



## Decisions taken by the Executive on Wednesday 17 December 2025

Agenda Item No	Topic	Decision
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### Part A – Items considered in public

A9	2026/27 Draft Budget and Medium Term Financial Plan 2026/27 to 2029/30	<p><b>ORDERED</b> that Executive approve the proposed draft budget and budget proposals for service budget growth and council tax for 2026/27 be presented for public consultation, commencing on 18 December 2025 and concluding on 11 January 2026. This is prior to confirmation of Government funding and finalising the proposed budget by Executive on 4 February 2026 for consideration and approval by Council on 18 February 2026.</p> <p><b>AGREED</b> that Executive note:</p> <ul style="list-style-type: none"> <li>• That the report was prepared following initial analysis of the level of Government funding available to Middlesbrough Council from information contained within the Local Government Finance Policy Statement published by the Government on 20 November 2025, however this was before confirmation was received of the Government funding in the Provisional Local Government Finance Settlement which was scheduled to be published in the week commencing 15 December 2025. The figures contained within the report and the budget proposals were therefore subject to further review and change once the detail of the Provisional Local Government Finance Settlement was published.</li> <li>• The current estimate of the increase in Government funding for Middlesbrough Council resulting from the Government's Fair Funding Review 2.0 totalled £10.653m in 2026/27, £14.485m in 2027/28, and £12.438m in 2028/29, detailed in</li> </ul>
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		<p>Table 1 of the report. However, this was subject to potential significant change before being finalised as part of the Provisional Local Government Finance Settlement.</p> <ul style="list-style-type: none"> <li>• The proposed budget for 2026/27 and the updated Medium Term Financial Plan (MTFP) for the period to 2029/30, detailed in Table three of the report, and the key budget assumptions that it was based on detailed in paragraphs 4.38 to 4.41 of the report.</li> <li>• That there were forecast service demand pressures and re-basing of budgets, including for reduced income levels and legislative requirements, totalling £15.549m for 2026/27 rising to £35.963m in 2029/30, detailed in Appendix one of the report.</li> <li>• The proposed removal of savings totalling £2.458m p.a. from the MTFP which were now found to be unachievable in the manner originally intended, detailed in paragraph 4.36 of the report.</li> <li>• That in light of the current estimates of increased Government funding forecast to be received by Middlesbrough Council the Mayor and Executive had proposed the following: <ul style="list-style-type: none"> <li>○ that there was no requirement currently for the Council to make any additional further budget savings in 2026/27 other than those already included in the current MTFP, however work would continue to identify and deliver efficiencies and savings in the future through robust budget monitoring and the Transformation Programme, detailed in paragraphs 4.34 and 4.35 of the report.</li> <li>○ no increase in core (general) Council Tax for 2026/27, but an increase in Council Tax for 2026/27 of 2% relating to the Adult Social Care precept to fund increased costs of statutory duties in Adult Social Care, detailed in paragraph 4.27 of the report.</li> <li>○ proposed total service budget growth of £6.460m from 2026/27 in order to</li> </ul> </li> </ul>

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		<p>reinvest in some direct services to the community and provide reinvestment in the resilience of enabling services, detailed in Appendix 3 of the report.</p> <ul style="list-style-type: none"> <li>○ proposed new capital schemes and additions to current schemes and extension of schemes deemed Business as Usual totalling £16.310m in 2026/27 and rising to £56.173m by 2029/30, detailed in Appendix 4 of the report.</li> <li>• That the Council's S151 officer recommend that the Council increased the Council Tax each year by the maximum allowed by the Government due to the reasons outlined in paragraphs 4.28. However, whilst not recommended, given the improved financial position and financial resilience of the Council and the improved governance and budget spending controls that existed, and the amount of the estimated increased funding available to the Council it was possible to financially accommodate a political decision for a lower than maximum increase in Council Tax to be proposed for 2026/27, detailed in paragraph 4.29 of the report.</li> <li>• The forecast level of Council reserves over the period of the MTFP from 2026/27 to 2029/30 following the proposed budget, and that the proposed budget and MTFP should not negatively impact reserves levels in the medium term, detailed in paragraphs 4.51 to 4.53 of the report.</li> </ul>
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A2		