across the council that are shown in directorate outturn figures in Table 1.	0.051
Sub-total: Legal & Governance	0.063
FIN02: Review of Single Person Discounts and Student Exemption for Council Tax – Saving has been achieved in 24/25 though the financial benefit will not be realised until 25/26 due to the accounting treatment of the saving via the Collection Fund.	0.198
Sub-total: Finance	0.198
CEN02: Senior Management Review – The senior management review has been delayed and will happen in 25/26. Whilst the saving was not achieved in 24/25, there were one-off savings from vacant posts / recruitment delays relating to senior management that are shown in directorate outturn figures in Table 1.	0.244
Sub-total: Central	0.244
REG07: Better co-ordination of how the Council provides Housing – Savings were found in-year in 24/25 but due to increased demand, it resulted in cost avoidance and not budgeted savings. Saving carried forward to 25/26 and other savings have been identified within the Directorate.	0.080
Sub-total: Regeneration	0.080
OVERALL TOTAL	3.416

Appendix 2

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Appendix 3 - Detail of Reserves and Provisions movements in 2024/25

	<u>Closing Balance</u> <u>31/03/24 / Opening</u> <u>Balance 01/04/24</u>	<u>Amendments to</u> <u>Opening Balance</u> <u>from Collection</u> <u>Fund Surplus</u>	<u>REVISED</u> <u>OPENING</u> <u>BALANCE</u> <u>01/04/24</u>	<u>Use in Year</u>	<u>Additional</u> <u>Contributions</u>	<u>Transfers from /</u> <u>(to) General Fund</u>	<u>Transfers between</u> <u>Reserves</u>	<u>CLOSING</u> <u>BALANCE AT</u> <u>31/3/25</u>
	£m	£m	£m	£m	£m	£m	£m	£m
GENERAL FUND RESERVE	10.986	0.114	11.100	-	-	-	-	11.100
USABLE EARMARKED RESERVES								
<i>Restricted Use</i>								
Public Health	1.172		1.172			0.514		1.686
Insurance Fund	-		-		0.013			0.013
Better Care Fund	0.590		0.590			0.307		0.897
Marton Library S106	0.025		0.025					0.025
Housing Rental Sinking Fund	0.093		0.093			(0.025)		0.068
	1.880	-	1.880	-	0.013	0.796	-	2.689
<i>Unrestricted Use</i>								
Financial Resilience Reserve	-	6.211	6.211		0.500			6.711
Legacy Accounts Reserve	-	1.000	1.000					1.000
Change Fund	1.036	1.000	2.036		0.730	(0.017)	0.017	2.766
Elections Costs	0.033		0.033			0.044		0.077
	1.069	8.211	9.280	-	1.230	0.027	0.017	10.554
	2.949	8.211	11.160	-	1.243	0.823	0.017	13.243
UNUSABLE EARMARKED RESERVES								
Revenue Grants Unapplied (Technical Reserve)	5.408		5.408	(5.533)	5.525			5.400
Dedicated Schools Grant Adjustment Account	(14.293)		(14.293)	(7.920)				(22.213)
	(8.885)	-	(8.885)	(13.453)	5.525	-	-	(16.813)
SCHOOL BALANCES	4.599	-	4.599	(2.674)	1.125	-	-	3.050
PROVISIONS								
Business Rates Appeals	1.339		1.339		1.393			2.732
Insurance	3.007		3.007	(0.401)				2.606
Other	0.184		0.184				(0.017)	0.167
	4.530	-	4.530	(0.401)	1.393	-	(0.017)	5.505
	14.179	8.325	22.504	(16.528)	9.286	0.823	-	16.085

NOTE

The year-end balances may be subject to further change due to further technical adjustments which may be required as part of the external audit of the Council's accounts for 2024/25. These will be mainly relating to the closure of the Collection Fund accounts, DSG, school balances, and Insurance Fund. There may also be potential changes required relating to the Council's accounts for 2021/22 and 2022/23 which are still subject to review by the Council's new external auditors, Mazars. There is currently no assumption that the surplus outturn position expected for 2024/25 will be transferred to Reserves, but rather will reduce the requirement to use Capital Receipts to fund the shortfall on the 2024/25 budget requirement. The final year-end balances on Reserves will be reported in the Council's Statement of Accounts for 2024/25.

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Appendix 4 - Summary of projects approved for utilisation of Contingency Budgets and Change Fund 2024/25

	<u>Corporate Contingency</u>	<u>Corporate Contingency - unused growth</u>	<u>TOTAL - CORPORATE CONTINGENCY</u>	<u>Change Fund Reserve</u>
	£m	£m	£m	£m
Starting Budget 2024/25	1.422	-	1.422	
Change Fund - Reserve Opening Balance @ 01/04/24				1.036
Change Fund - Provision Opening Balance @ 01/04/24				0.017
Budgeted contribution 2024/25				0.730
Additional contributions in year				1.000
Permanent adjustment - amendment to 24/25 budget for New Homes Bonus grant funding adjustment (Regeneration)	(0.081)		(0.081)	
Permanent adjustment - amendment to 24/25 budget for previous years' savings removal (LGS)	(0.014)		(0.014)	
Temporary adjustment - unused growth not required for 2024/25 - from Environment & Community Services (Waste Disposal)		0.673	0.673	
Temporary adjustment - unused growth not required for 2024/25 - from Education & Partnerships (Integrated Transport Unit)		0.732	0.732	
Available for use	1.327	1.405	2.732	2.783
<u>Final allocations</u>				
Children's Social Care Case Review	(0.120)		(0.120)	
Children's Care Internal Residential Care Improvements	(0.735)		(0.735)	
Contribution to Multibank Initiative	(0.025)		(0.025)	
Chief Executive - 1 month handover with Interim/permanent postholders	(0.030)		(0.030)	
Middlesbrough Independent Improvement Advisory Board costs 2024/25	(0.007)		(0.007)	
Interim Finance consultant - Infrastructure, assets and leasing	(0.008)		(0.008)	
Financial improvement - Interim finance lead - accounts closure and audit, financial reporting, systems, and control	(0.096)		(0.096)	
Director of Finance costs above budget for permanent Director of Finance post	(0.077)		(0.077)	
CIPFA FM Model costs	(0.055)		(0.055)	
Employers Pension Contribution Rate Feasibility Study costs	(0.015)		(0.015)	
HR - Organisational Development staff to support transformation		(0.147)	(0.147)	
Contribution to Lord Lieutenant of North Yorkshire	(0.004)		(0.004)	
Flexible Retirement Exit costs agreed in 23/24, but commencing in 24/25				(0.017)
Approved use	(1.173)	(0.147)	(1.320)	(0.017)
BALANCE REMAINING UNCOMMITTED ON CORPORATE CONTINGENCY - INCLUDED IN 24/25 OUTTURN	0.154	1.258	1.412	
CLOSING BALANCE ON CHANGE FUND RESERVE AT 31/3/25				2.766

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Appendix 5

Dedicated Schools Grant

1. The DSG conditions of grant require that any local authority with an overall deficit on its DSG account at the end of financial year 2021/22, or who's DSG surplus had substantially reduced, present a plan to the DfE for managing its DSG spend in 2022/23 and future years and commit to reducing the deficit. There is also a requirement to provide information as and when requested by the DfE about pressures and potential savings on its High Needs budget.
2. The Council complete regular DSG management recovery plans to outline forecasts over the next 5 years. The Council is also working with the DfE and has received a Stage 1 grant of £45,000 and a Stage 2 grant of £1m has been approved for the "Delivering Better Value" (DBV) programme that is supporting work to reduce the ongoing pressures within the High Needs Block using best practice and benchmarking across the country. Within this programme it has been identified that, to be successful, inclusion in mainstream schools needs to improve. DBV is a long-term programme and 55 other local authorities as well as Middlesbrough Council are participating in the DBV programme. It should be noted that Middlesbrough Council is not involved in the "Safety Valve" programme, which is support for those local authorities with the greatest DSG deficits.
3. DfE also expect that schools be regularly updated via the Schools Management Forum about the authority's DSG account and plans for handling it, including high needs pressures and potential savings.
4. The DBV programme (which commenced in September 2023) highlighted there were risks to the programme outcomes without significant change, regarding inclusion in mainstream schools. Inclusion within mainstream has remained a challenge, which has resulted in continued increased demand for specialist provision for children with an Education, Health and Care Plan (EHCP) and alternative provision for those children and young people who are permanently excluded. This has resulted in increasing numbers of over commissioned places, the financial impact of which is pressure to provide additional place funding alongside high needs top up to meet the individual needs of the pupils. There have also been rate increases from specialist providers. The number of commissioned Alternative Provision placements has also increased to meet rising demand from the significantly high rates of exclusion; this again places additional financial pressure on the high needs block.
5. A range of management actions are being taken alongside the DBV programme these include initiatives such as:
 - Launch of SEND and Inclusion clinics in all schools to review how they are using their notional SEND budget as well as identifying training and support required within the setting.
 - Work with health colleagues to identify health contributions where relevant,
 - On-going reviews of Education, Health, and Care Plans (EHCPs)
 - Dedicated training for school staff to support inclusive practice,

- On going work with school to prioritise the reintegration of excluded pupils into mainstream school where possible
 - Review of funding provided to schools including special schools,
 - Continued early intervention and prevention work with schools to reduce exclusions,
 - Review of maintained schools' reserves and updated policy for challenging the use of those reserves
 - New Free School to be built by September 2026 which will support more children access local provision.
 - Ongoing development of local provision to meet needs and reduce the number of out of area placements,
 - Greater support during transitions
6. Regular meetings take place with the DfE and the DBV lead to monitor the actions within our DBV plan. Regular monitoring reports are also produced in line with the DBV grant conditions. The pressures on the High Needs Block are highlighted as part of this process to ensure the DfE are fully aware of the ongoing pressures within Middlesbrough.
7. The increasing pressure in DSG and the High Needs Block is due to the fact that alongside social care, the Service has seen, and is predicting, an increase in more complex placements with a forecast increase in Education, Health, and Care plans (EHCPs) in the future. In Middlesbrough, the number of EHCPs have increased from 1,659 in 2022 and 1,804 in 2023 to a current level of 2,040 in January 2025, an 8% increase between start of 2024 to 2025. It should be noted that the number of children with and EHCP is also a key cost driver in relation to home to school transport costs that are met by the General Fund through the Integrated Transport Unit. Some children in Alternative Provision are also a factor in relation to home to school transport costs. In 2022 132 children accessed Alternative Provision and in 2023 the figure was 175, and this figure has currently risen to 297. This is a national issue affecting many local authorities and presents a growing and significant financial risk to the Council. The Government have partly recognised this by an increase in funding allocated in the finance settlements in recent years for both Schools and High Needs Blocks. However, no specific funding has been provided in recognition of the adverse impact upon the General Fund cost of home to school transport.
8. Table 1 below shows the actual and forecast Education, Health, and Care plans (EHCPs), and is periodically being updated and used to calculate the forecasted increase in required demand on alternative provision services and also the Council's SEND transport requirements and also used to inform updates of the DSG Management Plan for Middlesbrough.

Table 1 – Actual and forecast Education, Health, and Care plans (EHCPs)

Year	2022	2023	2024	2025	2026	2027
Number of EHCP – actual and forecast	1,659	1,804	1,881	2,040	2,046	2,147

Appendix 6 : Capital Programme Quarter Four 2024/25 - new externally funded schemes / additional external funding to existing schemes, and virements between schemes

New externally funded schemes / additional external funding to existing schemes

Directorate	Scheme	Total Value 2024/25 £m	Total Value Future Years £m	Reason	Change To Capital Programme	External Funding £m	Council Funding £m
Regeneration	Towns Fund - East Middlesbrough Community Hub	-	0.100	The Council has received Section 106 funding which has been allocated to the East Middlesbrough Community Hub scheme	Increase to existing scheme	0.100	-
Regeneration	Future High Streets Fund	0.031	-	A proportion of the capital element of the Future High Streets fund had been incorrectly allocated to revenue, this increase rectifies the error.	Increase to existing scheme	0.031	-
	Total Regeneration	0.031	0.100			0.131	-
Environment and Community Services	City Regional Sustainable Transport Scheme - Additional Highways Maintenance	-	0.750	The Department of Transport have confirmed additional grant to increase road repairs as part of the Government's December 2024 spending review	Increase to existing scheme	0.750	-
Environment and Community Services	Flood Prevention	-	0.090	The Environment Agency have provided grant towards flood alleviation	Increase to existing scheme	0.090	-
Environment and Community Services	Henry Street Gym & Lighting	0.010	-	Local Organisations have provided additional funding towards this scheme.	Increase to existing scheme	0.010	-
Environment and Community Services	Urban Traffic Management Control 2	0.279	0.156	Tees Valley Combined Authority (TVCA) have increased the grant allocation towards the Urban Traffic Management Phase 2	Increase to existing scheme	0.435	-
Environment and Community Services	Food Waste Collection	-	0.243	The Department for Environment, Food and Rural Affairs have allocated additional grant resource towards the purchase of vehicles and receptacles to implement the collection of resident's food waste as from April 2026.	Increase to existing scheme	0.243	-
Environment and Community Services	Linthorpe Road Cycleway Removal	0.001	2.169	TVCA have confirmed that they will fund the full removal of Linthorpe Rd Cycleway including re-instatement works.	New scheme	2.170	-
	Total Environment and Community Services	0.290	3.408			3.698	-
Adult Social Care	Better Care Fund	0.001	0.064	The Council has received additional grant from Ministry of Housing, Communities and Local Government relating to the Better Care Fund	Increase to existing scheme	0.065	-
	Total Adult Social Care	0.001	0.064			0.065	-
Education and Partnerships	Block Budget - Devolved Formula Capital (DFC) - All Schools	-	0.081	The Council has received the 2025/26 provisional allocations of the Devolved Formula Capital and School Condition Allocation grants from the Department for Education.	Increase to existing scheme	0.081	-
Education and Partnerships	Block Budget - School Condition Allocation (SCA)	-	0.476		Increase to existing scheme	0.476	-
	Total Education and Partnerships	-	0.557			0.557	-
	Total All Directorates	0.322	4.129			4.451	-

Virements Over £0.250m Per Project Within Directorates

Directorate	Scheme	Total Value 2024/25 £m	Total Value Future Years £m	Reason	Change To Capital Programme	External Funding £m	Council Funding £m
Regeneration	Middlesbrough Development Company	-	-2.014	Executive have previously agreed to transfer any residual funding from the Middlesbrough Development Company scheme to Derisking Sites. Following the conclusion of a contractual dispute the final amount is now confirmed at £2.014m.	Completion of scheme	-	-2.014
Regeneration	Derisking Sites	-	1.839		Increase to existing scheme	-	1.839
Regeneration	Site Assembly At Middlehaven	-	0.175	Additional budget is required to cover legal costs within the Site Assembly At Middlehaven scheme to defend the Councils position in relation to a compulsory purchase order compensation claim relating to the former Jap Euro business at Middlehaven	Increase to existing scheme	-	0.175
	Total Regeneration	-	-			-	-
	Total All Directorates	-	-			-	-

Virements Over £0.250m Per Project Between Directorates

Directorate	Scheme	Total Value 2024/25 £m	Total Value Future Years £m	Reason	Change To Capital Programme	External Funding £m	Council Funding £m

Children's Care	Children's Services Financial Improvement Plan	(0.322)	-	On 30 April 2025, Executive approved the "Residential and Supported Accommodation for Children in Our Care and Care Leavers Update report. The report agreed a move to preventative measures as opposed to a reliance upon residential placements for children, and that the original intention of growing internal beds is no longer fit for purpose. Following this virement, the remaining £2.931m will be removed from the capital programme, and utilised for other schemes in the future.	Reduction / completion of scheme		(0.322)
Environment and Community Services	Waste Disposal Plant Investment	0.086	-	The payment of Middlesbrough Council's share for works undertaken in relation to the proposed new waste disposal plant.	New Scheme	-	0.086
Education	Various Schemes	0.236	-	Funds are being provided for various improvement and sufficiency schemes within the schools.	Increase to existing schemes	-	0.236
	Total All Directorates	-	-			-	-

Appendix 7 : Capital Programme Outturn 2024/25 – Details of capital slippage

Capital slippage is a way of reprofiling capital budgets between financial years to match forecast timing of expenditure, whilst staying within the approved project budget. The following details the slippage during Quarter Four. Details of the slippage at Quarter One of £3.267m, Quarter 2 of £22.178m and Quarter 3 of £4.235m were shown in Appendix 10 of the respective budget monitoring reports. These added together total the £35.460m total slippage for 2024/25 as at the end of Quarter Four.

Directorate	Scheme	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	2028/29	Funding Source	Slippage Explanation
Regeneration	Middlehaven Related Projects	0.401	(0.226)	(0.175)	-	-	Borrowing	The Council has incurred significant legal costs in defending it's position in relation to the total amount of compensation payable under a compulsory purchase order to the owner of the Jap Euro scrapyard site within Middlehaven.
Regeneration	Levelling Up Partnership	(0.263)	0.263	-	-	-	Grant	There are some project management and design fees outstanding in relation to the Live Well Centre relocation., once undertaken this will leave a small underspend which will be transferred to another scheme when final figures are agreed.
Regeneration	Cultural Development Fund - Enhancements to Central Library & Partner Organisations	(0.981)	0.981	-	-	-	Grant	Central Library – The main contractor was originally due to complete the refurbishments works in February 2025, however, completion has slipped to May 2025 due various reasons including inclement weather, and external lift works, This has resulted in £0.477m of funds being re-profiled into 2025/26. Significant delays have occurred in relation to the scheme at The Auxiliary due to delays in securing Network Rails permission to undertake works associated with the roof and cladding. Regarding the schemes that are being undertaken on external buildings: Consequently, the main contractor programme is now expected to complete in July 2025. There are also contractual / legal issues with the other two projects, these are being agreed externally.
Regeneration	Derisking Sites	0.000	(0.914)	(0.686)	0.800	0.800	Borrowing	Executive have previously agreed that any funds allocated to Middlesbrough Development Company can be transferred to the Derisking Sites budget. This has now been actioned, consequently the requirements for access to the funding has been reviewed, resulting in significant reprofiling.
Regeneration	Other Small Scale Slippage Across The Directorate	(0.212)	0.212	-	-	-	Grant / Borrowing	
	Regeneration Total	(1.055)	0.316	(0.861)	0.800	0.800		
Environment and Community Services	Bridges & Structures (Non Local Transport Plan)	(0.705)	0.705	-	-	-	Borrowing	Delays to the major works on the A174 bridge arose due to contractual issues. These have now been resolved and work should commence this summer. In addition, several other smaller bridge schemes have not been able to progress due capacity issues within Legal and Procurement.
Environment and Community Services	Traffic Signals Obsolescence Grant	(0.377)	0.377	-	-	-	Grant	A new housing development has impacted on the A689 Hartlepool corridor which has resulted in a delay to the implementation of two schemes.
Environment and Community Services	City Regional Sustainable Transport Scheme - Incentive Funding	(0.527)	0.527	-	-	-	Grant	The footcycle at Stainton Way/Low Lane was delayed due to the dispersal of the Council's internal Civils Team which left capacity issues. This work is now currently in progress and expected to complete in June 2025.
Environment and Community Services	Newport Bridge	0.294	(0.294)	-	-	-	Grant	The waterproofing and resurfacing of Newport Bridge progressed quicker than expected resulting in the need to bring forward resource allocated to be spent in 2025/26.
Environment and Community Services	Highways Infrastructure	0.255	(0.255)	-	-	-	Borrowing	Capital resource was brought forward from 2025/26 due to the acceleration of the Classified Roads Resurfacing Programme.
Environment and Community Services	Other Small Scale Slippage Across The Directorate	(0.427)	0.427	-	-	-	Grant/Borrowing	
	Environment and Community Services Total	(1.487)	1.487	-	-	-		
Public Health	Other Small Scale Slippage Across The Directorate	(0.192)	0.192	-	-	-	Grant	
	Public Health Total	(0.192)	0.192	-	-	-		
Education and Partnerships	Contribution to New School at Middlehaven	(0.495)	0.495	-	-	-	Contributions	These funds were due to be paid to the Department of Education upon receipt of invoice as the Councils first contribution for the construction of the school. The invoice has yet to be received.
Education and Partnerships	King's Academy Bulge Scheme	(0.250)	0.250	-	-	-	Grant	The school has yet to decide on the final design brief for the modelling and expansion works, as such the expected grant payments have been deferred to 2025/26.
Education and Partnerships	Unity City Academy Bulge Scheme	(0.650)	0.650	-	-	-	Grant	The re-profiling is due to delays in the school finalising the plans for the design of the
Education and Partnerships	New SEMH Unit Green Lane	(0.283)	0.283	-	-	-	Grant	Unexpected ground remediation works have delayed the scheme
Education and Partnerships	Other Small Scale Slippage Across The Directorate	(0.635)	0.635	-	-	-	Grant / Contributions	
	Education and Partnerships Services Total	(2.313)	2.313	-	-	-		
Children's Care	Children's Services Financial Improvement Plan	0.322	(0.322)	-	-	-	Borrowing	Budget brought forward to fund schemes within other Directorates. This scheme is now complete with the remaining £2.931m of budget being removed from the capital programme
Children's Care	Other Small Scale Slippage Across The Directorate	(0.161)	0.161	-	-	-	Grant / Borrowing	
	Children's Care Total	0.161	(0.161)	-	-	-		
Adult Social Care	Other Small Scale Slippage Across The Directorate	(0.160)	0.160	-	-	-	Grant / Borrowing	
	Adult Social Care Total	(0.160)	0.160	-	-	-		
Legal and Governance Services	Other Small Scale Slippage Across The Directorate	(0.019)	0.019	-	-	-	Borrowing	
	Legal and Governance Services Total	(0.019)	0.019	-	-	-		
Finance	Other Small Scale Slippage Across The Directorate	(0.012)	0.012	-	-	-	Borrowing	

	Finance Total	(0.012)	0.012	-	-	-		
Transformation Programme	Transformation Programme	(0.703)	0.703				Capital Receipts	Small scale slippage has occurred within a number of workstreams. Additionally, the in-year programme contingency of £0.250m was not required.
	Transformation Total	(0.703)	0.703	-	-	-		
	TOTAL	(5.780)	5.041	(0.861)	0.800	0.800		

Appendix 8 : Capital Programme Outturn 2024/25 – Details of Transformation Expenditure Funded Through Flexible Use of Capital Receipts

Theme	Thematic Programme and focus of investment	FUoCR Expense Type	Savings Reference	FUoCR Criteria	2024/25 Actuals £m
Adult Social Care					
Adult Social Care	Transformation Lead	Transformation	N/A	Savings / Enabling / Service Improvement	0.162
Adult Social Care	Service Manager	Subject Matter Expertise	ASC12	Savings / Enabling / Service Improvement / Demand Mgmt.	0.051
Adult Social Care	Social Worker / Occupational Therapist	Transformation	ASC08-13	Savings / Enabling / Service Improvement / Demand Mgmt.	0.326
Adult Social Care	Backfill for social workers covering 3C model innovation sites	Transformation	ASC12	Savings / Enabling / Service Improvement / Demand Mgmt.	0.122
Adult Social Care	Temporary Accommodation and support review - Brokerage Officer	Transformation	ASC02	Savings	0.019
Adult Social Care	Assistive Technology Reviewing Officer	Transformation	ASC12	Savings / Enabling / Service Improvement / Demand Mgmt.	0.011
Total Adult Social Care Transformation investment					0.691
Children's Services					
Children's Services	Dedicated Programme Support (across all Children's Services initiatives)	Transformation	N/A	Savings / Enabling / Service Improvement	0.249
Children's Services	Review of all Services across Children's Care	Subject Matter Expertise	CC01	Saving / Service Improvement	0.106
Children's Services	Review of Placements (including Processes and Procedures)	Subject Matter Expertise	CC02	Saving / Demand Management	0.115
Children's Services	Workforce Development	Transformation	CC04	Saving	0.035
Children's Services	Children's Charity - SHiFT 3 year Contract commitment	Transformation	CC06	Saving / Service Improvement	0.102
Total Children's Services Transformation investment					0.608
Place					
Place	Integrated Neighbourhoods (Inner Circle Consultants)	Subject Matter Expertise	ECS08	Income Growth / Saving	0.142
Place	Green Waste e-form	Transformation	ECS02	Income Growth / Saving	0.033
Place	Transformation of Waste Services (Fortnightly)	Transformation	ECS01	Saving	0.071
Place	Chargeable Junk Jobs - Booking System	Transformation	ECS03	Income Growth / Saving	0.039
Place	Permiserve Bin Stickers	Transformation	ECS02	Income Growth / Saving	0.048
Total Place Transformation investment					0.332
Target Operating Model					
Target Operating Model	Collection of Housing Benefit Overpayments	Subject Matter Expertise	FIN01	Saving	0.033
Target Operating Model	Council Tax Reviews	Subject Matter Expertise	FIN02	Saving / Service Improvement	0.092
Target Operating Model	Collection of Council Tax & Debt - Aged Debt Recovery & Charging Orders	Subject Matter Expertise	FIN03/04/05	Saving	0.306
Target Operating Model	Collection of Business Rates	Subject Matter Expertise	FIN05	Saving	0.031
Target Operating Model	Reduction in Contractual Spend	Subject Matter Expertise	FIN07	Saving	0.232
Target Operating Model	Centralisation of Grants Admin & Maximisation of Grant Income Opportunities	Transformation	FIN10	Income Growth / Saving	0.012
Target Operating Model	Datatank Ltd - Single Person Discount Review	Transformation	FIN02	Saving	0.011
Target Operating Model	Artificial Intelligence Discovery	Subject Matter Expertise	N/A	Savings / Enabling / Service Improvement / Demand Mgmt.	0.049
Target Operating Model	ICT Head of Service / ICT Digital Transformation Lead	Transformation	N/A	Enabling / Service Improvement	0.085
Target Operating Model	Application Developer	Transformation	N/A	Enabling	0.007
Total Target Operating Model Transformation investment					0.858
Customer					
Customer	Programme Lead - 0.8 Full Time Equivalent	Transformation	N/A	Enabling	0.015
Customer	Internal Programme Lead Backfill	Transformation	N/A	Enabling	0.027
Customer	Programme Manager 1.0 Full Time Equivalent	Transformation	N/A	Enabling	0.040
Customer	Internal Workstream Manager - Internal Secondment	Transformation	N/A	Enabling	0.007
Customer	Project Support	Transformation	N/A	Enabling	0.001
Customer	Senior Consultant including Programme Management Activity (Inner Circle Consulting)	Subject Matter Expertise	N/A	Savings / Enabling / Service Improvement / Demand Mgmt.	0.067
Customer	Allocation of Inner Circle Consulting Costs	Subject Matter Expertise	N/A	Savings / Enabling / Service Improvement / Demand Mgmt.	0.072
Total Customer Transformation investment					0.228
Property / Regeneration					
Property / Regeneration	Business Case Lead	Subject Matter Expertise	REG07	Savings / Enabling / Service Improvement / Demand Mgmt.	0.083
Total Property / Regeneration Transformation investment					0.083
Enabling					
Enabling	Inner Circle Consulting - Managing Consultant , Transformation Specialist & Programme Management	Subject Matter Expertise	N/A	Savings / Enabling / Service Improvement / Demand Mgmt.	0.431
Enabling	Office Staff				
Enabling	Programme Management Office Business Partner	Transformation	N/A	Enabling	0.050
Enabling	Programme Management Office Support Officer	Transformation	N/A	Enabling	0.019
Enabling	External - One-off ICT Costs For Improvement of Councillor Portal	Transformation	N/A	Service Improvement	0.125
Enabling	Transformation Programme Finance Lead	Transformation	N/A	Enabling	0.181
Enabling	Finance Business Partner - Children's Transformation Finance Lead	Transformation	N/A	Enabling	0.182
Total Enabling Investment					0.989
Redundancy					
Redundancy	Redundancies	Redundancies	N/A	Savings	0.659
Total Redundancy Transformation Investment					0.659
Total All Transformation Investment 2024/25					4.447

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Appendix 9 - Revised Capital Programme to 2028/29

	Actual	Budgeted Expenditure				TOTAL
	2024/25	2025/26	2026/27	2027/28	2028/29	
Regeneration	£m	£m	£m	£m	£m	£m
Town Centre Related Projects	0.026	0.083	-	-	-	0.109
Middlehaven Related Projects	0.881	-	-	-	-	0.881
Housing Growth	0.021	0.178	0.476	-	-	0.675
Newham Hall	0.359	1.340	11.892	-	-	13.591
BOHO X	0.358	0.418	-	-	-	0.776
Indigenous Growth Fund - Captain Cook Square	1.209	0.441	2.541	-	-	4.191
Towns Fund	0.315	8.524	3.500	0.500	-	12.839
Towns Fund - East Middlesbrough Community Hub	0.174	2.839	0.600	0.500	-	4.113
Future High Streets Fund	2.646	-	-	-	-	2.646
Acquisition of Town Centre Properties	-	-	1.000	-	-	1.000
Acquisition of The Crown	0.045	0.005	-	-	-	0.050
Levelling Up Partnership	5.670	6.980	2.141	-	-	14.791
New Civic Centre Campus	-	-	0.237	-	-	0.237
Middlesbrough Development Company	0.265	-	-	-	-	0.265
Capitalisation Of Major Schemes Salaries	0.530	0.530	0.530	0.530	0.530	2.650
Capitalisation of Planning Services Surveys	0.135	0.025	0.040	0.040	0.040	0.280
Affordable Housing Via Section 106	-	-	1.495	-	-	1.495
Highways Infrastructure Development Section 106	-	-	0.722	-	-	0.722
Lingfield Education Units	0.006	-	-	-	-	0.006
Levelling Up Fund - South Middlesbrough Accessibility	0.342	4.470	-	-	-	4.812
Derisking Sites	0.063	0.137	1.164	1.300	1.300	3.964
Property Services Building Investment	0.340	0.340	0.340	0.340	0.340	1.700
Property Asset Investment Programme	0.972	1.831	2.816	1.500	1.500	8.619
Town Hall Roof	-	-	2.956	-	-	2.956
Municipal Buildings Refurbishment	0.022	0.134	1.014	-	-	1.170
Resolution House	0.030	-	0.482	-	-	0.512
Cleveland Centre	1.104	0.974	-	-	-	2.078
Cemetery Provision	-	1.051	0.877	0.360	0.100	2.388
Theatre Bar Refurbishment	0.009	-	-	-	-	0.009
Investment In Parks	0.004	0.007	-	-	-	0.011
Cultural Development Fund - Enhancements to Central Library & Partners	2.180	2.309	-	-	-	4.489
Museum Estate and Development Fund	0.047	0.001	-	-	-	0.048
Total Regeneration	17.753	32.617	34.823	5.070	3.810	94.073

Council Funding	External Funding
£m	£m
0.109	-
0.681	0.200
0.675	-
4.094	9.497
0.058	0.718
-	4.191
1.125	11.714
1.700	2.413
-	2.646
1.000	-
0.050	-
0.043	14.748
0.237	-
-	0.265
2.650	-
0.280	-
0.302	1.193
0.142	0.580
0.006	-
-	4.812
3.964	-
1.700	-
8.619	-
2.956	-
1.170	-
0.512	-
2.078	-
2.388	-
0.009	-
0.011	-
0.090	4.399
0.020	0.028
36.669	57.404

	Actual	Budgeted Expenditure				TOTAL
	2024/25	2025/26	2026/27	2027/28	2028/29	
Environment and Community Services	£m	£m	£m	£m	£m	£m
Purchase of New Vehicles	2.071	3.567	1.200	1.200	1.200	9.238
Capitalisation of Wheeled Bin Replacement	0.100	0.100	0.100	0.100	0.100	0.500
Replacement Wheeled Bins as part of Waste Strategy Review	0.480	-	-	-	-	0.480
Capitalisation of Street Furniture / Dog Fouling & Litter Bins	0.055	0.055	0.055	0.055	0.055	0.275
Capitalisation of Highways Maintenance	0.575	0.575	0.575	0.575	0.575	2.875
City Regional Sustainable Transport Scheme - Highways Maintenance	2.387	3.746	2.339	-	-	8.472

Council Funding	External Funding
£m	£m
9.238	-
0.500	-
0.480	-
0.275	-
2.875	-
-	8.472

Appendix 9

City Regional Sustainable Transport Scheme - Incentive Funding	1.041	1.681	1.065	-	-	3.787
Street Lighting-Maintenance	0.451	0.485	0.568	0.468	0.468	2.440
Urban Traffic Management Control 1	0.010	0.033	-	-	-	0.043
Flood Prevention	-	0.090	-	-	-	0.090
Section 106 Ormesby Beck	-	0.015	-	-	-	0.015
Bridges & Structures	0.939	3.255	2.630	2.650	4.798	14.272
Transporter Bridge	0.876	-	-	-	-	0.876
Newport Bridge	1.418	0.877	0.500	-	-	2.795
Henry Street	0.049	-	-	-	-	0.049
CCTV	0.024	0.010	-	-	-	0.034
Cargo Fleet Nature Reserve	0.014	-	-	-	-	0.014
Towns Fund Initiatives	0.065	0.016	-	-	-	0.081
Traffic Signals -Tees Valley Combined Authority	-	0.029	-	-	-	0.029
Highways Infrastructure	1.798	1.371	-	-	-	3.169
Libraries Improvement Fund	0.051	0.006	-	-	-	0.057
Urban Traffic Management Control 2	0.949	0.389	-	-	-	1.338
Traffic Signals Non Tees Valley Combined Authority	0.150	0.516	-	-	-	0.666
Traffic Signals Obsolescence Grant	0.779	1.877	-	-	-	2.656
Fusion	0.378	0.372	-	-	-	0.750
Food Waste Collection	-	1.319	-	-	-	1.319
Street Lighting Column Replacement	0.337	0.109	0.463	-	-	0.909
Levelling Up Partnership - Neighbourhood Safety	0.985	0.915	-	-	-	1.900
Section 106 Marton West Beck	-	0.094	-	-	-	0.094
Community Reaction Fund	0.057	0.033	-	-	-	0.090
Parks Play zones	-	0.125	-	-	-	0.125
Members Small Schemes	-	0.060	0.210	0.060	0.060	0.390
Linthorpe Road Cycleway Removal	0.001	2.169	-	-	-	2.170
Carriageway Resurfacing Programme	-	0.187	0.687	-	-	0.874
Footways Repairs Programme	-	0.100	0.500	-	-	0.600
Regulatory Services ICT System	-	0.566	0.256	-	-	0.822
Section 106 Stewart Park	0.002	0.032	-	-	-	0.034
Towns Fund Ward Initiatives Pallister Park	0.003	-	-	-	-	0.003
Waste Disposal Plant Investment	0.086	-	-	-	-	0.086
Total Environment and Community Services	16.131	24.774	11.148	5.108	7.256	64.417

-	3.787
2.440	-
-	0.043
-	0.090
-	0.015
14.272	-
0.438	0.438
2.795	-
-	0.049
0.034	-
-	0.014
-	0.081
-	0.029
3.169	-
-	0.057
-	1.338
0.590	0.076
-	2.656
-	0.750
-	1.319
0.909	-
-	1.900
-	0.094
-	0.090
-	0.125
0.390	-
-	2.170
0.874	-
0.600	-
0.822	-
-	0.034
-	0.003
0.086	-
40.787	23.630

	Actual	Budgeted Expenditure					TOTAL
	2024/25	2025/26	2026/27	2027/28	2028/29		
Public Health	£m	£m	£m	£m	£m		£m
Live Well East – Internal Alterations & Improvements	0.042	0.010	-	-	-		0.052
Swimming Pool Support Fund	0.277	0.182	-	-	-		0.459
Middlesbrough Sports Village Pitches	0.170	-	-	-	-		0.170
Middlesbrough Sports Village Full Size 3G Pitch Repair	-	0.507	-	-	-		0.507
Neptune Leisure Centre Boiler Replacement	-	0.172	-	-	-		0.172
Live Well West Building Works	-	0.100	-	-	-		0.100
Total Public Health	0.489	0.971	-	-	-		1.460

Council Funding	External Funding
£m	£m
-	0.052
-	0.459
0.040	0.130
0.507	-
0.172	-
0.100	-
0.819	0.641

	Actual	Budgeted Expenditure					TOTAL
	2024/25	2025/26	2026/27	2027/28	2028/29		

Council Funding	External Funding
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Education and Partnerships	£m	£m	£m	£m	£m	£m
Block Budget - Family Hubs	-	0.005	-	-	-	0.005
Block Budget - Devolved Formula Capital (DFC) - All Schools	-	0.101	-	-	-	0.101
Block Budget - School Condition Allocation (SCA)	-	0.850	-	-	-	0.850
Block Budget - Basic Need	-	2.889	-	-	-	2.889
Block Budget - High Needs Provision Capital Allocation (HNCPA)	-	1.117	-	-	-	1.117
Block Budget - Early Years 2 years old entitlement	-	0.001	-	-	-	0.001
Section 106 - Lowgill	-	0.035	-	-	-	0.035
Contingency Funding Reserve	-	0.105	-	-	-	0.105
Building Condition Improvements - Primary School	0.700	0.417	0.010	-	-	1.127
Building Condition Improvements - Special Schools	0.064	0.033	0.005	-	-	0.102
School Led Capital Schemes - All Maintained Schools	0.473	0.104	0.100	-	-	0.677
Sufficiency Schemes - Primary	-	0.250	0.250	-	-	0.500
Sufficiency Schemes - Secondary	0.080	2.703	0.746	-	-	3.529
Sufficiency Schemes - SEND and Alternative Education	6.249	1.340	-	-	-	7.589
SEN Small Capital Grant Schemes	0.065	0.249	-	-	-	0.314
Family Hubs and Early Years	0.221	0.042	-	-	-	0.263
Capitalisation of Salary Costs	0.091	-	-	-	-	0.091
Total Education and Partnerships	7.943	10.241	1.111	-	-	19.295

£m	£m
-	0.005
-	0.101
-	0.850
-	2.889
-	1.117
-	0.001
-	0.035
-	0.105
0.161	0.966
0.001	0.101
0.087	0.590
-	0.500
0.646	2.883
0.001	7.588
-	0.314
-	0.263
-	0.091
0.896	18.399

	Actual	Budgeted Expenditure					TOTAL
	2024/25	2025/26	2026/27	2027/28	2028/29		
Children's Care	£m	£m	£m	£m	£m		£m
Gleneagles Refurbishment	0.020	0.030	-	-	-		0.050
Children's Services Financial Improvement Plan	0.394	0.681	-	-	-		1.075
Fir Tree Ground Floor and Attic Refurbishment Works	0.003	-	-	-	-		0.003
Total Children's Care	0.417	0.711	-	-	-		1.128

Council Funding	External Funding
£m	£m
0.050	-
0.550	0.525
0.003	-
0.603	0.525

	Actual	Budgeted Expenditure					TOTAL		Council Funding	External Funding
	2024/25	2025/26	2026/27	2027/28	2028/29				£m	£m
Adult Social Care	£m	£m	£m	£m	£m		£m			
Chronically Sick & Disabled Persons Act - All schemes	0.939	1.090	0.935	1.000	1.070		5.034		4.559	0.475
Disabled Facilities Grant - All schemes	2.410	2.674	0.684	-	-		5.768		-	5.768
Capitalisation of Staying Put Salaries	0.050	0.050	0.050	0.050	0.050		0.250		0.250	-
Home Loans Partnership (formerly 5 Lamps)	0.020	0.067	-	-	-		0.086		-	0.086
Small Schemes	0.039	0.044	-	-	-		0.083		-	0.083
Total Adult Social Care	3.457	3.925	1.669	1.050	1.120		11.221		4.809	6.412

	Actual	Budgeted Expenditure	TOTAL		Council	External
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	2024/25	2025/26	2026/27	2027/28	2028/29	
Legal and Governance Services	£m	£m	£m	£m	£m	£m
Desktop Strategy / Device Refresh	0.147	-	-	-	-	0.147
Enterprise Agreements	0.850	-	-	-	-	0.850
IT Refresh - Network Refresh	1.278	-	-	-	-	1.278
IT Refresh - Lights On	0.263	-	-	-	-	0.263
ICT Essential Refresh & Licensing	0.388	1.629	2.185	2.185	2.185	8.572
Sharepoint	0.337	-	-	-	-	0.337
HR Recruitment	0.010	-	-	-	-	0.010
IKEN	0.041	-	-	-	-	0.041
HR Pay	-	-	0.037	-	-	0.037
Total Legal and Governance Services	3.314	1.629	2.222	2.185	2.185	11.535

Funding	Funding
£m	£m
0.147	-
0.850	-
1.278	-
0.263	-
8.572	-
0.337	-
0.010	-
0.041	-
0.037	-
11.535	-

	Actual	Budgeted Expenditure				TOTAL
	2024/25	2025/26	2026/27	2027/28	2028/29	
Finance	£m	£m	£m	£m	£m	£m
Former Partnership Investment (ICT Infrastructure Revenues & Benefits)	-	0.025	0.239	-	-	0.264
Business World Upgrade	(0.002)	0.028	-	-	-	0.026
Capitalisation of Property Finance Lease Arrangements	0.771	0.150	0.150	-	-	1.071
Total Finance	0.769	0.203	0.389	-	-	1.361

Council Funding	External Funding
£m	£m
0.264	-
0.026	-
1.071	-
1.361	-

	Actual	Budgeted Expenditure				TOTAL
	2024/25	2025/26	2026/27	2027/28	2028/29	
Transformation Programme	£m	£m	£m	£m	£m	£m
Transformation	1.978	3.250	3.350	2.822	0.750	12.150
Subject Matter Expertise	1.810	0.500	0.500	0.190	-	3.000
Redundancy	0.659	1.500	1.050	1.041	-	4.250
ICT	-	1.500	1.500	1.500	-	4.500
Contingency	-	0.750	0.750	0.750	0.550	2.800
Total Transformation	4.447	7.500	7.150	6.303	1.300	26.700

Council Funding	External Funding
£m	£m
12.150	-
3.000	-
4.250	-
4.500	-
2.800	-
26.700	-

	Actual	Budgeted Expenditure				TOTAL
	2024/25	2025/26	2026/27	2027/28	2028/29	
Exceptional Financial Support	£m	£m	£m	£m	£m	£m
Revenue Budget Deficit	2.443	-	-	-	-	2.443
Total Exceptional Financial Support	2.443	-	-	-	-	2.443

Council Funding	External Funding
£m	£m
2.443	-
2.443	-

	Actual	Budgeted Expenditure				TOTAL
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Council	External
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Appendix 9

	2024/25	2025/26	2026/27	2027/28	2028/29	
	£m	£m	£m	£m	£m	£m
Total ALL DIRECTORATES	57.163	82.571	58.512	19.716	15.671	233.633

Funding	Funding
£m	£m
126.622	107.011

	Actual	Budgeted Expenditure				TOTAL
	2024/25	2025/26	2026/27	2027/28	2028/29	
FUNDED BY:	£m	£m	£m	£m	£m	£m
Borrowing	12.343	16.191	23.161	7.413	8.371	67.479
Capital Receipts	6.000	6.000	6.000	6.000	6.000	30.000
Flexible Use of Capital Receipts	4.447	7.500	7.150	6.303	1.300	26.700
Exceptional Financial Support - Flexible Use of Capital Receipts	2.443	-	-	-	-	2.443
Grants	31.693	50.801	15.678	-	-	98.172
Contributions	0.237	2.079	6.523	-	-	8.839
Total FUNDING	57.163	82.571	58.512	19.716	15.671	233.633

Council Funding	External Funding
£m	£m
67.479	-
30.000	-
26.700	-
2.443	-
-	98.172
-	8.839
126.622	107.011

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MIDDLESBROUGH COUNCIL

Report of:	Director of Finance and Transformation (S151 Officer)
Relevant Executive Member:	Executive Member for Finance
Submitted to:	Executive
Date:	11 June 2025
Title:	2024/25 Treasury Management Outturn Report
Report for:	Information
Status:	Public
Council Plan priority:	Delivering Best Value
Key decision:	No
Why:	Report is for information only
Subject to call in?	No
Why:	Report is for information only

Proposed decision(s)

That the Executive:

- Note the Prudential Indicators for 2024/25 as the Council's year-end position in relation to capital finance activities and overall indebtedness (Tables 1- 5)
- Note the performance of the treasury management function against the Council's approved strategy for 2024/25 (Paragraphs 4.32 – 4.37)

Executive summary

The Council is required to approve annually a Treasury Management Strategy and a set of Prudential Indicators, which self-regulate the level of capital financing activities of the Council and the affordability of the capital programme. These need to be set on an annual basis to comply with the Local Government Act 2003 and the Chartered Institute of Public Finance and Accountancy (CIPFA) Codes of Practice on Capital Finance and Treasury Management.

The Treasury Management Strategy is important from both a financial and governance perspective as it sets the framework within which the council manages its borrowing and investments, how it delivers these services, and how it controls the risks attached to related decisions. It also sets out the parameters and criteria that govern the day-to-day cashflow management activity and how these impact on the medium to long term financial planning. These include achieving value for money from any borrowing undertaken, managing risk, and protecting any resources that have been invested.

The Prudential Indicators are an integral part of the CIPFA Capital Finance Code and demonstrate whether the capital programme is affordable, sustainable, and prudent.

The report sets out the year-end outturn results for the 2024/25 financial year against the approved strategy approved by Council and give an analysis of the results achieved.

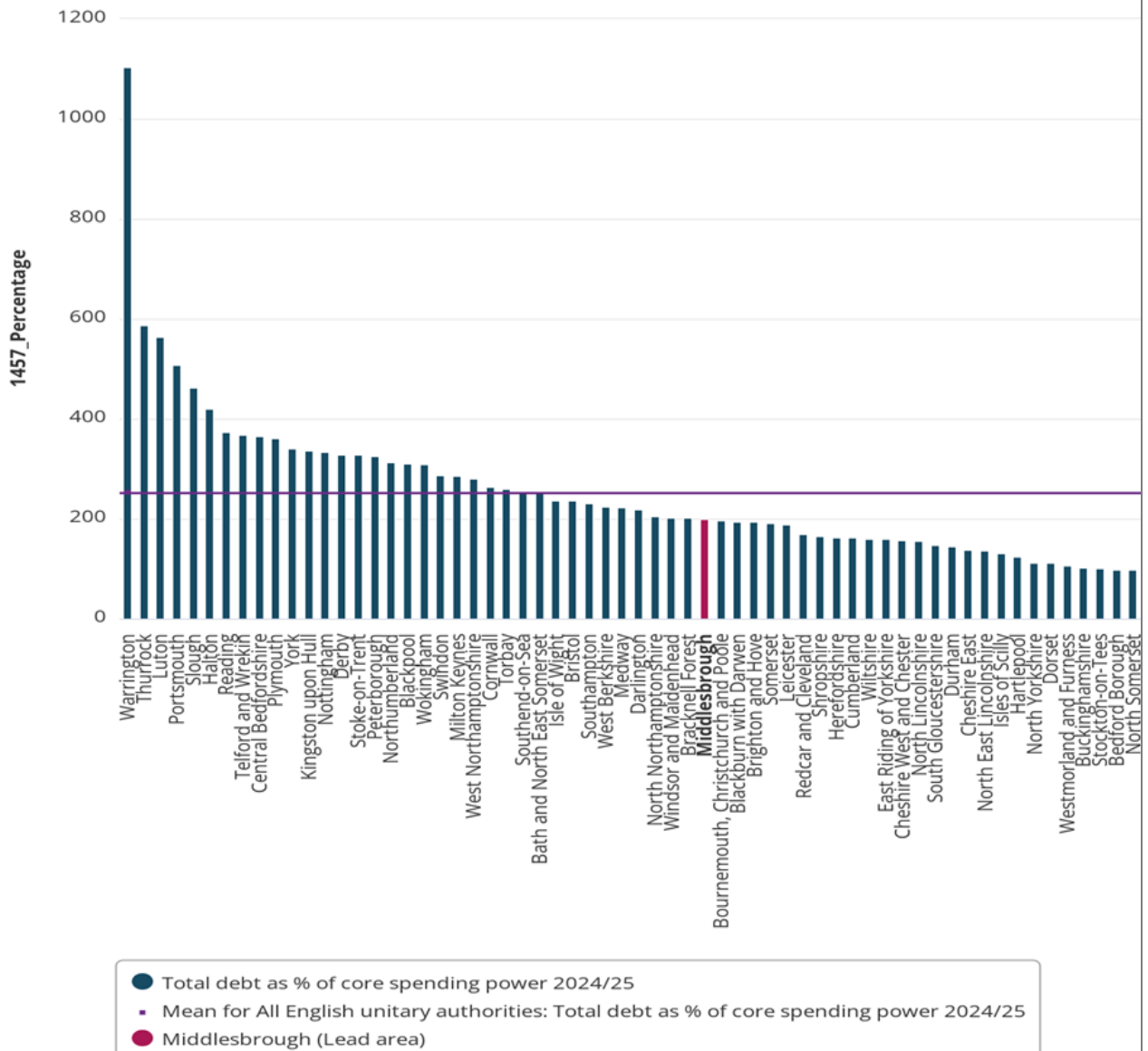
The key points for Elected Members to note on this are as follows:

- No prudential or treasury management indicators agreed as part of the Treasury Management Strategy for 2024/25 were breached during the financial year.
- The amount of borrowing required during the year was lower than planned at £12.343m as against £36.437m in the original budget for the year due to slippage on capital schemes into future years and no requirement to borrow for exceptional financial support purposes.
- The Council's need to borrow, or Capital Financing Requirement (CFR) is £298.001m on 31 March 2025.
- The Council is 'under borrowed' by £44.559m or 15.0% of the CFR at the financial year end. This means that it is using its internal cash balances rather than borrowing externally for some of its capital assets.
- The Council's total external debt is therefore £253.442m (£298.001m CFR less £44.559m) on 31 March 2025.
- This is in line with the practice adopted by most other local authorities and avoids the cost of carry of any unnecessary external debt against the overall cashflow need for the Council and makes savings against the revenue budget.
- All cash investments have been made in line with the Council's credit worthiness criteria, generally with either central government or other local authorities.
- The net annual revenue cost of financing the Council's current and historic debt, less income from its historic commercial investments and on cash balances is £11.406m or 8.0% of the net revenue budget for 2024/25.

Whilst the Council is not an outlier compared to other English Unitary Authorities in terms of its level of total debt as a % of core spending power (see Graph 1 below), it is approaching its limit of affordability on borrowing to fund its future capital investment at around 8% of the net revenue budget at the end of 2024/25 and marginally breaching the 10% level by the end of the current MTFP period (see Table 5).

It will need to prioritise its capital investment decisions over the medium and longer term and secure its financing through third party funds such as contributions and grants, and capital receipts from the sale of assets, to maintain borrowing costs within affordable limits.

Graph 1 - Total debt as a percentage of core spending power (2024/25) for All English unitary authorities



1. Purpose of this report and its contribution to the achievement of the Council Plan ambitions

1.1 This report provides important information regarding the regulation and management of the Council's borrowing, investments, and cash-flow for the 2024/25 financial year. It is a requirement of the Council's reporting procedures under the CIPFA Treasury Management Code of Practice, and by regulations issued under the Local Government Act 2003, to produce an annual review that covers the treasury activity and compares the performance against the original strategy set by the Council. It should be read in conjunction with the Council's revenue and capital outturn report for 2024/25 to this Executive, both of which have a significant impact on treasury arrangements.

1.2 The report also provides the Prudential Indicators results for 2024/25 in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Capital Finance, which is best practice in terms of governance in this area.

Our ambitions	Summary of how this report will support delivery of these ambitions and the underpinning aims
A successful and ambitious town	The annual treasury management strategy underpins both the revenue budget and capital programme for the Council for each financial year, by ensuring it has sufficient liquidity in place for all services to operate. As a result, it supports all the ambitions within the Council Plan.
A healthy Place	
Safe and resilient communities	
Delivering best value	In addition to the above, the treasury management strategy contributes to delivering best value for the Council by ensuring that a framework for good governance is in place for all borrowing and investment decisions made. This means that borrowing is taken over periods that are consistent with the life of any capital assets purchased and that appropriate provision is made in the annual revenue budget and medium for the associated capital financing costs. The risks of any borrowing or debt refinancing undertaken are supported by fit for purpose business cases. Also, any investment decisions on cash balances are made with reference to the implications of security, liquidity and yield in relation to the principal sums invested.

2. Recommendations

2.1 That the Executive:

- Note the Prudential Indicators for 2024/25 as the Council's year-end position in relation to capital finance activities and overall indebtedness (Tables 1- 5)
- Note the performance of the treasury management function against the Council's approved strategy for 2024/25 (Paragraphs 4.32 – 4.37)

3. Rationale for the recommended decision(s)

3.1 The recommendations above will fulfil the following for the local authority:

- Compliance with the CIPFA Prudential Code for Capital Finance for local authorities.
- Compliance with the CIPFA Treasury Management Code for local authorities.
- Compliance with the Local Government Act 2003 Section 1 in relation to borrowing.

4. Background and relevant information

4.1 The Council's treasury management strategy for 2024/25 (including Prudential Indicators) was approved at the annual budget setting meeting on 8 March 2024. The Council both borrows and invests substantial sums of money to provide liquidity for its revenue and capital plans, and is therefore exposed to various financial risks, including the potential loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk remains central to the treasury management strategy each year.

4.2 The Council is a net borrower overall. The borrowing required to fund its capital programme is significantly higher than its normal cash balances that are available for investment purposes. As a result, the timing of capital financing decisions has a significant impact on the overall treasury strategy within the Council and how risk is managed.

4.3 The structure of this report to assess performance against the 2024/25 approved treasury strategy is as follows:

- Capital expenditure and financing for 2024/25
- The Council's overall borrowing need
- Prudential Indicators and any compliance issues
- Treasury position as at 31 March 2025
- The economic background for the 2024/25 financial year
- A summary of the Treasury Management Strategy approved for 2024/25
- Treasury Management activity and compliance during 2024/25

Capital Expenditure and Financing 2024/25

4.4 The Council undertakes capital expenditure on long term assets, which can be financed as follows:

- immediately during the year of incurring the expenditure, through capital receipts, capital grants, contributions or from revenue.
- if insufficient financing is available, prudential borrowing can be used to spread these costs over future financial years.

4.5 Part of the Council's treasury activities is to address this borrowing need, either through borrowing from external bodies – predominantly the Public Works Loan Board (PWLb), other banks and financial institutions, or by utilising temporary cash resources within the Council (internal borrowing). The wider treasury activities also include

managing the day-to-day cash flow position, its previous borrowing activities, and the investment of surplus funds from cash balances that are not required immediately. These activities are structured to manage risk foremost and then optimise performance where appropriate.

4.6 Capital Expenditure forms one of the Prudential Indicators that are used to regulate treasury activity. Table 1 shows total capital expenditure and how this was financed, compared with what was expected to be spent and how this would have been financed. Further information on the capital variances at directorate level can be found in the 2024/25 revenue and capital outturn report to this Executive, but this predominantly relates to capital schemes that have not yet been delivered or grants received in advance of need.

Table 1: Capital expenditure and financing in £ millions

	2023/24 actual	2024/25 original budget	2024/25 actual	2024/25 Variance to original budget	2025/26 original budget	2026/27 original budget	2027/28 original budget	2028/29 original budget
Prudential Borrowing	18.469	23.037	12.343	(10.694)	16.191	23.161	7.413	8.371
EFS Borrowing	-	13.400	-	(13.400)	-	-	-	-
EFS Capital Receipts		-	2.443	2.443	-	-	-	-
Capital Receipts for Investment Strategy	-	6.000	6.000	-	6.000	6.000	6.000	6.000
Flexible Use of Capital Receipts	2.399	13.700	4.447	(9.253)	7.500	7.150	6.303	1.300
Grants	26.375	29.897	31.693	1.796	50.801	15.678	-	-
Contributions	0.471	2.515	0.237	(2.278)	2.079	6.523	-	-
TOTAL	47.714	88.549	57.163	(31.386)	82.571	58.512	19.716	15.671

The Council's overall borrowing requirement

4.7 The Council's underlying need to borrow is called the Capital Financing Requirement (CFR). The CFR results from the capital activity of the Council and resources used to pay for the capital expenditure over time. It represents 2024/25 and prior years' net capital expenditure which has not yet been paid for by revenue, capital receipts or other external resources and therefore must be met from borrowing.

4.8 The CFR will normally be a combination of external borrowing (from third parties in the form of loan arrangements) or from internal borrowing (from the council's own unapplied revenue and capital resources). External borrowing incurs both principal and interest costs as part of the Council's capital financing budget. Internal borrowing is from the Council's own cash resources and has an opportunity cost in that the cash is spent on capital activities, rather than invested.

4.9 Part of the Council's treasury role is to meet the funding requirements for this borrowing need. Depending on the funding requirements of the capital programme, the treasury team organises the Council's cash position to ensure that sufficient cash is available to meet the capital plans and cash flow requirements. This may be sourced through borrowing from external bodies (such as the government, through the PWLB, or the money markets).

4.10 The Council's underlying borrowing need (CFR) is not allowed to rise indefinitely. Statutory guidance is in place to ensure that capital expenditure is broadly charged to revenue over the life of the asset. The Council is required to make an annual revenue charge, called the Minimum Revenue Provision (MRP), to reduce the CFR. This is effectively a principal loan repayment of the long-term borrowing need from the revenue budget.

4.11 The Council's capital financing requirement for the year is shown in Table 2 and represents a key prudential indicator for the Council. The CFR outturn for 2024/25 is £298.001m which is £0.185m higher than forecast due to marginal changes in the borrowing requirement due to slippage on the capital programme.

Table 2: change in the Capital Financing Requirement 2024/25 - in £ millions

Opening CFR at 1 April 2024	292.090
Add: Capital expenditure financed by borrowing	12.343
Less: Minimum Revenue Provision	(4.316)
Less: Other adjustments	(2.116)
Closing CFR at 31 March 2025	298.001
Forecast CFR at Q3 2024/25	297.816

Treasury Position for 2024/25

4.12 Whilst the measure of the Council's underlying need to borrow is the CFR, the Director of Finance and Transformation can manage the Council's actual borrowing position by:

- borrowing to the CFR level; or
- choosing to utilise some temporary cash flows instead of borrowing ("under borrowing").

4.13 Most local authorities have a degree of under borrowing within their CFR at present. This tends to be in the range of 10% - 20% of the total CFR. This means that external debt is lower than the need to borrow and other resources available have been used to bridge the gap. This strategy has been common as part of an approach to generating revenue savings in relation to annual capital financing costs, by deferring external borrowing, to a later point in time driven by cash flow needs.

4.14 The Council's treasury management debt and investment position is organised by the corporate finance team to ensure that there is adequate liquidity for revenue and capital activities, security for investments, and to manage risks within all treasury management activities. Procedures and controls to achieve these objectives are well established both through member reporting and through officer activity detailed in the Council's Treasury Management Practices.

4.15 A summary of outstanding balances is shown below.

Table 3 – summary of borrowing and investments

<i>Treasury Position</i>	2023/24 Principal (£m)	Average Rate (%)	2024/25 Principal (£m)	Average Rate %
Public Works Loan Board	206.018	3.61	225.604	3.76
Banks	18.000	6.26	13.000	6.83
Other loans	24.086	3.75	14.838	3.82
Total Debt	248.104		253.442	
Cash Investments	(12.723)	4.73	(21.555)	4.45
Net Debt	235.381		231.887	

4.16 Just under 90% of the Council's total debt is with central government via the PWLB at 31 March 2025. These loans vary in length from between 5 – 45 years and in essence match the lives of the capital assets they are financing. Most of the bank debt was taken out in the early 2000's when interest rates were higher, but these options were more attractive than borrowing from central government at the time. Due to the terms and conditions on these loans, there is no option to refinance them in the short term.

4.17 The other loans represent short-term borrowing from other local authorities. At times the Council will need cash liquidity to finance its revenue and capital commitments but interest rates for long term borrowing are not in line with the overall treasury strategy. In these cases, it is better value to finance this cash need over short periods of time, normally 1-3 months, even if interest rates are higher at that point. This allows the Council time to monitor market rates on long term debt for temporary reductions in rates caused by fluctuations in economic data and government policy.

4.18 Cash investments are temporary surpluses in liquidity that are either invested with central government via the debt management office or with other local authorities with a cash need. Over £1.300m in interest was earned during 2024/25 on these balances.

4.19 The Council's total debt outstanding as at 31st March 2025 was £253.442m. The Council's revised CFR position was estimated to be £297.816m at Quarter Three. However, the actual out turn position was £298.001m. When comparing this to our actual borrowing, this meant that the Council was "under borrowed" by £44.559m or 15.0%.

4.20 This "under borrowed" amount was financed by internal borrowing from cash balances which means that the amount that could have been invested externally was reduced to cover this. The reduced under borrowed position has the dual effect of reducing revenue costs incurred by the General Fund budget because borrowing costs are generally greater than investment returns. It also reduces counterparty risk by reducing the Council's exposure to the inherent risks that exist in commercial banks and other financial institutions.

4.21 **Gross Borrowing and the CFR** – in order to ensure that borrowing levels are prudent over the medium term and only for a capital purpose, the Council should ensure that its gross external borrowing does not, except in the short term, exceed the total of the capital financing requirement in the preceding year (2023/24) plus the estimates of any additional capital financing requirement for the current (2024/25) and next two financial years (to 2026/27). This essentially means that the Council is not borrowing to support revenue expenditure. This indicator allows the Council some flexibility to borrow in advance of its immediate capital needs, if required. The table below highlights the Council's gross borrowing position against the CFR. The Council has complied with this prudential indicator as debt levels continue to be lower than needed.

Table 4 – Gross Borrowing to Capital Financing Requirement comparison in millions

	2023/24 Actual	2024/25 Original	2024/25 Actual	2025/26 Budget	2026/27 Budget	2027/28 Budget	2028/29 Budget
Gross External Borrowing	248.104	310.525	253.442	292.388	320.568	320.568	315.568
Capital Financing Requirement (CFR)	292.090	331.863	298.001	310.197	333.295	327.929	321.994
(Under)/Over borrowing	(43.986)	(21.338)	(44.559)	(17.809)	(12.727)	(7.361)	(6.426)
% of CFR	15.1	6.4	15.0	5.7	3.8	2.2	2.0

4.22 **The Authorised Limit** – The Authorised Limit is the "Affordable Borrowing Limit" required by section 3 of the Local Government Act 2003. The Council does not have power to borrow above this level.

4.23 **The Operational Boundary** – The Operational Boundary is the expected borrowing position of the Council during the year. Periods where the actual position is either below or over the Boundary are both acceptable, subject to the Authorised Limit not being breached.

4.24 Actual financing costs as a proportion of net revenue expenditure - This identifies the trend in the revenue cost of capital (borrowing and other long term obligation costs net of investment income) as a proportion of the Council's net revenue budget. The actual for this indicator has risen from the previous year due to an increase in the Financing costs outturn.

Table 5 – Key Prudential Indicators Summary

	2023/24 actual	2024/25 actual	2025/26 forecast	2026/27 forecast	2027/28 forecast	2028/29 forecast
Authorised Limit (£m)	328.000	318.000	331.000	354.000	348.000	342.000
Operational Boundary (£m)	308.000	308.000	321.000	344.000	338.000	332.000
Capital Financing Requirement (£m)	292.090	298.001	310.197	333.295	327.929	321.994
Capital financing costs (£m)	9.235	11.405	12.060	13.732	14.685	15.404
Net Revenue Budget (£m)	126.354	143.190	143.304	144.382	148.621	152.973
Proportion of net revenue budget (%)	7.4%	8.0%	8.4%	9.5%	9.9%	10.1%

4.25 Table 5 above also shows the profile of debt required to fund the capital programme over the whole of the medium-term financial planning period, and that this will rise to a maximum of £333.295m on 31st March 2027 before starting to reduce in the following financial year. This increase in indebtedness is a direct result of the amount required to fund the capital programme in each financial year and any additional cash flow demands.

4.26 Although the Council does not have relatively high debt levels against its comparator authorities (as shown in Graph 1), the strain on the revenue budget is increasing. When CIPFA introduced the Capital Finance Code of Practice in 2007, a nominal amount of 10% of the net revenue budget was suggested as being a maximum threshold for sustainability and prudence. Although some councils have exceeded this over the years the S151 Officer would not advise Members to go much higher than current levels, particularly given the financial position and low level of unrestricted reserves.

4.27 The levels though do remain aligned to the Operational Boundary (the Council's capital planning total) and within the Authorised Limit approved by Members, which is the statutory limit for the Council in relation to external debt.

Economic Background 2024/25

4.28 A summary of the general economic conditions that have prevailed through 2024/25 provided by Arlingclose, the Council's treasury management advisors is attached at Appendix 1.

Summary of the Treasury Management Strategy agreed for 2024/25

4.29 Treasury Management is defined as 'the management of the Council's cash flows, borrowing and investments, and the associated risk'. The main risks that affect a local authority include credit risk, interest rate risk, liquidity risk and refinancing risk.

4.30 The borrowing approach outlined in the treasury strategy was to achieve the optimum value for money for the revenue budget by a combination of long-term borrowing from the Public Works Loan Board when interest rates reached a trigger rate of below 4.75% and the maturity term of the new borrowing fitted in with the Council's current debt portfolio. If these conditions did not exist when cash balances fell below £10.000m, then short term borrowing would be considered for the minimum period possible, given that interest rates were expected to rise over the period. Additionally short-term borrowing would be capped at a maximum of 20% of the total of the Council's gross external debt balance.

4.31 The approach to investing cash balances is to follow the relevant government and CIPFA guidance in prioritising and protecting the principal sums involved by only investing with institutions on the Council's approved lending list. This factor is paramount and more important than the higher interest rates that could be achieved on riskier and illiquid investments with longer duration terms. Only 10% of total investments could be deposited for periods over one financial year given the higher levels of risk associated with these products.

Treasury Management activity during 2024/25

4.32 During the financial year, the Council maintained an under-borrowed position. This meant that the capital borrowing need, (the CFR), was not fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow was used as an interim measure. This strategy was prudent as investment returns were low and minimising counterparty risk on placing investments also needed to be considered.

4.33 All borrowing and investment activity undertaken during the financial year were in line with the approved strategy agreed for the financial year.

4.34 A total of £40.000m of new long-term borrowing was undertaken, with £7.500m of long-term loans repaid. This was offset by the repayment of £7.106m of short-term borrowing and £20.056m of annuity loan repayments. The total level of external debt for the Council rose by £5.338m during 2024/25. All borrowing decisions were authorised in line with the treasury management policy and via consultation with external advisers.

4.35 Investments were made with either central government or other local authorities on an almost daily basis to ensure that the Council's overall liquidity position was

protected. All principal sums invested have been repaid on time by each counterparty. The total interest earned on these temporary cash balances for 2024/25 was £1.307m and helped to balance the overall net capital financing budget.

4.36 The Council's Treasury Management function has complied with all the relevant statutory and regulatory requirements, which limit the levels of risk associated with its treasury management activities. The adoption and implementation of both the Prudential Code and the code of Practice for Treasury Management means both that its capital expenditure is prudent, affordable and sustainable and its treasury practices demonstrate a low-risk approach.

4.37 Officers of the Council are aware of the risks of passive management of the treasury portfolio and, with the support of Arlingclose, the Council's advisers, have proactively managed the debt and investments portfolio over the financial year.

5. Ward Member Engagement if relevant and appropriate

5.1 Not relevant to this report as it relates to corporate financial management issues.

6. Other potential alternative(s) and why these have not been recommended

6.1 Not relevant as the report is for information only.

7. Impact(s) of the recommended decision(s)

Topic	Impact
Financial (including procurement and Social Value)	<p>All relevant financial implications are outlined within the body of this report and the supporting appendix. The capital programme and financing being recommended in the budget report continues to remain affordable within the approved MTFP and revenue budget parameters.</p> <p>The Council needs to manage and prioritise its future capital investment and associated funding strategies more strictly over the term of the MTFP to maintain revenue cost of capital investment within affordable and prudent parameters. The prudential and treasury management indicators and processes remain robust and within prudent limits over the term of the MTFP.</p> <p>Tables 3 to 5 outline the key debt metrics, and the capital financing costs as a % of the net revenue budget over the medium-term financial planning period.</p>
Legal	<p>There are no direct legal implications of this report. All activity on capital financing, investments and borrowing is under current local authority powers under either the Local Government Act 2003 or the capital finance and accounting regulations.</p>

Risk	Any risk related issues are set out within the report. Risk management is an integral part of the Council's treasury management strategy, and these are considered as part of business-as-usual activities and are set out in more detail within the Treasury Management Practices document maintained by the central finance team.
Human Rights, Public Sector Equality Duty and Community Cohesion	There are no applicable issues to consider within this report.
Reducing Poverty	There are no applicable issues to consider within this report.
Climate Change / Environmental	There are no applicable issues to consider within this report.
Children and Young People Cared for by the Authority and Care Leavers	There are no applicable issues to consider within this report.
Data Protection	There are no applicable issues to consider within this report.

Actions to be taken to implement the recommended decision(s)

Action	Responsible Officer	Deadline
Not Applicable		

Appendices

1	Economic Background – 2024/25 financial year (Arlingclose Ltd. March 2025)
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Background papers

Body	Report title	Date
Council	2024/25 Revenue Budget, Medium Term Financial Plan, Council Tax Setting and Treasury Management	8 March 2024
Executive	2024/25 Revenue and Capital Budget Outturn	11 June 2025

Contact: Justin Weston, Head of Corporate Finance (Deputy S151 Officer)
Email: justin_weston@middlesbrough.gov.uk

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Appendix 1

Economic Background – 2024/25 Financial Year

Both the UK and US elected new governments during the period, whose policy decisions impacted the economic outlook.

The Chancellor of the Exchequer delivered her Spring Statement in March 2025, following her Budget in October 2024. Based on the plans announced, the Office for Budget Responsibility downgraded its predictions for UK growth in 2025 to 1% from 2%. However, it upgraded its predictions for the four subsequent years. Inflation predictions for 2025 were pushed up, to 3.2% from 2.6%, before seen as falling back to target in 2027. The market reaction to the Spring Statement was more muted compared to the Budget, with very recent market turbulence being driven more by US trade policy decisions and President Trump.

After revising its interest rate forecast in November following the Budget, the council's treasury management advisor, Arlingclose, maintained its stance that Bank Rate will fall to 3.75% in 2025.

UK annual Consumer Price Index (CPI) inflation continued to stay above the 2% Bank of England (BoE) target in the later part of the period. The Office for National Statistics (ONS) reported

Headline consumer prices at 2.8% in February 2025, down from 3.0% in the previous month and below expectations. Core CPI also remained elevated, falling slightly in February to 3.5% from 3.7% in January, just below expectations for 3.6% but higher than the last three months of the calendar year.

The UK economy Gross Domestic Product (GDP) grew by 0.1% between October and December 2024, unrevised from the initial estimate. This was an improvement on the zero growth in the previous quarter, but down from the 0.4% growth between April and June 2024. Of the monthly GDP figures, the economy was estimated to have contracted by 0.1% in January, worse than expectations for a 0.1% gain.

The labour market continued to cool, but the ONS data still requires treating with caution. Recent data showed the unemployment rate rose to 4.4% (3mth/year) in the three months to January 2025 while the economic inactivity rate fell again to 21.5%. The ONS reported pay growth over the same three-month period at 5.9% for regular earnings (excluding bonuses) and 5.8% for total earnings.

The BoE's Monetary Policy Committee (MPC) held Bank Rate at 4.5% at its March 2025 meeting, having reduced it in February. This follows earlier 0.25% cuts in November and August 2024 from the 5.25% peak. At the March MPC meeting, members voted 8-1 to maintain Bank Rate at 4.5%, with the one dissenter preferring another 25 basis points cut. The meeting minutes implied a slightly more hawkish tilt compared to February when two MPC members wanted a 50bps cut. In the minutes, the Bank also upgraded its Q1 2025 GDP forecast to around 0.25% from the previous estimate of 0.1%.

The February Monetary Policy Report (MPR) showed the BoE expected GDP growth in 2025 to be significantly weaker compared to the November MPR. GDP is forecast to rise by 0.1% in Q1 2025, less than the previous estimate of 0.4%. Four-quarter GDP growth is expected to pick up from the middle of 2025, to over 1.5% by the end of the forecast period. The outlook for CPI inflation showed it remaining above the MPC's 2% target throughout 2025. It is expected to hit around 3.5% by June before peaking at 3.7% in Q3 and then easing towards the end of the year but staying above the 2% target. The unemployment rate was expected to rise steadily to around 4.75% by the end of the forecast horizon, above the assumed medium-term equilibrium unemployment rate of 4.5%.

Arlingclose maintained its central view that Bank Rate would continue to fall throughout 2025. From the cuts in August and November 2024 and February 2025, which took Bank Rate to 4.50%, May is considered the likely month for the next reduction, with other cuts following in line with MPR months to take Bank Rate down to around 3.75% by the end of 2025.

The US Federal Reserve paused its cutting cycle in the first three months of 2025, having reduced the Fed Funds Rate by 0.25% to a range of 4.25%-4.50% in December, the third cut in succession. Fed policymakers noted uncertainty around the economic outlook but were anticipating around 0.50% of further cuts in the policy rate in 2025. Economic growth continued to rise at a reasonable pace, expanding at an annualised rate of 2.4% in Q4 2024 while inflation remained elevated over the period. However, growth is now expected to weaken by more than previously expected in 2025, to 1.7% from 2.1%. The uncertainty that President Trump has brought both before and since his inauguration in January is expected to continue.

The European Central Bank (ECB) continued its rate cutting cycle over the period, reducing its three key policy rates by another 0.25% in March, acknowledging that monetary policy is becoming meaningfully less restrictive. Euro zone inflation has decreased steadily in 2025, falling to 2.2% in March, the lowest level since November 2024. Over the current calendar year, inflation is expected to average 2.3%. GDP growth stagnated in the last quarter of the 2024 calendar year, after expanding by 0.4% in the previous quarter. For 2025, economic growth forecasts were revised downwards to 0.9%.

Financial markets: Sentiment was reasonably positive over most of the period, but economic, financial and geopolitical issues meant the trend of market volatility remained. In the latter part of the period, volatility increased, and bond yields started to fall following a January peak, as the economic uncertainty around likely US trade policy impacted financial markets. Yields in the UK and US started to diverge in the last month of the period, with the former rising around concerns over the fiscal implications on the UK government from weaker growth, business sentiment and higher rates, while the latter started falling on potential recession fears due to the unpredictable nature of policy announcements by the US President and their potential impact.

The 10-year UK benchmark gilt yield started the period at 3.94% and ended at 4.69%, having reached a low of 3.76% in September and a high of 4.90% in January in between. While the 20-year gilt started at 4.40% and ended at 5.22%, hitting a low of 4.27% in September and a high of 5.40% in January. The Sterling Overnight Rate (SONIA) averaged 4.90% over the period.

The period in question ended shortly before US President Donald Trump announced his package of 'reciprocal tariffs', the immediate aftermath of which saw stock prices and government bond yields falling and introduced further uncertainty over the economic outlook.

Credit review: In October, Arlingclose revised its advised recommended maximum unsecured duration limit on most banks on its counterparty list to six months. Duration advice for the remaining five institutions, including the newly added Lloyds Bank Corporate Markets, was kept to a maximum of 100 days. This advice remained in place at the end of the period.

Fitch revised the outlook on Commonwealth Bank of Australia (CBA) to positive from stable while affirming its long-term rating at AA-, citing its consistent strong earnings and profitability.

Other than CBA, the last three months of the period were relatively quiet on the bank credit rating front, with a small number of updates issued for several lenders not on the Arlingclose recommended counterparty list.

On local authorities, S&P assigned a BBB+ to Warrington Council, having previously withdrawn its rating earlier in 2024, and withdrew its rating for Lancashire County Council due to the council deciding to stop maintaining a credit rating. However, it still holds a rating with Fitch and Moody's. Moody's withdrew its rating of Cornwall Council after it chose to no longer maintain a rating.

Credit default swap prices generally trended lower over the period but did start to rise modestly in March, but not to any levels considered concerning. Once again, price volatility over the period remained generally more muted compared to previous periods.

Financial market volatility is expected to remain a feature, at least in the near term and, credit default swap levels will be monitored for signs of ongoing credit stress. As ever, the institutions and durations on the Authority's counterparty list recommended by Arlingclose are keeping under constant review.

Arlingclose Ltd
March 2025

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MIDDLESBROUGH COUNCIL	
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Report of:	Director of Regeneration and Culture
Relevant Executive Member:	Executive Member for Development
Submitted to:	Executive
Date:	11 June 2025
Title:	Middlesbrough College Investment
Report for:	Decision
Status:	Public
Council Plan priority:	A successful and ambitious town
Key decision:	Yes
Why:	Decision(s) will incur expenditure or savings above £250,000
Subject to call in?	Yes
Why:	Non-Urgent Decision

Proposed decision(s)	
<p>It is recommended that Executive approves:</p> <ul style="list-style-type: none"> a) investment in Middlesbrough College of up to £1,600,000 of capital funding from within the approved Capital Programme to enable facility expansion to grow the educational capacity of the college; b) an amendment to the existing lease of land at Middlesbrough College to introduce a rental value of £131,234 per annum, for a period of 20 years; c) that the arrangement set out is subject to acceptance by Middlesbrough College Board of Governors; and, d) the delegation of any administration and determination of the terms of the lease amendment to the Chief Finance Officer (S151). 	

Executive summary

Middlesbrough College is seeking Council investment of up to £1,600,000 to facilitate an expansion in educational facilities in the site.

The recently-opened £12,000,000 TTE facility has been welcomed as a world-leading engineering skills facility. The facility was designed prior to 2022 and was adequate for the projected student numbers, at the time. The success of the relocation of TTE services has seen a doubling of student numbers, with further demand anticipated in the near future.

Investment in an expansion of a mezzanine level, to be attached to the new facility, will provide sufficient capacity to accommodate growth in student numbers.

Council investment will result in an annual rent of £131,234 over 20 years.

The urgency of the capacity requirement is due to the College being unable to access the funding through its own prudential borrowing or grant opportunities.

The investment would generate a revenue return on investment and would recover the equivalent borrowing costs and interest, for Middlesbrough Council.

Purpose of this report and its contribution to the achievement of the Council Plan ambitions

- 1.1 This report seeks Executive approval to invest in expanded facilities, and capacity, at Middlesbrough College.
- 1.2 The investment will allow for provision to meet the demand for expanded student capacity in engineering and technical qualifications and provides an enhanced skills pipeline for the major industrial developments planned across the Tees Valley.

Our ambitions	Summary of how this report will support delivery of these ambitions and the underpinning aims
A successful and ambitious town	Enhanced facilities will improve educational attainment and employability for Middlesbrough residents. This provides a critical skills pipeline for Middlesbrough Business and enhances the long-term strength of Middlesbrough's economy.
A healthy Place	Investment in educational opportunities has the strongest links to the propensity to secure well-paid and meaningful employment and this is one of the most significant determinants in reducing poverty, having a decent home, improved personal health and addressing deprivation within Middlesbrough. Vocational College education is a very accessible form of education and is an inclusive route into skills and employment.

Safe and resilient communities	Middlesbrough College is a major community resource. Increasing opportunities for residents to gain valuable skills and qualifications will, in turn, improve access to gainful employment and a lifelong career. These attributes increase life chances for residents and improve outcomes in incomes, health crime, education and community cohesion.
Delivering best value	The investment costs of the proposal are recoverable via the rent recoverable through the arrangement.

2. Recommendations

It is recommended that the Executive approves:

- a) investment in Middlesbrough College of up to £1,600,000 of capital funding from within the approved Capital Programme to enable facility expansion to grow the educational capacity of the college;
- b) an amendment to the existing lease of land at Middlesbrough College to introduce a rental value of £131,234 per annum, for a period of 20 years;
- c) that the arrangement set out is subject to acceptance by Middlesbrough College Board of Governors; and,
- d) the delegation of any administration and determination of the terms of the lease amendment to the Chief Finance Officer (S151).

3. Rationale for the recommended decision(s)

3.1 The proposed investment is cost neutral to the Council as the investment is recoverable through a rental agreement.

3.2 Investment in College capacity increases the propensity for major economic growth developments to directly benefit the skills and employment prospects of Middlesbrough's resident population. These measures tackle a wide range of deprivation measures and support personal and financial independence.

4. Background and relevant information

4.1 Middlesbrough College is seeking Council investment of up to £1,600,000 to facilitate an expansion in educational facilities in the site.

4.2 The recently-opened £12,000,000 TTE facility has been welcomed as a world-leading engineering skills facility. The success of the relocation of TTE services (following near liquidation in 2019 and Middlesbrough College stepping in) has seen a doubling of student numbers, with further demand anticipated in the near future.

4.3 As such, the new facility remains under capacity, in relation to the new and projected student numbers.

4.4 An expansion of a mezzanine level, to be attached to the new facility, will provide sufficient capacity to accommodate growth in student numbers.

4.5 Middlesbrough Council has freehold ownership on all of the land on which Middlesbrough College is situated. These leases are subject to a 250 year coterminous lease, whereby a lease premium was paid at the beginning of the lease, leaving a peppercorn due for the remainder of the lease duration.

4.6 This legal structure allows the Council to amend the existing lease to invest in the College site and realise a rental income stream (to be incorporated in the current lease structure) as a consequence of the investment, and to allow the investment to be recovered.

4.7 Council investment will result in an annual rent of £131,234 over 20 years.

4.8 The urgency of the capacity requirement is due to the College being unable to access the funding through its own prudential borrowing or grant opportunities. Like any public body, Middlesbrough College is subject to borrowing ratios, as a proportion of its turnover.

5. Ward Member Engagement if relevant and appropriate

5.1 No ward member engagement has been conducted for this proposal, to date.

6. Other potential alternative(s) and why these have not been recommended

6.1 Alternative funding sources have been explored however, the urgency of the capacity requirement means that grant funding programmes are largely at capacity.

6.2 In 2022 Colleges in the UK were brought back to being classed as public sector bodies. Prior to this they were classed as private institutions and able to establish their own debt ratios. Whilst Middlesbrough College has been prudent in its investments, the return into the public sector in 2022 means that it does not have capacity to borrow this money, given the extant debt ratios. As such, Council investment is critical.

6.3 The College did forward this project to Tees Valley Combined Authority (TVCA) as part of the recent 2025/26 round of UK Shared Prosperity Fund (UKSPF) capital funding, but this proposal was not prioritised for investment.

6.4 Towns Fund and Levelling Up Partnership Funds administered by Middlesbrough Council are fully committed / exhausted.

7. Impact(s) of the recommended decision(s)

Topic	Impact
Financial (including procurement and Social Value)	The investment structure is not a loan – as this would be a landlord investment to fund tenant improvement works up to £1,600,000.

	<p>The landlord would recover this by amending the existing 250 year coterminous lease, whereby a lease premium was paid at the beginning of the lease, leaving a peppercorn due for the remainder of the lease duration. This would be adapted to amend the peppercorn lease up to an annual rent, for a agreed term.</p> <p>The Council would finance this £1,600,000 investment via borrowing. This cost to the Council would be fully repaid by Middlesbrough College through an amendment to the existing lease agreement.</p> <p>The 2024/25 Revenue and Capital Outturn report that is presented to Executive for approval on 11 June 2025 includes a reduction in the capital programme of £2.931m relating to the Children's Services Financial Improvement Plan scheme. The funding required to enable the facility expansion of Middlesbrough College can therefore be provided from the reduction in the capital programme without exceeding the value of the capital programme 2025/26 to 2028/29 that was approved by Council on 19th February 2025.</p> <p>The Public Works Lending Board interest rate of 5.26% per annum over the course of 20 years has been applied to the £1,600,000 investment to calculate the annual lease amount of £131,234 payable by Middlesbrough College.</p>
Legal	<p>In terms of documenting the above, a deed of variation would be used to vary the lease to increase the existing rent. It may be appropriate for a separate funding agreement to be entered into, to cover the advance of any funds to the college, its intended use.</p> <p>Rent is established for a defined period to recover the investment, before reverting back to peppercorn.</p>
Risk	<p>The lease agreement is legally binding and this ensures that the investment is recoverable via rental payments.</p> <p>The College is a public sector body with a strong covenant so the risk of lease default is minimal.</p> <p>The additional capacity creates additional revenue through new learners to the rental amounts are considered affordable.</p>

	The risk of not proceeding is limited capacity in the engineering and technical education sectors, which would directly impact the skills pipeline for major economic growth initiatives such as TeesWorks and Next Zero Teesside.
Human Rights, Public Sector Equality Duty and Community Cohesion	The proposal is not judged to have any negative impacts on Human Rights, Public Sector Equality Duty and Community Cohesion
Reducing Poverty	Investment in educational opportunities has the strongest links to the propensity to secure well-paid and meaningful employment and this is one of the most significant determinants in reducing poverty, having a decent home, improved personal health and addressing deprivation within Middlesbrough. Vocational College education is a very accessible form of education and is an inclusive route into skills and employment.
Climate Change / Environmental	The skills delivered by this investment in educational capacity will directly feed into the skills required for Teesside's emerging specialism in Net Zero and Green technologies of the future.
Children and Young People Cared for by the Authority and Care Leavers	Increasing opportunities for Cared for Children or care leavers to gain valuable skills and qualifications will, in turn, improve access to gainful employment and a lifelong career. These attributes increase life chances for residents and improve outcomes in incomes, health crime, education and community cohesion.
Data Protection	There are no Data Protection issues of consequence for this proposal.

Actions to be taken to implement the recommended decision(s)

Action	Responsible Officer	Deadline
Amend agreement for lease with Middlesbrough College	Sam Gilmore – Head of Growth and Assets	30 September 2025
College to commission construction and design package	Middlesbrough College	31 January 2026
College to secure planning permission for extension	Middlesbrough College	31 January 2026
Construction Phase	Middlesbrough College	30 September 2026

Appendices

1	N/A
2	N/A
3	N/A

Background papers

Body	Report title	Date
N/A	N/A	N/A

Contact: Sam Gilmore

Email: sam_gilmore@middlesbrough.gov.uk

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MIDDLESBROUGH COUNCIL	
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Report of:	Director of Environment & Community Services
Relevant Executive Member:	Executive Member for Environment and Sustainability
Submitted to:	Executive
Date:	11 June 2025
Title:	Newport Road transport corridor improvements
Report for:	Decision
Status:	Public
Council Plan priority:	A healthy place
Key decision:	Yes
Why:	Decision(s) will have a significant impact in two or more wards
Subject to call in?	Yes
Why:	Non-Urgent Decision.

Proposed decision(s)
That the Executive approves the Newport Road transport corridor improvements scheme, having considered the highlighted risk and proposed mitigation.

Executive summary
<p>The report seeks Executive decision regarding the implementation of bus and cycle improvements on Newport Road transport corridor.</p> <ol style="list-style-type: none"> 1) Tees Valley Combined Authority (TVCA) gained funding from the Levelling Up Fund (LUF) to support ambitions to improve sustainable transport accessibility. 2) The project is part of a wider, regional delivery programme of sustainable transport projects; delivered under the 'Local Walking and Cycling Implementation Plan' (LCWIP) that was introduced at a national level by DfT. 3) Public consultation was undertaken by TVCA on the proposals (Appendix 1) in February 2025. The consultation responses can be found in Appendix 2. 4) Following consultation, designs have been altered to reflect concerns raised by the public. The alterations do not fully mitigate the concerns raised, but on the

balance of improving sustainable transport accessibility and road safety, it is felt that this is an appropriate way to ensure that the Highway Authority is fulfilling its duty to secure the expeditious, convenient and safe movement of vehicular and other traffic (including pedestrians), as part of the Road Traffic Regulation Act 1984.

If the executive approve the implementation of the scheme a Funding Agreement Letter will be agreed with TVCA in order for Middlesbrough Council to commence with the delivery of the scheme.

1. Purpose of this report and its contribution to the achievement of the Council Plan ambitions

- 1.1 The report seeks Executive decision following public consultation on the proposals to improve bus and walking/cycling provision on Newport Road.
- 1.2 Tees Valley Combined Authority (TVCA) gained funding from the Levelling Up Fund (LUF) to support ambitions to improve sustainable transport accessibility.
- 1.3 Newport Road is a key transport corridor in to Middlesbrough Town Centre, and forms part of regional bus routes due to its proximity to Middlesbrough bus station. Congestion on this corridor impacts upon bus reliability and journey time, and the lack of cycle provision acts as a barrier to uptake.
- 1.4 The project is part of a wider, regional delivery programme of sustainable transport projects; delivered under the 'Local Walking and Cycling Implementation Plan' (LCWIP) that was introduced at a national level by DfT.

Our ambitions	Summary of how this report will support delivery of these ambitions and the underpinning aims
A successful and ambitious town	<p>Aims within this ambition are to:</p> <ul style="list-style-type: none"> - improving accessibility to key economic centres, the Council will be improving business opportunities for further inward investment by ensuring that transport does not act as a barrier to economic growth.
A healthy Place	<p>Aims within this ambition are to:</p> <ul style="list-style-type: none"> - improve accessibility to key services and facilities and assist the Borough in improving its reputation and aesthetics by improving the public realm, and reducing congestion and traffic noise, and improving air quality.
Safe and resilient communities	<p>Aims within this ambition are to:</p> <ul style="list-style-type: none"> - improve safety, accessibility and usability of the Councils Transport network; ensuring that people can access employment, education, retail and leisure opportunities.
Delivering best value	<p>Aims within this ambition are to:</p> <ul style="list-style-type: none"> - improving infrastructure, enabling growth, and supporting sustainable travel. It delivers best value through targeted investment, focusing on: - Supporting access to employment, education, and services. - Reducing future maintenance costs through asset renewal. - Encouraging modal shift and reducing carbon emissions. - Enhancing safety and accessibility across the network. <p>The proposed scheme aligns with corporate objectives and ensures resources are used efficiently to deliver long-term, measurable benefits for Middlesbrough.</p>

2. Recommendations

2.1 That the Executive

- **Approves** the Newport Road transport corridor improvements scheme, having considered the highlighted risk and proposed mitigation

3. Rationale for the recommended decision(s)

- 3.1 The proposals improve sustainable transport choices, which is assisting the Council's green strategy. It further supports social mobility, which is a key component for increasing economic activity for the surrounding area, which has typically low car ownership per capita.
- 3.2 This will improve access to Middlesbrough Town Centre, ensuring that transport is not a barrier to accessing employment, education, retail and leisure opportunities.
- 3.3 The proposals will improve bus journey times by creating infrastructure that allows vehicles to by pass queuing traffic, and provides priority at signals.
- 3.4 The proposals support road safety for all by physically segregating cycles from pedestrians, signalling key junctions and creating additional crossing points.

4. Background and relevant information

- 4.1 Public consultation was undertaken by TVCA on the proposals (Appendix 1) in February 2025. The consultation responses can be found in Appendix 2.

4.2 Key issues raised from the consultation were as follows:

- **Derwent Street One Way** – access to businesses would be difficult due to the alternate route via Lamport Street, which would be prohibitive to larger vehicles.

Option to make this junction left out/left in would partially mitigate this issue. Retaining 2 way access would result in significant cost increase due to utility diversions identified in the Northern highway verge. This option would fully mitigate this issue.

- **Cannon Park One Way** – issues surrounding the number of premises that are served would create congestion and journey time delays within the area.

It is proposed that 2 way access is retained in to Cannon Park, which fully mitigates this issue.

- **VW Lookers access from Newport closed** – this would create business access issues

It is proposed that this access is retained, and a pedestrian/cycle crossing provided over the junction. This fully mitigates the issue.

- **Closure of Evans Halshaw access points from Newport Road – this would prohibit business access to the unit**

It is proposed that this access is retained, and a pedestrian/cycle crossing provided over the junction. This fully mitigates the issue.

4.6 Following preliminary investigations, existing landscaping/ vegetation may be impacted upon by implementing the proposed scheme. An ecological survey for corridor has been commissioned to understand the implications, and proposed mitigation to minimise the impact.

4.7 Public transport infrastructure improvements are included within the proposals. This includes extension to the existing Westbound bus lane on Newport Road, which is currently camera enforced.

4.8 In addition, increasing pedestrian and cycle accessibility, safety improvements are part of the rationale for the scheme. Between 2020 and 2025, 15 accidents (all slight) have occurred on the Newport Road corridor.

5. Ward Member Engagement if relevant and appropriate

5.1 Ward members were consulted as part of a wider process by Tees Valley Combined Authority in February 2025.

5.2 Ward members were also invited to a scheme review meeting as an opportunity to provide further feedback on the scheme and consultation process in April 2025. Comments were received from members and feedback points were included into the design and consultation processes where possible.

6. Other potential alternative(s) and why these have not been recommended

6.1 Do nothing. This is not recommended as it will not allow for the delivery of infrastructure improvements and risks the loss of funding, if not able to be reallocated.

7. Impact(s) of the recommended decision(s)

Topic	Impact
Financial (including procurement and Social Value)	<p>Should Executive approve the proposal to implement the scheme, TVCA will provide a Funding Agreement Letter stating that it will provide capital resource to deliver the scheme in its entirety.</p> <p>Based on the preliminary design work carried out to date, the cost of the scheme has been estimated at £3m, inclusive of fees, prelims and contingencies. The Council will manage the procurement and delivery of implementation, which will be budgeted for in the above agreement.</p>

Legal	<p>The drafting of the proposed funding agreement terms would need to be reviewed by legal (with the involvement of finance).</p> <p>The implementation of the scheme will require undertaking formal statutory consultation on the amendment to the current Traffic Regulation Order.</p> <p>Generally, the Council shall have regard to the relevant statutory requirements (and guidance published by the national Highways Authority) relating to performance of the duties imposed by s.16, 17 and 18 Traffic Management Act 2004, the Highways Act 1980 and the Road Traffic Regulation Act 1984.</p> <p>The relevant processes under the Highways Act 1980 must be followed when creating a new cycle track or converting an existing footway to cycle track. It is further recommended that the guidance provided by government in the form of Local Transport Note 1/20 is observed when considering cycle infrastructure design.</p>
Risk	<p>As considerations raised at Public Consultation have been accommodated, this will indicate that the Council has listened to comments, and has adjusted to reflect concerns</p> <p>Do not implement the scheme</p> <p>Not proceeding will not allow the Council to realise the benefits associated with implementation</p>
Human Rights, Public Sector Equality Duty and Community Cohesion	The Equality Impact Assessment (EIA) undertaken evidenced that the proposals will not impact negatively upon all users (Appendix 3).
Reducing Poverty	There is no direct impact as a result of scheme implementation.
Climate Change / Environmental	<p>Implement the scheme</p> <p>Continuing to support the Council's Green Strategy.</p> <p>Continuing to support social mobility and access to the local economy.</p>
Children and Young People Cared for by the Authority and Care Leavers	There is no direct impact as a result of scheme implementation.
Data Protection	There is no direct impact as a result of scheme implementation.

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Actions to be taken to implement the recommended decision(s)

Action	Responsible Officer	Deadline
To implement the scheme; <ul style="list-style-type: none"> • TVCA funding agreement put in place • Statutory consultation on TRO • Detailed design approved • Procure and appoint contractor to deliver the capital works on behalf of the Council. 	Chris Orr	March 2027

Appendices

1	Proposed scheme plans
2	Findings from Public Consultation
3	Equality Impact Assessment Stage 1

Background papers

Body	Report title	Date
None		

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Newport Road Proposals - Plan 1



Links to existing NCN1 route which connects to Stockton On Tees

PACS Marine Engineering

Page 149

Widening of existing shared-use pedestrian and cycle path

Four new two-way cycle and pedestrian crossings across Ironmasters Road and A66 slip roads

Existing 30mph speed limit extended onto the A66 off-slip

Access to car showroom to be closed. Alternative access from Cannon Street

New two-way segregated cycleway and pedestrian footpath

New footway on more direct route

New two-way cycleway and pedestrian footpath

New stop line with traffic signals on Newport Interchange to improve flow from A66 off-slip

New cycle road markings

Existing bus, taxi and cycle lane retained

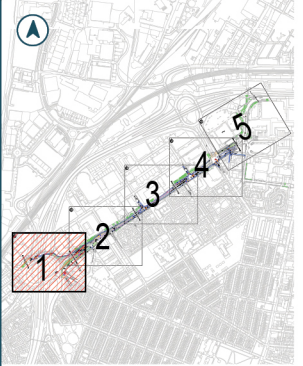
New two-way cycleway

Parliament Road to be used by cyclists as a quiet street

New two-way cycleway and raised crossing connecting the Parliament Road quiet street to the existing Toucan crossing on Haywood Street

Volkswagen Teesside

Lifestyle Fitness



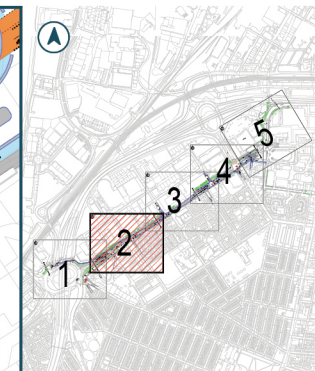
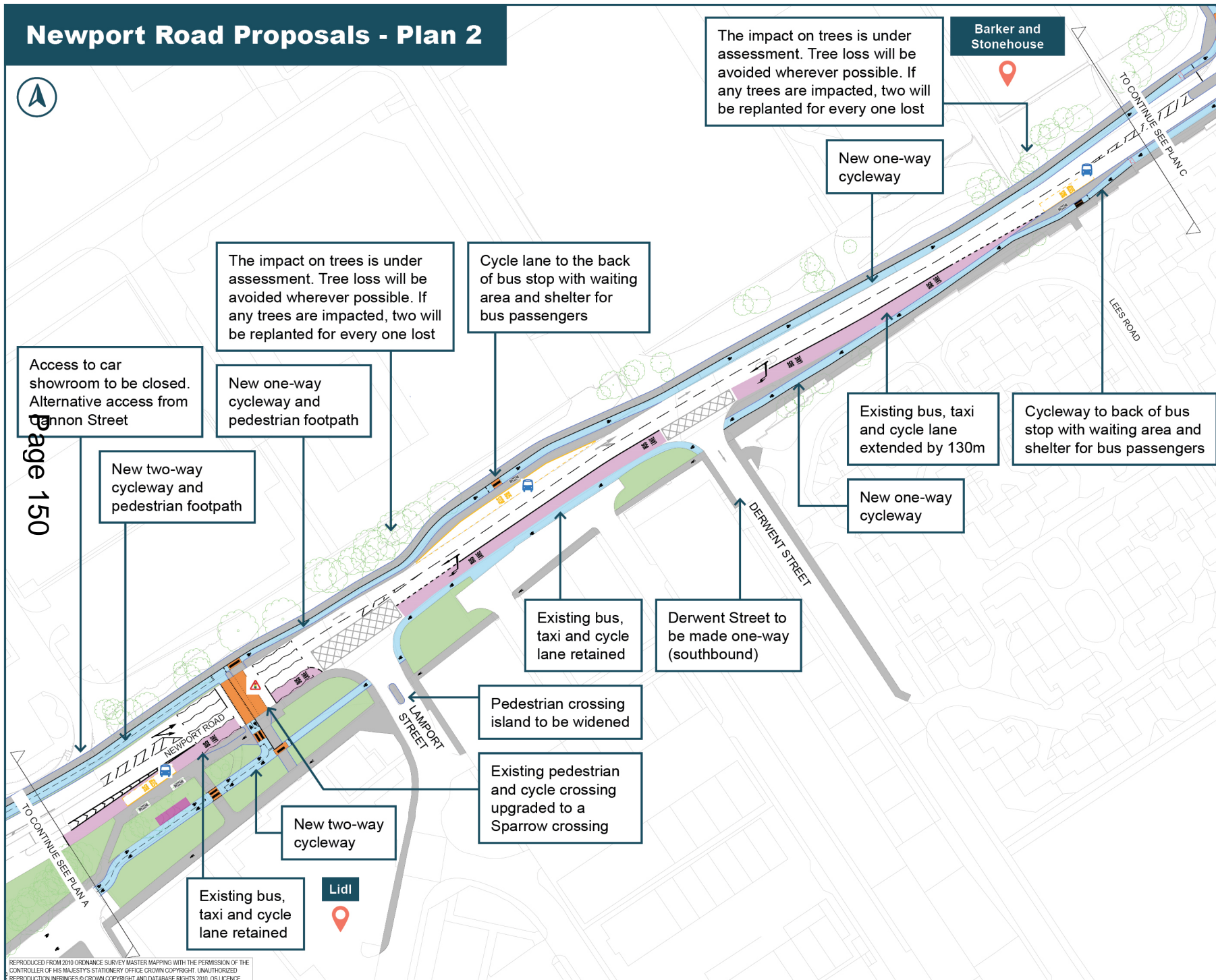
- Soft Landscaping
- Carriageway
- Shared-use
- Bus Stop
- Footpath
- Traffic Calming
- Cycle Track
- Crossing
- Bus Lane
- Mobility Stand
- Proposed Kerb
- Signalised Junction
- Proposed Ramp
- Bus Shelter
- Bus Stop
- Existing Tree

TEES VALLEY

Newport Road Proposals - Plan 2



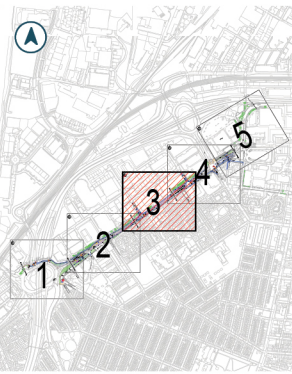
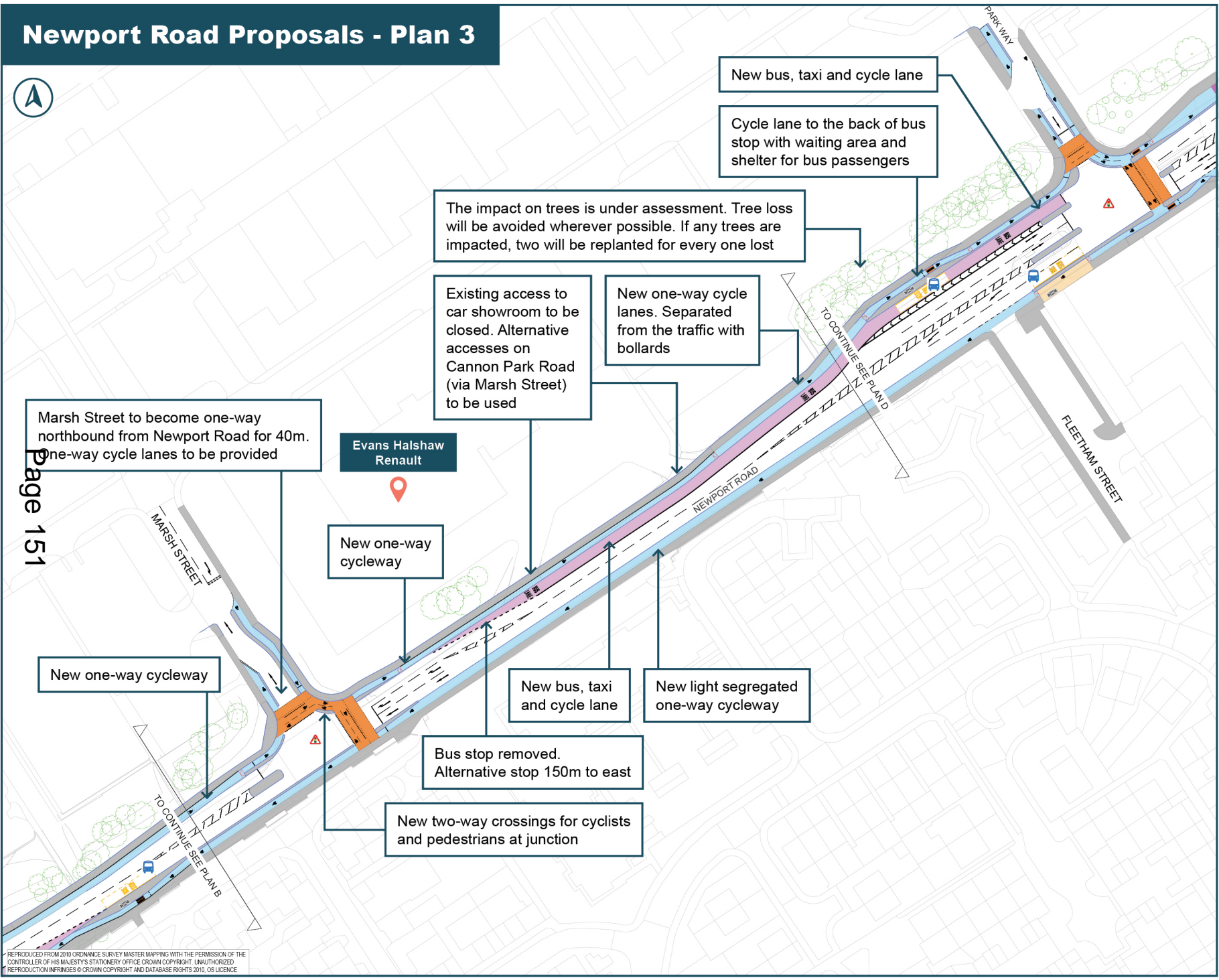
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- Soft Landscaping
- Carriageway
- Shared-use
- Bus Stop
- Footpath
- Traffic Calming
- Cycle Track
- Crossing
- Bus Lane
- Mobility Stand
- Proposed Kerb
- Signalised Junction
- Proposed Ramp
- Bus Shelter
- Bus Stop
- Existing Tree

**TEES
VALLEY**

Newport Road Proposals - Plan 3



- Soft Landscaping
- Carriageway
- Shared-use
- Bus Stop
- Footpath
- Traffic Calming
- Cycle Track
- Crossing
- Bus Lane
- Mobility Stand
- Proposed Kerb
- Signalised Junction
- Proposed Ramp
- Bus Shelter
- Bus Stop
- Existing Tree

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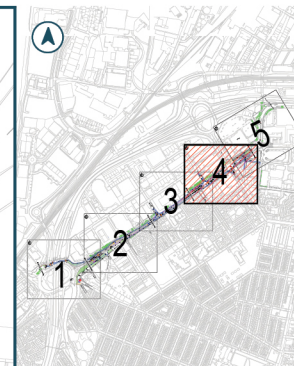
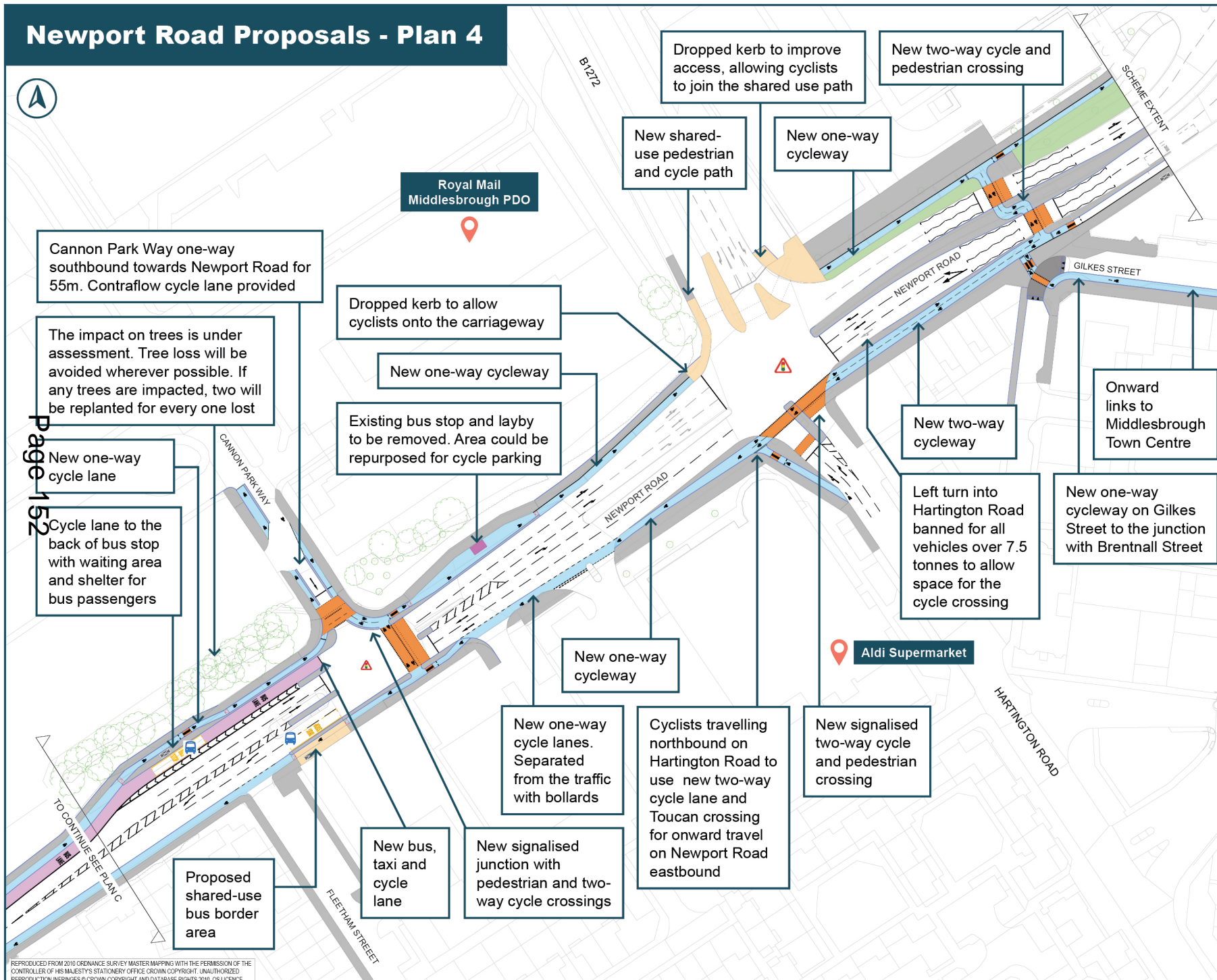
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Newport Road Proposals - Plan 4



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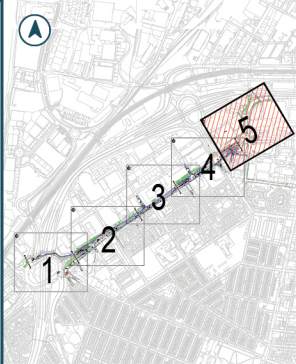
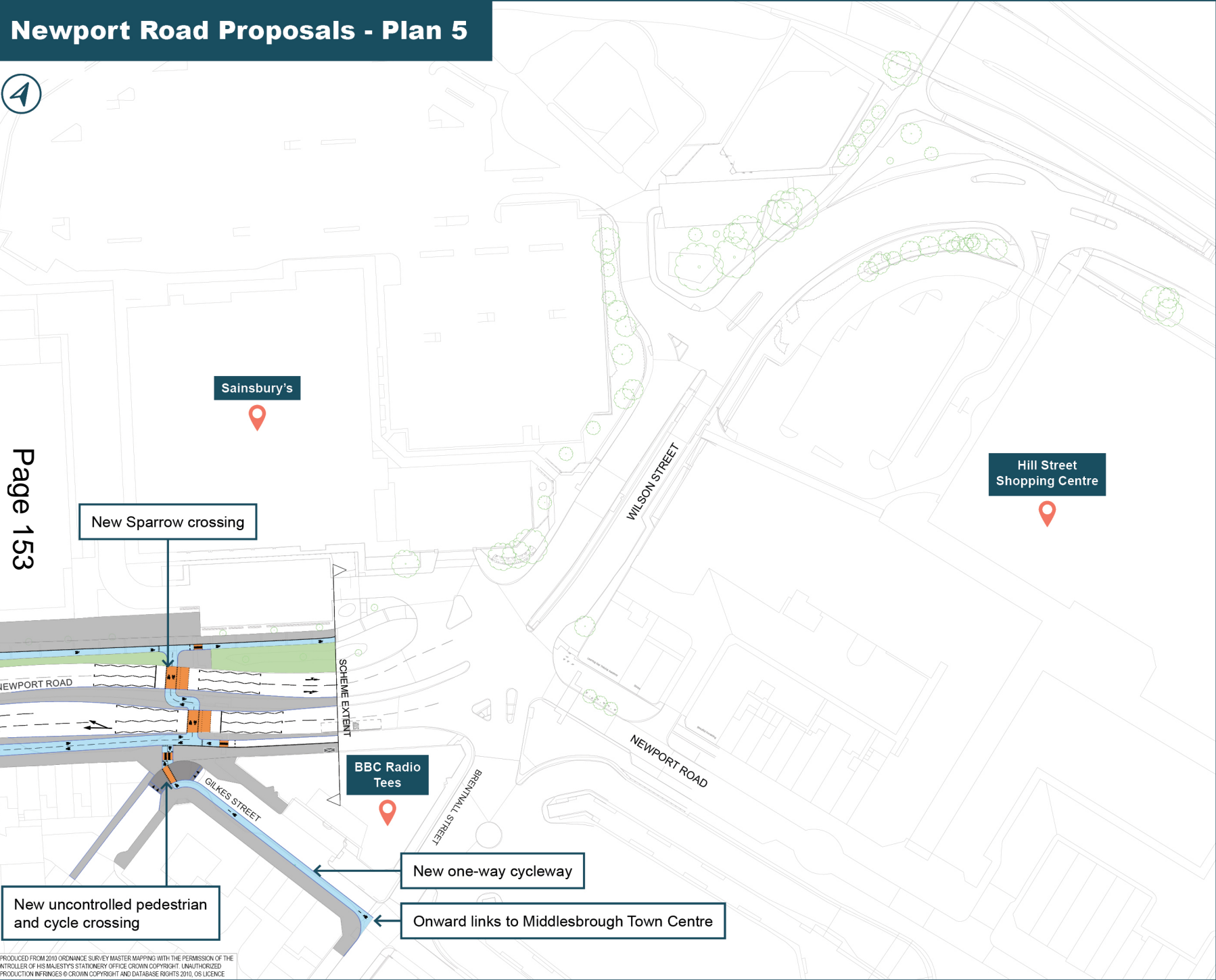
- Soft Landscaping
- Carriageway
- Shared-use
- Bus Stop
- Footpath
- Traffic Calming
- Cycle Track
- Crossing
- Bus Lane
- Mobility Stand
- Proposed Kerb
- Signalised Junction
- Proposed Ramp
- Bus Shelter
- Bus Stop
- Existing Tree

TEES VALLEY

Newport Road Proposals - Plan 5

4

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- Soft Landscaping
- Carriageway
- Shared-use
- Bus Stop
- Footpath
- Traffic Calming
- Cycle Track
- Crossing
- Bus Lane
- Mobility Stand
- Proposed Kerb
- Signalised Junction
- Proposed Ramp
- Bus Shelter
- Bus Stop
- Existing Tree

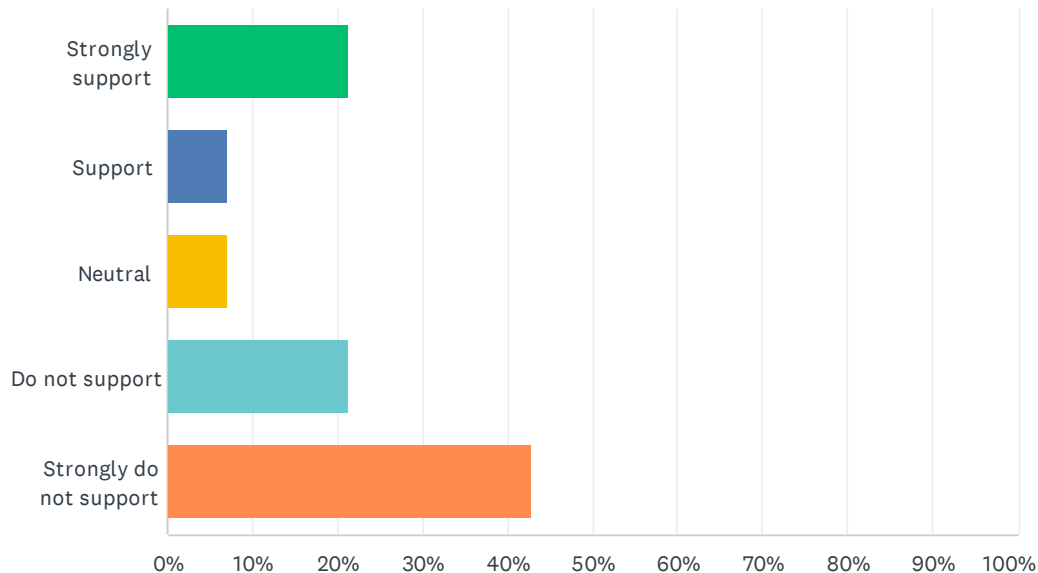
TEES VALLEY

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Q1 What do you think of the proposed plans to improve the walking, wheeling, and cycling route along Newport Road to Middlesbrough Town Centre?

Answered: 14 Skipped: 0



ANSWER CHOICES	RESPONSES	
Strongly support	21.43%	3
Support	7.14%	1
Neutral	7.14%	1
Do not support	21.43%	3
Strongly do not support	42.86%	6
TOTAL		14

#	PLEASE PROVIDE ANY REASONING IN THE BOX BELOW:	DATE
1	There needs to be much safer means of cycling to Middlesbrough Town Centre	3/3/2025 10:18 AM
2	Your proposal to change access to Cannon Park Industrial Estate will cause significant congestion not only on the estate itself but the surrounding areas, especially having the only entrance to the estate at Marsh Street which will cause further cueing traffic backing up onto Newport roundabout & onto the access road from the A66 especially from A66 east & furthermore onto the A19	2/26/2025 9:56 PM
3	I own a small business on Cannon park & your one way proposal will affect the running of my business causing me financial loss & health problems. Why weren't we sent a letter regarding these proposals, I only learnt from a business on Union street?	2/20/2025 9:35 PM
4	Stupid pee brained idea which will cause more congestion on a66/Newport roundabout & Hartington road/borough road by forcing vehicles one way in & out of Cannon park, absolutely crazy just to let people on benefits go into town for their fag's & drugs	2/20/2025 9:29 PM
5	As a tenant on the Cannon Park Ind Est I believe making the estate only accessible by making Marsh Street one way & making the only exit from the estate by making Cannon Park Way one way will cause untold problems. The volume of traffic from the Royal Mail office alone will cause major congestion never mind the dozens of other tenants.	2/20/2025 9:16 PM

Newport Bridge to Middlesbrough Town Centre

6	<p>  Evans Halshaw Renault on Cannon Park and these proposals suggest that I'm going to lose the entrance to my van centre from Newport Road. This is unacceptable to me and will have a major negative impact on my trading ability. This is the entrance at the end of the site, next to the large bill board. I would however be okay with the closure of the entrance at the middle of the site. I do have other concerns regarding these proposals, I worry that we are not just spending money on something that no one will really use or benefit from, but something that will actually have a negative impact on all the businesses in this area. I would point to Linthorpe road as an example, myself and everyone I talk to actively avoids that road at all costs now due to the upgrades, they find it confusing and dangerous to navigate, whether that's driving, walking or cycling.....this can only have had a negative effect on the businesses operating on the road and the people living in the area. </p>	2/20/2025 8:38 AM
7	<p> New bus stop and cycle path is a hindrance to our business GW Leader Ltd. It's right on the front of our store and will cause problems for customers using the entrance and car park. </p>	2/19/2025 6:07 PM
8	<p> Making Derwent Street one way would be catastrophic for our business, sending cars, wagons etc into a residential area; a school at the bottom of the road and into an area with a high number of pedestrians both adults and children. We need roads to be opened not one way or indeed closed off! </p>	2/18/2025 12:06 PM
9	<p> 3 areas of concern - cycleway proposed comes onto existing footpath outside The Northern School of Art - this can be a particularly busy footpath throughout the day and the risk of accidents is high - 'New Sparrow crossing' - would be interested in seeing what the details of this are due to this being a heavily used crossing for students coming and going from the bus station or the town centre - Wilson Street / Newport Road / Brentnall Street junction is not covered by the drawings and is a complicated junction for cars and the plans for the cycle path should be extended to incorporate this </p>	2/11/2025 4:42 PM
10	<p> Moving a shared use bus shelter/cycle lane directly in front of our business premises. Going to cause a lot of problems for us and our customers. </p>	2/11/2025 12:11 PM
11	<p> It's fine as it is . </p>	2/10/2025 2:34 PM

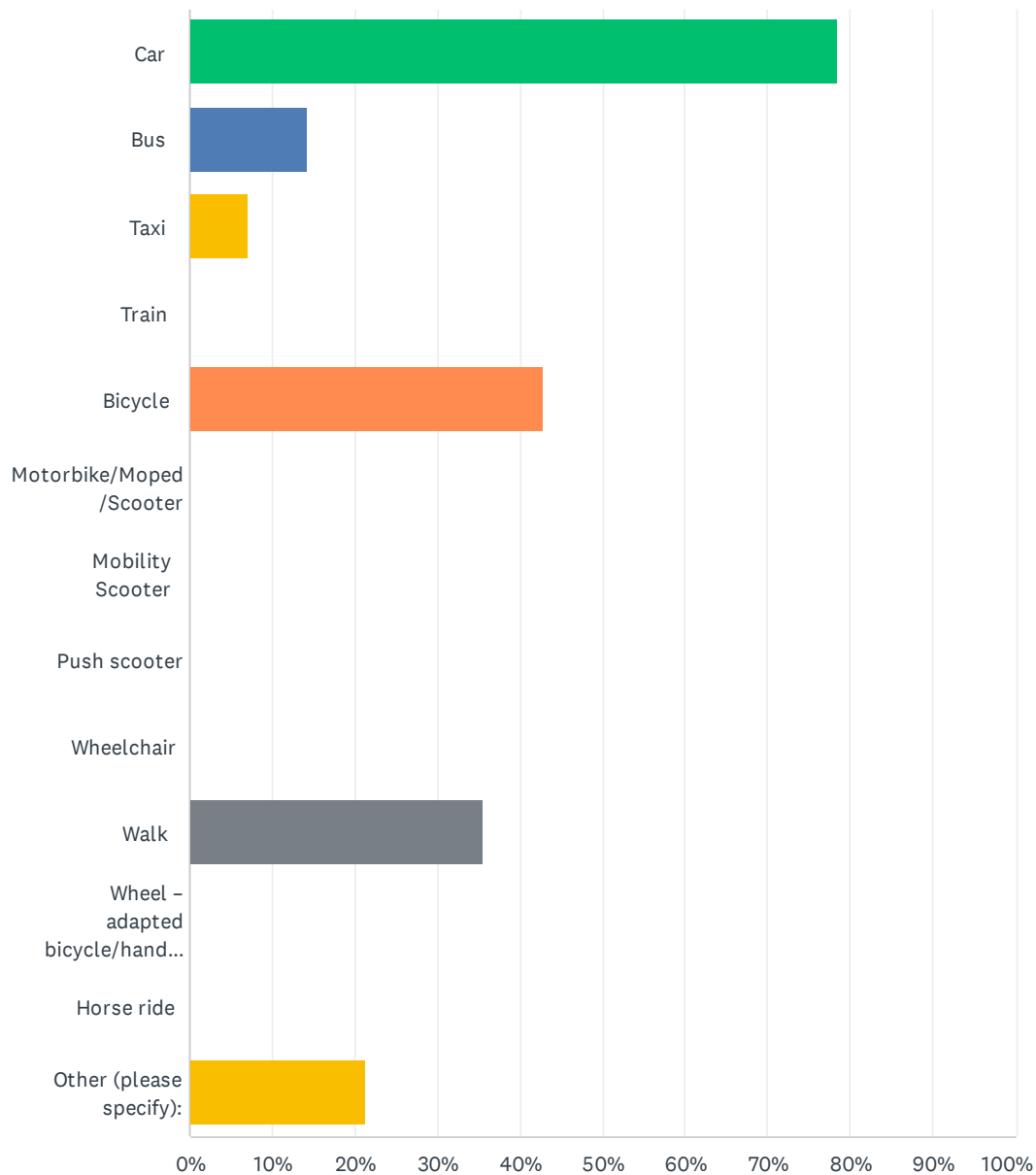
Q2 Do you have any additional comments or suggestions regarding the proposed plans to improve the walking, wheeling, and cycling route along Newport Road?

Answered: 9 Skipped: 5

#	RESPONSES	DATE
1	I agree with all of the proposals with the exception of the plans for the junction with Newport Road and Lamport Street, my suggestion would be to add a second sparrow crossing on the other side of the yellow box stopping box (opposite the old Theatre building) and integrate both sparrow crossings with traffic signal control with entry and exit to Lamport Street. The Lamport Street junction is very dangerous and drivers take risks exiting this junction to head towards Middlesbrough Town Centre, therefore this junction needs to be signal controlled. Otherwise, all the proposals make sense.	3/3/2025 10:18 AM
2	Firstly I am a tenant in Bulmer Way, Cannon Park Industrial Estate & am aggrieved that myself & neighbouring units have not received notification of this proposal, only finding out from the Postman. This emphasizes the idea that you have not consulted or investigated the Cannon Park estate in depth enough to warrant making it one way entrance & one exit. There are numerous business' on the estate which require vehicle access for customers, deliveries, collections & staff. Of the tenants on the estate are the Royal Mail sorting office which has hundreds of employees using vehicles for deliveries & collections, this alone will cause mayhem throughout the working day. Also on the estate is a mosque which is frequented by hundreds of worshippers, especially on Fridays prayer day. I think you should consider keeping both access roads a two way.	2/26/2025 9:56 PM
3	Looks great but I have concerns over the lack of crossing for cyclists heading westbound over Derwent Street & Lamport Street.	2/24/2025 12:16 PM
4	Yes, properly consult the business/people it will affect the most, as in all the companies on Cannon park industrial estate	2/20/2025 9:35 PM
5	As above, you're proposing making major changes for the minority (27% don't have access to a vehicle, your words) which will have a detrimental effect on the majority 73% who need to use a vehicle. I work on Cannon park, I take my kids swimming on Cannon park, both will be affected	2/20/2025 9:29 PM
6	I'm all for having bus & cycle lanes but feel there is no reason or benefit by making the industrial estate one way in, one way out, other than causing severe congestion on the estate, affecting deliveries, day to day running of business & will deter customers from actually visiting which will affect turnover of my business	2/20/2025 9:16 PM
7	The main reason that I would not feel safe walking or cycling down Newport road would not be because of the traffic I'm afraid. We have suffered from 3 break ins in the last 4 months, and we regularly have people wandering around on site during the night looking for opportunities to steal and/or damage something. Its not uncommon to see prostitutes wandering around when you come out to lock the business up on an evening. The area needs investment there is no doubt, I just don't necessarily agree that a cycle lane is the best place to start spending money to improve the area for everyone.	2/20/2025 8:38 AM
8	Upgrade footpaths, repaint yellow box junctions and where necessary monitor the use of the same. You should make it easier for cars to get around as we are losing so much business to Teesside Park!	2/18/2025 12:06 PM
9	No	2/11/2025 4:42 PM

Q3 Which modes of transport do you use on a regular basis? (tick as many as apply)

Answered: 14 Skipped: 0



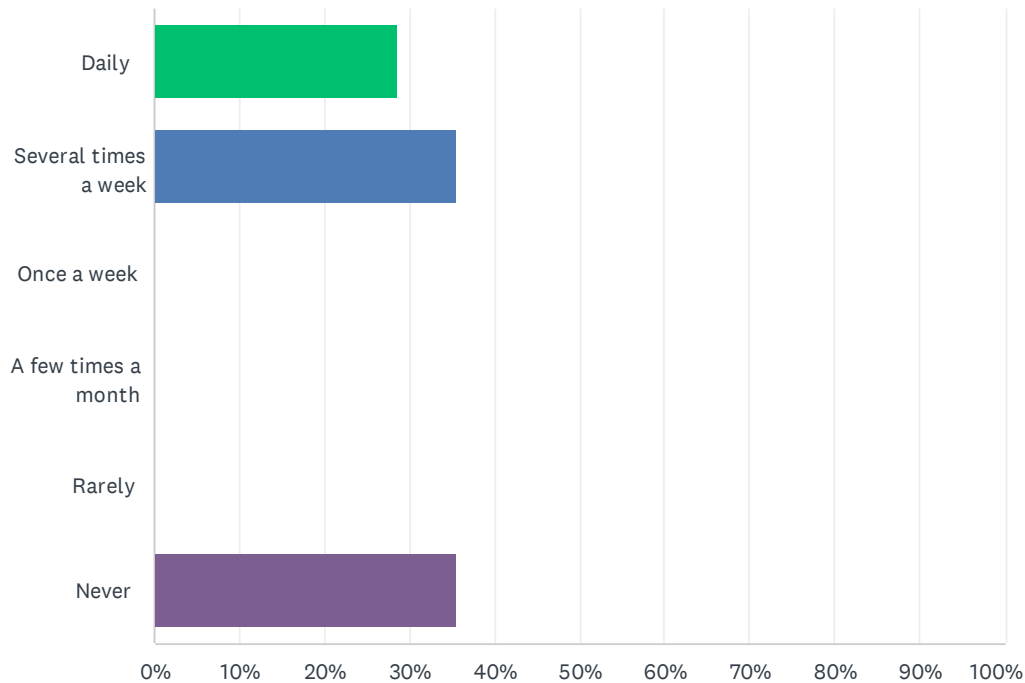
Newport Bridge to Middlesbrough Town Centre

ANSWER CHOICES	RESPONSES	
Car	78.57%	11
Bus	14.29%	2
Taxi	7.14%	1
Train	0.00%	0
Bicycle	42.86%	6
Motorbike/Moped/Scooter	0.00%	0
Mobility Scooter	0.00%	0
Push scooter	0.00%	0
Wheelchair	0.00%	0
Walk	35.71%	5
Wheel – adapted bicycle/hand bike	0.00%	0
Horse ride	0.00%	0
Other (please specify):	21.43%	3
Total Respondents: 14		

#	OTHER (PLEASE SPECIFY):	DATE
1	Commercial van	2/26/2025 10:01 PM
2	Van	2/20/2025 9:37 PM
3	Van for business	2/20/2025 9:21 PM

Q4 How often do you walk/wheel* or cycle in Middlesbrough? *Wheeling refers to the use of mobility devices like wheelchairs and scooters on pavement at similar speed to walking.

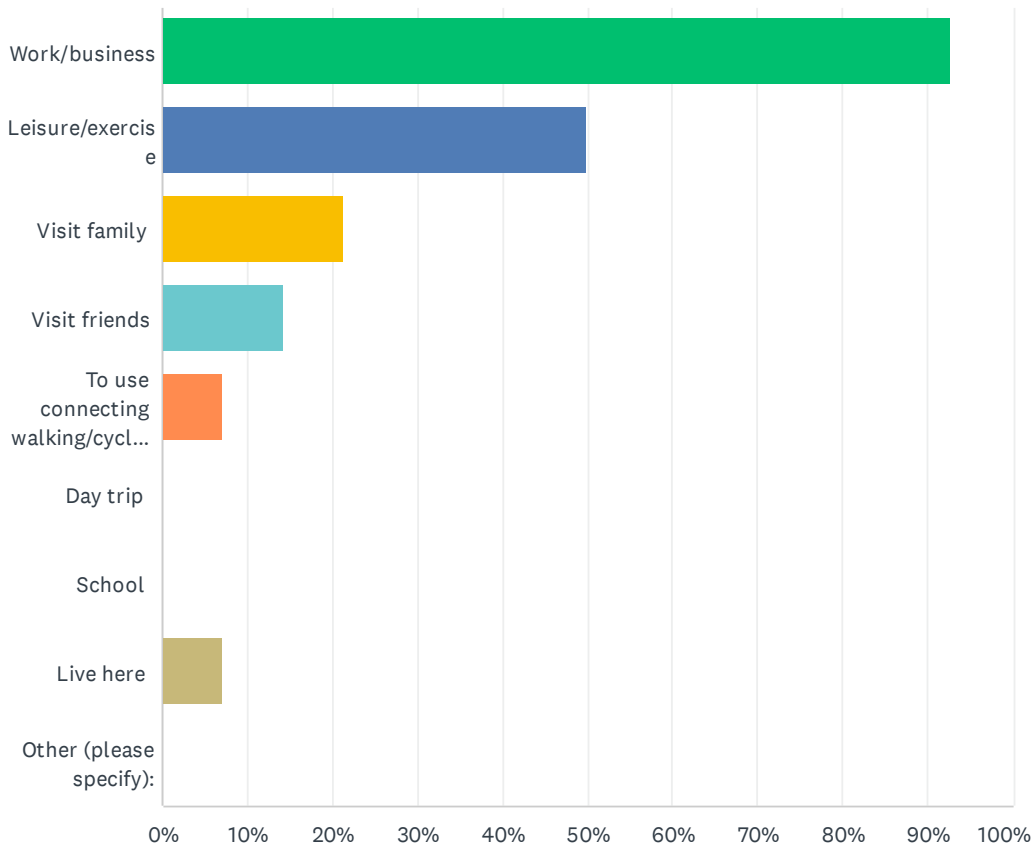
Answered: 14 Skipped: 0



ANSWER CHOICES	RESPONSES	
Daily	28.57%	4
Several times a week	35.71%	5
Once a week	0.00%	0
A few times a month	0.00%	0
Rarely	0.00%	0
Never	35.71%	5
TOTAL		14

Q5 What is your main purpose for travelling in Middlesbrough? (tick all that apply)

Answered: 14 Skipped: 0

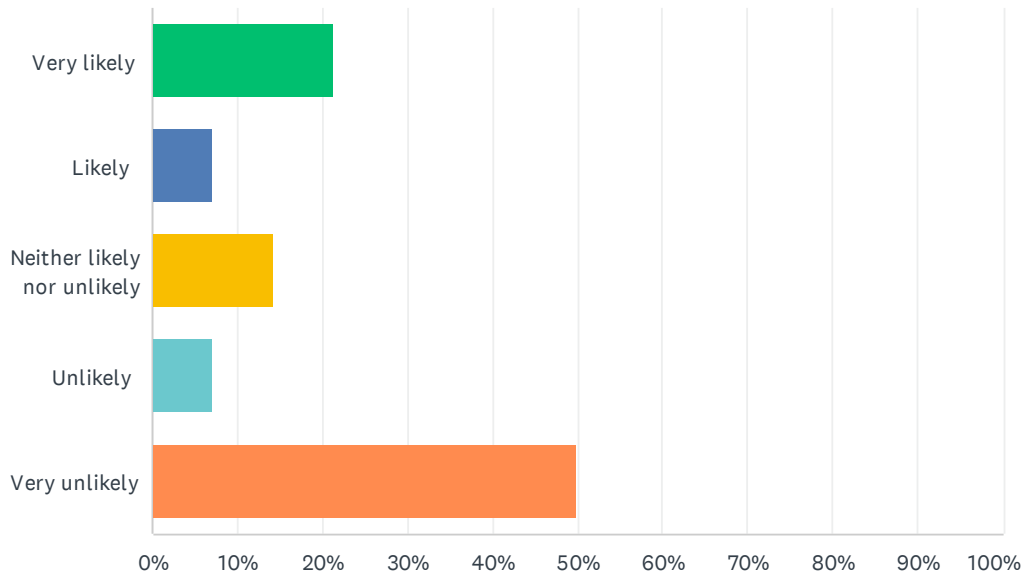


ANSWER CHOICES	RESPONSES	
Work/business	92.86%	13
Leisure/exercise	50.00%	7
Visit family	21.43%	3
Visit friends	14.29%	2
To use connecting walking/cycling routes	7.14%	1
Day trip	0.00%	0
School	0.00%	0
Live here	7.14%	1
Other (please specify):	0.00%	0
Total Respondents: 14		

#	OTHER (PLEASE SPECIFY):	DATE
	There are no responses.	

Q6 Would improved walking and cycling paths encourage you to walk/wheel or cycle more?

Answered: 14 Skipped: 0



ANSWER CHOICES	RESPONSES	
Very likely	21.43%	3
Likely	7.14%	1
Neither likely nor unlikely	14.29%	2
Unlikely	7.14%	1
Very unlikely	50.00%	7
TOTAL		14

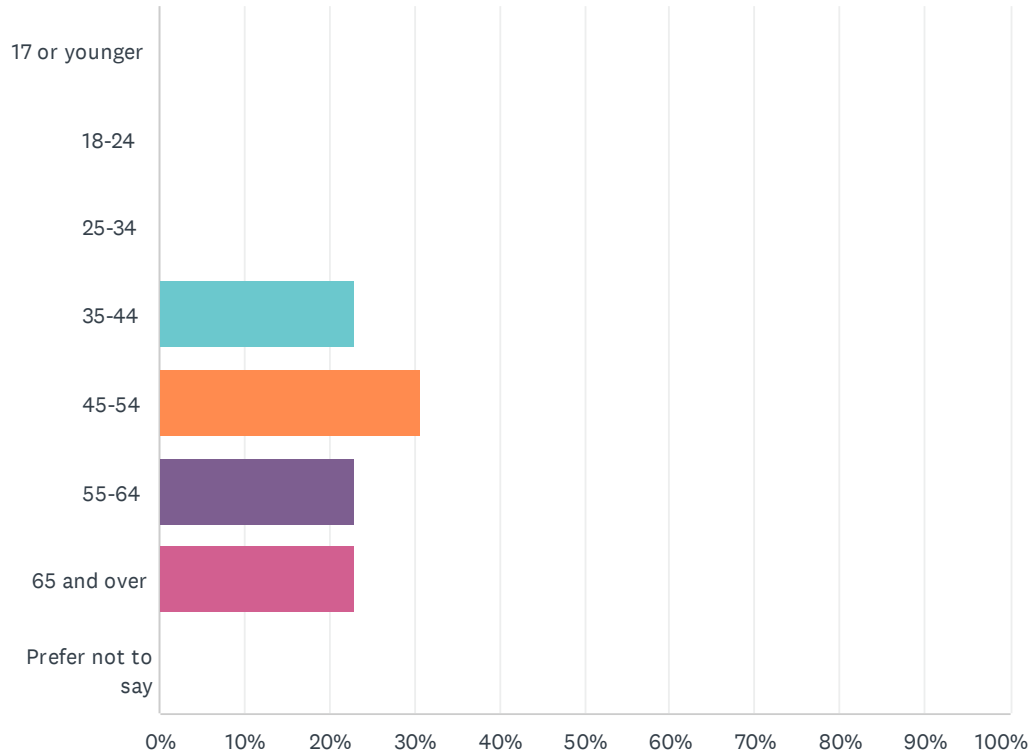
Q7 Do you have any additional comments or suggestions regarding active travel (walking, wheeling, and cycling) in Tees Valley?

Answered: 8 Skipped: 6

#	RESPONSES	DATE
1	There needs to be greater control and monitoring of driving standards, cameras on traffic lights etc.. The driving standards in Middlesbrough are exceptionally poor in comparison to the other areas in the North East where I drive.	3/3/2025 10:39 AM
2	Cycle paths & pathways should be constructed in addition to roads & should not be replacing roads by removing them causing vehicle congestion rather than alleviating it.	2/26/2025 10:01 PM
3	Keep the Linthorpe Road cycle lane and extend it further	2/24/2025 12:16 PM
4	Crazy decision making by keyboard warriors. Come & visit the real world to see how hard it is & how it will affect so many small business	2/20/2025 9:37 PM
5	Don't do it	2/20/2025 9:30 PM
6	Agree with active travel as long as it doesn't affect the running of small business like myself. It's hard enough making a living as it is presently	2/20/2025 9:21 PM
7	Look at the mess that's been made of Linthorpe Road, an utter disgrace! A visit to our site, [REDACTED] is my only suggestion to see at first hand the problem this proposed scheme would have. [REDACTED] Please Call!	2/18/2025 12:08 PM
8	This was trialled on Linthorpe Road and has caused nothing but problems.	2/11/2025 12:12 PM

Q8 What is your age?

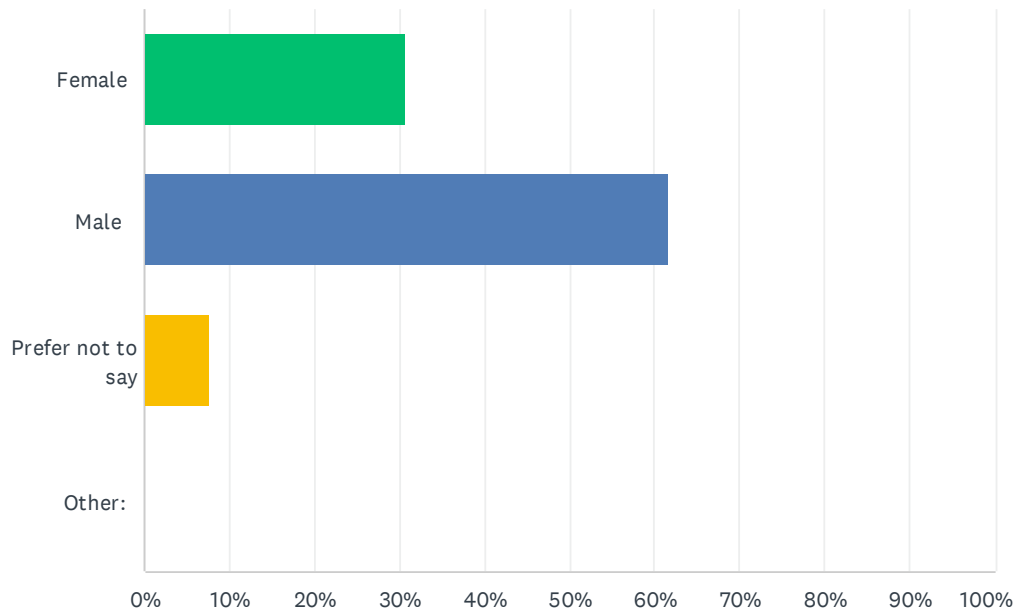
Answered: 13 Skipped: 1



ANSWER CHOICES	RESPONSES	
17 or younger	0.00%	0
18-24	0.00%	0
25-34	0.00%	0
35-44	23.08%	3
45-54	30.77%	4
55-64	23.08%	3
65 and over	23.08%	3
Prefer not to say	0.00%	0
TOTAL		13

Q9 What is your gender?

Answered: 13 Skipped: 1

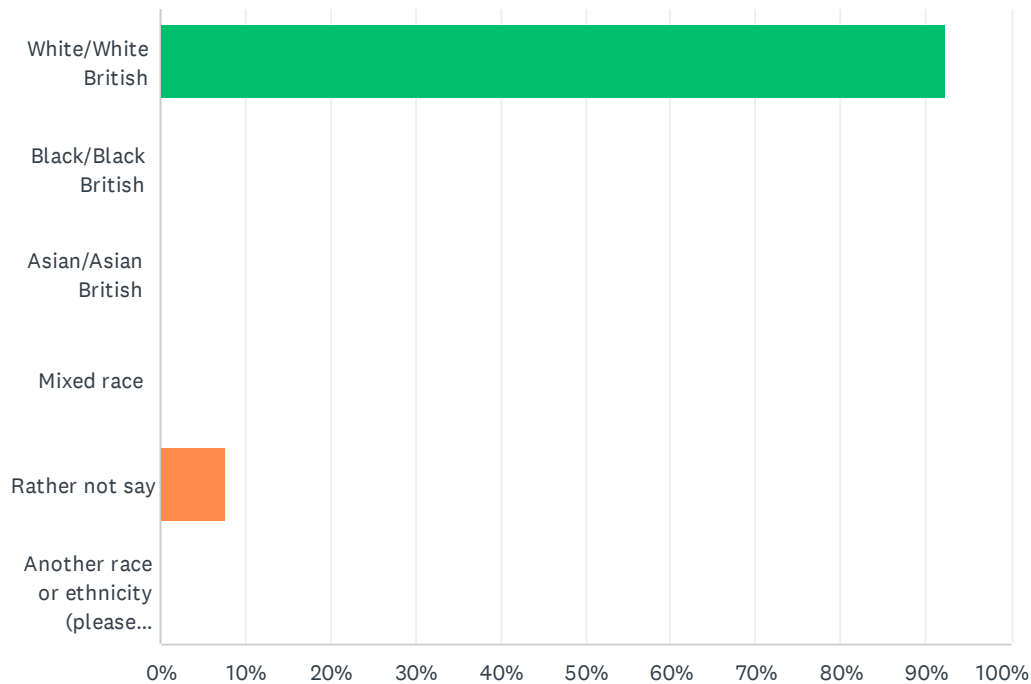


ANSWER CHOICES	RESPONSES	
Female	30.77%	4
Male	61.54%	8
Prefer not to say	7.69%	1
Other:	0.00%	0
TOTAL		13

#	OTHER:	DATE
	There are no responses.	

Q10 Which race/ethnicity best describes you? (Please choose only one.)

Answered: 13 Skipped: 1

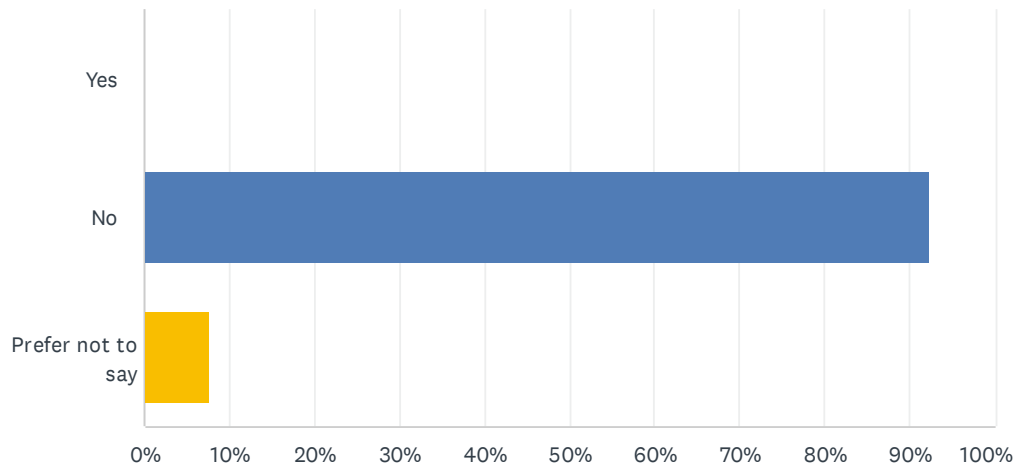


ANSWER CHOICES	RESPONSES	
White/White British	92.31%	12
Black/Black British	0.00%	0
Asian/Asian British	0.00%	0
Mixed race	0.00%	0
Rather not say	7.69%	1
Another race or ethnicity (please specify):	0.00%	0
TOTAL		13

#	ANOTHER RACE OR ETHNICITY (PLEASE SPECIFY):	DATE
	There are no responses.	

Q11 Are you a person living with a disability?

Answered: 13 Skipped: 1



ANSWER CHOICES	RESPONSES	
Yes	0.00%	0
No	92.31%	12
Prefer not to say	7.69%	1
TOTAL		13

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Template for Impact Assessment Level 1: Initial screening assessment

Subject of assessment:	Newport Road transport corridor improvements			
Coverage:	To cover the proposed corridor improvements on Newport Road between Newport Interchange and Wilson Street			
This is a decision relating to:	<input type="checkbox"/> Strategy	<input type="checkbox"/> Policy	<input type="checkbox"/> Service	<input type="checkbox"/> Function
	<input type="checkbox"/> Process/procedure	<input type="checkbox"/> Programme	<input checked="" type="checkbox"/> Project	<input checked="" type="checkbox"/> Review
	<input type="checkbox"/> Organisational change	<input type="checkbox"/> Other (please state)		
It is a:	New approach:	<input type="checkbox"/>	Revision of an existing approach:	<input type="checkbox"/>
It is driven by:	Legislation:	<input type="checkbox"/>	Local or corporate requirements:	<input type="checkbox"/>

Description:	<p><u>Key aims, objectives and activities</u></p> <p>The aim of the report and assessment is to evaluate the options around the decision whether to retain the current infrastructure proceed with the proposed scheme implementation. This impact assessment sets out the likely understood impact of a decision to proceed with the scheme implementation.</p> <p><u>Statutory drivers</u></p> <p>As a Highway Authority, the Council has statutory duties, as set out within the Traffic Management Act 2004. “It is the duty of a Local Traffic Authority to manage their road network with a view to achieving, so far as is reasonably practicable having regard to their other obligations, policies and objectives, the following objectives;</p> <p>(a) Securing the expeditious movement of traffic on the Authority’s road network; and</p> <p>(b) Facilitating the expeditious movement of traffic on road networks for which another Authority is the Traffic Authority.”</p> <p>The introduction of cycle facilities will allow the Council to provide safe, attractive facilities to encourage uptake of active, sustainable transport.</p> <p>The proposals follow Department for Transport (DfT) guidance in the form of LTN 1/20, which sets out the requirements to install quality infrastructure to enable more people to cycle safely and more often. Tees Valley Combined Authority (TVCA) gained funding from the Levelling Up Fund (LUF) to support ambitions to improve sustainable transport accessibility. The project is part of a wider, regional delivery programme of sustainable transport projects; delivered under the ‘Local Walking and Cycling Implementation Plan’ (LCWIP) that was introduced at a national level by DfT.</p> <p><u>Differences from any previous approach</u></p> <p>Retaining the corridor layout will not result in any changes.</p> <p><u>Key stakeholders and intended beneficiaries</u> (internal and external as appropriate)</p> <p>Key stakeholders include Residents, Businesses, Politicians, Council Officers, Public Transport operators, disability groups, taxis, Emergency services, Tees Valley Combined Authority and visitors to the area</p> <p><u>Intended outcomes</u></p> <p>This impact assessment sets out the impact of the proposal to implement the scheme and how it will allow the increase in sustainable modes, and ensure that accident levels have the best possible chance of remaining low. The consultation responses received illustrated 21.43% of people were “Very Likely” and 7.14% “Likely” to be encouraged to walk/ wheel or cycle more if infrastructure was improved. The corridor currently holds the following traffic levels, illustration the potential impact of the scheme:</p> <ul style="list-style-type: none"> - 92 cycles on average per day. - 580 pedestrians on average per day. - 7,373 cars on average per day.
Live date:	April 2025

Lifespan:	N/A
Date of next review:	March 2027

Screening questions	Response			Evidence
	No	Yes	Uncertain	
Human Rights Could the decision impact negatively on individual Human Rights as enshrined in UK legislation?*	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>The project aims to improve access to sustainable transport for all residents. This will assist in improving accessibility to education, employment, training, retail and leisure facilities by making reasonable adjustments to services provided to new proposals, and retrofitting existing infrastructure, and therefore not impact negatively upon human rights.</p> <p>Evidence used to inform this assessment includes analysis of the Human Rights Act 1998.</p>
Equality Could the decision result in adverse differential impacts on groups or individuals with characteristics protected in UK equality law? Could the decision impact differently on other commonly disadvantaged groups?*	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>The proposed scheme consultation exercise has included stakeholders such as the RNIB. As part of the design process the necessary measures have been included to produce a fully accessible scheme proposal. In addition, to extensive road safety audits, Active Travel England reviews and LTN 1/20 compliance.</p> <p>The scheme proposal includes four new two-way cycle and pedestrian crossings across Ironmasters Road and A66 slip roads. New two-way cycleway and raised crossing connecting Parliament Road to the existing Toucan crossing on Haywood Street. Dropped kerb on northern approach from B1272 to Newport junction, to improve access for cyclists and wheelchairs. New signalised two-way cycle and pedestrian crossing at Hartington Road/ Newport Road junction. New offset Sparrow crossing and new pedestrian and cycle crossing both adjacent to Gilkes Street. In addition, to a full lighting level review, and additional lighting to be implemented, if required.</p> <p>It is therefore not anticipated that there would be only beneficial impacts upon equality.</p> <p>Evidence to support this assessment includes analysis of the current provision which allows all people to use the facilities. The proposed decision impact which will be that scheme implementation would increase accessibility to people from all disadvantaged groups.</p>
Community cohesion Could the decision impact negatively on relationships between different groups, communities of interest or neighbourhoods within the town?*	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>There is no evidence and has not been raised as an issue during public consultation that the proposed scheme would impact negatively upon relationships between different community groups. This project would improve sustainable access routes to communities and safe road networks. Anti-social and illegal behaviour remains a global problem, and could create community tension between highway users. This is not an issues specific to this scheme, so it is anticipated that this will not create a specific cohesion issue.</p> <p>Evidence to support this assessment includes analysis of the proposed provision which allows all people to use the facilities. The proposed decision impact which will be that the proposed scheme will increase accessibility to all of the community.</p>

* Consult the Impact Assessment further guidance for details on the issues covered by each of theses broad questions prior to completion.

Screening questions	Response			Evidence
Armed Forces Could the decision impact negatively on those who are currently members of the armed forces of former members in the areas of Council delivered healthcare, compulsory education and housing policies?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	People who access services such as Council delivered Healthcare, compulsory education and housing typically are less affluent, and less likely to have access to a private car. The introduction of the proposed infrastructure supports social mobility will assist these people accessing services. Evidence to support this assessment includes analysis of the proposed provision which allows all people to use the facilities. The proposed decision impact which will be that this will increase accessibility to the Armed Forces.
Care leavers Could the decision impact negatively on those who are care experienced?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	People who have been supported by care are typically less affluent, and less likely to have access to a private car. The implementation of the proposed infrastructure supports social mobility will assist these people accessing services. Evidence to support this assessment includes analysis of the proposed provision which allows all people to use the facilities. The proposed decision impact which will be that this will increase accessibility to Care Leavers.
Next steps: ➡ If the answer to all of the above screening questions is No then the process is completed. ➡ If the answer of any of the questions is Yes or Uncertain, then a Level 2 Full Impact Assessment must be completed.				
Assessment completed by:	Jack Lowery			Head of Service:
Date:	26 th March 2025			Date:
				Craig Cowley
				26 th March 2025

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