

## OVERVIEW AND SCRUTINY BOARD

<b>Date:</b> Thursday 18th December, 2025 <b>Time:</b> 4.30 pm <b>Venue:</b> Mandela Room (Municipal Buildings)
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### AGENDA

1. Apologies for Absence  
*To receive any apologies for absence.*
2. Declarations of Interest  
*To receive any declarations of interest.*
3. Minutes - Overview and Scrutiny Board - 19 November 2025 3 - 10  
*To receive the minutes of the previous meeting.*
4. Scrutiny Chairs Update  
*To receive updates from Scrutiny Panel Chairs.*
5. Executive Forward Work Programme 11 - 24  
*To consider forthcoming Executive Decisions.*
- 5.1 Forward Plan Actions Progress  
*To receive updates on Forward Plan Actions.*
6. Executive Member Update - Adult Social Care  
*The Executive Member for Adult Social Care will be in attendance to provide an update on activity within her portfolio area.*

7. Revenue and Capital Budget – Forecast Year-end Outturn position at Quarter Two 2025/26 25 - 78

*The Executive Member for Finance and the Director for Finance and Transformation will be attendance to provide OSB with an update on the Council's financial position at Quarter Two for 2025/26.*

8. Corporate Performance Quarter Two 2025/2026 79 - 120

*The Mayor will be in attendance to provide an update on the Council's Performance position at Quarter Two in 2025/26.*

9. 2026/27 Draft Budget and Medium Term Financial Plan 2026/27 and 2029/30

*The Mayor will be in attendance to present OSB with the draft budget and Medium Term Financial Plan. At the time of agenda publication, the draft budget report had not been considered by Executive. Those wishing to view the draft budget report are advised to access the papers for Executive scheduled for 17 December 2025.*

10. 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  
Wednesday 10 December 2025

### MEMBERSHIP

Councillors L Young (Chair), J Ewan (Vice-Chair), D Branson, E Clynch, D Coupe, J Kabuye, L Lewis, T Mohan, I Morrish, J Platt, M Saunders, Z Uddin, G Wilson and J Young

### **Assistance in accessing information**

**Should you have any queries on accessing the Agenda and associated information please contact Scott Bonner/ Sue Lightwing, 01642 729708/ 01642 729712, [scott\\_bonner@middlesbrough.gov.uk](mailto:scott_bonner@middlesbrough.gov.uk)/ [sue\\_lightwing@middlesbrough.gov.uk](mailto:sue_lightwing@middlesbrough.gov.uk)**

## OVERVIEW AND SCRUTINY BOARD

A meeting of the Overview and Scrutiny Board was held on Wednesday 19 November 2025.

**PRESENT:** Councillors L Young (Chair), J Ewan (Vice-Chair), D Branson, E Clynch, D Coupe, B Hubbard (Substitute for M Saunders), I Morrish, J Platt, Z Uddin, G Wilson and J Young

**PRESENT BY INVITATION:** C Cooke - Elected Mayor and Councillor N Walker (Executive Member for Finance)

**ALSO IN ATTENDANCE:** D Hodgson (Local Democracy Reporting Service)

**OFFICERS:** M Adams, S Bonner, A Humble, S Lightwing and J Savage

**APOLOGIES FOR ABSENCE:** Councillors J Kabuye, L Lewis, T Mohan and M Saunders

### 25/33 WELCOME AND FIRE EVACUATION PROCEDURE

The Chair welcomed all those present to the meeting and described the fire evacuation procedure.

### 25/34 DECLARATIONS OF INTEREST

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

### 25/35 MINUTES - OVERVIEW AND SCRUTINY BOARD - 22 OCTOBER 2025

The minutes of the Executive meeting held on 22 October 2025 were submitted and approved as a correct record.

### 25/36 SCRUTINY CHAIRS UPDATE

The Chair of the Overview and Scrutiny Board (OSB) invited the respective Panel Chair to provide their update.

The Chair of the Children's Services Scrutiny Panel advised the Board that at the Panel's last meeting information had been received regarding Workforce Planning in relation to Education services. As part of the Panel's review into Out of Area Provision, it intended to examine how this affected social care. At its next meeting in December the Panel would be receiving a presentation from the South Tees Child Safeguarding Board.

The Chair of the Place Scrutiny Panel advised the Board that the last meeting of the Panel had taken place on 17 November 2025 and had received a presentation from the Director of Regeneration regarding the Town Centre Board, the Place Leader's Partnership and a presentation from Creative Factory whose intention was to create art facilities in the town. The Panel was continuing to examine ways the town centre could be regenerated and what barriers existed. The Chair of the Panel was also scheduled to attend Executive on 3 December 2025 to present the Panel's final report into Empty Properties.

The Vice Chair of the Adult Social Care and Health Scrutiny Panel advised the Board that the Panel last met on 20 October 2025 and focussed on the review of Healthy Placemaking with a Focus on Childhood Obesity. The Panel approved its Terms of Reference and received information from officers in Planning Services, Public Health Services and the Head of Transport and Infrastructure. The next meeting of the Panel was scheduled for 1 December 2025 where it would hear information from the Chair of the Teeswide Safeguarding Adults Board.

**NOTED**

**OSB REVIEW INTO POVERTY - OVERVIEW**

The Chair welcomed the Mayor, Executive Member for Finance, Director of Public Health and Head of Resident and Business Support to the meeting.

It was explained that the presentations to be delivered constituted an overview of the Board's review into poverty. It was also explained there would be two presentations: the first covering the Welfare Strategy and the second covering the Poverty Sprint.

The Head of Resident and Business Support delivered her presentation, regarding the Welfare Strategy, which included the following points:

- It was important to share the work being undertaken by the Council to support poverty in the town.
- The initiatives described in the presentation had been commended and awarded in 2023.
- There were 11 themes being delivered. Those included food poverty, Section 13A funds and centralising debt collection teams.
- Several initiatives had seen quantifiable actions, including work with Public Health colleagues, to identify those eligible for free school means but not claiming them. This had led to an additional 546 recipients.
- The Resident and Business Support Team was expanding to include debt management support. This was required as some residents were planning their finances on a day-to-day basis.
- Crisis support was available for residents who had lost access to their money with over £55,000 worth of funding made available. This support had been crucial to those in need of it.
- 81 referrals had been to the MEC equating to over £3,000 in energy vouchers.
- In terms of centralisation of debt, there had been 59 credits moved to support debt.
- There had been over 8,000 Housing Benefit Claims with over £42 million of funding made available.
- In terms of Household Support Fund (HSF), the government had continued their support and as such 65,245 awards had been made, totalling over £3 million distributed. Households could receive multiple awards rather than just one award.
- Overall, over 37,000 HSF awards were made to households with children, over 6,000 awards were awarded to households with pensioners and more than 21,000 awards were made to other household types.
- Support had been delivered through a combination of vouchers, cash payments and physical goods.
- Importantly, households were eligible for support if they fell outside the benefit window but were in employment.
- In total there had been a total of 234,987 awards made under Household Support Fund totalling £10,662,772.

The Chair thanked the Head of Resident and Business Support for her presentation and invited questions from the Board.

A Member thanked the service area for their work and commented that a benefit awareness session had taken place in his ward several years ago. It was queried if this would be repeated. It was clarified there were plans to expand the team to cover such work and that officer would link in with community hubs to target those in need.

A discussion took place regarding the family resilience fund and how residents were being navigated to different places for support. It was important to drill down into the issues facing those in need to understand what support could be offered. However, debt management was a crucial element of support, as many people were spending money too early and not making efforts to budget.

It was commented that in Hemlington Ward Citizens Advice Bureau sessions were available and residents could book one of the sessions via the local library. It was also commented that more information could be made available on the Council's website regarding what support was available. Internally, a welfare support directory was available on the Council's Intranet

pages. Thanks were expressed to the officers in the Resident and Business Support Service.

A Member queried how people could be made aware of the support available. It was commented that applications for benefit support were sometimes associated with stigma. As such, a significant piece of work was required around communication, especially connecting with those households that were entitled to benefits but were not in receipt of them. It was found that word-of-mouth approaches worked better than leaflet and poster campaigns. It was also commented that whenever a contact was made with a resident, they were always directed to the Welfare Strategy.

It was asked if there were any connections to the Staying Put Agency. It was commented that some referrals were made, and it was important that both areas worked together to pool their knowledge. It was also commented that even if people were not entitled to benefits, support could still be offered around debt management.

A conversation took place during which the issue of how to connect with residents was discussed. It was reaffirmed that some residents were more challenging to connect with but that new roles in Resident and Business Support would help with this process. It was also reaffirmed that word-of-mouth approaches of connecting with residents had shown the most success rather than leaflet and poster campaigns. Following a query about collaboration with local chemists it was clarified that a pilot had taken place in some doctor's surgeries, but many residents were reluctant to engage in that environment and as such the pilot had ceased. It was also stated the service was working with, and through, the Financial Improvement Group and therefore had some connections with Thirteen housing.

The Chair thanked the Head of Resident and Business Support for her presentation and invited the Director of Public Health to deliver his presentation on the Poverty Sprint.

As part of his presentation the following points were made:

- The Poverty Sprint was carried out over a two-week period.
- A central theme of the Council Plan was to support residents out of poverty.
- Middlesbrough was now the second most deprived Local Authority area in England. This was in contrast to it being the fifth most deprived area in 2019.
- 13 of the 90 Local Super Output Areas (LSOA) in the town were ranked as the top first most deprived out of 33,755 LSOAs.
- Newport Ward had the highest rate of child poverty of any ward in England.
- There was a need to maximise the Council's approach to poverty via policy and strategy.
- There was a need for greater clarity around what the Council could do locally to achieve a greater impact on poverty.
- Several experts from different fields were invited to provide input to the Poverty Sprint. This included input from external stakeholders and partners.
- At a high level the issue of unsustainable personal debt affected all other factors in the town.
- The issue of poverty did not appear explicitly in many Council strategies and there was a tendency for the Council to develop policies and strategies on this matter in silos.
- There needed for a more joined-up strategic approach regarding poverty.
- There was also a disconnect between need and practice with front line staff not always being aware of what support was available.
- There was a requirement to signpost residents more effectively when a request for assistance was received.
- There was a need for strategic leadership in terms of housing as many housing strategies were out of date. The creation of such strategies required input from a range of key partners, as well as residents.
- There was a need to build a better and wider understanding of poverty in Middlesbrough, rather than trying to fix the immediate problem.
- The breadth and depth of poverty in the town was not fully understood by all officers and the establishment of a Poverty Action Network which encompassed the Financial Improvement Group should be explored.
- Services were disjointed and too focussed on tackling symptoms of poverty rather than root causes.

- There was a need for the Council to try and influence the Tees Valley Combined Authority to adopt a broader “public health” approach.
- The main consideration was trying to target people who did not present themselves to the Council. This included people that were working but struggling financially or those who had recently become economically inactive.
- In terms of crime and anti-social behaviour, tackling deprivation was not a focus of the Community Safety Plan. This, however, should be developed through a poverty lens.
- Consultation with communities should move to a long term sustained model of engagement and co-production. It was important the voice of people informed strategy creation.
- There was a lack of intelligence gathered from Council Services that worked in communities.
- In terms of skills and jobs, anchor institutions via the Tees Valley Anchor Network, should work to remove barriers where they existed. The Council should also work to challenge existing processes, where necessary.
- Improved health was also important to supporting poverty, with long term illness such as Musculo-skeletal and cardiovascular ailments being some of the most common. It was important to support GPs and the fit-note process to reduce the number of fit notes.
- In terms of proposals on how to address this issue as a Council, there was a need for the Council to stop working in silos and not to adopt single focus strategies.
- In terms of outstanding works for the Council, there was a need to collate intelligence from communities to inform service development.
- Housing was a key element to alleviate poverty and with the Council's Head of Housing there was a need to align demand and supply.

The Chair thanked the Director of Public Health for his presentation and invited questions from the Board.

It was queried if the Selective Landlord Licensing scheme could be utilised to ensure that, in the view of new legislation, Landlords did not increase rents disproportionately. The Mayor commented that rental costs were driven by supply, and work to reduce the number of empty properties would help to regulate costs. However, there was a recognition the Council needed to be bolder in this approach.

A conversation took place during which it was discussed that, in terms of housing, the Integrated Care Board could play a role in working with the Council in this regard.

A Member queried how successful the Selecting Landlord Licensing Scheme had been and if it was planned to roll it out to other areas. The Mayor commented that Selective Landlord Licensing was sometimes difficult to monitor on larger scales. It was also a tool that should not be used in isolation. A more targeted application of the scheme, such as at street level, could be explored. The Mayor also commented there was a need for the Council to be more proactive in addressing properties that were not fit for purpose.

Given the relationship between education and poverty, and the need for the Council to work with schools to reduce permanent exclusions, a Member queried if any schools had been involved in the Poverty Sprint. It was confirmed that schools had not been directly involved and that the Council's connections with some schools had been lost since academisation. While there had been attempts to engage with schools it was recognised they may not have had the capacity to attend partnership meetings.

The Chair commented that the North East Combined Authority was actively engaged in the Child Poverty agenda and queried if the TVCA could be more engaged in the poverty agenda generally. It was clarified that the TVCA was engaged with the poverty agenda, such as the introduction of the Care Leavers Bus Pass initiative, but it was acknowledged TVCA could be more engaged generally.

The Chair stated there seemed to be a dislocation between policy and strategy and asked if a standalone poverty strategy would be more beneficial than incorporating the poverty agenda into the Council Plan. It was clarified that, as the Council was no longer in an imminently challenging financial position, it could examine how best to address the poverty agenda and incorporate it into its day-to-day activities. While it was recognised there was potential to

create a separate industry around this issue, it was also stated a poverty strategy, and the Council Plan, may not be mutually exclusive.

The Chair expressed his thanks for the presentations delivered and asked that the information be noted.

**NOTED.**

25/38

**DELIVERY AGAINST THE CONTINUOUS IMPROVEMENT PLAN - PROGRESS UPDATE**

The Chair invited the Mayor to deliver his presentation on the Continuous Improvement Plan.

The Mayor stated his presentation complemented a report that had been circulated to Members and which had been agreed by Executive on 12 November 2025. As part of his presentation the Mayor made the following points:

- The Council was moving toward the end of its improvement journey and there was a need to talk about next steps.
- The Council Plan contained high level aims which had been amended to make them more accessible and understandable.
- This process was being undertaken for all the measures contained in the Council Plan with examples provided to the Board. One of the primary goals of transformation was to make Council services more efficient.
- In terms of where the Council was heading, there was a need to introduce long term projects to bring about town-level change.
- It was possible that promised returns may be difficult to articulate and that financial investments would be over the longer term but would be focused on the town.
- Examples cited included the 10x10 childhood enrichment programme that was of a societal nature but would not be realised in the short term. This would see improved access to opportunity, highlight the industries and activities in the town and maintained links with schools.
- The next cohort of children would not complete the programme until 2036.

The Chair thanked the Mayor for his presentation and invited questions from the Board.

Following an example cited in the Mayor's presentation, a Member queried the definition of Biodiversity. This was provided and the Mayor advised that the wording of all actions was being examined to make them more accessible.

A Member queried what the Mayor's main priorities were. It was clarified that childhood enrichment was a key priority followed by economic growth. It was important for the Council to articulate what Middlesbrough was.

There were no further questions for the Mayor and the Chair thanked the Mayor for his presentation and asked the Board to note the information.

**NOTED.**

25/39

**EXECUTIVE MEMBER UPDATE - FINANCE**

The Chair welcomed the Executive Member for Finance to the meeting and invited her to deliver her presentation.

As part of her presentation the Executive Member for Finance made the following points:

- An overview of the Finance portfolio included responsibility for ensuring the Council was financially sustainable, delivered value for money and operated openly and fairly in these respects.
- The Executive Member's personal targets for the previous year had been to deliver within budget for 2024/25, balance the budget for 2025/26 without the need for further exceptional financial support and to introduce a new Member Enquiry system as well as creating a working group for Councillor communications.
- All of the personal targets described had been achieved.

A Member queried if the identified underspend for 2024/25 would have been placed into reserves. It was clarified that the Council continued to contribute to its reserves. The cost of the Councillor Gateway system was queried, and it was clarified that the cost of the IT product was £145,000 but this did not include costs around support officers.

In terms of reserves, a chart was displayed for Members that demonstrated there was an upward trend in the replenishment of the Council's reserves.

The Executive Member outlined her personal targets for 2025/26 which were:

- To deliver within budget for 2025/26 and to improve the budget clinic process to incorporate Transformation.
- Review the Councillor Gateway System and to improve communications channels with officers.
- Use the Household Support fund to help pensioners impacted due to the removal of the Winter Fuel Payments and those on low incomes.

The Board was advised that at Quarter One there had been a projected overspend of £4.4 million but this was expected to be reduced when the Quarter Two information was released. Children's Services continued to be the Council's main overspending service, but there were also overspends in other areas. Members were advised that all services that had predicted overspends had been requested to submit recovery plans.

A Member commented that the Regeneration Department had a predicted overspend of 12% of its budget and this was concerning. It was clarified that the Regeneration Department's overspend could be attributed to the relatively low size of its budget and high-income targets.

A Member queried that Children's Services had consistently been overspent against its budget, and why it was forecasted as a lower spender. It was clarified that if additional budget was assigned to the service it would expand into it. Were additional funds be allocated to Children's Services there would be reduced funding available for other front-line services. There was a need for Children's Services to adopt a more corporate outlook.

In terms of reviewing the Councillor Gateway system and improving Member communication with officers, a survey had been carried out with Members and a project team had been established which included both Members and Officers. While there was not a significant response rate to the survey the issues contained in it would be examined.

A conversation took place during which Members commented the appointment of a Gateway Officer had been beneficial, especially with assisting with closing enquiries. It was also queried if improvements could be made to the address the system's location facility. The Executive Member for Finance stated that if Members had questions about the system, they could be directed to either herself or to the Gateway Officer.

The Executive Member moved to her final objective, using the Household Support Fund to help pensioners impacted by the removal of the Winter Fuel payment. Members were advised that the scheme was agreed in May 2025 and included those in receipt of Council Tax Reduction or Attendance Allowance and were not eligible for the Winter Fuel Payment.

The Household Support Fund also contributed to the poverty agenda as it included an increase of £10 per child for those in receipt of free school meals, Council Tax Reduction, Universal Credit or Housing Benefit. There had also been an increase in the amount paid to couples and singles in receipt of benefits.

Members were also advised that, in terms of the Fair Funding Review, there was a revised settlement date beyond the 15 December and that a policy statement was due on 20 November. As such, the budget report due to be considered by Executive would be based on some assumptions supported by modelling. The way in which government settlement was awarded had changed as it now recognised Council need. Middlesbrough was part of the Special Interest Group of Municipal Authorities (SIGOMA) which lobbied government for secure sufficient, sustainable and fair funding for local areas which included transitioning to a three-year settlement rather than one year.



It was commented that there had been some delay to the Fair Funding Review due to ministerial changes. It was hoped that as the review was so advanced there would be no significant changes at this point. It was hoped that Middlesbrough would benefit from the changes the review brought.

Members were also advised about the Ward Priorities Fund, which had been approved in October 2025. Several initiatives had been implemented and supported by the fund which included the installation of knee rails and barriers to prevent anti-social behaviour, Christmas lights and events and the installation of CCTV cameras. Members were also advised of the Members Small Scheme Capital programme that was approved on 19 November 2025 and a list of the approved schemes were displayed for Members.

A Member commented that the Small Scheme programme was useful, but the application form could be made easier to complete. It was noted that the form would be considered going forward and that future bidding processes would be undertaken to align with the beginning of the new financial year.

There were no further questions from the Board and the Chair thanked the Executive Member for her presentation and asked that the information be noted.

**NOTED.**

25/40

**EXECUTIVE FORWARD WORK PROGRAMME**

The Chair introduced the report for the Board's consideration. A copy of the Work Programme was attached at Appendix A and Members were asked to raise any issues they had in relation to any of the items listed.

There were no questions from Board.

**NOTED.**

25/41

**FORWARD PLAN ACTIONS PROGRESS**

Members were advised that questions arising from the previous meeting of Overview and Scrutiny Board relating to the Forward Plan had been circulated to the Board via email.

**NOTED.**

25/42

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

None.

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<b>MIDDLESBROUGH COUNCIL</b>	
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<b>Report of:</b>	Chief Executive – Erik Scollay
<b>Relevant Executive Member:</b>	Not applicable
<b>Submitted to:</b>	Overview and Scrutiny Board
<b>Date:</b>	18 December 2025
<b>Title:</b>	Executive Forward Plan
<b>Report for:</b>	Discussion
<b>Status:</b>	Public
<b>Council Plan priority:</b>	Delivering Best Value
<b>Key decision:</b>	Not applicable
<b>Why:</b>	Not applicable
<b>Subject to call in?</b>	Not applicable
<b>Why:</b>	Not applicable

<b>Proposed decision(s)</b>
It is recommended that the Overview and Scrutiny Board consider and Notes the content of the Executive Forward Work Programme.

<b>Executive summary</b>
<p>OSB has delegated powers to manage the work of Scrutiny and, if appropriate, it can either undertake the work itself or delegate to individual Scrutiny Panels.</p> <p>One of the main duties of OSB is to hold the Executive to account by considering the forthcoming decisions of the Executive and decide whether value can be added by Scrutiny considering the matter in advance of any decision being made.</p> <p>This would not negate a Non-Executive Member's ability to call-in a decision after it has been made.</p>

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

1.1 To make OSB aware of items on the Executive Forward Work Programme.

Our ambitions	Summary of how this report will support delivery of these ambitions and the underpinning aims
A successful and ambitious town	All aims and ambitions will be contained in individual decisions.
A healthy Place	
Safe and resilient communities	
Delivering best value	

## 2. Recommendations

2.1 That the Overview and Scrutiny Board

- Consider and note the content of the Executive Forward Work Programme.

## 3. Rationale for the recommended decision(s)

3.1 OSB has delegated powers to manage the work of Scrutiny and, if appropriate, it can either undertake the work itself or delegate to individual Scrutiny Panels.

3.2 One of the main duties of OSB is to hold the Executive to account by considering the forthcoming decisions of the Executive and decide whether value can be added by Scrutiny considering the matter in advance of any decision being made.

3.3 This would not negate a Non-Executive Member's ability to call-in a decision after it has been made.

## 4. Ward Member Engagement if relevant and appropriate

4.1 Not applicable

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

5.1 No other options are submitted as part of the report.

## 6. Impact(s) of the recommended decision(s)

Topic	Impact
Financial (including procurement and Social Value)	Relevant Impact will be detailed in individual decisions.
Legal	
Risk	

Human Rights, Public Sector Equality Duty and Community Cohesion	
Reducing Poverty	
Climate Change / Environmental	
Children and Young People Cared for by the Authority and Care Leavers	
Data Protection	

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

Action	Responsible Officer	Deadline
Implement any decision of the Overview and Scrutiny Board with regard to the Executive Forward Work Plan.	Relevant Officer	As directed by OSB

### Appendices

1	Executive Forward Work Plan
2	
3	

### Background papers

Body	Report title	Date

**Contact:** Scott Bonner/ Sue Lightwing  
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## Executive Forward Plan - 10 December 2025 to 31 May 2026

FOR THE PERIOD 10 DECEMBER 2025 TO 31 MAY 2026

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Council Strategy	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
The Mayor							
1024586	Data Management Policy To complete the triennial review - the policy forms part of the Information Governance Policy Framework	Executive Member - The Mayor 18 Dec 2025	Delivering Best Value		Public		1) The Mayor <i>Victoria Holmes</i> <i>Victoria_Holmes@middlesbrough.gov.uk</i>
1024585	Surveillance Policy 2026/7 To complete an annual review of the Council's Surveillance policy	Executive Member - The Mayor 18 Dec 2025	Safe and Resilient Communities		Public		1) The Mayor <i>Ann-Marie Johnstone</i> <i>Ann-Marie_Johnstone@middlesbrough.gov.uk</i>
1024603	Artificial Intelligence	Executive	Delivering Best Value		Public		1) The Mayor

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Council Strategy	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
	Policy To seek approval of the first AI policy which will articulate how the Council will exploit AI potential through an ethical, lawful framework	Member - The Mayor 18 Dec 2025					<i>Lynsey Zipfell lynsey_zipfell@middlesbrough.gov.uk</i>
I024988 All Wards	Corporate Performance Q3 2025/2026 That Executive: • notes the progress and position of the corporate performance disciplines, including activity within the Transformation Portfolio	Executive 4 Feb 2026	A Healthy Place to Live		Public		1) The Mayor <i>Joanne Chapman joanne_chapman@middlesbrough.gov.uk</i>
I024986 All Wards	2025 Middlesbrough Resident survey To summarise the findings from the 2025 Middlesbrough Community Survey, compare to the 2023 Survey and set out for the	Executive 4 Feb 2026	A Healthy Place to Live	KEY	Public		1) The Mayor <i>Victoria Holmes Victoria_Holmes@middlesbrough.gov.uk</i>



Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Council Strategy	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
	consideration of the Executive proposed actions in response						
1024711	Council Plan 2026/27-29: Workplan and Service Plans This report seeks the Executive's endorsement of the proposed revised Council Plan workplan for the period 2026-27.	Executive 11 Mar 2026	A Healthy Place to Live		Public		1) The Mayor <i>Erik Scollay, Chief Executive</i> <i>erik_scollay@middlesbrough.gov.uk</i>
<b>Deputy Mayor and Executive Member - Education and Culture</b>							
<b>Executive Member - Adult Social Care</b>							
1024972 All Wards	ASC Vision and Strategy 2025 - 2035 To set a 10 year vision and strategy for Adult Social Care which will provide relevant clarity and direction	Executive 21 Jan 2026	A Healthy Place to Live	KEY	Public		3) Executive Member for Adult Social Care <i>Louise Grabham, Director - Adult Social Care</i> <i>louise_grabham@middlesbrough.gov.uk</i>
<b>Executive Member - Children's Services</b>							

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Council Strategy	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
<b>Executive Member - Development</b>							
1023750 All Wards	Investment in Temporary Accommodation Proposals for investment alongside a social investor to purchase properties to reduce the expenditure on temporary accommodation	Executive 21 Jan 2026	A Successful and Ambitious Town	KEY	Public		5) Executive Member for Development <i>Richard Horniman, Director - Regeneration</i> <i>Richard_Horniman@middlesbrough.gov.uk</i>
1024569 Derwick Hills and Pallister; Hemlington; Newport	Neighbourhood Hubs Investment The purpose of this report is to seek Executive Approval for the headline specifications for plans to adapt the four North, South, East and West Neighbourhood Hubs, as well as investment in the surrounding localities.	Executive 21 Jan 2026	Safe and Resilient Communities	KEY	Public		5) Executive Member for Development <i>Sam Gilmore, Head of Economic Growth</i> <i>Sam_Gilmore@middlesbrough.gov.uk</i>
1024971 All Wards	Building Control Fees Increase fees to	Executive 21 Jan 2026	Delivering Best Value	KEY	Public		5) Executive Member for Development <i>Andrew Glossop</i>

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Council Strategy	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
	cover cost to deliver the service						<i>Andrew_Glossop@middlesbrough.gov.uk</i>
<b>Executive Member - Finance</b>							
I024602 All Wards  Page 19	2026/27 Draft Budget and Medium Term Financial Plan 2026/27 to 2029/30 The report provides an update to the Executive on the budget and Medium Term Financial Plan (MTFP) development process for 2026/27 to 2029/30 that will conclude with consideration and approval of the budget by Council in February 2026. The recommendations in the report will be for formal noting and endorsing by Executive of a range of budget proposals aimed to balance the budget	Executive 17 Dec 2025	Delivering Best Value		Public		1) The Mayor, 7) Executive Member for Finance <i>Andrew Humble, Director - Finance and Transformation</i> <i>andrew_humble@middlesbrough.gov.uk</i>

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Council Strategy	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
	and MTFP. Subject to endorsement by the Executive, the draft budget will progress to the consultation phase of the budget development process during the planned period 4 December 2025 to 7 January 2026.						
2024278	Annual Treasury Management Strategy and Prudential Indicators 2026/27 to 2029/30 The report outlines the Council's prudential indicators for the financial years 2026/27 – 2029/30 regarding the affordability of the capital programme, and sets the framework and approves the limits within which the treasury management	Executive 4 Feb 2026	Delivering Best Value	KEY	Public		7) Executive Member for Finance <i>Justin Weston</i> <i>Justin_Weston@middlesbrough.gov.uk</i>

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Council Strategy	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
	operations for this period will work. It fulfils key legislative and guidance requirements in this area and is an essential part of the annual budget setting process.						
1024704 All Wards	Revenue and Capital Budget – Forecast Year-end Outturn position at Quarter Three 2025/26 The report advises the Executive of the Council's forecast year-end financial outturn position as at Quarter Three 2025/26	Executive 4 Feb 2026	A Healthy Place to Live	KEY	Public		7) Executive Member for Finance <i>Andrew Humble, Director - Finance and Transformation</i> <i>andrew_humble@middlesbrough.gov.uk</i>
1024703 All Wards	2026/27 Revenue Budget, Medium Term Finance Plan, and Council Tax Setting This report provides information and advice to the Executive in terms of the proposed	Executive 4 Feb 2026	A Healthy Place to Live	KEY	Public		1) The Mayor, 7) Executive Member for Finance <i>Andrew Humble, Director - Finance and Transformation</i> <i>andrew_humble@middlesbrough.gov.uk</i>

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Council Strategy	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
Page 22	budget for 2026/27, the Medium Term Financial Plan (MTFP) to 2029/30, and the proposed Council Tax for 2026/27. It requests that Executive approves that several items are forwarded for approval by Full Council on 18 February 2026. Council approval of the 2026/27 budget and proposed Council Tax is required by the statutory deadline of 11 March 2026.						
	I024781 All Wards  Section 13A (1) (a) (Exceptional Hardship Fund) Policy This report seeks approval to amend the Council's Section 13A (1) (a) policy, under the Local Government Finance Act (LGFA)	Executive 4 Feb 2026	Delivering Best Value		Public		7) Executive Member for Finance <i>Andrew Humble, Director - Finance and Transformation</i> <i>andrew_humble@middlesbrough.gov.uk</i>

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Council Strategy	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
	1992 (as amended).						
1024983 All Wards	Council Tax Reduction Scheme 2026/27 To seek approval for the Council Tax Reduction Scheme 2026/27.	Executive 4 Feb 2026	A Successful and Ambitious Town	KEY	Public		7) Executive Member for Finance <i>Janette Savage, Head of Resident and Business Support</i> <i>Janette_Savage@middlesbrou gh.gov.uk</i>
1024984 All Wards	Tender Pipeline Report 2026/27 To seek Executive approval of the tender pipeline for 2026/27.	Executive 4 Feb 2026	Delivering Best Value	KEY	Public		7) Executive Member for Finance <i>Claire Walker</i> <i>claire_walker@middlesbrough. gov.uk</i>
1024705 All Wards	2025/26 Revenue and Capital Year- end Outturn The report advises the Executive of the Council's year-end financial outturn position for 2025/26	Executive 6 May 2026	A Healthy Place to Live	KEY	Public		7) Executive Member for Finance <i>Andrew Humble, Director - Finance and Transformation</i> <i>andrew_humble@middlesbrou gh.gov.uk</i>
<b>Executive Member - Public Health</b>							
1024867 All Wards	Advertising Policy Propose implementation of new advertising policy	Executive 4 Feb 2026	A Healthy Place to Live	KEY	Public		9) Executive Member for Public Health <i>Lindsay Cook</i> <i>lindsay_cook@middlesbrough. gov.uk</i>

<b>Ref No. / Ward</b>	<b>Subject / Decision</b>	<b>Decision Maker and Decision Due Date</b>	<b>Council Strategy</b>	<b>Key / PFP</b>	<b>Likely Exemption</b>	<b>Background documents</b>	<b>Member / Officer Contact</b>



<b>MIDDLESBROUGH COUNCIL</b>	
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<b>Report of:</b>	Andrew Humble – Director of Finance and Transformation (S.151 Officer)
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<b>Relevant Executive Member:</b>	Cllr Nicky Walker - Executive Member for Finance
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<b>Submitted to:</b>	Overview and Scrutiny Board
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<b>Date:</b>	18 December 2025
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<b>Title:</b>	Revenue and Capital Budget - Forecast Year-end Outturn position at Quarter Two 2025/26
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<b>Report for:</b>	Discussion
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<b>Status:</b>	Public
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<b>Council Plan priority:</b>	Delivering Best Value
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<b>Key decision:</b>	Not applicable
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<b>Why:</b>	Report is for information only
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<b>Subject to call in?</b>	Not applicable
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<b>Why:</b>	Non-Executive Report
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<b>Proposed decision(s)</b>
<p>That the Overview and Scrutiny Board:</p> <ul style="list-style-type: none"> <li>• Note the contents of the report.</li> <li>• Provide comments back to the Executive as appropriate</li> </ul>

<b>Executive summary</b>
<p>The attached report was considered by Executive on 3 December 2025. This report advised the Executive of the Council's forecast year-end financial outturn as at Quarter Two 2025/26 and sought approval of budget virements within the revenue budget and revisions to the capital programme in relation to activity in Quarter Two. The report is submitted to the Overview and Scrutiny Board for their comment</p>

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

1.1 To inform Overview and Scrutiny Board of the Council's Revenue and Capital Budget position at Quarter Two 2025/26.

Our ambitions	Summary of how this report will support delivery of these ambitions and the underpinning aims
A successful and ambitious town	The aims and ambitions of the report were detailed in the appended Executive report.
A healthy Place	
Safe and resilient communities	
Delivering best value	

## 2. Recommendations

2.1 That the Overview and Scrutiny Board

- Note the contents of the report.
- Provide comments back to the Executive as appropriate

## 3. Rationale for the recommended decision(s)

3.1 To advise Scrutiny on the Council's financial position at Quarter Two 2025/26.

## 4. Background and relevant information

4.1 Relevant background and other information is contained in the Executive report at Appendix 1.

## 5. Ward Member Engagement if relevant and appropriate

5.1 Ward Member engagement is detailed in the appended Executive report.

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

6.1 Other potential alternatives are detailed in the appended Executive report.

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

Topic	Impact
Financial (including procurement and Social Value)	The impacts of the report are detailed in the appended Executive report.
Legal	
Risk	

Human Rights, Public Sector Equality Duty and Community Cohesion	
Reducing Poverty	
Climate Change / Environmental	
Children and Young People Cared for by the Authority and Care Leavers	
Data Protection	

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

Action	Responsible Officer	Deadline
N/A		

### Appendices

1	Executive Report and Appendices
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### Background papers

Body	Report title	Date

**Contact:** Andrew Humble

**Email:** [Andrew\\_humble@middlesbrough.gov.uk](mailto:Andrew_humble@middlesbrough.gov.uk)

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<b>MIDDLESBROUGH COUNCIL</b>	
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<b>Report of:</b>	Andrew Humble - Director of Finance and Transformation (s151 Officer)
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<b>Relevant Executive Member:</b>	Cllr Nicky Walker - Executive Member for Finance
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<b>Submitted to:</b>	Executive
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<b>Date:</b>	3 December 2025
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<b>Title:</b>	Revenue and Capital Budget – Forecast Year-end Outturn position at Quarter Two 2025/26
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<b>Report for:</b>	Decision
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<b>Status:</b>	Public
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<b>Council Plan priority:</b>	All
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<b>Key decision:</b>	Yes
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<b>Why:</b>	Decision(s) will incur expenditure or savings above £250,000 and have a significant impact in two or more wards
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<b>Subject to call in?</b>	Yes
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<b>Why:</b>	Non-Urgent Report
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<b>Proposed decision(s)</b>	
<p>That Executive:</p> <ul style="list-style-type: none"> <li>• <b>APPROVES</b> budget virements over £250,000 within the revenue budget (Appendix 1).</li> <li>• <b>APPROVES</b> budget virements over £250,000 within the Capital Programme (paragraph 4.47).</li> <li>• <b>APPROVES</b> the inclusion of new schemes and additions to existing schemes to the Capital Programme totalling £0.519m for 2025/26, of which £0.454m are externally funded and £0.065m is from existing Council funded resources (detailed in Appendix 5). Subject to approval this will increase the approved 2025/26 Capital Programme budget to £88.094m.</li> <li>• <b>NOTES</b> the Council's financial performance and forecast year-end financial outturns for revenue and capital budgets for the financial year 2025/26 as at Quarter Two, highlighting the budget pressures and the forecast year-end position if no further action is taken. At present, the revenue budget is forecast to be under pressure by <b>£1.804m (1.3%)</b> at year end after the proposed use of central contingences and other budgets.</li> <li>• <b>NOTES</b> that Directors have submitted recovery plans and mitigations aimed at reducing their forecast budget pressures and acknowledges the ongoing requirement for Directors to continue refining and implementing these plans to achieve a balanced</li> </ul>	

budget for the Directorates by the end of 2025/26. In support of this corporate revenue budget spending controls will continue to be applied during 2025/26.

## Executive summary

This report advises the Executive of the Council's forecast year-end financial outturn as at Quarter Two 2025/26 and seeks approval of budget virements within the revenue budget and revisions to the capital programme in relation to activity in Quarter Two.

It is important to note that this report reflects forecast budget pressures at year end if no further mitigating actions are taken. The financial pressures outlined will only materialise if recovery plans and other actions are not successfully implemented.

The report enables the Executive to discharge its financial management responsibilities by setting out the following position at Quarter Two (30 September 2025):

- General Fund Revenue Budget forecast outturn.
- virements.
- statement of the Council's reserves and provisions.
- Capital Programme forecast 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 forecast position at Quarter Two represents a significant improvement compared to Quarter One, when the forecast year-end budget pressure was estimated at £4.482m after the proposed use of contingencies. This improvement reflects the impact of actions already implemented and ongoing work to reduce financial pressures across Directorates.

The main highlights of the report are:

- the 2025/26 revenue budget forecast year-end outturn at Quarter Two indicates a projected budget pressure of £7.813m across Directorates and Central budgets. In line with the financial strategy, provisions have been made to mitigate this position through the planned use of central contingencies and other budgets totalling £6.009m. This approach, which includes offsetting pressures such as unachieved savings, is expected to reduce the **budget pressure to £1.804m (1.3%) by the year end** (see Table 1 in paragraph 4.10).
- the main areas of budget pressure remain within Children's and Adult Social Care, Environment and Community Services (including Bereavement Services, Fleet Services, and School Catering), and Strategic Commercial Properties (paragraphs 4.16 to 4.31). In some cases, these pressures are driven by under-achievement of income targets as well as increased expenditure. Directors have submitted recovery plans and mitigations aimed at reducing their forecast pressures, and there is an ongoing requirement for them to continue to refine and implement these plans to work towards achieving a balanced budget for their Directorate by the end of 2025/26. In support of this, corporate revenue budget spending controls will continue to be applied throughout 2025/26 to help manage financial pressures and reinforce budget discipline.
- the forecast year-end position includes **£7.085m of net savings currently forecast as undeliverable in 2025/26** (Table 2 and Appendix 2).

- the 2025/26 budgets and commitments against the central Corporate Contingency budget and Change Fund (paragraph 4.32 and Table 3)
- **forecast total usable unrestricted revenue reserves on 31 March 2026 of £25.808m** (Table 4 and Appendix 3). This is in line with that recommended by the Director of Finance and Transformation in the Reserves Policy for 2025/26 approved by Council on 19 February 2025 to rebuild the Council's financial resilience.
- **the forecast deficit of £9m for 2025/26 on the Dedicated School Grant**, increasing the **forecast cumulative deficit to £31.213m on 31 March 2026** (Table 5). This is a major risk as whilst the statutory override (which instructs Councils to account for the DSG deficits in a separate reserve and not to fund it by using its General Fund resources) has been extended recently it is due to end on 31 March 2028. The DSG recovery actions and risks to the Council's financial resilience are detailed in Appendix 4.
- the **addition of £0.519m for new schemes and additions to existing schemes (externally and Council funded) to the Capital Programme in 2025/26** creating a revised budget of £88.094m for 2025/26 (paragraphs 4.45 and 4.51 and Appendix 5).
- **the 2025/26 Capital Programme forecast year-end outturn of £67.144m** which is a reduction of £20.950m from the revised £88.094m budget (Table 6). This is largely due to slippage of planned expenditure from 2025/26 into 2026/27 and future years (Appendix 6).
- that **£6.132m of qualifying revenue expenditure is planned to be funded from Flexible Use of Capital Receipts (FUoCR) for Transformation in 2025/26** in accordance with the FUoCR strategy for 2025/26 approved by Council on 26 March 2025 (paragraph 4.52 to 4.57 and Appendix 7).
- the level of Debtors as at 30 September 2025 (Table 8).

## 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	

<b>Delivering best value</b>	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 attempting to manage its finances within the budget approved by Council for 2025/26 and ensures that the Medium-Term Financial Plan to restore financial resilience and sustainability is not impacted.
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## 2. Recommendations

### 2.1 That Executive:

- **APPROVES** budget virements over £250,000 within the revenue budget (Appendix 1).
- **APPROVES** budget virements over £250,000 within the Capital Programme (paragraph 4.47).
- **APPROVES** the inclusion of new schemes and additions to existing schemes to the Capital Programme totalling £0.519m for 2025/26, of which £0.454m are externally funded and £0.065m is from existing Council funded resources (detailed in Appendix 5). Subject to approval this will increase the approved 2025/26 Capital Programme budget to £88.094m.
- **NOTES** the Council's financial performance and forecast year-end financial outturns for revenue and capital budgets for the financial year 2025/26 as at Quarter Two, highlighting the budget pressures and the forecast year-end position if no further action is taken. At present, the revenue budget is forecast to be under pressure by **£1.804m (1.3%)** at year end after the proposed use of central contingences and other budgets.
- **NOTES** that Directors have submitted recovery plans and mitigations aimed at reducing their forecast budget pressures and acknowledges the ongoing requirement for Directors to continue refining and implementing these plans to achieve a balanced budget for the Directorates by the end of 2025/26. In support of this corporate revenue budget spending controls will continue to be applied during 2025/26.

## 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 financial position at Quarter Two 2025/26.
- 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 Financial Procedure Rule 18.80.2 requires approval by Executive of the write off of debt over financial thresholds set out in the Financial Limits Annex of the Council's Constitution, there are none for the purpose of the Quarter Two report.
- 4.5 The forecasts within this budget monitoring report as of 31 March 2026 have been prepared using the following major assumptions:
  - all known staffing changes have been captured.
  - agreed pay award of 3.2% for local government officers for 2025/26 included.
  - income and expenditure forecasts have been prepared in conjunction with budget holders using the best information currently available.
  - forecast assume that current conditions and service delivery arrangements remain unchanged through to year-end, providing a prudent basis for monitoring and decision-making.

### **Revenue Budget**

- 4.6 The 2025/26 Revenue Budget, Medium Term Financial Plan 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.
- 4.7 As part of that report a net revenue budget for 2025/26 of £143.304m was approved by Full Council. Within the report the Director of Finance and Transformation (S151 Officer) issued his Section 25 Report to Council Members which set out the basis upon which the revenue budget was considered to be robust and the basis upon which reserves were considered adequate.
- 4.8 While the Council has achieved significant improvement in its financial position from that which existed at the start of the 2024/25 financial year, there is still a need to control expenditure within the approved 2025/26 budget whilst developing further savings and income generating opportunities through the Recover, Reset, Deliver Transformation Portfolio in order to balance the MTFP and stabilise the Council's financial position and rebuild its financial resilience. This requires the delivery of all approved 2025/26 savings plans in full. Budgetary control measures as detailed in the 2024/25 Revenue and Capital Outturn report to Executive on 11 June 2025 will continue to be implemented during 2025/26.
- 4.9 Table 1 below summarises the overall position per Directorate and shows that the 2025/26 forecast year-end outturn as of 30 September 2025 (Quarter Two) is a

forecast budget pressure of £7.813m (5.01%) against the approved budget of £143.304m before the use of central contingencies and other central budgets. It is important to note that this reflects forecast pressures at year end if no further mitigating actions are taken. These pressures will only materialise if recovery plans and other actions are not successfully implemented. The Quarter Two forecast represents a significant improvement compared to Quarter One, when the forecast year-end budget pressure was estimated at £10.677m before the use of central contingencies and other central budgets. This improvement reflects the impact of actions already implemented and ongoing work to reduce financial pressures across Directorates.

4.10 As shown at the bottom of Table 1, the 2025/26 revenue budget forecast year-end outturn at Quarter Two indicates a forecast budget pressure of £7.813m across Directorates and Central budgets. In line with the financial strategy, provisions have been made to mitigate this position through the planned use of central contingencies and other central budgets totalling £6.009m. This approach, which includes offsetting pressures such as unachieved savings, is expected to reduce the forecast budget pressure to £1.804m (1.3%) by year end, which is a significant improvement from the Quarter One position of £4.482m. While these resources have been set aside for this purpose, their use would significantly reduce the remaining central contingencies available for the rest of 2025/26. It therefore remains essential that Directorates continue to make every effort to reduce their forecast budget pressures and deliver a balanced budget by year end.

**Table 1 – Summary of Net Revenue Budget Forecast Outturn 2025/26 at Quarter Two**

Directorate	Current Full Year Budget	Forecast Outturn	Forecast Outturn Variance	Financial Recovery Plan	MEMO FORECAST VARIANCE SPLIT		Movement from Quarter One
					Savings Delivery Variance	Other variances	
	£m	£m	£m	£m	£m	£m	£m
			Adv /(Fav)	Adv /(Fav)	Adv /(Fav)	Adv /(Fav)	Adv /(Fav)
Adult Social Care	56.597	58.234	1.637	0.000	0.191	1.446	0.139
Public Health	0.086	0.086	(0.000)	0.000	0.000	(0.000)	(0.000)
Children's Care	57.700	65.704	8.004	(0.200)	3.833	4.171	1.332
Education & Partnerships	6.798	7.267	0.469	0.000	0.345	0.124	0.042
Regeneration	3.176	3.401	0.225	0.000	0.375	(0.150)	0.024
Environment & Communities	21.972	22.894	0.922	0.000	0.393	0.529	(0.976)
Legal & Governance	12.079	11.827	(0.252)	0.000	0.000	(0.252)	(0.189)
Finance	4.374	3.636	(0.738)	0.000	0.000	(0.738)	0.101
Chief Executive	0.259	0.259	0.000	0.000	0.000	0.000	0.000
<b>Total Directorates</b>	<b>163.041</b>	<b>173.308</b>	<b>10.267</b>	<b>(0.200)</b>	<b>5.137</b>	<b>5.130</b>	<b>0.473</b>
Central Budgets	(19.737)	(22.191)	(2.454)	0.000	1.948	(4.402)	(3.337)
<b>Total</b>	<b>143.304</b>	<b>151.117</b>	<b>7.813</b>	<b>(0.200)</b>	<b>7.085</b>	<b>0.728</b>	<b>(2.864)</b>

**Proposed use of central contingencies and other budgets to reduce forecast overspend**

	£m	£m
Savings Delivery Risk Budget held centrally	(2.000)	0.000
Inflation & Growth held centrally	(0.206)	(0.206)
Corporate Contingency Budget	(0.482)	0.568
Middlesbrough Priorities Fund	(2.846)	(0.701)
Pay & Prices Contingency - amount remaining after use for agreed 3.2% pay award for 2025/26	(0.475)	0.525

<b>Remaining forecast outturn variance</b>	<b>1.804</b>	<b>(2.678)</b>
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4.11 A summary of the main variances for each Directorate is included in paragraphs 4.16 to 4.31 including any recovery plans proposed by Directorates. Table 1 also includes a split of the forecast outturn variance between those due to potential non-delivery of required budget savings (detailed in paragraphs 4.12 to 4.15 and Appendix 2), and other variances.

## Budget Savings Delivery

- 4.12 The budget for 2025/26 is predicated on the delivery of £11.626m in savings, comprising £6.786m of new savings and £4.840m of savings previously approved in 2024/25. The revised new savings figure reflects the proposed removal of £0.250m, which will be formally taken out of the Council's budget as part of the 2026/27 budget setting process. In the interim, a temporary virement has been approved, and the removal of these savings will be funded from the Corporate Contingency budget in 2025/26, as shown in Table 3.
- 4.13 In addition to these new budget savings required there was also a total of £2.291m of previous savings which were not fully achieved during 2024/25 and are remaining to be achieved in 2025/26. This makes a total of £13.917m of savings which are required to be achieved in 2025/26.
- 4.14 Table 2 provides a summary of projected delivery performance against savings required in 2025/26. Further detail on savings currently unachievable is included in Appendix 2. All identified savings will be subject to ongoing monitoring through the monthly Budget Challenge sessions with Directorates and will be reported through this report. In addition, savings linked to transformational and corporate projects will continue to be overseen via the Directorate Performance Boards.
- 4.15 Any forecast unachieved savings in 2025/26 are required to be achieved in full or replaced fully with alternative approved savings in future years otherwise this will have a negative impact on the Council's MTFP. Any savings that are deemed unachievable permanently will need to be submitted for Council approval to remove in the 2026/27 budget setting, and this will only be approved if finances allow.

**Table 2 – Savings Programme Assurance Summary for 2025/26 by Directorate**

Directorate	2025/26 Budgeted Savings Target  £m	2025/26 Forecast Savings Achieved  £m	2025/26 Savings (over) / under achieved £m
Adult Social Care	(2.733)	(2.542)	0.191
Children's Care	(4.112)	(0.279)	3.833
Education & Partnerships	(0.359)	(0.014)	0.345
Regeneration	(1.394)	(1.019)	0.375
Environment & Communities	(1.790)	(1.397)	0.393
Legal & Governance	(0.367)	(0.367)	-
Finance	(0.395)	(0.395)	-
Central	(2.767)	(0.819)	1.948
	<b>(13.917)</b>	<b>(6.832)</b>	<b>7.085</b>

## Directorate main variances

- 4.16 The explanations for Directorate major variances and current proposed mitigations, where appropriate, which have been agreed with Directorates following the Member led Budget Clinics, are summarised below.
- 4.17 Directors have submitted financial recovery plans and mitigations aimed at reducing their year-end forecast budget pressures, which reflects the position if no further actions are taken. There remains an ongoing requirement for these plans to be refined and fully implemented to support the achievement of a balanced budget for each Directorate by the end of 2025/26. Corporate revenue budget spending controls will continue to be applied throughout 2025/26 to reinforce financial discipline. An update on the progress of Directorate financial recovery plans and associated mitigations will be provided in the Quarter Three budget monitoring report.
- 4.18 In developing the financial recovery plans, Directors considered actions that would not only address in-year budget pressures but also tackle recurring issues likely to impact the Medium-Term Financial Plan (MTFP). For the purposes of this report, the focus is on the short-term measures identified for implementation that are expected to have an immediate impact on the 2025/26 forecast position. While these measures may not fully eliminate financial pressures, particularly given the demand-led nature of many cost drivers, the implementation of robust financial controls remains critical. Strengthening financial governance fosters a culture of accountability and informed decision-making. Through constructive challenge and scrutiny, these controls help ensure that resources are used efficiently, value for money is achieved, and all viable options are considered before financial commitments are made. This approach underpins financial resilience and supports improved outcomes for communities through transparent and responsible service delivery.
- 4.19 A range of core financial controls are already in place across all departments and are being actively reinforced to support the financial recovery strategy. These include delegated authority for spending approvals, regular budget monitoring, demand management planning, procurement oversight, panel reviews for high-cost services, particularly in Children's and Adults social care, income and cost tracking, and close collaboration with Finance Business Partners. Strengthening the consistent application of these controls is key to maintaining financial discipline, improving forecasting, and ensuring value for money.
- 4.20 Proposed revenue budget virements above £250,000 require Executive approval, and those proposed following Quarter Two monitoring are set out at Appendix 1 for consideration and approval.

### ***Adult Social Care: current forecast budget pressure at year end £1.637m***

Adult Social Care	Full Year Budget £m	Full Year Forecast £m	Forecast Over / (Under) spend £m
Revenue Outturn	56.597	58.234	1.637

- 4.21 A budget pressure of £1.637m is currently forecast for the Directorate at year end, the main reasons for this are detailed below:

- *Prevention, Provider & Support Service: £0.232m*  
Mainly because of unachieved savings and a shortfall of income in respect of the re-provisioning of Levick Court. Executive on 12<sup>th</sup> November 2025 approved a report regarding the reprovision of Levick Court. The proposed partnership with the Integrated Care Board (ICB) and Tees Esk and Wear Valleys NHS Trust (TEWV) aims to establish a financially sustainable model through joint commissioning and integrated clinical support. This model also allows for potential revenue generation if demand for health-commissioned beds exceeds the initial allocation of eight. A full financial appraisal and staffing model have been developed to ensure the block contract value will cover operational costs and support delivery of the £311,000 savings target set in 2024/25.
- *Purchasing - Growth: £2.042m*  
This pressure has increased from £1.076m in Quarter One. The increase is attributed to demand for high-cost care services, particularly residential care. The forecast includes an estimate of net future growth for the remainder of the financial year, including a provision for additional health income in relation to some of the new care packages, however as the year progresses this may change.
- *Purchasing - Residential: (£0.458m)*  
Savings have been achieved through the recovery of overpayments for out of area placements. These overpayments occurred due to delayed notifications from care homes following service users' death. New procedures have been implemented to prevent recurrence.
- *Other Variances across the Directorate: (£0.179m)*  
Within the predicted saving of £0.179m there are staffing pressures that amount to £0.312m, mainly within Specialist & Lifelong Services and Access & Safeguarding. However, anticipated staff turnover later in the year has led to a reduced forecast, this is not attributed to a specific service line at present.
- *To address the forecast budget pressures, the Directorate is implementing the following measures:*

Levick Court Reprovision: as outlined above, the partnership with ICB and TEWV is expected to deliver savings and generate additional income.

Agency Staff Review: weekly reviews by the Director of Adult Social Services to ensure agency staff are being replaced with permanent hires where appropriate.

High-Cost Package Scrutiny: care package review, where all packages exceeding £5,000 per week are flagged for discussion at ASC Finance DMT sessions. This aims to reduce expenditure and identify commissioning gaps.

Transition Review: a focused review of transitions to promote closer joint working and prevent the implementation of high-cost packages prior to transfer to adult services.

Vacancy Freeze: a freeze on non-critical vacancies for the remainder of 2025/26 to control staffing costs.

***Public Health: forecast break even***

Public Health	Full Year Budget £m	Full Year Forecast £m	Forecast Over / (Under) spend £m
Revenue Outturn	0.086	0.086	(0.000)

- 4.22 An underspend of £0.299m is currently forecast on Public Health budgets for 2025/26, however in accordance with the grant conditions this will be transferred to the Public Health reserve at year end resulting in an overall break-even position forecast at year end. The Public Health Reserve totalled £1.686m at 31 March 2025 and plans are in place for this to be utilised on public health activities in accordance with the grant conditions.

***Children's Care: current forecast budget pressure at year end £8.004m***

Children's Care	Full Year Budget £m	Full Year Forecast £m	Forecast Over / (Under) spend £m
Revenue Outturn	57.700	65.704	8.004

- 4.23 An overall budget pressure of £8.004m is currently forecast for the Directorate at year end. However, with the application of the Children's Services Prevention grant of £2.123m, this is likely to reduce to £5.881m. While the grant income is already included in the Council's overall forecast position, it is currently held within Central Budgets in section 4.31 and shown within Central Budgets forecast figure. In relation to the grant, although the associated costs are currently reflected in the £8.004m, the expenditure is subject to assurance to ensure the expenditure meets the grant conditions. The Finance team is actively working through this assurance process, and once completed, the grant will be allocated to Children's Care. The main reasons for the forecast budget pressure within Children's Care are detailed below:

- ***External Residential placements: £5.663m***  
The number of Children Looked After (CLA) in Middlesbrough has remained broadly stable. However, there has been an increase in external residential placements, rising from 77 on 30 June 2025 to 84 by 30 September 2025. Alongside this increase, higher costs are being driven by the complexity of placements needs compared to those budgeted.

It should be noted that a significant proportion (21.3%) of the Council's CLA are placed in residential type settings (107 children out of a total CLA of 502 as at 30 September 2025).

Three projects have been launched to reduce the CLA numbers and residential placements. While the Reunification Project has shown positive impact, the Modernising Fostering and Edge of Care initiative have yet to deliver reductions.

This budget is likely to be volatile throughout the financial year due to a number of highly complex placements currently in place, which are greater in number than in previous years.

As part of the financial recovery plan, Children's Care is reviewing the use of vacant internal beds, including changes to the statement of purpose for internal residential homes to improve occupancy. The service also aims to maximise use of block bed contracts (6-bed and 12-bed units) by identifying external placements suitable for transfer and securing referrals for the new provision.

Under the Fostering Project, Children's Care are identifying young people who could realistically move from residential to foster care, along with projected timelines. However, progress is constrained by foster carer availability. Although recruitment is ongoing, it currently only offsets those leaving the profession, resulting in no net increase.

£0.200m of mitigation has been proposed by the Service as part of its recovery plans and these will be included in future forecasts if assured. A full review of placement planning across all related services is being undertaken along with placement plans for the next couple of years for existing young people in order to feed into the Council's MTFP for 2026/27 onwards. This includes the Fostering project and internal residential occupancy with a revised statement of purpose.

- *Fostering, Adoption and other internal placements: (£0.122m)*  
Services within the Directorate are experiencing significant financial pressures due to costs associated with transport, emergency placements for looked-after young people, and support for those on the edge of care.

The Internal Fostering service currently has higher numbers of placements than originally budgeted, which would normally result in increased expenditure. However, because the planned expansion of Internal Fostering capacity has not been achieved due to recruitment challenges, the service is forecasting an underspend against its budget. This underspend is helping to offset financial pressures in other areas. The increased internal fostering numbers have not yet had a significant forecast impact on reducing demand for external residential placements.

- *Assessment & Safeguarding: £1.864m*  
Assessment and Safeguarding have experienced a significant increase in the financial pressure, rising from £1.023m to £1.864m. This increase is largely due to the service's growing reliance on agency staff, which are more expensive than permanent employees. Staffing demand has increased across the Directorate, with agency workers brought in to cover sickness and maternity leave, as well as roles beyond the budgeted establishment. As a result, the service is currently operating above its approved staffing structure.

A review is underway to assess all agency positions and determine long-term staffing requirements for Medium-Term Financial Planning (MTFP). This review is also linked to current unachievable savings, which were partly based in assumptions around reduced staffing levels. Additionally, a small portion of the financial pressure relates to Section 17 spending.

- **Other Variances across the Directorate: £0.599m**

Across the remainder of the Children's Care directorate there are further financial pressures of £0.599m. This includes a £0.240m forecast pressure in Children Looked After and Children with Disabilities Services, driven by staffing pressures, particularly the use of agency staff, and emergency placements. Other services are forecasting a £0.515m pressure due to increased reliance on agency resource workers partially offset by vacancies across resource teams and projected savings within the Prevention service. Management is forecasting a saving of (£0.156m), due to vacancies in senior roles and business support service posts which partly offsets the pressures.

- *To address the forecast budget pressure, the Directorate is implementing the following measures:*

Identification of expenditure to potentially be funded by Flexible Use of Capital Receipts (FuoCR) within Assessments and MACH services for improvements and Ofsted readiness.

Residential Placements: All children who are cared for in external homes are being reviewed via the out of area panel chaired by the Director of Children's Services with the aim to assess quality, consider alternative step-down plans and other options for children and young people.

Maximise internal residential placements, including a review of the statement of purpose to improve occupancy.

Ensure the block bed contracts of which we have two (6-bed unit and 12-bed unit) are fully utilised.

Recruitment & Retention Strategy: Children's Care are in the final stages of appointing a recruitment lead who will lead in the recruitment and retention strategy.

In addition, the service will implement tighter controls in agency staff usage.

High-Cost Package Scrutiny: Placements exceeding £7,000 per week will require additional approval by the Director of Children's Care or the Director of Children's Services. This aims to reduce expenditure and identify commissioning gaps.

**Education & Partnerships: current forecast budget pressure at year end £0.469m**

Education & Partnerships	Full Year Budget £m	Full Year Forecast £m	Forecast Over / (Under) spend £m
Revenue Outturn	6.798	7.267	0.469

- 4.24 The forecast budget pressure of £0.469m within Education and Partnerships is due to the Integrated Transport Service, which provides home-to-school transport for children and transport for vulnerable adults.

- *Integrated Transport Unit: forecast budget pressure £0.469m*



The pressure is primarily due to unachievable savings of £0.345m. Whilst preparing the Financial Recovery Plan the service reviewed each of the savings and believe they remain achievable within a more realistic timeframe, therefore whilst their Financial Recovery Plan may not necessarily achieve the required savings to ensure a balanced position by the end of the year, they are confident that the savings can still be delivered in the following year. In the meantime, the service is exploring alternative savings options and conducting a full review of all transport routes and operational efficiencies aligned with the school academic year from September 2025.

***Regeneration: current forecast budget pressure at year end £0.225m***

Regeneration	Full Year Budget £m	Full Year Forecast £m	Forecast Over / (Under) spend £m
Revenue Outturn	3.176	3.401	0.225

4.25 An overall forecast budget pressure of £0.225m is currently forecast for the Directorate at year end, the main reasons for this are detailed below

- *Strategic Commercial Properties £0.405m*  
£0.411m Boho Buildings - Currently only 20% of the buildings are occupied, resulting in lost rent and increased building related costs to the Council. A sector expert in managed accommodation has now been appointed and as from December 2025 will be actively seeking tenancies.

£0.099m Centre Square 1 and 2 - The major tenant at Centre Square 1 has renewed its lease agreement and reduce the space occupied, therefore increasing the cost to the Council due to the vacated space. The Council is actively seeking alternative tenancies for the remaining space.

£0.312m below budgeted income at Cleveland Centre and Captain Cook Square shopping centres.

The above pressures are partially alleviated by the Investment Property Contingency budget being fully utilised.

- *Other Variances across the Directorate including Unachieved Savings: (£0.180m)*  
The savings of £0.300m relating to homelessness will now not be achieved. Whilst actions are being undertaken which will address costs, the nature of the budgets which sit within other directorates and the increase in homeless cases will only result in cost reduction as opposed to budget savings. It is proposed that this saving is permanently replaced by a reduction in unrequired supplies and services budgets across Regeneration.

There will be an underachievement of a saving relating to the Captain Cook Museum of £0.075m due the service only receiving half of the £0.150m of sponsorship and donations income that were previously assumed. The unachieved element of the savings will be permanently covered by general savings across the Cultural Services.

4.26 There are other variances across the Directorate below £0.250m which reduce the total forecast budget pressure across the Regeneration Directorate to £0.255m.

***Environment & Communities: current forecast budget pressure at year end  
£0.922m***

Environment & Communities	Full Year Budget £m	Full Year Forecast £m	Forecast Over / (Under) spend £m
Revenue Outturn	21.972	22.894	0.922

4.27 There has been a significant improvement in the forecast budget pressure which was reported to be £1.898m at Quarter One and is now currently forecast at £0.922m for the Directorate at year end, the main reasons for this are detailed below:

- Bereavement Services £0.369m***

Bereavement Services have improved their forecast position by reducing the budget pressure by £0.094m. The remaining forecast budget pressure of £0.369m is primarily due to a reduction in the number of cremations, resulting in an anticipated income shortfall of £0.256m. Additionally, expenditure is expected to exceed budget by £0.113m, mainly due to the replacement of the digital display and music system. However, the facility remains in a financially stable position and is able to cover its running costs. The anticipated income levels have been impacted by competition from neighbouring facilities. Ongoing reviews of operations and processes are beginning to have a positive effect, and part of the cost pressure has been mitigated through the capitalisation of some of the digital display equipment and PlotBox, a new booking system.
- Catering Service £0.206m***

The financial pressure is due to rising food costs combined with school meal prices that have not been increased to reflect the cost of delivering the catering service. This position is influenced by the Executive's decision to not increase the price of school meals in order to support families. A decision is required as to whether to increase prices to cover costs or identify alternative mitigation.
- Fleet Services £0.495m***

Fleet Services currently forecasting a budget pressure of £0.495m, an improvement from the previous forecast of £0.600m. Financial pressures persist due to difficulties in recruiting and retaining mechanical fitters, as well as the rising vehicle parts costs. A review of the service recommended a hybrid vehicle replacement strategy, combining direct capital purchase with leasing. For leased vehicles, repair and maintenance costs would be included, which is expected to reduce future costs. Decisions to lease or purchase will be made on a case by case basis, supported by financial analysis to ensure value for money.
- Management Review Savings £0.374m***

Increased service demands, growth and a health and safety issue has meant that the Director of Environment and Community Services has had to delay his staffing restructure. This is expected to result in a pressure of £0.374m. The original review will need to be re-configured to align with the updated service needs and is expected to complete in 2026/27.

- ***Other Variances across the Directorate: (£0.148m)***

Additional Capital Grant has been received following a Government Spending review, this has allowed the service to review and capitalise some of the works that have been completed or that are due to take place that were previously funded from the revenue budget. In addition, due to delays in recruitment particularly within Area Care temporary in year savings have been realised, all which have supported with the reduction of the forecast budget pressure.

- ***To address the forecast budget pressures, the Directorate is implementing the following measures:***

The Directorate is implementing a range of measures, within Environment Services, recruitment is limited to essential posts only, Public Protection is considering delaying recruitment to a small number of vacant positions to help manage in-year pressures and across all services, expenditure is monitored and assessed to ensure it is essential.

In Catering, the Service is reviewing the impact of increasing school meal prices, with a separate paper to be prepared outlining the rationale for a price increase and presenting various pricing models

***Legal & Governance: current forecast underspend at year end (£0.252m)***

Legal & Governance	Full Year Budget £m	Full Year Forecast £m	Forecast Over / (Under) spend £m
Revenue Outturn	12.079	11.827	(0.252)

4.28 An overall underspend of (£0.252m) is currently forecast for the Directorate at year end, the main reasons for this are detailed below:

- ***ICT Service: (£0.297m)***

There are a number of posts that had been kept vacant until the new Head of Service commenced her role, resulting in (£0.323m) of forecast salary savings in 2025/26.

- ***Customer Centre / Mail and Print: £0.081m***

Mail & Print costs are currently 22% higher than the previous year, and if this trend continues, the forecast financial pressure could increase to £0.109m without further action. To mitigate this, several cost-saving measures have already been implemented. Staff have been advised to use the economy mail option, saving 4.5p per letter with a potential reduction in costs of £0.020m. Residents and Business Services, the largest user of Mail and Print, is working closely with the team to identify further reductions. Additionally, the print contract is being transferred to a new supplier, and the mail contract has been extended for one year with the discount on economy post as mentioned above.

- Although Legal & Governance are forecasting an overall underspend of £0.252m, a Financial Recovery Plan has been submitted in response to areas facing ongoing pressure, particularly where demand is expected to continue into the next financial year.

**Finance: current forecast underspend at year end (£0.738m)**

Finance	Full Year Budget £m	Full Year Forecast £m	Forecast Over / (Under) spend £m
Revenue Outturn	4.374	3.636	(0.738)

4.29 An overall underspend of (£0.738m) is currently forecast for the Directorate at year end – the main reasons for this are detailed below:

- (£0.490m) within *Financial Planning & Business Partnering* mainly due to MTFP growth provided at 2025/26 budget setting not forecast to be fully utilised in 2025/26 as the associated staff review has not yet been implemented.
- £0.119m within *Corporate Finance* mainly due to pressures on bank charges and costs of cash collection.
- (£0.171m) within *Pensions Governance and Investments* due to staff savings on vacant posts.
- (£0.308m) within *Resident & Business Support (excluding Housing Benefits Subsidy)* due to staff savings, higher than anticipated income, and changes in bad debt provision requirement.
- £0.166m in relation to Resident & Business Support Housing Benefit Subsidy. The forecast has been updated following the submission of the Mid-Term Subsidy claim.
- (£0.054m) within *Strategic Commissioning & Procurement* mainly due to staff savings from vacant posts and staff working reduced hours to those budgeted.
- Although Finance is forecasting an overall underspend of £0.738m, a Financial Recovery Plan has been submitted in response to areas facing ongoing pressure, particularly where demand is expected to continue into the next financial year.

**Chief Executive: forecast break even**

Chief Executive	Full Year Budget £m	Full Year Forecast £m	Forecast Over / (Under) spend £m
Revenue Outturn	0.259	0.259	0.000

4.30 The Chief Executive budget is made up of the Chief Executive's salary budget, plus a small budget for supplies and services, and at this stage, it is forecast that this budget will be spent in full, with no variance to budget expected.

**Central Budgets: current forecast underspend at year end (£2.454m)**

Central Budgets	Full Year Budget £m	Full Year Forecast £m	Forecast Over / (Under) spend £m
Revenue Outturn	(19.737)	(22.191)	(2.454)

4.31 The main issues comprising the latest forecast position for Central budgets are detailed below, however it should be noted that due to the nature of the budgets contained in this area, including Central Contingency budgets, the position on Central budgets is volatile, and it is to be expected that the forecast position on these budgets will change between accounting reporting periods.

- (£1.000m) on *Capital Financing* due to a combination of Exceptional Financial Support (EFS) financed by borrowing now not being required and slippage within the capital programme, resulting in lower revenue costs of financing capital expenditure.
- (£0.465m) on *Centrally Held Grants* due to final confirmation of the Extended Producer Responsibility (EPR) Grant funding which was higher than anticipated at the time of budget setting.
- £0.244m savings target due to the *Senior Management Review* will now not be achieved in 2025/26.
- (£0.730m) savings on the *Change Fund*, the planned contribution to top up the Change Fund Reserve in 2025/26 is no longer deemed a requirement due to the current use of FUoCR to fund Transformation & Redundancy costs.
- (£2.123m) A centrally held Government Grant, the Children's Services Prevention Grant, as referenced in section 4.23, is currently contributing to the underspend within Central Budgets. Although the grant is included in the Council's overall forecast position, it is temporarily held centrally pending completion of an assurance process. The Finance team is actively working through this process to confirm the associated expenditure. Once assurance is complete, the grant will be allocated to Children's Care, thereby reducing their forecast budget pressure from £8.004m to £5.881m.
- £1.704m due to *Cross Cutting Savings* which are now not expected to be achieved due to the following:
  - £0.700m relating to Contractual Spend Review, which has now been identified as a double count of a 2024/25 saving.
  - £1.004m of savings relating to Business Rates and Council Tax, which whilst savings have been made as intended these are recognised in the Collection Fund rather than the General Fund. Due to the prescribed mechanisms for operating the Collection Fund, the savings in the Collection Fund do not impact the General Fund position until the next year and therefore these cannot be included within the revenue outturn for 2025/26 (see paragraph 4.57 for details)

- The ongoing effect of the above unachieved savings is being considered within the MTFP for future years, as noted in the separate report to this Executive.

### Contingency Budget and Change Fund

4.32 Table 3 summarises the 2025/26 budgets and commitments against the central Corporate Contingency budget and Change Fund Reserve which are controlled under the delegated powers of the S151 Officer.

**Table 3 – Summary of 2025/26 budget and commitments - Corporate Contingency Budget and Change Fund Reserve**

	Corporate Contingency  £m	Change Fund Reserve  £m
Starting Budget 2025/26	1.327	2.766
Contributions 2025/26 ( <i>Planned contribution of £0.730m in 2025/26 no longer required due to use of Flexible Capital Receipts Funding for transformational expenditure</i> )	-	-
Temporary budget virement to ECS to cover unachieved Residents Parking Permit charges saving	(0.250)	-
<b>Available for use</b>	<b>1.077</b>	<b>2.766</b>
<b><u>Approved use to date</u></b>		
Middlesbrough Independent Improvement Advisory Board costs 2024/25 - residual costs falling into	(0.009)	
Employers Pension Contribution Rate Review costs	(0.003)	
Interim Finance consultant - Infrastructure, assets and leasing	(0.002)	
Financial improvement - Interim finance lead - accounts closure and audit, financial reporting, systems, and	(0.007)	
Armed Forces Day Council contribution	(0.001)	
Turner Prize contribution	(0.300)	
LGS Staff Review costs	(0.236)	
<i>Earmarked for potential use from Contingency Budget - if other budgets not available within Directorates</i>		
Education - Literacy work & events	(0.010)	
Finance - Community Grants - VE Day Celebrations	(0.027)	
General contingency for remainder of year	-	
<b>Approved use to date</b>	<b>(0.595)</b>	<b>-</b>
<b>BALANCE REMAINING CURRENTLY UNCOMMITTED ON CORPORATE CONTINGENCY - AVAILABLE TO MITIGATE FORECAST OVERSPEND</b>	<b>0.482</b>	
<b>FORECAST CLOSING BALANCE ON CHANGE FUND RESERVE AT 31/03/26</b>		<b>2.766</b>

## Council Reserves and Provisions

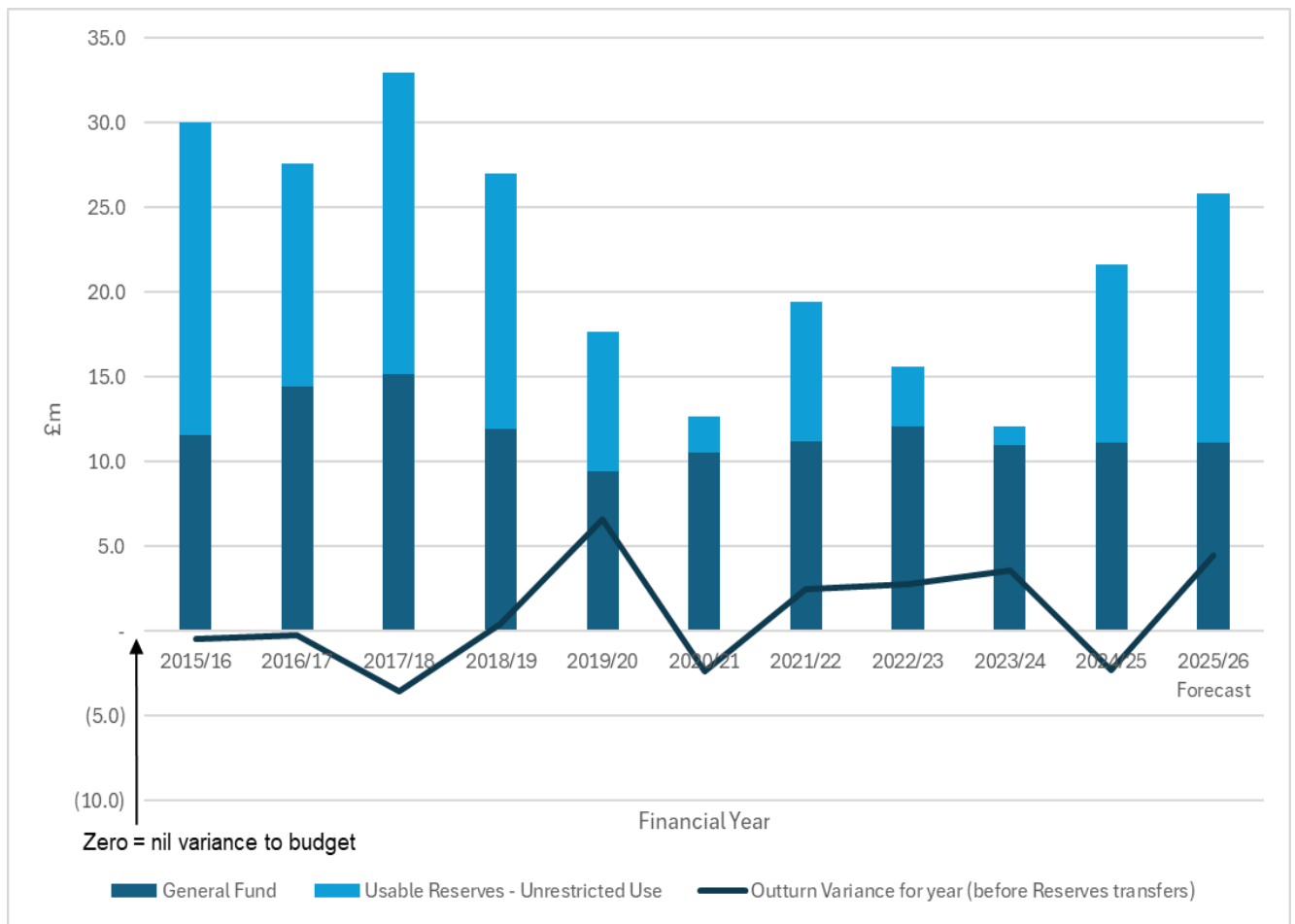
4.33 Table 4 summarises the Council's General Fund reserves and provisions showing the movement between 31 March 2025 and that currently forecast at 31 March 2026, with full details included in Appendix 3. It shows that the Council has forecast usable unrestricted revenue reserves on 31 March 2026 of £25.808m (highlighted yellow).

**Table 4 – Summary of General Fund Balance, Reserves, and Provisions**

	<u>Opening Balance 01/4/25</u>	<u>Forecast Use in Year</u>	<u>Projected Additional Contributions</u>	<u>Projected Transfers from / (to) General Fund</u>	<u>Projected Transfers between Reserves</u>	<u>Forecast 2025/26 year end overspend</u>	<u>Forecast Balance at 31/3/26</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>
<b>GENERAL FUND RESERVE</b>	<b>11.100</b>	-	-	-	-	-	<b>11.100</b>
<b>USABLE EARMARKED RESERVES</b>							
Restricted Use	2.689	-	0.500	-	-	-	3.189
Unrestricted Use	10.554	-	5.958	-	-	(1.804)	14.708
	13.244	-	6.458	-	-	(1.804)	17.898
<b>UNUSABLE EARMARKED RESERVES</b>	(16.813)	-	-	(9.000)	-	-	(25.813)
<b>SCHOOL BALANCES</b>	3.050	-	-	-	-	-	3.050
<b>PROVISIONS</b>	3.814	-	-	-	-	-	3.814
	14.395	-	6.458	(9.000)	-	(1.804)	10.049

4.34 Figure 1 below shows the trajectory of Middlesbrough's unrestricted usable reserves from 2015/16 through to 2025/26 year-end forecast closing balance against both the recommended minimum reserves level and the reported outturn position per year.

**Figure 1 - Middlesbrough Council - Unrestricted Reserves Balances from closing balance 2015/16 through to year-end forecast closing balance 2025/26 and reported outturn variance per year**

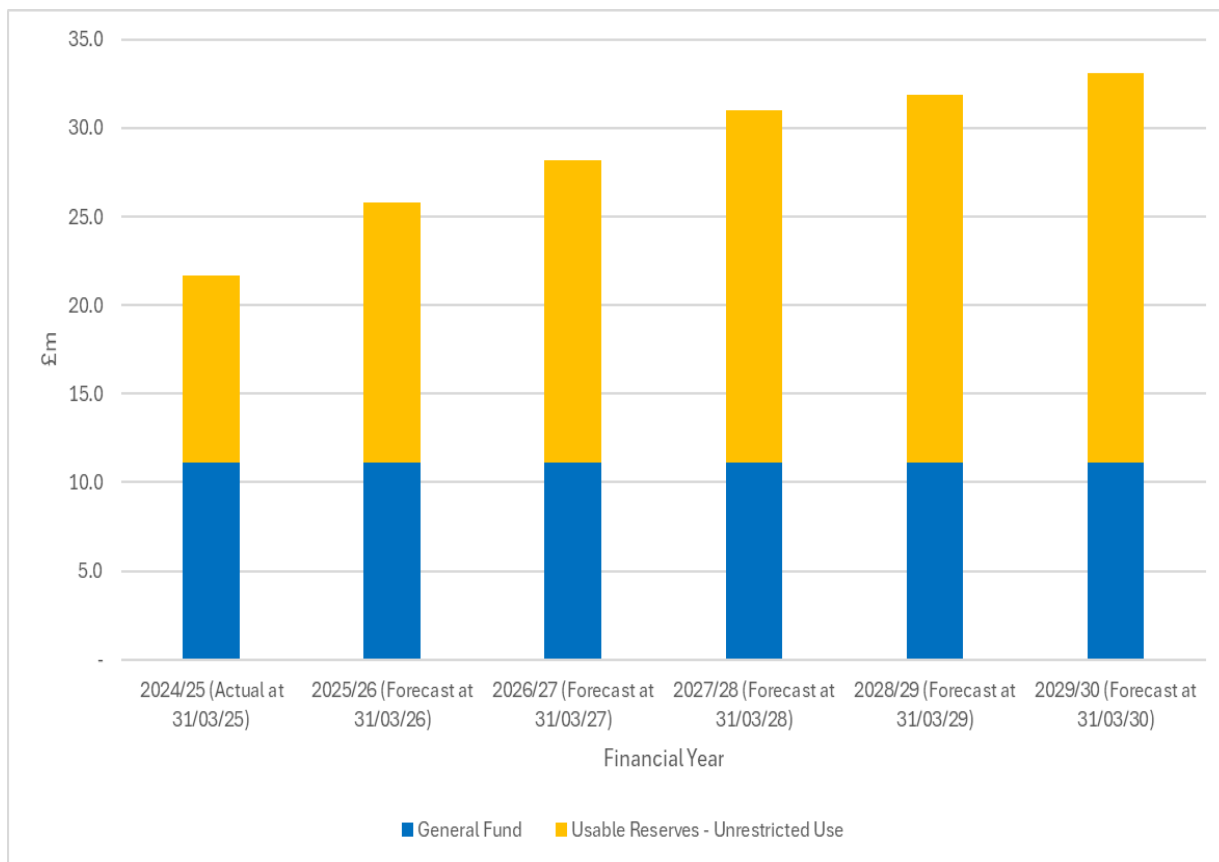


4.35 The Council must continue to rebuild its unrestricted revenue reserves over the period of the MTFP in order to strengthen the Council's financial resilience and to provide sufficient resilience to support the management of risks in the delivery of the revenue budget over the current MTFP period. 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.

4.36 Figure 2 below shows the projected unrestricted usable reserves through to the end of 2029/30 after planned contributions; however this will depend on any unplanned drawdowns of reserves.



**Figure 2 - Forecast Unrestricted Usable Reserves from closing balance 2024/25 through to closing balance 2029/30 (following planned contributions and drawdowns)**



### **Dedicated Schools Grant (DSG)**

4.37 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 funding comprises of a number of blocks:

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

4.38 Table 5 below summarises the latest position on the DSG budget and shows that there is a forecast budget pressure at year-end of £9.000m on DSG within 2025/26 and this when added to the cumulative deficit at the end of 2024/25 means that there is currently forecast a total cumulative deficit of £31.213m on 31 March 2026.

**Table 5 - Dedicated Schools Grant (DSG) after recoupment and deductions**

	2025/26 Income	2025/26 Expenditure	2025/26 Year-end Overspend	Balance as at 31/03/2025	Cumulative DSG Deficit as at 31/03/2026
	£m	£m	£m	£m	£m
Early years Block	22.674	22.674	0.000	(0.749)	(0.749)
Schools Block	12.526	12.526	0.000	(0.490)	(0.490)
High Needs Block	33.910	42.910	9.000	23.515	32.515
Central school services Block	1.136	1.136	0.000	(0.063)	(0.063)
<b>TOTAL</b>	<b>70.246</b>	<b>79.246</b>	<b>9.000</b>	<b>22.213</b>	<b>31.213</b>

- 4.39 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 was planned to end on 31 March 2026, however in the Government's Fair Funding review consultation published on 20 June 2025 it was announced that this would be extended by a further two years to 31 March 2028 to tie in with the transition to a reformed Special Education Needs and Disabilities (SEND) system, details of which will be set out in a White Paper in the autumn.
- 4.40 The limited impact of measures taken to date and if the statutory override is removed without a government led solution in 2028, this presents a significant risk to the Council's financial position as the forecast DSG deficit at 31 March 2026 of £31.213m is greater than all of the Council's forecast usable revenue reserves of £25.808m at 31 March 2026, 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 in the future without a solution by the Government.
- 4.41 The Delivering Better Value (DBV) programme ended Summer 2025 and the results of this will be analysed and further work undertaken by the Education Service and Finance to look at options to improve the deficit figures during future years. However, there is a likelihood of significant deficits continuing to arise in future years and this will therefore remain a significant risk in the future even if the Government resolves the deficits accumulated from previous years.
- 4.42 Further details of the DSG budget and the management actions being taken alongside the DBV programme are provided in Appendix 4.
- 4.43 The DSG risk is included in the Council's Strategic Risk Register and was reflected in the Annual Governance Statement for 2024/25.

## **Medium Term Financial Plan issues**

4.44 Quarter Two budget monitoring has identified several issues for consideration along with other strategic longer-term issues within the next update of the Council's Medium Term Financial Plan (MTFP) for which a separate 2026/27 Draft Budget and Medium Term Financial Plan 2026/27 to 2029/20 is included in the agenda for this Executive. These mainly relate to increased demand for Children's and Adults Social Care, Integrated Transport Unit (home to school and vulnerable adults transport), Bereavement, Catering and Fleet Services, Strategic Commercial Property income, and unachieved savings.

### **2025/26 Capital Programme Forecast Outturn as at Quarter Two**

4.45 On 19 February 2025 Council approved a Capital Programme for 2025/26 of £74.798m (the original 2025/26 capital budget). This was revised to £82.571m as approved by Executive within the 2024/25 Revenue and Capital Outturn report of 11 June 2025 to take account of 2024/25 programme slippage and some new externally funded schemes. At Quarter One the budget was revised to £87.575m to account for additional programme slippage and new externally funded schemes.

4.46 The budget has been revised at Quarter Two by the addition of a total of £0.454m of new externally funded schemes / additional external funding to existing schemes. Also, additional £0.065m of Council funding in 2025/26 has been added to fund new and existing schemes. The total additional funding of £0.519m has increased the capital programme for 2025/26 to £ 88.094m as at Quarter Two. Details of all of the additional funding and the schemes to which it is attributed to are provided at Appendix 5.

4.47 There are two virements requested for approval by Executive between schemes in the Capital Programme approved by Council on 19 February 2025 which are funded from within existing Council resources over £0.250m. There is one additional virement that is under £0.250m, for information, all virements between schemes are provided at Appendix 5.

- £0.871m virement from De-Risking Sites to Site Assembly at Middlehaven in respect of a longstanding legal dispute.
- £0.500m virement from the Transformation Contingency to fund newly approved and existing transformational initiatives.

4.48 The 2025/26 projected outturn on capital expenditure at Quarter Two is £67.144m, the revised projection includes new and additions to existing schemes, reductions in existing schemes and programme slippage.

4.49 The £67.144m of planned expenditure is expected to be funded by:

- £36.277m (54%) grants and external funding / contributions
- £12.132m (18%) capital receipts
- £18.735m (28%) borrowing

**Table 6 – summary of capital programme approved budget, revised budget, forecast year end outturn and variance for 2025/26**

Directorate	2025/26 Capital Programme Budget (as approved by Council 19/2/25)	2025/26 Revised Capital Programme Budget (as at Quarter 1)	2025/26 Revised Capital Programme Budget (as at Quarter Two)	2025/26 Year-end Forecast Outturn	2025/26 Year-end Forecast Outturn Variance	2025/26 Year-end Forecast Outturn Variance against Revised Budget at Quarter Two	MEMO Explanation of Year-End Forecast Outturn Variance	
	£m	£m	£m	£m	£m	%	Slippage £m	Underspend £m
Regeneration	32.716	34.145	34.170	26.090	(8.080)	(23.65)	(8.080)	-
Environment and Community	20.198	26.538	26.628	22.169	(4.459)	(16.75)	(3.836)	(0.623)
Public Health	0.779	1.042	1.042	0.942	(0.100)	9.60	-	(0.100)
Education and Partnerships	7.553	11.772	12.176	4.913	(7.263)	(59.65)	(7.151)	(0.112)
Children's Care	0.550	0.821	0.821	0.821	-	0.00	-	-
Adult Social Care	3.701	3.925	3.925	3.905	(0.020)	0.51	-	(0.020)
Legal and Governance Services	1.610	1.629	1.629	1.978	0.349	21.42	0.349	-
Finance	0.191	0.203	0.203	0.194	(0.009)	4.43	(0.009)	-
Transformation Programme	7.500	7.500	7.500	6.132	(1.368)	18.24	(1.368)	-
<b>Total</b>	<b>74.798</b>	<b>87.575</b>	<b>88.094</b>	<b>67.144</b>	<b>(20.950)</b>	<b>(23.78)</b>	<b>(20.095)</b>	<b>(0.855)</b>

4.50 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 future financial years. This is called slippage. The amount of slippage (currently forecast at £20.095m) is reprofiled and carried forward to 2026/27 to 2028/29 to reflect revisions to the expected delivery and expenditure timescale. £11.867m of the stated £20.095m slippage has been identified following reviews of the status of projects within the capital programme during Quarter Two. Additionally, expenditure assumptions relating to future years has also been reviewed. Details of all slippage / reprofiling of spending assumptions throughout the capital programme as at Quarter Two are shown in Appendix 6

4.51 As at Quarter Two a total of £0.855m of underspend within schemes has been removed from the 2025/26 capital programme, £0.755m has been previously reported in the Quarter Two report and an additional £0.127m has been identified during the Quarter Two review.

### Transformation

4.52 The Capital Programme 2025/26 to 2028/29 and Capital Strategy 2025/26 (Appendix 6) of the 2025/26 Revenue Budget, Medium Term Financial Plan and Council Tax setting report approved by Council on 19 February 2025 noted the inclusion of transformation and redundancy expenditure totalling £7.500m which can be capitalised under the Flexible Use of Capital Receipts Strategy (FUoCR) in 2025/26 (as part of the planned £26.700m Transformation Programme from 2024/25 to 2028/29), and the annual Flexible Use of Capital Receipts (FUoCR) Strategy for 2025/26 approved by Council on 26 March 2025 confirmed this and provided further details.

4.53 This section provides an update on the FUoCR with £6.132m anticipated to be spent within 2025/26, however there has been a change in how it will be spent as shown in Appendix 7. Appendix 7 also shows that the total remaining allocation of £16.121m for 2026/27 onwards has also been reviewed at Quarter Two. The following changes to assumptions regarding FUoCR have therefore been made:

- The total projected expenditure during 2025/26 has reduced to £6.132m, this is primarily due to changes in assumed start dates for the physical works at the Neighbourhood hubs additionally, new ICT solutions are being assessed, it is not envisaged that there will be significant expenditure within 2025/26, consequently £1.305m of anticipated expenditure has been re-profiled into 2026/27 and £0.630m into 2027/28.
- The total allocation for Transformation / Subject Matter Expertise over the MTFP period has increased from £6.802m to £7.664m to fund newly approved initiatives. The increase of £0.862m has been funded through a reduction in the contingency budget.

4.54 Table 7 summarises, and Appendix 7 details updated forecast year-end outturn expenditure for 2025/26 and forecast expenditure for the period 2026/27 to 2028/29 split over the various schemes and the proposed funding.

**Table 7 – Summary of Capital Programme 2025/26 to 2028/29**

Directorate	2025/26 Forecast £m	2026/27 Forecast £m	2027/28 Forecast £m	2028/29 Forecast £m	TOTAL £m
Regeneration	26.090	41.872	10.403	7.783	86.148
Environment and Community Services	22.169	13.984	6.108	7.256	49.517
Public Health	0.942	-	-	-	0.942
Education and Partnerships	4.913	8.262	-	-	13.175
Children's Care	0.821	-	-	-	0.821
Adult Social Care	3.905	1.669	1.050	1.120	7.744
Legal and Governance Services	1.978	1.873	2.185	2.185	8.221
Finance	0.194	0.398	-	-	0.592
Transformation Programme	6.132	10.827	5.294	-	22.253
<b>Total EXPENDITURE</b>	<b>67.144</b>	<b>78.885</b>	<b>25.040</b>	<b>18.344</b>	<b>189.413</b>
<b>Funded by</b>					
Borrowing	18.735	21.687	3.074	-	43.496
Capital Receipts	6.000	6.000	12.560	14.231	38.791
Flexible Use of Capital Receipts	6.132	10.827	5.294	-	22.253
Grants	35.339	33.059	-	-	68.398
Contributions	0.938	7.312	4.112	4.113	16.475
<b>Total FUNDING</b>	<b>67.144</b>	<b>78.885</b>	<b>25.040</b>	<b>18.344</b>	<b>189.413</b>

### **Treasury Management - Borrowing & Prudential Indicators**

- 4.55 The Council's investment and borrowing activity is managed in accordance with the Treasury Management Strategy (TMS) which is a key element of the MTFP alongside the annual revenue budget and capital programme which are approved by Council annually before the start of the financial year, with the TMS for 2025/26 approved by Council on 19 February 2025.
- 4.56 Treasury Management activity is governed by the Prudential Indicators which are set within the TMS. The Council uses external expert treasury advisors (Arlingclose) to inform the development of its strategy and operational in year decisions. A half yearly review of the Council's TMS and prudential indicators has taken place at Quarter Two and a specific report is submitted to Executive elsewhere on this agenda.

### **Collection Fund - Council Tax and Business Rates income**

- 4.57 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 2025/26 income collection variances from the budgeted amount used in setting the Council Tax for 2025/26 do not immediately affect the General Fund position. By illustration, the impact of any estimated surplus or deficit variance on the Collection Fund for 2025/26 is fed into the development of the 2026/27 budget and MTFP and any cost/ benefit does not impact the 2025/26 financial year.
- 4.58 An update on the Collection Fund position will be provided in the Quarter Three budget monitoring report. Indications suggest that there is currently an estimated forecast surplus on the Collection fund for 2025/26. This will be subject to further assurance work before the figure is confirmed and this will be reported as part of the Budget report in February 2026. The estimated surplus is unavailable in 2025/26 but becomes available to support the development of the 2026/27 budget.

### **Debt Recovery Performance**

- 4.59 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
- 4.60 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 2024/25 report. The position at Quarter Two 2025/26 (30 September 2025) is shown in Table 8 below

**Table 8 – Debt Collection Performance Quarter Two 2025/26 (as of 30 September 2025)**

<b>Category of Collectable Debt</b>	<b>Balance at 1/4/25 (£m)</b>	<b>Movement in-year (£m)</b>	<b>Balance at 30/9/25 (£m)</b>
Council Tax	40.683	(5.253)	35.430
Business Rates	8.508	(1.606)	6.902
Sundry Debt	8.905	(0.423)	8.482
Housing Benefits Overpayments	5.358	(0.291)	5.067
<b>Total</b>	<b>63.454</b>	<b>(7.573)</b>	<b>55.881</b>

*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%).*

- 4.61 The financial procedure rules (Financial Procedure Rule 18.80.2 and Financial Limits Annex) for the Council set out the thresholds for debt write offs between the S151 Officer (and nominated deputies) and the Executive. These are set out in Table 9 below for information:

**Table 9 – Debt write off levels as per the Constitution**

<b>Category of Collectable Debt</b>	<b>S151 Officer (Amount per debtor)</b>	<b>Executive (Amount per debtor)</b>
Council Tax	£0 - £10,000	Above £10,000
Business Rates	£0 - £100,000	Above £100,000
Sundry Debt (single debts)	£0 - £10,000	Above £10,000
Sundry Debt (subscription debts)	£0 - £50,000	Above £50,000
Housing Benefits Overpayments	£0 - £10,000	Above £10,000

- 4.62 All debts raised by the Council require an element of recovery to receive the cash amounts from the appropriate third parties. Due to the wide range of income streams and the volumes of debts raised, there are times where amounts cannot always be recovered, for example council tax debts due to lack of household income, business rates due to companies being wound up, sundry debts due to changing circumstances etc.
- 4.63 Where all avenues for collection of the debt have been exhausted and these can be significant and take several financial years, there is no choice but to write these debts off, generally against the revenue budget which received the benefit of the income previously.
- 4.64 It is recommended accounting practice to assess the level of debts and their recoverability at the end of each financial year, both at directorate level or corporately. Where there is the possibility of non-recovery, an assessment of the likelihood of this happening against the financial value should be calculated for each debt, and the

appropriate amount placed in a bad debt provision. This will then act as a buffer against any amounts that subsequently need to be written off.

- 4.65 Most of these debts that do need to be written off are relatively low in value and can be considered and approved by the Director of Finance and Transformation (s151 Officer). However, there has only been partial delegation of debt write offs to the s151 Officer under the Constitution (financial procedure rules). The amounts delegated (set at the 2023 review and under guidance from CIPFA and in comparison with other councils of a similar size and as shown in Table 9) are nil for the purposes of the Quarter Two report.
- 4.66 In exceptional circumstances following appropriate due diligence being applied over all aspects of the collection process and with no prospect of recovery for the reasons given, debt amounts that cannot be recovered and need to be written off, do exceed these levels and these will be required to be submitted to Executive for approval.
- 4.67 A separate report will be presented to Executive later in the year for approval of the write off a number of such debts, detailing the debtor involved, date raised, amount involved, recovery action taken to date, and the reason why this debt cannot be collected.

## **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 the revenue budget virements over £250,000 and the changes to the Council's capital programme, and to not report on the Council's forecast year-end financial outturn for the financial year 2025/26. 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)**

<b>Topic</b>	<b>Impact</b>
Financial (including procurement and Social Value)	<p>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 2025/26 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 and the Prudential Indicators and Treasury Management Strategy 2025/26 report presented to Council on 19 February 2025 to fully understand the financial position of the Council.</p> <p>In addition, it should be read in conjunction with as part of this agenda the Treasury Management Mid-Year Review 2025/26, Calculation of Council Tax Base for 2026/27.</p>



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 Quarter Two 2025/26 report.
Human Rights, Public Sector Equality Duty and Community Cohesion	The complete overall impact assessment included in Appendix 3 of the 2025/26 budget report to Council on 19 February 2025, 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
Subject to approval by Executive revenue budget virements detailed in Appendix 1 to be actioned.	Head of Financial Planning & Business Partnering	31/12/25
Subject to approval by Executive, amendments to the capital programme for 2025/26 to be actioned.	Head of Financial Planning & Business Partnering	31/12/25
Corporate revenue budget spending controls will continue to be applied to Directorates in 2025/26.	Director of Finance and Transformation (s151 Officer)	31/3/26

Directors to continue refining and implementing their Financial Recovery Plans and mitigations in order to reduce their forecast budget pressures and seek to achieve a balanced budget for their Directorate by the end of 2025/26.	All Directors	31/3/26
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## Appendices

1	Proposed revenue budget virements above £250,000 at Quarter Two 2025/26
2	Details of savings currently classified as unachievable at Quarter Two 2025/26
3	Detail of Forecast Reserves and Provisions Movements in 2025/26
4	Dedicated Schools Grant
5	Capital Programme Quarter Two 2025/26 – New External Funding, Additions to Council Funded Schemes, and Virements Between Schemes
6	Capital Programme Quarter Two 2025/26 – Details of capital slippage
7	Revised Capital Programme Forecasts 2025/26 to 2028/29

## Background papers

Body	Report title	Date
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
Council	Prudential Indicators and Treasury Management Strategy 2025/26 report	19/2/25
Council	Flexible Use of Capital Receipts Strategy 2025/26	26/3/25
Executive	2024/25 Outturn Report	11/6/25
Executive	Revenue and Capital Budget – Forecast Year-end Outturn position at Quarter One 2025/26	3/9/25

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Appendix 1 : Proposed revenue budget virements above £250,000 at Quarter Two 2025/26  
(under Financial Procedure Rule 18.38.3)

Proposed Virement Request	Regeneration	Environment & Community Services	Public Health	Education & Partnerships	Children's Care	Adult Social Care	Legal & Governance Services	Chief Executive	Finance	Central Budgets
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Permanent										
Technical adjustment for noting - already processed Allocation of 2025/26 Pay Award to Directorate budgets	0.209	0.798	-	0.203	0.752	0.552	0.323	0.007	0.290	(3.134)
Temporary										
Total Virement	0.209	0.798	-	0.203	0.752	0.552	0.323	0.007	0.290	(3.134)
									Total:	-

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Appendix 2 - Detail of savings currently classified as unachievable in 2025/26

Year Saving Initiative Introduce	Saving Reference	Saving Detail	Unachieved savings at Quarter Two  £m	Reason for underachievement
Adult Social Care				
2024/25	ASC11	Re-provision use of Levick Court	0.191	Negotiations with Health are on-going - due to conclude Sept 2025, and due to time required to mobilise new service, no savings are anticipated in 25/26, however a one-off mitigation of (£0.120m) has been identified.
			0.191	
Children's Care				
2024/25	CS04 - in year	Reduction in agency costs	0.380	This saving was brought forward from 2024/25 unachieved savings. Numbers of agency Social work related posts are not reducing and there is also a forecast overspend against staffing.
2024/25	CS07 - in year	Introduce Supplier Incentive Scheme across Children's Care	0.031	This saving was brought forward from 2024/25 unachieved savings. To date, there has been minimal take up of early payments. (The full year effect of early payments required to achieve this savings would need to be £6.2m).
2025/26	CC01 24-25	Review of all Children's Care staffing	0.500	Unachieved due to demand increases in service areas identified as savings by consultant analysis and report/proposal
2025/26	CC01	Modernising Foster Care	1.518	Placements into residential care are currently increasing rather than decreasing, this saving was linked to reducing residential care placements, and increasing fostering placements instead.. Part of Recovery Plan for Children's Services is to increase fostering provision. Costs of young people identified as fostering long term placement have increased significantly.
2025/26	CC05	Maximising Grants across Children's Services	0.604	Bid writer post has left. Currently awaiting outcome of two bids and any impact if successful on 2025-26 financial position.
2025/26	CC04	Introduce Edge of Care Team	0.800	Reduction in numbers has not yet materialised, and placements into residential care are currently increasing rather than decreasing.
			3.833	
Education & Partnerships				
2025/26	EDC02	Deliver passenger assistance training internally	0.037	
2025/26	EDC03	Increase transport capacity	0.084	The majority of the budgeted savings are unachieved to date in 2025/26. Plans for achievement or replacement savings for the remainder of the financial year are currently updated and updates will be provided in future Quarterly reports.
2025/26	EDC04	Management Review	0.044	
2025/26	EDC05	Recharge Discretionary Home to School Transport Services	0.078	
2025/26	EDC07	Travel Training	0.102	
			0.345	
Regeneration				
2024/25	REG03	Review and implementation of alternative operating models for Captain Cook Birthplace Museum	0.075	It was assumed that the service would receive an annual contribution of (£0.150m) to keep the museum open, however following negotiations, only half of this will be received.
2024/25	REG07	Investing in better coordination of the way the Council provides housing to reduce the overall spend on emergency, temporary and short term accommodation for people	0.300	Whilst there are actions being undertaken which will address costs, the nature of the budgets which sit within other directorates and the increase in homeless cases will only result in cost reduction rather than budget savings. As mentioned in paragraph 4.24 this saving will be replaced permanently by an alternative saving.
			0.375	
Environment & Community Services				
2024/25	ECS05	Integrate Environment Services and Supporting Communities functions and create a Neighbourhood Management approach	0.111	Due to service growth, it has not been possible to achieve the full £0.287m saving, as in order to meet service demands, staffing numbers could not be reduced further. A saving of £0.195m was achieved in 2024/25.
2024/25	ECS08	Resident Parking Permits charge	-	Temporary Virement to Contingency
2025/26	ECS13	Management Review	0.282	The Director of Environment and Community Services has delayed his review until the Senior Management Review across the Council has been completed. It is expected that the original saving will need to be re-configured due to growth and new service demands. It is now expected to commence in 2026/27.
			0.393	
Central				
2023/24	CEN02	Senior Management Review	0.244	Review has not yet been completed.
2024/25	FIN02	Review of Single Person Discount and Student Exemption for Council Tax	0.264	Saving will be realised in Collection Fund, not General Fund
2024/25	FIN03	Collection of Council Tax (Old Debt)	0.110	Saving will be realised in Collection Fund, not General Fund
2024/25	FIN04	Collection of Council Tax (Charging Orders)	0.504	Saving will be realised in Collection Fund, not General Fund
2024/25	FIN05	Collection of Business Rates	0.126	Saving will be realised in Collection Fund, not General Fund
2025/26	FIN13	Procurement Contract Management (Council wide)	0.700	Double count of saving FIN07 from 24/25 budget setting
			1.948	
TOTAL SAVINGS CURRENTLY CLASSIFIED AS UNACHIEVABLE IN 2025/26			7.085	

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## Appendix 3 - Detail of Forecast Reserves and Provisions movements in 2025/26

	<u>Opening Balance 1/4/25</u>	<u>Forecast Use in Year</u>	<u>Projected Additional Contributions</u>	<u>Projected Transfers from / (to) General Fund</u>	<u>Projected Transfers between Reserves</u>	<u>Forecast Balance at year-end (before any adjustments for forecast outturn variance)</u>	<u>Forecast 2025/26 year end overspend</u>	<u>Forecast Balance at 31/3/26 (after adjustment for forecast outturn variance)</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>
<b>GENERAL FUND RESERVE</b>	<b>11.100</b>	-	-	-	-	<b>11.100</b>	-	<b>11.100</b>
<b>USABLE EARMARKED RESERVES</b>								
<i><b>Restricted Use</b></i>								
Public Health	1.686					1.686		1.686
Insurance Fund	0.013		0.500			0.513		0.513
Better Care Fund	0.897					0.897		0.897
Marton Library S106	0.025					0.025		0.025
Housing Rental Sinking Fund	0.068					0.068		0.068
	2.689	-	0.500	-	-	3.189	-	3.189
<i><b>Unrestricted Use</b></i>								
Financial Resilience Reserve	6.711		2.836		1.000	10.547		10.547
Legacy Accounts Reserve	1.000				(1.000)	-		-
Savings Delivery Risk Reserve	-		3.052			3.052	(1.804)	1.248
Change Fund	2.766					2.766		2.766
Elections Costs	0.077		0.070			0.147		0.147
	10.554	-	5.958	-	-	16.512	(1.804)	14.708
	13.244	-	6.458	-	-	19.702	(1.804)	17.898
<b>UNUSABLE EARMARKED RESERVES</b>								
Revenue Grants Unapplied (Technical Reserve)	5.400					5.400		5.400
Dedicated Schools Grant Adjustment Account	(22.213)	(9.000)				(31.213)		(31.213)
	(16.813)	(9.000)	-	-	-	(25.813)	-	(25.813)
<b>SCHOOL BALANCES</b>	<b>3.050</b>	-	-	-	-	<b>3.050</b>	-	<b>3.050</b>
<b>PROVISIONS</b>								
Business Rates Appeals	1.041					1.041		1.041
Insurance	2.606					2.606		2.606
Other	0.167					0.167		0.167
	3.814	-	-	-	-	3.814	-	3.814
	14.395	(9.000)	6.458	-	-	11.853	(1.804)	10.049

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## Appendix 4

### 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 continues working with the DfE and have received a Stage 1 grant of £45,000 and a Stage 2 grant of £1m 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. This funding is due to expire in summer 2025. 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 Special Educational Needs & Disabilities (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 an 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

9. Table 2 shows forecasted in year position for the overall DSG position including the High Needs block affected by the above.

**Table 2 – forecast Income and expenditure for DSG blocks in year and forecast balance position at 31<sup>st</sup> March 2026**

	2025/26 Forecast Income	2025/26 Forecast Expenditure	2025/26 Forecast Year-end Overspend	Balance as at 31/03/2025	Forecast Cumulative DSG Deficit as at 31/03/2026
	£m	£m	£m	£m	£m
Early years Block	22.674	22.674	0.000	(0.749)	(0.749)
Schools Block*	12.526	12.526	0.000	(0.490)	(0.490)
High Needs Block*	33.910	42.910	9.000	23.515	32.515
Central school services Block	1.136	1.136	0.000	(0.063)	(0.063)
<b>TOTAL</b>	<b>70.246</b>	<b>79.246</b>	<b>9.000</b>	<b>22.213</b>	<b>31.213</b>

\* the income figures include the 0.5% (£751k) transfer from schools block to High Needs block agreed at School Management Forum 15th January 2025

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Appendix 5 : Capital Programme Quarter Two 2025/26 - new externally funded schemes / additional external funding to existing schemes, additions to Council funded schemes, and virements between schemes

Directorate	Scheme	Total Value 2025/26 £m	Total Value Future Years £m	Reason	Total Change to Capital Programme £m	External Funding £m	Council Funding £m
<b><u>New Externally Funded Schemes / Additional External Funding To Existing Schemes</u></b>							
Regeneration	New Museum Stewart Park Feasibility Study	0.025	-	Provision of external funding for feasibility works regarding a proposed new museum.	0.025	0.025	-
	<b>Total Regeneration</b>	<b>0.025</b>	<b>-</b>		<b>0.025</b>	<b>0.025</b>	<b>-</b>
Environment and Community Services	Libraries Improvement Fund	0.025	-	Additional grant provided from the Arts Council.	0.025	0.025	-
	<b>Total Environment and Community Services</b>	<b>0.025</b>	<b>-</b>		<b>0.025</b>	<b>0.025</b>	<b>-</b>
Education and Partnerships	New Secondary SLD Provision (Discovery)	0.300	-	The Department for Education has provided the Council with an additional £0.300m for the provision of a new Discovery Special Academy nursery.	0.300	0.300	-
Education and Partnerships	Other Small Scale Additions	0.104	-		0.104	0.104	-
	<b>Total Education and Partnerships</b>	<b>0.404</b>	<b>-</b>		<b>0.404</b>	<b>0.404</b>	<b>-</b>
	<b>TOTAL ALL DIRECTORATES</b>	<b>0.454</b>	<b>-</b>		<b>0.454</b>	<b>0.454</b>	<b>-</b>

**Additions To Council Funded Schemes**

Environment and Community Services	Bereavement Services PlotBox System	0.065	-	Acquisition of a ICT system PlotBox to enable funeral directors to book cremations online.	0.065	-	0.065
	<b>Total Environment and Community Services</b>	<b>0.065</b>	<b>-</b>		<b>0.065</b>	<b>-</b>	<b>0.065</b>
	<b>TOTAL ALL DIRECTORATES</b>	<b>0.065</b>	<b>-</b>		<b>0.065</b>	<b>-</b>	<b>0.065</b>

**Virements Within Directorates**

Regeneration	De-Risking Sites	(0.871)	-	There has been a longstanding dispute in respect of a compulsory purchase order undertaken for a business at Middlehaven. The owner was claiming significantly more compensation than the Council deemed appropriate. In order to defend it's position the Council needed to procure expert legal advice and King's Counsel. The virement is to fund the costs of the advice. The hearing has now concluded, the Court awarded the owner some additional compensation and their legal fees were payable by the Council. Whilst paying some additional compensation, the Council saved in excess of £6m, inclusive of interest payments, when comparing to the amount the owner was claiming.	(0.871)	-	(0.871)
Regeneration	Site Assembly At Middlehaven	0.871	-		0.871	-	0.871
Regeneration	De-Risking Sites	(0.105)	-	The virement is required to pay for external expert support for the Council to rebuff a claim from a contractor in relation to a house build contract at Middlehaven. This dispute has now been resolved with the contractor withdrawing its claim, saving the Council approximately £1m.	(0.105)	-	(0.105)
Regeneration	Middlesbrough Development Company	0.105	-		0.105	-	0.105
	<b>Total Regeneration</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>
Transformation	Transformation / Subject Matter Expertise	0.500	0.362	Virement of funds, predominantly from Contingency to fund newly approved and / or the continuation of transformational initiatives.	0.862	-	0.862
Transformation	Contingency	(0.500)	(0.358)		(0.858)	-	(0.858)
Transformation	Neighbourhood	-	(0.004)		(0.004)	-	(0.004)
	<b>Total Transformation</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>
	<b>TOTAL ALL DIRECTORATES</b>	<b>-</b>	<b>-</b>		<b>-</b>	<b>-</b>	<b>-</b>

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Appendix 6 : Capital Programme Quarter Two 2025/26 – 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 Two. Details of slippage at Quarter 1 of £8.228m was shown in Appendix 6 of the respective budget monitoring report. These added together total the £20.095m total slippage for 2025/26 as at the end of Quarter Two.

APPENDIX 6

Directorate	Scheme	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	Funding Source	Slippage Explanation
Regeneration	Towns Fund	(3.939)	3.939	-	-	Grant / Borrowing	The tender for the works at the Old Town Hall has now been awarded, however, there have been delays in the signing of the contract, this has resulted in £2.050m of funds being re-profiled into 2026/27. The Council is in discussions with an external partner with regard to investing in properties to alleviate homelessness. If the discussions are successful the Council will seek to contract with the partner. It is likely that the costs of this scheme will be incurred in 2026/27, as such £2.584m has been reprofiled. The contractor for the creation of Nunthorpe Community Centre is now on site, a works / cost plan is in place, £0.695m of future year funding has been brought into 2025/26 to fund the scheme.
Regeneration	Newham Hall - Housing Growth	-	(2.000)	2.000	-	Borrowing	This is a large scheme with various elements of the scheme works being undertaken in different phases. The costs and timing are reviewed regularly, with the overall scheme now anticipated to conclude in 2027/28, funds have been reprofiled to reflect this.
Regeneration	Acquisition of Town Centre Properties	-	(1.000)	1.000	-	Borrowing	There are no current plans to acquire properties, the funds have been re-allocated to reflect this.
Regeneration	Housing Growth	0.031	(0.484)	0.453	-	Borrowing	All of the active housing sites have the appropriate level of funds in place, the balance of funds has been reprofiled for use as and when further sites are identified.
Regeneration	Derisking Sites	0.976	(0.105)	(0.871)	-	Borrowing	The funding has been brought forward in order to settle legal costs and compensation payments totalling £0.871m in relation to a long standing compulsory purchase order settlement claim that was disputed by the owner of a car breaking and parts sale site at Middlehaven. Additionally, the Council was required to employ legal experts to defend it's position regarding costs that a house building contractor was attempting to claim which were in excess of the agreed contract. Collectively, whilst the cost of external legal / counsel support is expensive, the Council ultimately saved in excess of £6m when comparing the amounts paid to the respective parties against the amounts claimed.
Regeneration	Cemetery Provision	(0.006)	0.514	(0.508)	-	Borrowing	The Council's external consultants have assessed and revised the timescale of the works, resulting in the greater majority now completing in 2026/27.
Regeneration	Other Small Scale Slippage Across The Directorate	0.095	(0.095)	-	-	Borrowing	
	Regeneration Total	(2.843)	0.769	2.074	-		
Environment and Community Services	Purchase of Vehicles	0.908	(0.908)	-	-	Borrowing	The purchase of additional refuse vehicles in order to comply with the government's directive to introduce food waste and simpler recycling collection has resulted in the need to bring forward resource from future years.
Environment and Community Services	City Regional Sustainable Transport Scheme - Highways Maintenance	(0.500)	0.500	-	-	Borrowing	Delays to the contract process have been experienced due to internal capacity issues. This has resulted in the re-profiling of funds.
Environment and Community Services	Bridges and Structures	(1.000)	-	1.000	-	Borrowing	Delays to the contract process have been experienced due to internal capacity issues. This has resulted in the re-profiling of funds.
Environment and Community Services	Highways Infrastructure	-0.600	0.600	-	-	Borrowing	Delays to the contract process have been experienced due to internal capacity issues. This has resulted in the re-profiling of funds.
Environment and Community Services	Linthorpe Road Cycleway Removal	(1.169)	1.169	-	-	Grant	The contractor has not been able to commence work on the original estimated start date. This will result in the work not being completed until 2026/2027.
Environment and Community Services	City Regional Sustainable Transport Scheme - Incentive Funding	(0.400)	0.400	-	-	Grant	Some project specifications are now expected to be finalised later than planned. A proportion on the grant allocation will now not be spent until 2026/27.
Environment and Community Services	Other Small Scale Slippage Across The Directorate	(0.199)	0.199	-	-	Grant	
	Environment and Community Services Total	(2.960)	1.960	1.000	-		
Education and Partnerships	Basic Need Block Budget	(2.439)	2.439	-	-	Grant	The Education capital programme for 2025/26 has been agreed and costed. The remaining funds within the block budget have been re-profiled and are anticipated to be expended when the 2026/27 programme of works is agreed.
Education and Partnerships	Contribution to New School at Middlehaven	(0.455)	0.455	-	-	Grant / Contributions	The Council's contributions to the scheme are agreed based on milestones associated with the scheme. The Department of Education have experienced delays which have resulted in the Council now making one of the phased payments in 2026/27 rather than 2025/26.
Education and Partnerships	Unity City Academy Bulge Scheme	(1.178)	1.178	-	-	Grant	It is now deemed unlikely that the scheme will commence in 2025/26 as originally anticipated. The funds have been re-profiled accordingly.
Education and Partnerships	Macmillan extension SEND classrooms	(0.300)	0.300	-	-	Grant	Following changes within the school there are now internal limitations on what can be achieved within the physical space. This has meant that the whole project has needed to be reviewed as priorities have changed. As such, the previously assumed planned expenditure will not bow be incurred in 2025/26..
Education and Partnerships	Acklam Grange - Conversion of caretakers accommodation	(0.454)	0.454	-	-	Grant	The trust are advising that they now intend to submit planning permission for the conversion in February 2026 and are expecting a decision regarding their application for the 4G pitch in December 2025. The anticipated works within this financial year have been reassessed based on these dates with costs revised accordingly, resulting in the re-profiling of funds.
		(4.826)	4.826	-	-		
Legal and Governance Services	Other Small Scale Slippage Across The Directorate	0.139	(0.139)	-	-	Borrowing	
	Legal and Governance Services Total	0.139	(0.139)	-	-		
Finance	Other Small Scale Slippage Across The Directorate	(0.009)	0.009	-	-	Borrowing	
	Finance Total	(0.009)	0.009	-	-		

Transformation	Transformation / Subject Matter Expertise	(0.320)	0.297	0.023	-	Borrowing	There are a number of individual schemes where re-profiling into future years is required.
Transformation	Neighbourhood	(0.648)	0.424	0.224	-	Borrowing	A report is due to be presented to Executive regarding the proposals in respect of the Neighbourhood capital expenditure, upon agreement the physical works to the buildings can be undertaken, which are now expected to begin in 2026/27. The overall Neighbourhood allocation has reduced slightly as a consequence of job evaluation of the new roles.
Transformation	ICT	(0.400)	0.400	-	-	Borrowing	Whilst ICT solutions are currently being assessed, it is not envisaged that there will be significant purchases within the financial year.
	Transformation Total	(1.368)	1.121	0.247	-		
	TOTAL	(11.867)	8.546	3.321	-		



**Appendix 7 : Revised Capital Programme Forecasts 2025/26 to 2028/29**

	Forecast Expenditure					Council Funding	External Funding
	2025/26	2026/27	2027/28	2028/29	TOTAL	£m	£m
Regeneration	£m	£m	£m	£m	£m	£m	£m
Town Centre Related Projects	0.083	-	-	-	0.083	0.083	-
Middlehaven Related Projects	0.871	-	-	-	0.871	0.871	-
Housing Growth	0.061	0.140	0.453	-	0.654	0.654	-
Newham Hall	1.340	9.892	2.000	-	13.232	4.094	9.138
BOHO X	0.418	-	-	-	0.418	0.042	0.376
Indigenous Growth Fund - Captain Cook Square	1.441	1.541	-	-	2.982	-	2.982
Towns Fund	2.114	9.670	-	-	11.784	1.125	10.659
Towns Fund - East Middlesbrough Community Hub	3.519	1.340	-	-	4.859	1.940	2.919
Acquisition of Town Centre Properties	-	-	1.000	-	1.000	1.000	-
Acquisition of The Crown	0.005	-	-	-	0.005	0.005	-
Levelling Up Partnership	4.451	4.776	-	-	9.227	0.081	9.146
New Civic Centre Campus	-	0.237	-	-	0.237	0.237	-
Middlesbrough Development Company	0.105	-	-	-	0.105	0.105	-
Capitalisation of Major Schemes Salaries	0.530	0.530	0.530	0.530	2.120	2.120	-
Capitalisation of Planning Services Surveys	0.086	0.050	0.009	-	0.145	0.145	-
Affordable Housing Via Section 106	-	1.495	2.360	2.361	6.216	0.302	5.914
Highways Infrastructure Development Section 106	-	0.722	1.752	1.752	4.226	0.142	4.084
Levelling Up Fund - South Middlesbrough Accessibility	3.470	1.000	-	-	4.470	-	4.470
Middlesbrough College Investment	1.600	-	-	-	1.600	1.600	-
Derisking Sites	0.063	0.759	0.429	1.300	2.551	2.551	-
Property Services Building Investment	0.340	0.340	0.340	0.340	1.360	1.360	-
Property Asset Investment Programme	1.902	2.811	1.500	1.500	7.713	7.713	-
Town Hall Roof	-	2.956	-	-	2.956	2.956	-
Municipal Buildings Refurbishment	0.257	0.891	-	-	1.148	1.148	-
Resolution House	-	0.482	-	-	0.482	0.482	-
Cleveland Centre	0.748	0.226	-	-	0.974	0.974	-
Cemetery Provision	0.344	2.014	0.030	-	2.388	2.388	-
Investment In Parks	0.007	-	-	-	0.007	0.007	-
Cultural Development Fund - Enhancements to Central Library & Partner Organisations	2.309	-	-	-	2.309	0.090	2.219
Museum Estate and Development Fund	0.001	-	-	-	0.001	-	0.001
New Museum at Stewart Park Feasibility Study	0.025	-	-	-	0.025	-	0.025
<b>Total Regeneration</b>	<b>26.090</b>	<b>41.872</b>	<b>10.403</b>	<b>7.783</b>	<b>86.148</b>	<b>34.215</b>	<b>51.933</b>

Appendix 7 : Revised Capital Programme Forecasts 2025/26 to 2028/29

	Forecast Expenditure				
	2025/26	2026/27	2027/28	2028/29	TOTAL
	£m	£m	£m	£m	£m
Environment and Community Services					
Purchase of New Vehicles	4.475	0.292	1.200	1.200	7.167
Capitalisation of Wheeled Bin Replacement	0.100	0.100	0.100	0.100	0.400
Capitalisation of Street Furniture / Dog Fouling & Litter Bins	0.055	0.055	0.055	0.055	0.220
Capitalisation of Highways Maintenance	0.575	0.575	0.575	0.575	2.300
City Regional Sustainable Transport Scheme - Highways Maintenance	3.495	2.839	-	-	6.334
City Regional Sustainable Transport Scheme - Incentive Funding	1.055	1.691	-	-	2.746
Street Lighting-Maintenance	0.585	0.468	0.468	0.468	1.989
Urban Traffic Management Control 1	0.033	-	-	-	0.033
Flood Prevention	-	0.090	-	-	0.090
Section 106 Ormesby Beck	-	0.015	-	-	0.015
Bridges and Structures	1.125	3.380	3.650	4.798	12.953
Newport Bridge	0.877	0.500	-	-	1.377
CCTV	0.010	-	-	-	0.010
Towns Fund Initiatives	0.016	-	-	-	0.016
Traffic Signals -Tees Valley Combined Authority	0.029	-	-	-	0.029
Highways Infrastructure	0.771	0.600	-	-	1.371
Libraries Improvement Fund	0.031	-	-	-	0.031
Urban Traffic Management Control 2	0.389	-	-	-	0.389
Traffic Signals Non Tees Valley Combined Authority	0.516	-	-	-	0.516
Traffic Signals Obsolescence Grant	1.877	-	-	-	1.877
FUSION adaptive travel control solution	0.372	-	-	-	0.372
Food Waste Collection	1.076	-	-	-	1.076
Street Lighting Column Replacement	0.209	0.363	-	-	0.572
Levelling Up Partnership - Neighbourhood Safety	0.915	-	-	-	0.915
Section 106 Marton West Beck	-	0.094	-	-	0.094
Community Recovery Fund	0.033	-	-	-	0.033
Parks Playzones	0.125	-	-	-	0.125
Members Small Schemes	0.060	0.210	0.060	0.060	0.390
Linthorpe Road Cycleway Removal	1.000	1.169	-	-	2.169
Carriageway Resurfacing Programme	0.187	0.687	-	-	0.874
Footways Repairs Programme	0.100	0.500	-	-	0.600
Regulatory Services ICT System	0.466	0.356	-	-	0.822
Section 106 Stewart Park	0.032	-	-	-	0.032
Simpler Recycling	1.515	-	-	-	1.515
Bereavement Services Plot box System	0.065	-	-	-	0.065
Total Environment and Community Services	22.169	13.984	6.108	7.256	49.517

Council Funding	External Funding
£m	£m
7.167	-
0.400	-
0.220	-
2.300	-
-	6.334
-	2.746
1.989	-
-	0.033
-	0.090
-	0.015
12.953	-
1.377	-
0.010	-
-	0.016
-	0.029
1.371	-
-	0.031
-	0.389
0.516	-
-	1.877
-	0.372
-	1.076
0.572	-
-	0.915
-	0.094
-	0.033
-	0.125
0.390	-
-	2.169
0.874	-
0.600	-
0.822	-
-	0.032
1.515	-
0.065	-
33.141	16.376

	Forecast Expenditure	
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Council	External
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Appendix 7 : Revised Capital Programme Forecasts 2025/26 to 2028/29

	2025/26	2026/27	2027/28	2028/29	TOTAL
Public Health	£m	£m	£m	£m	£m
Live Well East – Internal Alterations and Improvements	0.010	-	-	-	0.010
Swimming Pool Support Fund	0.182	-	-	-	0.182
Middlesbrough Sports Village Full Size 3g Pitch Repair	0.507	-	-	-	0.507
Neptune Leisure Centre Boiler Replacement	0.172	-	-	-	0.172
Leisure Trust Investment - Equipment	0.071	-	-	-	0.071
Total Public Health	0.942	-	-	-	0.942

Funding	Funding
£m	£m
-	0.010
-	0.182
0.507	-
0.172	-
0.071	-
0.750	0.192

	Forecast Expenditure				
	2025/26	2026/27	2027/28	2028/29	TOTAL
Education and Partnerships	£m	£m	£m	£m	£m
Block Budget - Family Hubs	0.003	-	-	-	0.003
Block Budget - Devolved Formula Capital (DFC) - All Schools	0.097	-	-	-	0.097
Block Budget - School Condition Allocation (SCA)	0.014	0.737	-	-	0.751
Block Budget - Basic Need	-	2.439	-	-	2.439
Block Budget - High Needs Provision Capital Allocation (HNCPA)	0.409	1.426	-	-	1.835
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	0.424	0.010	-	-	0.434
Building Condition Improvements - Special Schools	0.028	0.005	-	-	0.033
School Led Capital schemes - All Maintained Schools	0.148	0.100	-	-	0.248
Sufficiency Schemes - Primary	0.315	0.185	-	-	0.500
Sufficiency Schemes - Secondary	1.130	2.379	-	-	3.509
Sufficiency Schemes - Special Educational Needs & Disabilities (SEND) and Alternative Education	1.784	0.854	-	-	2.638
Special Educational Needs (SEN) Small Capital Grant Schemes	0.255	-	-	-	0.255
Family Hubs and Early Years	0.042	-	-	-	0.042
Capitalisation of Salary Costs	0.123	0.127	-	-	0.250
Total Education and Partnerships	4.913	8.262	-	-	13.175

Council Funding	External Funding
£m	£m
-	0.003
-	0.097
-	0.751
-	2.388
-	1.783
-	0.001
-	0.035
-	0.105
0.043	0.391
-	0.033
-	0.248
-	0.500
0.646	2.863
-	2.741
-	0.255
-	0.042
-	0.250
0.689	12.486

	Forecast Expenditure				
	2025/26	2026/27	2027/28	2028/29	TOTAL
Children's Care	£m	£m	£m	£m	£m
Gleneagles Refurbishment	0.030	-	-	-	0.030
Children's Services Financial Improvement Plan	0.791	-	-	-	0.791
Total Children's Care	0.821	-	-	-	0.821

Council Funding	External Funding
£m	£m
0.030	-
0.550	0.241
0.580	0.241

	Forecast Expenditure				
	2025/26	2026/27	2027/28	2028/29	TOTAL

Council Funding	External Funding
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Appendix 7 : Revised Capital Programme Forecasts 2025/26 to 2028/29

Adult Social Care	£m	£m	£m	£m	£m
Chronically Sick & Disabled Persons Act - All schemes	1.080	0.935	1.000	1.070	4.085
Disabled Facilities Grant - All schemes	2.674	0.684	-	-	3.358
Capitalisation of Staying Put Salaries	0.050	0.050	0.050	0.050	0.200
Home Loans Partnership (Formerly 5 Lamps)	0.067	-	-	-	0.067
Small Schemes	0.034	-	-	-	0.034
Total Adult Social Care	3.905	1.669	1.050	1.120	7.744

£m	£m
3.899	0.186
-	3.358
0.200	-
-	0.067
-	0.034
4.099	3.645

	Forecast Expenditure				
	2025/26	2026/27	2027/28	2028/29	TOTAL
Legal and Governance Services	£m	£m	£m	£m	£m
Desktop Strategy / Device Refresh	0.182	-	-	-	0.182
Enterprise Agreements	0.908	-	-	-	0.908
IT Refresh - Network Refresh	0.194	-	-	-	0.194
IT Refresh - Lights On	0.259	-	-	-	0.259
ICT Essential Refresh & Licensing	0.295	1.836	2.185	2.185	6.501
SharePoint	0.092	-	-	-	0.092
HR Recruitment	0.021	-	-	-	0.021
Iken Legal Case Management System	0.027	-	-	-	0.027
HR Pay	-	0.037	-	-	0.037
Total Legal & Governance Services	1.978	1.873	2.185	2.185	8.221

Council Funding	External Funding
£m	£m
0.182	-
0.908	-
0.194	-
0.259	-
6.501	-
0.092	-
0.021	-
0.027	-
0.037	-
8.221	-

	Forecast Expenditure				
	2025/26	2026/27	2027/28	2028/29	TOTAL
Finance	£m	£m	£m	£m	£m
Former Partnership Investment (ICT Infrastructure Revenues & Benefits)	0.016	0.248	-	-	0.264
Business World Upgrade	0.028	-	-	-	0.028
Capitalisation of Property Finance Lease Arrangements	0.150	0.150	-	-	0.300
Total Finance	0.194	0.398	-	-	0.592

Council Funding	External Funding
£m	£m
0.264	-
0.028	-
0.300	-
0.592	-

	Forecast Expenditure				
	2025/26	2026/27	2027/28	2028/29	TOTAL

Council Funding	External Funding

Appendix 7 : Revised Capital Programme Forecasts 2025/26 to 2028/29

Transformation Programme	£m	£m	£m	£m	£m
Transformation / Subject Matter Expertise	4.687	2.870	0.107	-	7.664
Neighbourhood	0.498	3.980	2.560	-	7.038
Redundancy	0.347	0.200	-	-	0.547
ICT	0.350	2.650	1.500	-	4.500
Contingency	0.250	1.127	1.127	-	2.504
Total Transformation	6.132	10.827	5.294	-	22.253

£m	£m
7.664	-
7.038	-
0.547	-
4.500	-
2.504	-
22.253	-

	Forecast Expenditure				
	2025/26	2026/27	2027/28	2028/29	TOTAL
ALL DIRECTORATES	£m	£m	£m	£m	£m
Total ALL DIRECTORATES	67.144	78.885	25.040	18.344	189.413

Council Funding	External Funding
£m	£m
104.540	84.873

	Forecast Expenditure				
	2025/26	2026/27	2027/28	2028/29	TOTAL
FUNDED BY:	£m	£m	£m	£m	£m
Borrowing	18.735	21.687	3.074	-	43.496
Capital Receipts	6.000	6.000	12.560	14.231	38.791
Flexible Use of Capital Receipts	6.132	10.827	5.294	-	22.253
Grants	35.339	33.059	-	-	68.398
Contributions	0.938	7.312	4.112	4.113	16.475
					-
Total FUNDING	67.144	78.885	25.040	18.344	189.413

Council Funding	External Funding
£m	£m
43.496	-
38.791	-
22.253	-
-	68.398
-	16.475
104.540	84.873

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<b>MIDDLESBROUGH COUNCIL</b>	
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<b>Report of:</b>	Ann-Marie Johnstone – Head of Policy, Governance and Information
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<b>Relevant Executive Member:</b>	Chris Cooke – The Mayor
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<b>Submitted to:</b>	Overview and Scrutiny Board
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<b>Date:</b>	18 December 2025
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<b>Title:</b>	Corporate Performance – Quarter Two 2025/26
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<b>Report for:</b>	Discussion
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<b>Status:</b>	Public
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<b>Council Plan priority:</b>	Delivering Best Value
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<b>Key decision:</b>	Not applicable
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<b>Why:</b>	Report is for information only
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<b>Subject to call in?</b>	Not applicable
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<b>Why:</b>	Non-Executive Report
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<b>Proposed decision(s)</b>
<p>That the Overview and Scrutiny Board:</p> <ul style="list-style-type: none"> <li>• Note the contents of the report.</li> <li>• Provide comments back to the Executive as appropriate</li> </ul>

<b>Executive summary</b>
<p>The attached report was considered by Executive on 3 December 2025. This report advised the Executive of the Council's performance information as at Quarter Two 2025/26. The report is submitted to the Overview and Scrutiny Board for their comment</p>

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

1.1 To inform Overview and Scrutiny Board of the Council's performance position at Quarter Two 2025/26.

Our ambitions	Summary of how this report will support delivery of these ambitions and the underpinning aims
A successful and ambitious town	The aims and ambitions of the report were detailed in the appended Executive report.
A healthy Place	
Safe and resilient communities	
Delivering best value	

## 2. Recommendations

2.1 That the Overview and Scrutiny Board

- Note the contents of the report.
- Provide comments back to the Executive as appropriate

## 3. Rationale for the recommended decision(s)

3.1 To advise Scrutiny on the Council's performance position at Quarter Two 2025/26.

## 4. Background and relevant information

4.1 Relevant background and other information are contained in the Executive report at Appendix 1.

## 5. Ward Member Engagement if relevant and appropriate

5.1 Ward Member engagement is detailed in the appended Executive report.

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

6.1 Other potential alternatives are detailed in the appended Executive report.

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

Topic	Impact
Financial (including procurement and Social Value)	The impacts of the report are detailed in the appended Executive report.
Legal	
Risk	



Human Rights, Public Sector Equality Duty and Community Cohesion	
Reducing Poverty	
Climate Change / Environmental	
Children and Young People Cared for by the Authority and Care Leavers	
Data Protection	

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

Action	Responsible Officer	Deadline
N/A		

### Appendices

1	Executive Report and Appendices
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### Background papers

Body	Report title	Date

**Contact:** Ann-Marie Johnstone

**Email:** anne-marie\_johnstone@middlesbrough.gov.uk

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**MIDDLESBROUGH COUNCIL**

<b>Report of:</b>	Chief Executive, Erik Scollay
<b>Relevant Executive Member:</b>	The Mayor, Chris Cooke
<b>Submitted to:</b>	Executive
<b>Date:</b>	3 December 2025
<b>Title:</b>	Corporate Performance Quarter Two 2025/2026
<b>Report for:</b>	Decision
<b>Status:</b>	Public
<b>Council Plan priority:</b>	All
<b>Key decision:</b>	No
<b>Why:</b>	Decision does not reach the threshold to be a key decision
<b>Subject to call in?</b>	Yes
<b>Why:</b>	All Executive decisions that are non-urgent are subject to call in.

**Proposed decision(s)**

That Executive:

- approves proposed changes to the Executive actions, detailed at Appendix 1
- approves the proposed changes to the Council Plan 2024-27 supporting workplan actions, detailed at Appendix 3
- notes delivery status of the Council Plan 2024-27 supporting workplan, detailed at Appendix 2
- notes the progress and position of the corporate performance disciplines, including activity within the Transformation Portfolio
- notes the Strategic Risk Register, at Appendix 4

**Executive summary**

This report advises the Executive of progress against corporate performance at Quarter Two 2025/26, 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

## 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 Two 2025/2026, 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 underpinning workplan activities.

<b>Our ambitions</b>	<b>Summary of how this report will support delivery of these ambitions and the underpinning aims</b>
<b>A successful and ambitious town</b>	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.
<b>A healthy place</b>	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.
<b>Safe and resilient communities</b>	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.
<b>Delivering best value</b>	13 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.

## 2. Recommendations

2.1 That the Executive:

- approves proposed changes to the Executive actions, detailed at Appendix 1
- approves the proposed changes to the Council Plan 2024-27 supporting workplan actions, detailed at Appendix 3
- notes delivery status of the Council Plan 2024-27 supporting workplan, detailed at Appendix 2
- notes the progress and position of the corporate performance disciplines, including activity within the Transformation Portfolio
- notes the Strategic Risk Register, at Appendix 4

## 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 Two 2025/2026 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 Two 2025/26

- 4.6 The Council's performance overall at the end of Quarter Two 2025/26 saw progress towards expected performance standards, as set out in the Council's risk appetite, achieved in two of the five corporate performance disciplines.

Performance discipline	Q2 2025/26	Q1 2025/26	Expected standard	Standard achieved	Trend
Executive actions	75% (60/80)	69% (50/72)	90%	No	↑
Council Plan 2024-27 outcome measures	25% (10/40)	20% (8/40)	90%	No	↑
Council Plan workplan	97% (54/56)	88% (44/56)	90%	Yes	↑
Strategic Risk Register	95%	93%	90%	Yes	↑
Programme and Project Management	79% (34/43)	100% (17/17)	90%	No	↓

- 4.7 It should be noted that performance against Programme and Project Management for Quarter Two 2025/26, is against all programmes and projects within the overarching portfolio, which now includes transformation programmes and projects, previously reported separately.
- 4.8 It should be noted that performance against Council Plan outcomes for Quarter Two 2025/26 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***

- 4.9 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 of such, and to seek approval of alternative actions or amended timescales.
- 4.10 At Quarter Two 2025/26, 60 of 80 live actions (75%) were reported as on target to be delivered by the agreed timescales; an improvement from the 69% reported at Quarter One 2025/26, though continuing to remain below the 90% expected standard of achievement of actions.
- 4.11 There are 15 proposed amendments to Executive actions presented for approval at Quarter Two, which are detailed at 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 Three 2025/26.
- 4.12 Of the 15 proposed amendments detailed in Appendix 1, the reasons for the proposed amendments are as follows:
- The *Middlesbrough Council Target Operating Model* report included an action relating to mapping out the next steps for implementation, delayed from 31/03/2025 to 30/09/2025 and a further delay to 31/12/2025, due to a dependency on recruiting to the Transformation lead post.
  - The *Resetting the Council's Approach to Transformation and Delivery of the Council Plan* has an action, relating to the establishment of a continuous improvement team, which is delayed from 30/06/2025 to 30/09/2025 and a further delay to 31/03/2026, due to a dependency on recruiting to the Head of Transformation post.
  - The *Disposal of land at Hemlington Grange West* report has nine actions at risk, relating to the outcome of Biodiversity Net Gain (a legal requirement of the planning process) to progress, with an overall expected delay in timescales from 14/09/2027 to 11/09/2028.
  - The *SHiFT Programme Progress Update* report has an action to provide a six-month update on progress, delayed from 30/09/2025 to 31/12/2025 due to a change of Executive Director of Children's Services.
  - The Residential and Supported Accommodation for Children in Our Care and Care Leavers Update report has an action relating to providing an update on the new approach and impact, delayed from 30/09/2025 to 31/12/2025 due to additional time required to confirm project approach and financial impact.
  - The *Environment Scrutiny Panel Waste Management Action Plan* included an action related to the provisioning, positioning and placement of bins on new developments, which is delayed from 31/07/2025 to 28/02/2026 due to awaiting the outcome of consultation with key stakeholders.
  - The *Housing Supply* report has an action relating to completing refurbishment works on Tranche 1, delayed from 31/08/2025 to 31/12/2025 due to a proposed change of approach to delivery that will be set out in a report to Executive in December 2025.

### ***Progress in delivering the Council Plan 2024-27***

- 4.13 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.
- 4.14 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.
- 4.15 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.

- 4.16 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***

- 4.17 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.
- 4.18 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.

- 4.19 Performance overall against the Council Plan 2024-27 outcome measures at Quarter Two 2025/26 is reported as 8 of 40 (20%) either of an improving or static trend, against the 90% performance standard, detailed in the table below:

Outcome Status	Q2 2025/26	Q1 2025/26	Expected standard	Standard achieved	Trend
Number (%age) GREEN	8/40 (20%)	8/40 (20%)	90%	No	↔
Number (%age) AMBER	2/40 (5%)	0/40 (0%)	N/A	N/A	↑
Number (%age) RED	30/40 (75%)	32/40 (80%)	N/A	N/A	↓

- 4.20 It should be noted that trends fluctuate throughout the year, influenced by a range of factors such as seasonal variations and a time lag in published data sets being updated. 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.
- 4.21 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.
- 4.22 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.
- 4.23 Outcome measures for the next iteration of the Council Plan are being developed throughout Quarter Three 2025/26 and will 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***

- 4.24 At Quarter Two 2025/26, performance against the Council Plan workplan is above the corporate standard of 90%, with 97% of all initiatives on target to be achieved in full, within approved timescales, with further detail provided at Appendix 2.



Status	Q2 2025/26 position	Q1 2025/26 position	Expected standard	Standard achieved	Trend
COMPLETED	50% (28/56)	36% (20/56)	90%	Yes	↑
GREEN	46% (26/56)	50% (28/56)			
AMBER	0% (0/56)	0% (0/56)	n/a	n/a	↔
RED	4% (2/56)	14% (8/56)	n/a	n/a	↑

4.25 There are two Council Plan initiatives reporting as off-track at Quarter Two 2025/26, summarised below:

- *Increase the level of grant income to support the development of new service initiatives*, is delayed from 01/06/2025 to 30/09/2025 and a further delay to 31/03/2026 due to timescales associated with recruiting to a Grants Officer post to support this initiative, impacting delivery timescales.
- *Develop a Community Capacity Building Strategy with focus on social capital and community wealth building* is delayed from 31/08/2025 to 31/01/2026, due to the strategy requiring further revision to align with NHS new 10-year plan and Local Authority Neighbourhood structures.

4.26 There are four proposed amendments to Council Plan workplan actions presented for approval at Quarter Two 2025/26 as detailed at Appendix 3. 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 Three 2025/26.

### **Strategic Risk Register (SRR)**

4.27 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.

4.28 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 LMT in line with the Risk and Opportunity Management Policy, agreed by Executive in 2023. Progress in managing these risks is reported to the LMT monthly, with a full review of the SRR conducted on a quarterly basis.

4.29 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.

4.30 The SRR contains 15 risks at the end of Quarter Two 2025/26. 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.

Almost Certain >80%	5	Low (5)	Medium (10)	High (15)	High (25)	High (35)
Likely 51% - 80%	4	Low (4)	Medium (8)	High (12)	High (20)	High (28)
Possible 21% - 50%	3	Low (3)	Medium (6)	Medium (9)	High (15)	High (21)
Unlikely 6- 20%	2	Low (2)	Low (4)	Medium (6)	Medium (10)	High (14)
Rare <6%	1	Low (1)	Low (2)	Low (3)	Low (5)	Medium (7)
		1 Insignificant	2 Minor	3 Moderate	5 Major	7 Extreme
		Impact				

### **Directorate Risk Registers**

4.31 The SRR 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.

4.32 Below is a summary position of actions taken at Directorate level during Quarter Two 2025/26, to manage risks:

Directorate Risk Register	Regeneration	Adults	Public Health	Children's Services	Environment	Finance	Legal and Governance Services
New Risks	0	0	0	3	0	1	4
New Actions	0	0	0	31	9	0	22
New Assessments	3	2	2	1	4	1	7
Deactivated Risks	0	0	2	0	0	1	1

### **Progress in delivering Programmes and Projects**

4.33 The Council maintains a portfolio of corporate and transformation programmes and projects in support of achievement of the Council's strategic priorities.

4.34 The '*Approach to Transformation of Middlesbrough Council*' report to full Council on 27 March 2024 outlined the contents of the Transformation Portfolio, which was structured around six themed programmes.

- 4.35 A further report on *'Resetting the Council's approach to Transformation and Delivery of the Council Plan'* was approved at Executive on 30 April 2025, reducing the strategic programmes from six to four; Customer, Neighbourhood, Housing and Digital which now forms the Council's Transformation Programme.
- 4.36 This will 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.
- 4.37 Savings initiatives are now being managed separately to ensure governance arrangements are pragmatic and proportionate.
- 4.38 Projects have been reviewed and incorporated into the Council's overarching portfolio of corporate programmes and projects and are categorised as either transformation or corporate, with progress against performance reported accordingly.
- 4.39 New monthly Directorate and Corporate Performance Boards have been established to replace the previous Thematic Programme and Corporate Transformation Boards and include monitoring the performance of progress against the delivery of all strategic programmes and projects, Executive actions and Council Plan workplan initiatives.
- 4.40 To ensure the success of the 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.
- 4.41 An Executive-approved governance structure ensures that projects and programmes are overseen, assured and monitored against the approved Programme and Project Management Framework in a consistent and effective 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.
- 4.42 At Quarter Two 2025/26, 79% of the total of both corporate and transformation projects within the overarching portfolio are on-track to deliver against project time, cost, scope, and benefits, which is below the expected combined standard of 90%.

Status	Q2 2025/26 position	Q1 2025/26 position	Expected standard	Standard achieved	Trend
GREEN	70% (30/43)	100% (17 / 17)	90%	No	↓
AMBER	9% (4/43)	0% (0 / 17)			
RED	21% (9/43)	0% (0 / 17)	N/A	N/A	↑

### ***Corporate projects progress and performance***

4.43 At Quarter Two 2025/26, 81% of corporate projects are on-track to deliver against project time, cost, scope, and benefits, which is below the expected combined standard of 90%.

Status	Q2 2025/26 position	Q1 2025/26 position	Expected standard	Standard achieved	Trend
GREEN	73% (27/37)	100% (17 / 17)	90%	No	↓
AMBER	8% (3/37)	0% (0 / 17)			
RED	19% (7/37)	0% (0 / 17)	N/A	N/A	↑

4.44 A further breakdown of the RAG status of corporate projects by Directorate is summarised as follows:

RAG definition	Adults		Children's		Environment		Legal and Governance		Finance		Regeneration		Portfolio total no. projects	Portfolio total % projects
	No. of projects	% of projects	No. of projects	% of projects	No. of projects	% of projects	No. of projects	% of projects	No. of projects	% of projects	No. of projects	% of projects		
Project on-track against time, scope, cost and benefit, with assured plans in place.	0	0%	3	36%	9	90%	1	100%	1	33%	13	93%	27	73%
Some risk to project time, scope, cost and benefit, with mitigation in place, or in development.	0	0%	2	25%	0	0%	0	0%	0	0%	1	7%	3	8%
High risk to project time, scope, cost and benefit, with limited scope for mitigation.	1	100%	3	38%	1	10%	0	0%	2	67%	0	0%	7	19%
Portfolio totals as no. and %	1	3%	8	21%	10	27%	1	3%	3	8%	14	38%	37	100%

### ***Transformation projects progress and performance***

4.45 At Quarter Two 2025/26, 67% of transformation projects, are on-track to deliver against the approved project timescales, costs to deliver, scope and remit, and financial and non-financial benefits, which is below the expected combined standard of 90%.

Status	Q2 2025/26 position	Q1 2025/26 position	Expected standard	Standard achieved	Trend
GREEN	50% (3/6)	N/A	90%	No	N/A
AMBER	17% (1/6)	N/A			
RED	33% (2/6)	N/A	N/A	N/A	N/A

4.46 A further breakdown of the RAG status of projects by transformation programme is summarised as follows:

RAG definition	Customer		Neighbourhood		Digital		Housing		Portfolio total no. projects	Portfolio total % projects
	No. of projects	% of projects	No. of projects	% of projects	No. of projects	% of projects	No. of projects	% of projects		
Project on-track against time, scope, cost and benefit, with assured plans in place.	2	67%	0	0%	1	50%	0	0%	3	50%
Some risk to project time, scope, cost and benefit, with mitigation in place, or in development.	1	33%	0	0%	0	0%	0	0%	1	17%
High risk to project time, scope, cost and benefit, with limited scope for mitigation.	0	0%	0	0%	1	50%	1	100%	2	33%
Portfolio totals as no. and %	3	50%	0	0%	2	33%	1	17%	6	100%

4.47 To date the focus on transformation has been two-fold; to deliver essential savings and achieve change. Moving forward and as part of the refresh of Council Plan workplan and outcomes and detailed in a report to the December Executive entitled *Council Plan 2026/27-29: Outcomes Refresh*, there will be a stronger focus on the outcomes to be delivered, which represent measurable results or impacts of contributing initiatives and activities.

4.48 Becoming outcome-focused ensures that everything the organisation does is directed towards making a measurable and lasting difference for residents, communities and businesses. An outcome-based approach provides a clear line of sight between strategic priorities, service delivery, and the changes we aim to achieve across the town. It allows us to set clear goals, measure progress and make evidence-based decisions about where to target resources and for the greater benefit. This approach supports effective performance management and continuous improvement, ensuring value for money, as well as meeting the needs of its communities.

4.49 To that end, in changing the metrics that we measure, we will change the focus of our transformation journey to something more sustainable and impactful, continuous improvement. Continuous improvement, will see the Council become more efficient,

focusing on long term projects to improve outcomes for both residents and bring about town-level change.

### ***Project gateway approvals***

4.50 Project gateway approvals are required throughout the life of a project to ensure appropriate and robust assurance and challenge has been applied to the scoping, planning, development and delivery of the necessary project documentation and delivery plans, which are monitored through the recently introduced Directorate and Corporate Performance Boards.

4.51 Delegated decision-making powers relating to proposed changes to the approved time, scope, cost and benefit of individual programmes and projects are in place, enabling those that are off-track to be brought back within agreed tolerances, as set out in the Programme and Project Management Framework (PPMF). This is with the exception of any key changes or urgent decisions that require Executive approval, which require an additional report.

4.52 In Quarter Two 2025/26, there were six project gateway approvals as summarised below:

Directorate / Programme	Project name	Gateway type	Approved
Adult Social Care	Temporary Accommodation and Support Review	Project Closure Report	Jul
Adult Social Care	Strength-based Practice	Project Closure Report	
Legal and Governance	Review of MBC Customer Relationship Manager (CRM) and Content Management System (CMS)	Project Closure Report	Aug
Legal and Governance	SharePoint	Change Control	Sep
Regeneration	Hemlington Grange West	Change Control	
Customer Programme	MBC Customer Access to Services and Single View of the Customer	Project Brief	

***Progress in other corporate performance matters***

Status	Q2 2025/26 position	Q1 2025/26 position	Expected standard	Standard achieved	Trend
P 1 / 2 audit actions in time	78%	73%	90%	No	↑
FOI / EIR responded to <20 days	61%	68%	90%	No	↓
% live SARs overdue	20%	16%	90%	No	↑
Information security incidents	30	27	N/A	N/A	↑
Incidents reported to the ICO	0	1	N/A	N/A	↓
% complaints closed in time	74%	80%	90%	No	↓

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

4.54 At the end of Quarter Two 2025/26, the key points of note in matters of compliance, are:

- Five Priority Two actions from the Domestic Abuse audit of Adult Social Care and Children's Services were not completed within the expected timescales. A new lead has now been assigned to ensure these actions are delivered. Additionally, one further Priority Two action, related to the Declarations of Interests and Members' Allowances audit, became overdue on 30/09/2025 though supporting evidence has since been submitted to Veritau. All remaining actions were completed within 14 days of their due dates.
- There has been a slight decline in compliance with statutory timescales for FOI and EIR requests. Capacity challenges within services continue to be a key contributing factor to this ongoing issue. The new system, previously referenced in the Quarter Four 2024/25 report, is scheduled to go live during Quarter Three 2025/26. It is expected that the enhanced functionality and streamlined processes introduced by the system will support services in improving response times and overall compliance.
- Compliance with the legal timescales in relation to Subject Access Requests (SARs) continues to relate to a very small number of complex SARs. Capacity within the central team has now increased, this will support improving the compliance in this area.

**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 Two 2025/26. 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 Two 2025/26. 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	19 December 2025

## Appendices

1	Executive actions proposed amendments at Quarter Two 2025/26
2	Council Plan workplan progress at Quarter Two 2025/26
3	Council Plan Workplan; proposed amendments at Quarter Two 2025/26
4	Strategic Risk register progress at Quarter Two 2025/26

## 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	05/03/2025
Executive	Middlesbrough Priorities Fund	30/04/2025
Executive	Middlesbrough Priorities Fund	16/07/2025
Executive	Quarter Four and Year End 2024/25 Corporate Performance Report	11/06/2025
Executive	Quarter One 2025/26 Corporate Performance Report	03/09/2024

**Contact:** Gemma Cooper, Head of Strategy, Business and Customer

**Email:** [gemma\\_cooper@middlesbrough.gov.uk](mailto:gemma_cooper@middlesbrough.gov.uk)

**Appendix 1: Executive actions proposed amendments at Quarter Two 2025/26**

<b>Executive of</b>	<b>Report</b>	<b>Action</b>	<b>Owner</b>	<b>Original Due date</b>	<b>Current Due Date</b>	<b>Proposed Revised Due Date</b>
13/11/2024	Middlesbrough Council; Target Operating Model	Map out next steps at the Target Operating Model Thematic Board.	LGS	31/03/2025	30/09/2025	31/12/2025
30/04/2025	Resetting the Council's Approach to Transformation and Delivery of the Council Plan	Establish Continuous Improvement Team	FIN	30/06/2025	30/06/2025	31/03/2026
30/09/2025	SHiFT Programme Progress Update	Further update required on progress	CS	30/09/2025	30/09/2025	31/12/2025
31/10/2025	Residential and Supported Accommodation for Children in Our Care and Care Leavers Update	After 6 months we will provide an updated position Executive Director of Children's Services 6 months on the new approach strategy and its impact.	CS	31/10/2025	31/10/2025	31/12/2025
24/07/2025	Disposal of land at Hemlington Grange West	POS and Land Appropriation	REG	30/08/2024	30/09/2025	30/11/2025
24/07/2025	Disposal of land at Hemlington Grange West	Development Guidance	REG	25/12/2024	31/12/2025	22/02/2026
24/07/2025	Disposal of land at Hemlington Grange West	Outline Planning	REG	03/04/2025	30/09/2025	31/05/2026
24/07/2025	Disposal of land at Hemlington Grange West	Market the Site	REG	01/08/2025	01/08/2025	05/06/2025
24/07/2025	Disposal of land at Hemlington Grange West	Executive Approval to dispose	REG	29/09/2025	29/09/2025	22/09/2026
24/07/2025	Disposal of land at Hemlington Grange West	Exchange contracts with Developer	REG	02/01/2026	02/01/2026	31/12/2026
24/07/2025	Disposal of land at Hemlington Grange West	Legally Complete	REG	16/08/2026	16/08/2026	14/07/2027
24/07/2025	Disposal of land at Hemlington Grange West	Developer starts on site	REG	19/09/2026	19/09/2026	17/09/2027
24/07/2025	Disposal of land at Hemlington Grange West	First completions	REG	14/09/2027	14/09/2027	11/09/2028
04/12/2024	Housing Supply	Refurb works completed Tranche 1	REG	31/08/2025	31/08/2025	31/12/2025
30/04/2025	Environment Scrutiny Panel - Waste Management - Action Plan	To be included in the Waste policy in relation to the positioning and placement of the bins and what provision new developments need to arrange.	ECS	31/07/2025	31/07/2025	28/02/2026

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**Appendix 2: Council Plan workplan progress at Quarter Two 2025/26**

<b>We will attract and grow businesses to increase employment opportunities</b>	<b>Q1 2025/26 position</b>	<b>Q2 2025/26 position</b>
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
Expand the towns cultural offer through creation of a Cultural Masterplan, alongside exploration of external investment to ensure long term sustainability.	G	G
Increase the local economic impact of new job creation in key sectors.	R	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

<b>We will improve attainment in education and skills</b>	<b>Q1 2025/26 position</b>	<b>Q2 2025/26 position</b>
Transform Middlesbrough's approach to delivery of learning through implementation of the Council's Education and Skills Strategy.	G	G
Improve outcomes through delivery of the Priority Education Area action plan at key stages 1, 2 and 4.	C	C
Increase parental understanding of the importance of literacy for under 5's through a programme of learning	G	C
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	C
Develop and deliver a programme of qualifications and learning to support people into / back into employment through Middlesbrough Community Learning.	G	G

<b>We will ensure housing provision meets local demands</b>	<b>Q1 2025/26 position</b>	<b>Q2 2025/26 position</b>
Develop and progress a new Local Plan for Middlesbrough which balances growth aspirations with the longer-term needs of the Middlesbrough community.	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
Establish a strategic leadership role for the provision of housing to ensure that the provision aligns with needs.	C	C
Increase pathways offer for homeless households that embody choice; safety and dignity and provide routes into sustainable, long-term accommodation.	R	G

<b>We will improve life chances of our residents by responding to health inequalities</b>	<b>Q1 2025/26 position</b>	<b>Q2 2025/26 position</b>
Boost recruitment and retention of practitioners through delivery of the childcare expansion in Early Years	C	C
Roll-out the extended childcare entitlement to increased number of children from 9months+, who have access to Early Years provision	C	C
Increase outcomes for under 5's through successful delivery of the Best Start Pathway.	G	C

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

<b>We will protect and improve our environment</b>	<b>Q1 2025/26 position</b>	<b>Q2 2025/26 position</b>
Increase the levels of recycling in Middlesbrough from 30% to 38%.	G	G
Protect and improve our parks and open spaces through retention of Green Flag Status	G	G
Improve environmental standards of the town, through increased levels of environmental enforcement.	C	C

<b>We will promote inclusivity for all</b>	<b>Q1 2025/26 position</b>	<b>Q2 2025/26 position</b>
Strengthen our approach to supporting dementia friendly communities programme through increasing voluntary and community sector capacity	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	R	G
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

<b>We will reduce poverty</b>	<b>Q1 2025/26 position</b>	<b>Q2 2025/26 position</b>
Relaunch Welfare Strategy to support Middlesbrough's vulnerable residents who need financial assistance, advice and support	C	C

<b>We will provide support for adults to be independent for longer</b>	<b>Q1 2025/26 position</b>	<b>Q2 2025/26 position</b>
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	R	G
Increase the amount of reablement provided to reduce the need for on-going care	G	C
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

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

<b>We will Improve transport and digital connectivity</b>	<b>Q1 2025/26 position</b>	<b>Q2 2025/26 position</b>
Implementation of a transformed customer model to achieve improved customer access, outcomes and savings	G	G
Improve public highways and infrastructure to support connectivity across Middlesbrough and the Tees Valley	G	G

<b>We will promote new ideas and community initiatives</b>	<b>Q1 2025/26 position</b>	<b>Q2 2025/26 position</b>
Introduce a neighbourhood working model to ensure Council services are more closely aligned to community needs	C	C

<b>We will reduce crime and antisocial behaviour</b>	<b>Q1 2025/26 position</b>	<b>Q2 2025/26 position</b>
Reduce Crime and Anti-Social behaviours across Middlesbrough through the continued working with the Community Safety Partnership	G	C
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
Implement a multidisciplinary approach (SHIFT) to increase prevention opportunities through early intervention	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	R	G

<b>We will ensure robust and effective corporate governance</b>	<b>Q1 2025/26 position</b>	<b>Q2 2025/26 position</b>
Implement and embed a Member Development Strategy and Programme to extend learning and development opportunities	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
Refresh the Information Strategy to ensure legal compliance in regard to information governance	C	C

<b>We will set a balanced revenue budget and Medium-Term Financial Plan to restore financial resilience and sustainability</b>	<b>Q1 2025/26 position</b>	<b>Q2 2025/26 position</b>
Increase internal residential capacity through the purchase of suitable properties	G	G
Improve recruitment and retention of social worker related posts through more targeted and effective marketing	G	C
Maximise grant opportunities to support service delivery	C	C
Implementation of a People Strategy to underpin the Council's cultural transformation ambitions and financial stability	C	C
Increase sales and maximise rental income of the Council's asset portfolio to ensure financial sustainability and promote economic growth	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	C
Complete new delivery model for Procurement and Contract Management across Council services	R	G
Increase level of grant income to support development of new service delivery initiatives	R	R
Retender pensions administration service, to ensure value for money for fund and scheme members	C	C
Implementation and review effectiveness of demand and cost modelling forecast, for high-spend areas to feed into MTFP assumptions	C	C
Review of Children's and Young People placements, including processes and procedures to ensure robust decision-making and allocation	C	C

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



**Appendix 3: Council Plan Workplan; proposed amendments at Quarter Two 2025/26**

Initiative	Owner	Original Due Date	Current Due Date	Reason for (R) / Impact (I) of delay	Proposed Due Date
CP-PH-09 Develop a Community Capacity Building Strategy with focus on social capital and community wealth building	FIN	31/08/2025	31/08/2025	(R) The strategy requires further revision to align with NHS new 10 year plan and Local Authority Neighbourhood structures. (I) No impact other than timescales	31/01/2026
CP-FIN-02 Increase the level of grant income to support the development of new service initiatives	FIN	31/03/2025	30/06/2025	(R) There was a delay in recruiting to the Grants Officer post to support this initiative which has impacted upon delivery timescales. (I) No known adverse impact. A 2025/26 year-end report on grant activity will be produced.	31/03/2026
CP-ASC-08 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	ASC	31/03/2025	31/10/2025	(R): Delay due to awaiting feedback from the Domestic Abuse Partnership to inform the Domestic Abuse Strategy 2025-2025 (scheduled to go to Executive for approval November). (I): 3mth delay to delivery of strategy	31/01/2026
CP-REG-01 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	REG	31/03/2026	31/03/2026	(R): Delay due to change in approach to ensure strategy is co-designed with key external stakeholders. (I): 2mth delay to delivery of strategy	31/05/2026














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## Appendix 4: Strategic Risk register progress at Quarter Two 2025/26








Code	Risk Description		Original Score	Current Score	Target Score	Managed By
SR-01	Failure to Maintain a balanced budget and MTFP	<b>Failure to set a legal and balanced annual budget and to maintain a sustainable Medium Term Financial Plan (MTFP)</b> 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. 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.	35	21	21	Director of Finance and Transformation
Current Mitigation			Future Mitigation	Responsible Officer	Director	Target Date
<ul style="list-style-type: none"> <li>Responsibility and Accountability for Financial Management reinforced by Accountability Agreements for all Directors</li> <li>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</li> <li>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.</li> <li>Timely briefing of Mayor and Executive Members on significant financial challenges with agreement for action.</li> <li>Quarterly budget challenge sessions chaired by the Executive Member for Finance &amp; Governance to engage Executive Members.</li> </ul>			Development of balanced 2024/25 Budget and MTFP to 2026/27	Director of Finance and Transformation	Director of Finance and Transformation; Chief Executive	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"> <li>Monthly monitoring of income budgets, council tax and business rates collection rates and debt levels.</li> <li>Update MTFP ahead of Council Planning and budget setting process for 2024/25.</li> <li>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.</li> <li>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</li> </ul>	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
P000000002	Volatility in the demand, complexity and cost of children's social care.	The risk that <b>demand and cost of and children's social care</b> continues to escalate on the scale experienced in 2024/25, 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 2025/26.	 35	 28	 21	Director of Children's Care; Director of Children's Services; Chief Executive
Current Mitigation		Future Mitigation	Responsible Officer		Director	Target Date
<b>Children's input</b> <ul style="list-style-type: none"> <li>Weekly activity data through Chat reports/ data</li> <li>Monthly financial monitoring with Finance BP</li> <li>Development of demand model</li> <li>Placement review has taken place to manage costs associated with young people.</li> <li>MOU surrounding agency costs as a region to be implemented in April 2025.</li> <li>Recruitment and retention strategy reviewed to increase permanent staff within the local authority.</li> <li>Transformation of Children's Services underway.</li> <li>Access to grants being followed up.</li> </ul>		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

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 <b>demand and cost pressures to arise in adult social care</b> presents a significant risk to the Council's overall financial viability and measures must be put in place to manage within approved budget.	 35	 10	 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 	Director of Adult Social Care and Health Integration; Adult Social Care and Public Health Senior Managers ; Chief Executive	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 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.			Refresh the committee report format	Ann-Marie Johnstone 	Director of Legal and Governance; Chief Executive	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
			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
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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
<p>Comprehensive suite of Health and Safety policies and procedures.</p> <p>Mandatory and complimentary Health and safety training for all Council staff.</p> <p>Dedicated HSE Advisor team</p> <p>Incident investigation system (My Compliance) to learn from incidents.</p> <p>HSE intranet page with important HSE information</p> <p>Audit schedule</p> <p>Service area audit schedule</p> <p>HSE steering group</p> <p>Fire Management System implemented across Council premises.</p>			Fire Safety Management Policy Statement	Director of Regeneration; Gary Welch 	Director of Legal and Governance; Director of Regeneration; Chief Executive	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 <b>unable to recruit and retain key staff</b> , then this could impact on its' ability to deliver critical services which could cause harm to people and could result in government intervention.	 15	 9	 3	Director of Legal and Governance
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 	Director of Legal and Governance; Chief Executive	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
			Recruit a suitable Director of Children's Services or Interim Director of Children's Services	Nicola Finnegan 		31-Aug-2025

Code	Risk Description		Original Score	Current Score	Target Score	Managed By
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 <b>fails to ensure a sound approach to cyber security</b> (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; Lynsey Zipfell
Current Mitigation			Future Mitigation	Responsible Officer	Director	Target Date

<ul style="list-style-type: none"> <li>Annual ICT health checks (Internal and external penetration testing).</li> <li>Compliance with PSN and PCI standards.</li> <li>Internal scanning as new systems go live.</li> <li>Robust defence systems including firewalls, content filtering and endpoint protection.</li> <li>Robust 60 day patching and maintenance cycle.</li> <li>Test complete and continue to test.</li> <li>Health check recommendations reviewed and implemented.</li> <li>Membership of North East WARP and CiSP.</li> <li>Use of Protective DNS.</li> <li>Robust backup regime, including off-line tape backups to ensure recovery.</li> <li>Cyber Incident Response (CIR) partner and contract in place.</li> </ul> <p>Infrastructure inspections carried out quarterly to minimise disruption to service delivery.</p>			Director of Legal and Governance; Chief Executive	
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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 <b>Corporate Governance arrangements are not fit for purpose and appropriate action is not taken to rectify this at pace</b> , 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
External reports commissioned on Corporate governance and findings reflected within a Corporate Governance Improvement Plan Improvement Board in place		Revised the Complaints Procedure	Leanne Hamer	✓	Director of Legal and Governance; Chief Executive	15-Jul-2025
		Community Engagement policy and approach to be developed	Marion Walker	▶		30-Nov-2025



<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 2023/24 and 2025/26</p> <p>Regular reports to Audit Committee on aspects of corporate governance to provide assurance</p>	Ensure the Company is fully liquidated during 2025/26.	Justin Weston			31-Oct-2025
	Review of the Internal Audit function	Director of Finance and Transformation			30-Sep-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			30-Sep-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			30-Sep-2025
	Refresh the Information Strategy during 2024.	Ann-Marie Johnstone			31-Oct-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
	Continually review the Community Engagement policy to ensure it aligns with the wider needs of the organisation that will emerge from the Transformation Programme.	Marion Walker	▶		28-Feb-2026
	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	▶		17-Mar-2026
	Continue to implement the Continuous Improvement Plan	Chief Executive	✓		31-Jul-2025
	Refresh the Performance Management Policy and the supporting Performance Management Framework to embed a 'golden thread' of Performance Management from the Council Plan down to departmental level.	Director of Legal and Governance	▶		16-Dec-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	 6	 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	✓	Director of Regeneration; Chief Executive	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	✓		31-May-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.	 35	 9	 10	Chief Executive
Current Mitigation			Future Mitigation	Responsible Officer	Director	Target Date
Partnership governance register in place. Partnership governance annual assurance report and supporting register in place to assess the health of key partnerships. <b>Children's Controls</b> All partnerships contain TOR - Partners contribute. External scrutiny of partnerships. New Mayor to chair Corporate Parenting Board. Formal reporting process in place - record of discussion and decision making. <b>Adults Controls</b> Victim support for those within ASC who require it. Additional resources as required,			Put in place a strategic Partnerships Strategy.	Chief Executive	Chief Executive	31-Oct-2025
			Refresh of the Partnership Governance register	Ann-Marie Johnstone		31-Dec-2023









Code	Risk Description		Original Score	Current Score	Target Score	Managed By
SR-12	Fail to deliver quality practice within children's safeguarding services	If the Council <b>fail to deliver quality practice within children's safeguarding</b> services, then this may result in further government intervention, serious harm to individuals and loss of financial control.	 35	 15	 10	Director of Children's Care; Director of Children's Services
Current Mitigation			Future Mitigation	Responsible Officer	Director	Target Date
<ul style="list-style-type: none"> <li>Delivered Children's services improvement plan</li> <li>Monthly performance monitoring boards in place</li> <li>Review to be undertaken of Children's Care</li> <li>Monthly audit activity and reports undertaken to consider the quality of practice.</li> <li>Implementation of children's improvement board April 2025.</li> <li>Commitment to SHiFT, to improve quality and management of practice.</li> <li>Ongoing monitoring via OFSTED with an annual conversation take place.</li> <li>OFSTED future inspections to continue.</li> <li>Internal audit to review working practices.</li> </ul>			Implementation of post ILACs improvement plan	Director of Adult Social Care and Health Integration; Director of Children's Care 	Director of Children's Care; Director of Children's Services; Chief Executive	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	Director of Finance and Transformation; Chief Executive
Current Mitigation			Future Mitigation	Responsible Officer	Director	Target Date
- PPMF in place			Failure of the Recover, Reset, Deliver Transformation Portfolio	Chief Executive 	Chief Executive	31-Mar-2025

<ul style="list-style-type: none"> <li>- Transformation governance arrangements and reporting cycle agreed</li> <li>- Funding of £4.827m agreed by Council to fund transformation work</li> </ul>	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
Page 14 Page 78	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
<ul style="list-style-type: none"><li>- Teesworks report and commitment from TVCA to reflect findings in the governance arrangements of the MDC</li><li>- Council representatives on the MDC Board</li></ul>			Refresh the Local Plan	Claire Holt 	Director of Regeneration; Chief Executive	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.	<div><div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><div></div><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-16	Removal of the statutory override preventing the Designated School 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 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.	 15	 15	 9	Director of Education and Partnerships
Current Mitigation			Future Mitigation	Responsible Officer	Director	Target Date
Lobbying Government to resolve the funding issue and provide a long term solution to the DSG deficit issue . Delivering DBV (Delivering Better Value) action plan. . Liaising with DoE regularly . Working 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