

EXECUTIVE

Date:	Wednesday 2nd September, 2026
Time:	5.00 pm
Venue:	Mandela Room (Municipal Buildings)

AGENDA

1. **Welcome, Fire Evacuation and Recording of Meetings**

In the event the fire alarm sounds for more than 10 seconds attendees will be advised to evacuate the building via the nearest fire exit and assemble at the Bottle of Notes opposite MIMA.

Members of the public have the right to film, record or photograph public meetings. If you intend to do so, please advise the Chair of this intention. You may be asked to stop filming, photographing or recording a meeting if the Chair feels that the activity is disrupting the meeting.

2. **Apologies for Absence**

To receive any apologies for absence.

3. **Declarations of Interest**

Members are asked to declare any interests in the items under consideration and in doing so state:

(1) the type of interest concerned:

- *Disclosable Pecuniary Interest (DPI) or*
- *Non-Pecuniary Interest (including personal or prejudicial interest)*

(2) the nature of the interest concerned.

If any member requires advice on declarations of interests, they are advised to contact the Monitoring Officer in advance of the meeting.

4. **Minutes - Executive - 8 July 2026** 7 - 16
To receive the minutes of the previous meeting.
 5. **Announcements from the Mayor**
To receive any announcements from the Mayor.
 6. **Questions from Members of the Public (if any)**
To receive questions from members of the public.
 7. **Questions from elected Members (if any)**
To receive questions from elected Members.
 8. **Matters referred from Scrutiny or Council (if any)**
To consider reports of Overview and Scrutiny Board following the Call-In process or Council following the Budget setting process.
 9. **Final Report of the Overview and Scrutiny Board - The Council's Approach to Poverty** 17 - 32
*Scrutiny Report to note.
Executive report for decision.*
 10. **Reports from Member Bodies which are the responsibilities of the Executive**
To receive any reports from member bodies which are the responsibility of the Executive.
- THE MAYOR**
11. **Risk and Opportunity Management Policy** 33 - 56
For decision.

EXECUTIVE MEMBER - DEVELOPMENT

12. **Place Strategy to Investment Prospectus** 57 - 98

For decision.

EXECUTIVE MEMBER - ENVIRONMENT AND SUSTAINABILITY

13. **Cremator Refurbishment Programme** 99 - 120

For decision.

14. **Stainton Way Highway Improvements** 121 - 146

For decision.

EXECUTIVE MEMBER - FINANCE

15. **Quarter One 2026/7 Integrated Performance and Finance Forecast Year End Outturn** 147 - 252

For decision.

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

Charlotte Benjamin
Corporate Director of Legal and Corporate Services

Town Hall
Middlesbrough
Monday 24 August 2026

MEMBERSHIP

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

Assistance in accessing information

The documents referred to on this agenda may be downloaded from the Council's Website: [Committee structure](#) | [Middlesbrough Council](#)

Should you have any queries on accessing the Agenda and associated information, such as alternative formats, please contact Scott Bonner, 01642 729708, scott_bonner@middlesbrough.gov.uk

INFORMATION ABOUT MIDDLESBROUGH COMMITTEE MEETINGS

Venue Accessibility

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There is no on-site parking at Municipal Buildings. A map of town centre parking is attached below. A full map of town centre parking can be found on the Council's website: [Middlesbrough town centre parking plan - October 2025](#)



This document was classified as: OFFICIAL

EXECUTIVE

A meeting of the Executive was held on Wednesday 8 July 2026.

PRESENT: Councillors P Storey (Chair), I Blades, P Gavigan, L Henman, and N Walker

PRESENT BY INVITATION: Councillor L Young (Chair of Overview and Scrutiny Board)

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

OFFICERS: C Benjamin, S Bonner, C Cannon, L Grabham, A Humble and E Scollay

APOLOGIES FOR ABSENCE: Mayor C Cooke and Councillors T Furness, J Rostron and J Ryles

26/16 **WELCOME, FIRE EVACUATION AND RECORDING OF MEETINGS**

The Chair welcomed everyone to the meeting and described the fire evacuation procedure.

26/17 **DECLARATIONS OF INTEREST**

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

26/18 **MINUTES - EXECUTIVE - 10 JUNE 2026**

The minutes of the Executive meeting held on 10 June 2026 were submitted and approved as a correct record.

26/19 **ANNOUNCEMENTS FROM THE MAYOR**

26/20 **QUESTIONS FROM MEMBERS OF THE PUBLIC (IF ANY)**

None.

26/21 **QUESTIONS FROM ELECTED MEMBERS (IF ANY)**

None.

26/22 **MATTERS REFERRED FROM SCRUTINY OR COUNCIL (IF ANY)**

None.

26/23 **REPORTS FROM THE OVERVIEW AND SCRUTINY BOARD OR A SCRUTINY PANEL (IF ANY)**

None.

26/24 **REPORTS FROM MEMBER BODIES WHICH ARE THE RESPONSIBILITIES OF THE EXECUTIVE**

None.

26/25 **MAKING MIDDLESBROUGH THRIVE**

The Mayor submitted a report for Executive's consideration. The purpose of the report was to seek approval to embed the consideration of deprivation evidence within Directorate Service Plans for 2026/27 and to establish a coordinated approach across the Council and its partners to address deprivation and inequality in Middlesbrough.

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The report also outlined proposals to develop a consolidated Council-wide response and engage key stakeholders in developing a town-wide commitment to addressing deprivation.

The Executive was advised that the Council Plan 2026–29 contained a clear commitment to improving outcomes for residents, reducing inequality and alleviating the impact of poverty. Members heard that the updated Indices of Multiple Deprivation (2025) showed that Middlesbrough continued to have the highest proportion of neighbourhoods within the 10% most deprived nationally and that a coordinated, evidence-based approach was required to address these longstanding challenges.

The Executive noted that Directorate Service Plans would be used to demonstrate how planned activity, investment and commissioning decisions responded to identified need and deprivation evidence. Members also noted that a further report would be submitted setting out the Council's collective response and that engagement with key partners would be undertaken through existing partnership arrangements to support a place-based approach.

Members thanked officers for their continued efforts on this piece of work. Executive also commented this was an important initiative and that, in relation to the matter of deprivation, it would not only help those experiencing poverty, but also those who were working but struggling financially.

OPTIONS

An alternative was to develop a standalone poverty or deprivation strategy, or a separate action plan for directorate prioritisation. This had not been recommended at this stage, as the Council Plan already set the overarching strategic framework and priorities. The supporting performance management framework enabled the Council to monitor performance and take corrective action where necessary.

Another alternative would have been to continue existing arrangements without requiring explicit consideration of deprivation evidence within directorate service plans. This was not been recommended, as it risked continued inconsistency in how evidence of need was reflected across Directorates and would have missed the opportunity to bring together all planned actions into a single collective statement.

ORDERED that the Executive:

1. Approve that Directorate Service Plans for 2026/7 explicitly set out the key evidence of need relevant to the Directorate's responsibilities, including reference to the Indices of Multiple Deprivation.
2. Approve that Directors identify and record specific commitments within their Directorate Service Plans which demonstrated how their activity would contribute to reducing inequality and addressing deprivation in Middlesbrough.
3. Approve that Directorate commitments arising from this work would be drawn together into a single, consolidated report and brought back to Executive, setting out the Council's collective and intentional approach to responding to deprivation and areas of greatest need.
4. Approve that alongside the development of the Council's consolidated position, a structured process would be established to engage key partners — including those involved in the Town Strategy and wider system leadership arrangements to:
 - set out their planned contributions to addressing the inequalities identified through the Indices of Multiple Deprivation; and
 - align these contributions with the Council's own commitments in order to support a coordinated, place-based response.

AGREED that Executive

Note that a separate report setting out the Council's formal response to the Overview and Scrutiny Board Short Review on Poverty would be brought to Executive in September 2026.

REASONS

The Council Plan already established the Council's strategic priorities, including a clear commitment to reducing inequality and alleviating the impact of poverty. The recommended

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decision did not introduce new priorities or a standalone strategy. Instead, it provided a clear mechanism for implementation and assurance, by: using the existing Directorate Service Planning process;

- requiring Directors to articulate how their plans responded to deprivation evidence; and
- enabling Executive to consider the collective response across the organisation.

This approach responded directly to the Overview and Scrutiny Board's findings on the need for clearer corporate alignment, while allowing time for fuller consideration of its recommendations through a separate report.

Widening the approach to convene a whole town response by key stakeholders reflected that many of the entrenched issues which drive deprivation levels would require a concerted, focussed effort on the part of key partners from across the town in order to drive real change.

26/26

WHOLLY AND PARTLY OWNED COUNCIL COMPANIES POLICY

The Mayor submitted a report for Executive's consideration. The report sought approval of the Wholly and Partly Owned Council Companies (WPOCC) Policy 2026–29 and supporting Minimum Standard, which established the framework through which the Council would develop, operate and review wholly or partly owned council companies.

The Executive was advised that the Council had operated a policy governing Wholly and Partly Owned Council Companies since 2023 to support compliance with Chartered Institute of Public Finance and Accountancy (CIPFA) guidance and to ensure appropriate governance arrangements were in place. The report represented the scheduled three-year review of that policy.

Members heard that the policy was intended to strike an appropriate balance between allowing a company sufficient freedom to manage its activities whilst ensuring the Council retained appropriate oversight and assurance. The policy sought to ensure that any company established by the Council contributed towards the achievement of the Council's ambitions, provided value for money and operated within a robust corporate governance framework.

The Executive noted that the key elements of the policy and supporting Minimum Standard included requirements for a business case to be prepared for all proposed companies, completion of appropriate due diligence to test the robustness of that business case, governance and reporting arrangements capable of providing assurance to the Council, clearly defined roles and responsibilities, and regular formal reviews to assess whether the original business rationale remained valid.

The Executive further noted that, following the review, the policy had been amended to clarify the circumstances in which it would apply. The revised policy stated that it would only apply where the Council's position within a partly owned company met the Government definition of a Person with Significant Control (PSC). Members were advised that this included circumstances where the Council held more than 25% of shares or voting rights, could appoint or remove a majority of directors, or could otherwise influence or control the company or trust.

It was also noted that, subject to approval, the revised policy would be implemented, and the Council's existing company arrangement would be reviewed against the new framework and Minimum Standard.

OPTIONS

The Council could have chosen not to have this policy in place, however that was not recommended. A proportionate, consistent approach to the establishment, maintenance and review of such arrangements provided the Council with assurance that Value for Money was being achieved within arrangements that were necessary to achieve its objectives.

ORDERED that Executive approve the Wholly and Partly Owned Council Companies Policy 2026–29 and supporting Minimum Standard.

REASONS

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The policy and supporting Minimum Standard provided a consistent standard against which companies could be assessed to provide the organisation with assurance that governance was fit for purpose and the business case for establishment of a company was robust.

26/27

DATA PROTECTION POLICY AND DIRECT MARKETING AND COOKIES POLICY

The Mayor submitted a report for Executive's consideration the purpose of the report was to seek approval of the Council's Data Protection Policy and Direct Marketing and Cookies Policy. It also requested that authority was delegated to the Council's Senior Information Risk Owner (SIRO) to approve future substantive revisions, minor amendments and administrative updates to both policies.

The Executive was advised that the policies formed a comprehensive information governance framework designed to ensure the Council complied with its statutory obligations under the UK General Data Protection Regulation (UK GDPR), the Data Protection Act 2018, the Privacy and Electronic Communications Regulations (PECR) and the Data (Use and Access) Act 2025. Members heard that the Data Protection Policy established the Council's overarching approach to the lawful and fair processing of personal data, whilst the Direct Marketing and Cookies Policy provided specific controls and governance arrangements relating to electronic marketing communications and the use of cookies and similar technologies.

The Executive noted that Middlesbrough Council processed personal data on a significant scale in delivering statutory functions and public services and, in doing so, acted as a public authority subject to a range of legislative requirements. Members were advised that the Council's approach to meeting those obligations was encapsulated within the Data Protection Policy.

Members also heard that the Direct Marketing and Cookies Policy reflected the requirements of PECR, Information Commissioner's Office (ICO) Codes of Practice and related guidance. The policy clarified roles and responsibilities, consent standards, technical requirements and governance arrangements relating to marketing communications and cookie compliance.

The Executive was informed that the policies applied to all personal data processing undertaken by Middlesbrough Council and several constituent data controllers, including the Electoral Registration Officer/Returning Officer, the South Tees Safeguarding Children Partnership, the South Tees Youth Justice Service and the Superintendent Registrar. The policies established responsibilities for ensuring that personal data was processed lawfully, fairly and transparently, remained accurate and secure and was retained only for as long as necessary.

The Executive noted that the policies supported both public authority and competent authority processing by setting out clear governance, accountability arrangements, and defined roles and responsibilities for elected Members, senior managers, Information Asset Owners, employees and the Data Protection Officer.

OPTIONS

While data protection legislation did not explicitly require organisations to maintain standalone policies adopting such policies was regarded as good practice and was strongly recommended by the Information Commissioner's Office (ICO) under its Accountability Framework.

Formal policies helped demonstrate how an organisation met its legal obligations, embedded data protection principles into everyday practice, and provided clarity on roles, responsibilities, and expectations for those handling personal data. In a public sector context, where large volumes of personal and sensitive data were processed, the absence of a policy would have made it more difficult to evidence compliance, manage risk consistently, and demonstrate accountability to regulators, service users, and the public.

ORDERED that Executive:

1. Approve the Data Protection Policy
2. Approve the Direct Marketing and Cookies Policy.
3. Delegates authority to the senior officer designated as the Council's Senior Information Risk Owner to approve all future substantive revisions, minor amendments and administrative updates of the Data Protection Policy and Direct Marketing and Cookies Policy.

REASONS

Approval of both policies ensured the Council continued to meet its legal and regulatory obligations, demonstrated accountability, and reduced the risk of non-compliance, regulatory enforcement, complaints, and reputational harm.

The Direct Marketing and Cookies Policy addressed specific requirements under PECR and Information Commissioner's Office (ICO) guidance which were not fully covered by the general Data Protection Policy.

26/28

STANTON WAY HIGHWAY IMPROVEMENTS

The Executive Member for Environment and Sustainability submitted a report for Executive consideration. The report sought approval for the Stainton Way Highway Improvements scheme following public consultation and consideration of the issues raised and proposed mitigations.

The Executive was advised that Tees Valley Combined Authority (TVCA) had secured funding through the City Region Sustainable Transport Settlement (CRSTS) to support sustainable transport accessibility improvements. Members heard that the scheme formed part of a wider regional programme delivered through the Local Cycling and Walking Infrastructure Plan (LCWIP), introduced by the Department for Transport.

The Executive noted that the proposals comprised two key elements: the signalisation of the existing roundabout at the junction of Stainton Way and Dalby Way, and the creation of a westbound bypass at the Kings Academy roundabout to alleviate congestion and improve bus punctuality and reliability. Improved footway and cycleway connections were also proposed between the two junctions.

Members were informed that Stainton Way was a key transport corridor providing access to important destinations including the Parkway Centre and Kings Academy. The route formed part of the Council's Strategic Road Network and currently experienced approximately 12,000 vehicle movements per day. It was reported that, despite existing pedestrian and cycle bridges, the current network arrangements created barriers to active travel due to indirect and less convenient routes between residential areas and key destinations.

The Executive heard that reducing reliance on private vehicles was a key objective of the Council and that the scheme would support sustainable travel, improve accessibility, reduce congestion and contribute towards wider corporate priorities. Members noted that the proposals were aligned with the Council's approved Highway Infrastructure Delivery Plan and wider ambitions to improve accessibility, safety and connectivity across the transport network.

The Executive was advised that public consultation had been undertaken by TVCA during July 2025 and had included early Member engagement sessions, letters to surrounding premises and an in-person consultation event at Parkway Shopping Centre. A total of 59 responses had been received, with 52% of respondents either supporting or remaining neutral towards the proposals. Strong support had been expressed for safer active travel routes to Kings Academy and for pavement widening.

Members noted that concerns had been raised regarding the introduction of traffic signals at the Dalby Way/Stainton Way roundabout, the need for a crossing point, lane widths on Dalby Way and traffic associated with McDonald's. It was reported that traffic modelling had demonstrated only a slight increase in congestion, not at a level expected to significantly affect journey times. Furthermore, accident data indicated that excessive speed and failure to look properly had been contributory factors in recorded incidents, and officers considered that signalisation would improve safety through reduced vehicle speeds and dedicated crossing facilities. Following consultation, amendments had been made to the scheme design to address concerns wherever possible.

The Executive also noted that Ward Members had been consulted prior to the public consultation process and that no objections had been raised during that engagement.

The Chair invited the Ward Member for Marton West to address Executive.

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The Member queried if the solution posed in paragraph 3.3 which read “The proposals will improve bus punctuality, by creating infrastructure that allows vehicles to bypass queuing traffic and provide priority at traffic signals,” could be achieved without the installation of traffic signals.

A conversation took place during which the degree of consultation carried out was discussed. Members stated any additional consultation should enhance the consultation carried out by the TVCA rather than replace it. Clarification was also sought about what consultation had taken place in neighbouring wards.

The Chair proposed that the item be deferred until a technical response could be provided.

The Chief Executive quoted from para 4.4 of the report commenting it appeared that traffic modelling had taken place. However, it was preferred that a specific, technical, response be provided to the question raised by the Ward Member.

The Executive Member for Finance commented that, going forward, report authors should attend Executive meetings to provide technical detail where required.

The Executive Member for Neighbourhoods requested clarification around funding arrangements from TVCA, should the item be deferred. It was also commented that, should deferring the item affect the availability of funds from the TVCA, an additional meeting be convened to ensure funding arrangements would not be affected.

ORDERED that:

1. That the item “Stainton Way Highway improvements” be deferred to a future meeting.
2. An additional meeting of Executive be convened should deferral of the item affect funding arrangements with the TVCA
3. That report authors be invited to Executive meetings to provide technical advice, where necessary.

26/29

MEDIUM TERM FINANCIAL PLAN (MTFP) UPDATE AND 2027/28 BUDGET DEVELOPMENT APPROACH AND TIMETABLE

The Executive Member for Finance submitted a report for Executive's consideration. The purpose of the report was to provide an update on the Council's Medium-Term Financial Plan (MTFP) and sought approval of the proposed budget development approach and timetable for developing the 2027/28 Budget and Medium-Term Financial Plan to 2030/31.

The Executive was advised that approval of the proposed timetable was required to ensure that the Council complied with its constitutional and statutory responsibilities in setting a balanced annual budget and Medium-Term Financial Plan. Members heard that Full Council retained responsibility for approving the budget and policy framework, whilst the Executive was responsible for developing and recommending proposals for consideration.

The Executive noted that the budget-setting process would be delivered through the Council's Performance and Financial Management Framework (PFMF), which provided an integrated approach to financial planning, performance monitoring and risk management. Members were informed that the framework embedded a structured cycle of planning, monitoring, review and improvement, ensuring that financial decisions were informed by service performance, demand pressures and risk management considerations.

The Executive heard that the financial context for 2027/28 had improved in the short-term following the introduction of a three-year Local Government Finance Settlement covering the period 2026/27 to 2028/29. Whilst this provided greater certainty than previous one-year settlements, Members were advised that final funding allocations for 2027/28 had yet to be confirmed and remained subject to future Government announcements.

Members were advised that, despite the improved funding outlook, significant financial pressures remained. Key risks included demand-led pressures within Adult and Children's Social Care, rising placement and workforce costs, waste service pressures arising from changes to national recycling requirements, risks to commercial property income, uncertainty regarding future digital investment requirements and the ongoing financial risks associated with the Dedicated Schools Grant deficit.

The Executive noted that wider economic factors continued to influence the Council's financial position. Inflation remained above the Bank of England target, labour market conditions remained uncertain, and geopolitical developments continued to place pressure on energy and supply chain costs. Members were advised that these factors could have implications for commissioned services, contractual inflation uplifts, transport costs and service delivery expenditure.

The Executive further noted that some previously approved savings were now considered unlikely to be achievable in the manner originally intended, including contractual spend review savings and digitised procurement savings, and that these would be further reviewed as part of future updates to the MTFP.

Members heard that the Council's budget strategy would focus on maintaining a balanced and sustainable budget, ensuring alignment with the Council Plan, supporting financial resilience through adequate reserves, strengthening demand management, embedding continuous improvement and ensuring that resources were prioritised in accordance with corporate priorities and Best Value principles.

The Executive was advised that the proposed timetable included ongoing engagement through the Policy Development Group, Financial Resilience Working Group, Member briefings and Executive reports throughout 2026 and early 2027, culminating in consideration of the final budget, Council Tax and revised MTFP by Full Council on 24 February 2027.

Executive was advised that an update on the issues discussed in the report were also presented to Members as part of a Member's briefing. It was clarified that the matters discussed in the Member's briefing were procedural rather than budgetary spending. It was clarified there were no issues raised at the Member's briefing and that if Members of any political persuasion had questions on this issue, the Section 151 was prepared to answer them.

OPTIONS

The Council was required by law to set a balanced budget and to operate robust and meaningful financial planning arrangements. The report set out the development process and timeline for achieving that objective. Therefore, no other options were submitted as part of the report.

ORDERED that Executive approve the budget development approach and timetable, set out in Appendix 1 of the report, for developing the 2027/28 Budget and Medium-Term Financial Plan (MTFP) to 2030/31.

AGREED that the Executive note the update of the Council's Medium Term Financial Plan (MTFP).

REASONS

The forward planning for, and setting of a robust budget and balanced MTFP, enabled the Council to provide and deliver services within its overall corporate and financial planning framework. The MTFP underpinned the delivery of the Council's vision for Middlesbrough to be a thriving, healthier, safer, and more ambitious place where people wanted to live, work, invest, and visit, and where the Council would support residents to live fulfilling lives, to ensure that its communities thrived.

All Council elected Members had a legal obligation to agree a balanced robust budget and set the Council Tax by 11 March 2027. In addition, the Council had a Best Value duty to demonstrate financial sustainability through the delivery of a balanced MTFP over a period of at least three years. The setting of the budget was part of the Performance and Financial Management Framework and therefore required Full Council approval scheduled for 24 February 2027.

The Council was required to take a systematic, coherent, and controlled approach to addressing its ongoing financial challenges over the medium-term, while enabling the delivery of the Mayor's vision and priorities for Middlesbrough through delivery of the wider Council Plan.

The Executive Member for Finance submitted a report for Executive's consideration. The report provided information on the Council's Prudential Indicators for 2025/26 and reviewed Treasury Management performance against the approved Treasury Management Strategy for the year.

Executive was advised that the Council was required to approve annually a Treasury Management Strategy and a set of Prudential Indicators in accordance with the Local Government Act 2003 and the Chartered Institute of Public Finance and Accountancy (CIPFA) Codes of Practice. Members heard that these arrangements regulated the affordability, sustainability and prudence of the Council's capital financing activities and ensured that borrowing and investment decisions were undertaken within an appropriate governance framework.

The Executive noted that no prudential or treasury management indicators approved for 2025/26 had been breached during the financial year. Members were informed that borrowing requirements during the year had been lower than originally anticipated due to slippage on capital schemes, with borrowing of £12.665 million compared to the original budget assumption of £17.085 million. The Council's Capital Financing Requirement (CFR) at 31 March 2026 stood at £307.810 million.

Members heard that the Council remained in an under-borrowed position of £27.221 million, equivalent to 8.8% of the Capital Financing Requirement. This approach involved the use of internal cash balances instead of external borrowing and was reported to generate revenue savings by reducing borrowing costs. Consequently, the Council's total external debt at 31 March 2026 was £280.589 million.

The Executive was advised that the majority of the Council's debt was held with the Public Works Loan Board, with loans structured to broadly match the life expectancy of the assets being financed. Members also noted that short-term borrowing from other local authorities had been used where appropriate to support liquidity requirements whilst maintaining flexibility in relation to long-term borrowing decisions.

The Executive noted that all cash investments had been made in accordance with the Council's approved creditworthiness criteria and were generally invested with central government or other local authorities. Interest of approximately £1.1 million had been earned on temporary cash investments during 2025/26. Members heard that all investments had been repaid on time and that treasury management activity throughout the year had remained compliant with the approved strategy.

Members were further advised that £50 million of new external borrowing had been undertaken during the year, comprising £45 million from the Public Works Loan Board and £5 million from another local authority. This had been offset by debt repayments, resulting in an overall increase in external debt of £27.147 million during the year. Officers confirmed that all borrowing decisions had been authorised in line with treasury management policies and had been undertaken in consultation with external advisers.

The Executive heard that the Council had complied with all requirements of the CIPFA Prudential Code and Treasury Management Code. It was noted that treasury management activity had been undertaken in a prudent, affordable and sustainable manner and that officers continued to proactively manage borrowing and investment portfolios with support from the Council's treasury advisers.

OPTIONS

There were no other options submitted as part of the report.

AGREED that Executive:

1. Note the Prudential Indicators for 2025/26 as the Council's year-end position in relation to capital finance activities and overall indebtedness detailed in tables 1–5 of the report.
2. Note the performance of the treasury management function against the Council's approved Treasury Management Strategy for 2025/26 detailed in paragraphs 4.33–4.38 of the report.

REASONS

The recommendations would fulfil compliance with the CIPFA Prudential Code for Capital Finance for local authorities; compliance with the CIPFA Treasury Management Code for local authorities and compliance with the Local Government Act 2003 Section 1 in relation to borrowing.

26/31

MAKING MIDDLESBROUGH TOWN CENTRE SAFER FOR PEOPLE AND BUSINESS

The Executive Member for Neighbourhoods submitted a report for Executive's consideration the purpose of which sought approval for the Making Middlesbrough Town Centre Safer for People and Business Project.

Before presenting the report, Executive was advised of minor amendments to Appendix 1 of the report. Specifically, the amendments were:

Middlesbrough Council match funding increased from £44,300 to £140,100 which increased the total scheme revenue income from £2.282m to £2,378m. Appendix 1a – Business Case Crime Safety Evidence Pack had been updated where appropriate. Following a vote the proposed amendments were accepted by Executive.

This was a three-year pilot programme designed to reduce crime and anti-social behaviour within Middlesbrough town centre through a coordinated multi-agency approach. The report also sought approval to accept £1.3 million of Tees Valley Investment Zone funding and associated match funding arrangements.

Executive was advised that Middlesbrough town centre was the economic and cultural heart of the Tees Valley and was benefiting from significant regeneration and investment. Members heard that the proposal supported the Council's ambition for Middlesbrough to become the UK's most creative place for young people to live, learn and realise their future. It was noted that improving safety and reducing crime and anti-social behaviour would support regeneration ambitions, increase public confidence and create conditions for a thriving town centre economy.

Executive noted that the project had been developed in partnership with Tees Valley Combined Authority (TVCA), Cleveland Police and the Office of the Police and Crime Commissioner (OPCC), and was proposed to be funded through the Tees Valley Investment Zone programme. Members were advised that the associated business case had not yet completed the formal TVCA approval process and that delivery remained subject to the necessary approvals and funding agreements being secured.

Members heard that the business case identified crime, anti-social behaviour and perceptions of safety as significant barriers to economic growth, inward investment and town centre regeneration. The proposed project would build upon existing arrangements and introduce additional Police Community Support Officers (PCSOs), Neighbourhood Safety Wardens with additional powers, Neighbourhood Navigators, enhanced CCTV monitoring and the expansion of Safe Haven at Middlesbrough Bus Station into a multi-agency hub.

The Executive noted that the project would result in the recruitment of two PCSOs, four Neighbourhood Safety Wardens, two Neighbourhood Navigators and one CCTV Operative. It was reported that these resources would be dedicated specifically to the town centre area, providing a consistent uplift in visibility, enforcement and support. Middlesbrough Council would employ the Wardens and Navigators, Cleveland Police would employ the PCSOs and the CCTV Operative would be employed through the Council's existing CCTV contract arrangements.

Members were informed that the business case cited evidence of 799 anti-social behaviour incidents and 3,730 recorded crimes within the town centre during 2024/25 and highlighted Middlesbrough's position amongst the most crime-deprived local authority areas nationally. The project was intended to reduce crime and anti-social behaviour, improve confidence and perceptions of safety, support businesses, increase footfall and contribute towards wider regeneration objectives contained within the Middlesbrough Place Strategy and Tees Valley Investment Zone programme.

OPTIONS

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The business case considered a range of options, including maintaining current arrangements and implementing standalone enforcement approaches.

The 'do nothing' option was discounted because existing resources were not considered sufficient to address the scale and complexity of current issues.

Alternative models focusing solely on enforcement or solely on prevention were also discounted as they would have not provided the integrated and sustainable approach required.

Option 10 was recommended because it combined protection, prevention and provision measures and achieved the strongest overall assessment against the critical success factors identified in the business case.

The Executive Member for Children's Services commented there were several exciting developments happening in the town centre and this project was another example of trying to remove barriers to achieving this.

The Executive Member for Neighbourhoods stated that businesses needed to have confidence and this was a key part of the strategy.

ORDERED that Executive:

1. Approve the proposed amendments to Appendix 1 of the report.
2. Approve the acceptance of £1.3m Investment Zone funding together with associated match funding arrangements set out in the business case, subject to completion of the relevant Tees Valley Combined Authority (TVCA) decision making processes and execution of funding agreements.
3. Approve the implementation of the Making Middlesbrough Town Centre Safer for People & Business Project.
4. Delegate authority to the Corporate Director responsible for Environment, Communities and Culture in consultation with the Executive Member to finalise operational delivery arrangements and agreements with partners.

AGREED that Executive note the three-year pilot nature of the project to March 2029.

REASONS

The business case demonstrated that crime and anti-social behaviour continued to impact negatively upon Middlesbrough town centre and undermine regeneration ambitions.

The preferred option identified in the business case was Option 10 (detailed in the options appraisal section 2.2 of business case), which combined enhanced enforcement, prevention and support measures through a multi-agency hub approach. This option was selected because it provided the strongest strategic fit and best overall economic outcome.

The business case identified that the project would have:

- Achieved a targeted 5% reduction in crime and anti-social behaviour over three years.
- Improved public perceptions of safety.
- Increased footfall and support economic activity.
- Strengthened partnership working and supported vulnerable individuals.
- The recommendations were therefore considered to provide the most appropriate and balanced response to identified challenges within the town centre.

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

MIDDLESBROUGH COUNCIL	
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Report of:	Chief Executive, Erik Scollay
Relevant Executive Member:	Mayor, Chris Cooke
Submitted to:	Executive
Date:	2 September 2026
Title:	Final Report of the Overview and Scrutiny Board (OSB) Short Review into the Council's Approach to Poverty.
Report for:	Decision
Status:	Public
Council Plan priority:	A healthy place
Key decision:	No
Why:	Decision does not reach the threshold to be a key decision
Subject to call in?	Yes
Why:	Non-Urgent Decision

Proposed decision(s)	
That Executive: • APPROVES the formal response to the recommendations arising from the OSB short review to the Council's approach to poverty, set out at Appendix 2 of this report. • APPROVES the accompanying Action Plan setting out how each agreed recommendation will be implemented. • NOTES the Final Report of the OSB Short Review into the Council's Approach to Poverty. • NOTES the progress already made through Making Middlesbrough Thrive initiative and that this work forms the foundation of the Council's corporate approach to reducing deprivation and inequality.	

Executive summary

Executive approval is required in accordance with paragraph 10.20.1(e) of the Council's Constitution, which provides that the Mayor has delegated authority to the Executive to consider reports referred to it by the Overview and Scrutiny Board and its Scrutiny Panels.

This report seeks approval for the response and actions proposed following receipt of four recommendations referred to Executive by the OSB following its review of the Council's approach to poverty.

The review recognised the significant work already being undertaken by the Council whilst identifying opportunities to strengthen the Council's overarching approach, improve corporate alignment and enhance performance monitoring.

Since completion of the review, Executive has approved Making Middlesbrough Thrive, which establishes a corporate approach to embedding deprivation and inequality within strategic planning, Directorate Service Plans and corporate performance arrangements. The proposed response builds upon those commitments and sets out how each scrutiny recommendation will be implemented through the Council's existing governance framework.

The proposed responses to each recommendation have been thoroughly assessed by relevant Council officers and are outlined in detail within the Action Plan at Appendix 2.

Approval of this report will provide the Council's formal response to the OSB's recommendations and provide assurance that they will be delivered through existing strategic planning, performance management and partnership arrangements, with progress monitored through the Council's established governance framework.

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

- 1.1 The purpose of this report is to present the Council's formal response to the recommendations arising from the OSB's Short Review into the Council's Approach to Poverty and to seek Executive approval of the proposed response and associated action plan.
- 1.2 The report supports delivery of the Council Plan by strengthening the Council's approach to reducing deprivation, inequality and poverty through a coordinated programme of actions arising from the review.

Our ambitions	Summary of how this report will support delivery of these ambitions and the underpinning aims
A successful and ambitious town	<i>Supports evidence-led planning and decision making, ensuring that investment, regeneration, employment and skills activity are informed by identified need and contribute towards reducing deprivation.</i>
A healthy Place	<i>Strengthens the Council's corporate approach to reducing inequality and alleviating poverty by embedding consideration of deprivation within strategic planning, service delivery and partnership working.</i>
Safe and resilient communities	<i>Supports a coordinated, place-based approach that enables services and partners to target activity towards communities experiencing the greatest levels of disadvantage.</i>
Delivering best value	<i>Strengthens corporate governance, performance management and accountability by ensuring that agreed actions are embedded within existing planning and reporting arrangements and monitored through established governance processes.</i>

2. Recommendations

2.1 That the Executive

- **APPROVES** the formal response to the recommendations arising from the OSB short review to the Council's approach to poverty, set out at Appendix 2 of this report.
- **APPROVES** the accompanying Action Plan setting out how each agreed recommendation will be implemented.
- **NOTES** the Final Report of the OSB Short Review into the Council's Approach to Poverty.
- **NOTES** the progress already made through Making Middlesbrough Thrive initiative and that this work forms the foundation of the Council's corporate approach to reducing deprivation and inequality.

3. Rationale for the recommended decision(s)

- 3.1 The proposed response builds upon the commitments approved by Executive through the Making Middlesbrough Thrive commitments agreed in July 2026, embedding consideration of deprivation and inequality within the Council's existing strategic planning, performance management and partnership arrangements.
- 3.2 This approach strengthens corporate alignment, supports evidence-led decision making through the use of the Index of Multiple Deprivation (IMD) and provides a clear line of sight from the Council Plan through to operational delivery. This will ensure that actions to reduce deprivation are embedded within business-as-usual activity rather than operating as a standalone programme of work. Progress will be monitored through the Council's corporate performance management arrangements, providing Executive and the OSB with assurance that agreed actions are being delivered and are contributing to improved outcomes for residents.

4. Background and relevant information

- 4.1 During 2025/26, the OSB undertook a short review into the Council's Approach to Poverty to consider whether the Council's existing strategies, plans and policies provide an effective framework for addressing deprivation and alleviating poverty across Middlesbrough. The review resulted in four recommendations aimed at strengthening the Council's corporate approach, improving coordination, and enhancing performance monitoring:
 1. The Council should develop a clearer overarching approach to addressing poverty, including consideration of how this is best defined and framed (for example, as *poverty* or more broadly as *social inclusion*), supported by a strategy or shared corporate ambition.
 2. If the Council chooses to adopt a mission statement, it should improve coordination and alignment across existing policies, strategies, and service areas to develop a consistent approach to tackling poverty and its wider impacts, such as social exclusion.
 3. The Council should review its performance management arrangements in relation to tackling poverty, including whether clear benchmarks are needed to understand and demonstrate the impact of its efforts.
 4. As part of Recommendation 3, an annual progress report should be presented to the OSB.
- 4.2 Since completion of the review, Executive has approved Making Middlesbrough Thrive, establishing the Council's strategic approach to reducing deprivation and inequality. The report committed to embedding evidence of need within Directorate Service Plans, identifying directorate commitments to reducing deprivation and inequality, developing a consolidated corporate response and strengthening partnership working to support a coordinated, place-based approach.

- 4.3 Having considered OSB's recommendations alongside the commitments approved through Making Middlesbrough Thrive, officers consider that the Council's existing strategic framework provides the shared corporate ambition envisaged by the review. The proposed response therefore focuses on embedding the recommendations within existing strategic planning, performance management and partnership arrangements, ensuring that activity to address deprivation and inequality becomes part of the Council's core business rather than operating as a separate programme of work.
- 4.4 In considering Recommendation 1, officers also considered whether a single corporate definition of poverty should be adopted. It is recognised that poverty is a complex, cross-cutting issue that is closely linked to deprivation, inequality and social inclusion. Rather than adopting a single corporate definition, the proposed approach enables services and partners to respond flexibly to local need whilst maintaining a consistent corporate focus on improving outcomes for residents.
- 4.5 In addition to strengthening the Council's internal arrangements, work is progressing to develop a Partnership Strategy. Recognising that reducing deprivation and inequality requires coordinated action across the wider system, the Strategy will provide a consistent framework for partnership governance, accountability and performance, enabling partners to align activity with shared priorities and maximise collective impact in improving outcomes for Middlesbrough's residents.
- 4.6 The accompanying implementation plan (Appendix 2) sets out the actions that will be taken in response to each recommendation, together with the responsible officers and delivery timescales. Progress will be monitored through the Council's corporate performance management arrangements, with an annual progress report presented to the OSB in accordance with Recommendation 4.

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 An alternative option would have been to develop a standalone Poverty Strategy to respond to the OSB's recommendations. This has not been recommended as officers consider that the Council's existing strategic framework, strengthened through the commitments approved within Making Middlesbrough Thrive, already provides the shared corporate ambition envisaged by Recommendation 1 of the review. Embedding actions within existing strategic planning, performance management and partnership arrangements will provide a more sustainable approach, ensuring that reducing deprivation and inequality becomes integral to service delivery and corporate decision making.
- 6.2 A further alternative would have been to continue with existing arrangements without implementing the additional actions set out in Appendix 2. This has not been recommended as it would fail to fully respond to the OSB's recommendations and would miss the opportunity to strengthen corporate alignment, partnership working and performance monitoring.

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

Topic	Impact
Financial (including Social Value)	Implementation will be delivered through existing resources. Any future resource implications arising from individual actions will be considered through the Council's normal budget setting and decision-making processes. Strengthening the Council's approach to reducing deprivation and inequality will support more informed targeting of resources and maximise the impact of existing investment.
Procurement	No direct procurement implications arise from this report. Future commissioning activity will continue to be informed by evidence of local need, including consideration of social value where appropriate.
Legal	There are no direct legal implications arising from this report. The proposed approach supports the Council's Best Value duty through improved strategic planning, governance and performance management.
Risk	The proposed approach strengthens corporate oversight of activity by embedding actions within existing planning and performance arrangements. This will improve assurance and reduce the risk of fragmented or inconsistent delivery across the organisation.
Human Rights, Public Sector Equality Duty and Community Cohesion	This supports the Council's Public Sector Equality Duty by strengthening consideration of deprivation, inequality and inclusion within strategic planning and decision making. The proposed actions are expected to have a positive impact on community cohesion through improved targeting of activity and partnership working.
Reducing Poverty	This directly supports the Council Plan commitment to reduce inequality and alleviate the impact of poverty by embedding the Index of Multiple Deprivation (IMD) and associated deprivation measures within corporate planning, service planning and performance management.
Climate Change / Environmental	There are no direct climate change implications.
Children and Young People Cared for by the Authority and Care Leavers	This will support improved consideration of the needs of vulnerable children and young people by ensuring services are informed by evidence.

Data Protection	There are no direct data protection implications.

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

Action	Responsible Officer	Deadline
Deliver the response plan detailed at Appendix 2	Head of Chief Executive's Office / Corporate Director for Regeneration and Housing	July 2027

Appendices

1	Final Report of the Overview and Scrutiny Board Short Review on the Council's Approach to Poverty
2	Council's Approach to Poverty Action Plan

Background papers

Body	Report title	Date
Overview and Scrutiny Board	Final Report of the OSB Short Review into the Council's Approach to Poverty	15 April 2026
Executive	Making Middlesbrough Thrive	8 July 2026

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MIDDLESBROUGH COUNCIL

OVERVIEW AND SCRUTINY BOARD

15 April 2026

DRAFT FINAL REPORT OF THE OSB SHORT REVIEW THE COUNCIL'S APPROACH TO POVERTY

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AIM OF THE INVESTIGATION

1. As part of the Scrutiny Work programme for 2026/2027 the Overview and Scrutiny Board agreed to examine how the Council approached the issue poverty in Middlesbrough. Specifically, it wanted to understand if it was beneficial for the Council to adopt a poverty strategy to support that agenda.

COUNCIL PLAN – VISION AND PRIORITIES

2. The scrutiny of this topic fits within the following vision and priorities of the Council Plan:-
 1. Safe and Resilient Communities – Creating a safer environment where residents can live more independent lives.

TERMS OF REFERENCE

3. The original terms of reference for the short review, as agreed by Overview and Scrutiny Board, were as follows:-
 - To understand the definition of poverty and what this means for Middlesbrough.
 - With a specific focus on demographics, understand the causes and impact of poverty in Middlesbrough.
 - To explore the strategies, plans and policies the Council has in place to address and alleviate poverty in Middlesbrough.
 - To understand what work is being undertaken with external stakeholders to address and alleviate poverty in Middlesbrough.
4. During the evidence gathering process, OSB decided to narrow its focus on Terms of Reference 3, namely, to explore the strategies, plans and policies the Council has in place to address and alleviate poverty in Middlesbrough.

BACKGROUND INFORMATION/SETTING THE SCENE

Poverty Definition

5. Poverty is a broad and complex subject and can be defined in several ways. It is because it is complex, and somewhat subjective, that the Overview and Scrutiny Board were keen to understand how the Council was seeking to address the issue. The Joseph Rowntree Foundation defines poverty as,

“When a person’s resources (mainly their material resources) are not sufficient to meet their minimum needs (including social participation).”

6. While such definitions are helpful in general terms, there still a large degree of subjectivity within them. How does someone define “minimum need”, for example? It is within the context of those inherit complexities the Board reviewed the evidence it received.

EVIDENCE

7. The Board heard that poverty was a longstanding and important issue for the Council as it impacted on every facet of people’s lives. The Board also understood, and appreciated, that several initiatives and programmes were underway to address poverty and to support those experiencing it.
8. The Board were reassured to hear that several award-winning initiatives have been in operation and have been supporting residents experiencing poverty for several years. Such initiatives are exemplified with those within the Welfare Strategy under which 11 themes were being delivered including Discretionary Housing Support, Hardship Support and Food Poverty. Those initiatives had seen quantifiable support which included:
 - An additional 546 recipients of free school meals to those that were entitled to them.
 - 81 referrals to Middlesbrough Environment City equating to £3,000 in energy vouchers.
 - over 8,000 Housing Benefit Claims made with over £42 million having been made available.
9. While the Welfare Strategy is working well and is delivering good results for those in need of financial assistance, the Council wanted to fully understand its own approach to poverty and what poverty meant for the Council. To do this a “Poverty Sprint” was undertaken over a two-week period during which internal and external stakeholders worked together to map the issues surrounding poverty and what support was offered. Those stakeholders included subject specialists including the Council’s Director of Public Health, Public Policy experts from Teesside University and representatives from the Junction Foundation.
10. The Poverty Sprint was based around several themes including financial inclusion, educational and health outcomes and housing provision and aimed to address three general challenges:
 - II. *To understand how we can maximise whole-Council, cross-policy, cross-strategy action to drive real change to poverty in Middlesbrough.*
 - III. *To develop greater clarity of what we can do locally across the Council to achieve greater impact on poverty.*
 - IV. *To devise proposals for how we should develop interconnected strategies to maximise our collective impact on poverty.*

11. The Poverty Sprint demonstrated that 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. As such, the Poverty Sprint recognised there was a need for a more joined-up strategic approach to poverty.
12. An action plan was created following the Poverty Sprint and good progress has been made against those actions.
13. However, it is sometimes difficult for work to support poverty to become embedded. It was clear that this was not due a lack of will from Council officers or external partners, but that it was sometimes difficult for officers to frame poverty as a singular issue. The Board found the analogy of policy perspectives useful and was advised that several policy perspectives were available and oftentimes applied simultaneously.
14. While an understanding of poverty frequently – and understandably - oftentimes focusses on a person's financial situation the Board recognises that poverty, while linked to a lack of financial resources, can have broader impacts such as social exclusion.
15. Examples of social exclusion include the loss of a family's primary income which would lead to that family experiencing increasingly challenging times and a lack of social participation. While this situation may not fit with traditional views of poverty, it is inextricably linked to it, and viewing poverty in this way reveals the Council's approach to supporting poverty would need to be more expansive.
16. Efforts to synthesise the Council's approach to poverty are underway. Members were advised that the current Council Plan, introduced in 2023, followed a standard format for such documents. During its creation it was discussed if the Council Plan should adopt a singular thematic approach or a "thematic pillar" approach. The Council Plan ultimately adopted a "Pillar" approach meaning Council business is being delivered according to themed pillars rather than an overarching single, crosscutting theme. While Council business is undertaken in the correct manner, the question of whether the Council should adopt a single, unified poverty strategy has persisted.
17. An example of a "singular approach" to a Council Plan was Leeds Council, which had decided that all Council activity be undertaken with a view of improving the lives of Children and Young People. Adopting this approach gave the Council a single lens to view all its activity. Members considered whether this would be a suitable approach for Middlesbrough Council to take.
18. Members were advised that the Council's current approach to poverty tries to embed the issue in a business-as-usual approach. To achieve this, the Council's

performance framework is to be enhanced, with the reintroduction of balanced score cards and regular performance clinics. This would involve individual departments and their contributions to thematic pieces of work, including the poverty agenda.

CONCLUSIONS

19. The Council does not appear to have an agreed, corporate, definition of what poverty means for it. Members appreciate that having a single definition of poverty is not only difficult to achieve, but adopting such a definition may inhibit the Council's ability to offer flexible services.
20. Significant work is being carried out under the Welfare Strategy to support people experiencing financial hardship. This work has delivered quantifiably positive outcomes for residents.
21. There are several policy perspectives that the Council uses to address poverty. It is recognized that these multiple perspectives can lead to a degree of confusion in their approach to supporting the poverty agenda.
22. The Council does not have an overarching poverty strategy. Instead, its approach to poverty is embedded within the thematic pillars of the Council Plan.
23. As part of the Council Plan refresh in 2026, work is being undertaken to enhance the performance regime. It is hoped this will introduce mechanisms to capture work supporting the poverty agenda.
24. How the Council managed the poverty agenda was, to a large extent, a political choice.

RECOMMENDATIONS

25. Based on the evidence gathered, the Overview and Scrutiny Board submit the following recommendations:
 1. The Council develops a clearer overarching approach to addressing poverty, including consideration of how this is best defined and framed (for example 'poverty' or more broadly 'social inclusion'), and supported by a strategy or a shared corporate ambition.
 2. If the Council chose the option of a mission statement, it should improve coordination and alignment across existing policies, strategies, and service areas, to develop a consistent approach to tackling poverty and its wider impacts, such as social exclusion.
 3. The Council considers its performance management in regards to how it tackles poverty, including whether it needs to develop clear benchmarks to understand and demonstrate how its efforts to tackle poverty have impact.

4. As part of Recommendation 3, an annual progress report should come to OSB.

ACKNOWLEDGEMENTS

1. Overview and Scrutiny Board would like to thank the following people for their assistance during the course of their investigation: -
 - M Adams – Director of Public Health
 - J Savage – Head of Resident and Business Support
 - E Scollay– Chief Executive

APPENDICES

N/A

COUNCILLORS OF OVERVIEW AND SCRUTINY BOARD

Overview and Scrutiny Board 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 J Young.

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OVERVIEW AND SCRUTINY BOARD

SHORT REVIEW – THE COUNCIL’S APPROACH TO POVERTY

SCRUTINY RECOMMENDATION	PROPOSED ACTION	POST TITLE	BUDGET COST	TIMESCALE
1. The Council develops a clearer overarching approach to addressing poverty, including consideration of how this is best defined and framed (for example 'poverty' or more broadly 'social inclusion'), and supported by a strategy or a shared corporate ambition.	Implement the Making Middlesbrough Thrive initiative by embedding consideration of deprivation, inequality and social inclusion within Directorate Service Plans, corporate planning, performance management and partnership governance arrangements, creating a shared corporate approach to addressing poverty while enabling services and partners to respond flexibly to local need.	Head of Chief Executive's Department	Within existing resources	December 2026
2. If the Council chose the option of a mission statement, it should improve coordination and alignment across existing policies, strategies, and service areas, to develop a consistent approach to tackling poverty and its wider impacts, such as social exclusion.	Implement the Making Middlesbrough Thrive initiative to align existing strategies, Directorate Service Plans and partnership arrangements into a coordinated, place-based response to deprivation, inequality and social exclusion, supported by the development of a Partnership Strategy to strengthen collaboration, accountability and shared delivery across the wider system.	Head of Chief Executive's Department	Within existing resources	December 2026

	Engage with the Place Leaders Partnership to develop a shared strategic response to deprivation in Middlesbrough, aligning partner resources, influence and commitments to address the challenges highlighted by the IMD data.	Corporate Director for Regeneration and Housing	Within existing resources	December 2026
3. The Council considers its performance management in regards to how it tackles poverty, including whether it needs to develop clear benchmarks to understand and demonstrate how its efforts to tackle poverty have impact.	Enhance corporate performance management arrangements to monitor commitments and outcomes relating to deprivation and inequality through agreed performance indicators, corporate reporting and governance processes, supported by evidence of need to inform decision-making, align activity and demonstrate impact.	Head of Chief Executive's Department	Within existing resources	March 2027
4. As part of Recommendation 3, an annual progress report should come to OSB.	Report annually to the Overview and Scrutiny Board on progress against the agreed actions to provide assurance, demonstrate impact and identify opportunities for further improvement in reducing deprivation and inequality.	Head of Chief Executive's Department	Within existing resources	Annually (July)

MIDDLESBROUGH COUNCIL

Report of:	Chief Executive, Erik Scollay
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Relevant Executive Member:	Mayor, Chris Cooke
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Submitted to:	Executive
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Date:	2 September 2026
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Title:	Risk and Opportunity Management Policy
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Report for:	Decision
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Status:	Public
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Council Plan priority:	Delivering Best Value
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Key decision:	No
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Why:	Decision does not reach the threshold to be a key decision
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Subject to call in?	Yes
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Why:	Non-Urgent Decision
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Proposed decision(s)

That Executive:

- | |
|---|
| <ul style="list-style-type: none"> • APPROVES the Risk and Opportunity Management Policy 2026–2029. |
|---|

Executive summary

This requires an executive decision as per paragraph 10.20.1 (f) of the constitution whereby the Mayor has delegated authority to the Executive for risk management and regular reviews of the strategic risk register. This report therefore seeks approval of the updated Risk and Opportunity Management Policy 2026–2029, which establishes a proportionate, consistent and organisation-wide approach to the identification, assessment, management and monitoring of risks and opportunities across the Council. The policy sets out the Council's risk management principles, governance arrangements, risk appetite, escalation processes, roles and responsibilities, assurance framework, and monitoring and review requirements, ensuring alignment with the Enterprise Risk Management Framework.
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The policy is required to ensure the Council maintains robust corporate governance arrangements, complies with statutory obligations, and aligns with best practice frameworks.

The recommended decision enables:

- Improved decision-making based on risk-informed principles
- Increased organisational resilience and accountability
- Alignment between risk management, performance management and strategic planning.

The revised policy also updates the Council's risk appetite by maintaining a low tolerance for risks affecting safety, compliance, equality and reputation, whilst recognising that proportionate risk-taking is necessary to support innovation, service improvement and delivery of strategic objectives. This reflects a more mature, risk-informed approach to decision-making, supported by clear governance, escalation and assurance arrangements.

Alternative options include continuing with the existing policy; however, this is not recommended as it does not reflect updated governance requirements, evolving strategic risks, or best practice standards.

All implications have been considered and are set out within the main body of the report.

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

- 1.1 The purpose of this report is to seek Executive approval of the Risk and Opportunity Management Policy 2026–2029, which sets out the Council's approach to consistent, structured and organisation-wide approach to the identification, assessment, management and monitoring of risks and opportunities.
- 1.2 The policy is a key component of the Council's corporate governance framework and is fundamental to ensuring that decisions are informed, proportionate and aligned to the Council's strategic priorities. It embeds a risk-aware culture across all levels of the organisation, enabling both the effective mitigation of threats and the proactive identification and exploitation of opportunities.
- 1.3 In doing so, the policy directly supports the achievement of the Council Plan ambitions by:

Our ambitions	Summary of how this report will support delivery of these ambitions and the underpinning aims
A successful and ambitious town	This policy supports the delivery of a successful and ambitious town by ensuring that risks and opportunities linked to economic growth, regeneration and investment are systematically identified and managed. Effective risk and opportunity management: • Enables informed investment decisions in regeneration, infrastructure and economic development • Supports the attraction and growth of businesses by managing financial, commercial and delivery risks • Ensures that risks to skills development, education outcomes and workforce capacity are identified early and mitigated • Strengthens delivery of housing priorities by managing planning, supply chain and market risks The policy also encourages the identification of opportunities (positive risks), enabling the Council to proactively pursue innovation, external funding, and partnership working to drive economic growth.
A healthy Place	The policy contributes to creating a healthy place by embedding risk management into decisions that impact public health, wellbeing and environmental sustainability. Through this policy: • Risks relating to health inequalities and vulnerable communities are proactively assessed and managed • Environmental risks, including pollution, climate impact, and sustainability challenges, are identified and mitigated • Decision-making incorporates inclusive risk assessment, ensuring services are accessible and equitable

	• Opportunities to improve health outcomes (e.g. prevention initiatives, partnership working) are actively pursued By strengthening the management of both risks and opportunities, the Council can better protect and improve the wellbeing of residents.
Safe and resilient communities	The policy enhances community safety and resilience by ensuring that risks impacting people, services and infrastructure are effectively managed. In particular it: • Supports the identification and mitigation of risks relating to crime, anti-social behaviour, and community safety • Ensures robust risk management in both children's and adult social care, supporting independence and safeguarding vulnerable individuals • Strengthens resilience of critical services, transport and digital infrastructure • Enables effective emergency planning and response, aligned to statutory duties such as the Civil Contingencies Act The policy's emphasis on proactive risk identification and escalation ensures that emerging threats are addressed before they impact communities.
Delivering best value	This is the primary ambition supported by the policy, with direct alignment to corporate governance and financial sustainability. The policy: • Establishes a consistent, organisation-wide framework for managing risk and opportunity • Strengthens corporate governance, transparency and accountability • Supports better financial planning and resource allocation through risk-informed decision-making • Enables the Council to take proportionate, controlled risks to deliver innovation and value for money • Aligns risk management with performance management and strategic planning processes. • Enabling delivery of strategic priorities through the systematic identification and management of risks that could impact on outcomes, alongside the proactive pursuit of opportunities that enhance service delivery and community benefits • Supports the identification and management of emerging risks, external pressures and changing operating conditions through horizon scanning, regular risk review and timely escalation arrangements. • Embeds risk-informed decision-making into strategic planning, performance management and resource allocation, strengthening accountability and supporting the effective delivery of Council priorities.

	• Supports innovation and continuous improvement by enabling proportionate and well-governed risk-taking within the Council's agreed risk appetite. • Aligns risk management with corporate governance, assurance, performance management and strategic planning arrangements. It also ensures: • Risks outside appetite are escalated and managed effectively • Controls are proportionate, avoiding both over- and under-management of risks • Continuous improvement through monitoring, assurance and learning
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1.4 Overall, the adoption of this policy provides the framework through which the Council can deliver its ambitions in a controlled, transparent and sustainable way, ensuring that risks are actively managed and opportunities are maximised to achieve the best possible outcomes for residents.

2. Recommendations

2.1 That the Executive

- **APPROVES** the Risk and Opportunity Management Policy 2026–2029.

3. Rationale for the recommended decision(s)

3.1 The proposed revised policy will ensure there continues to be a structured and consistent approach to managing risk and opportunity across the Council.

3.2 The policy will also support compliance with legal and regulatory requirements (e.g. Civil Contingencies Act, Local Government Act). It will enable risk-informed decision-making and resource allocation and support work to ensure there continues to be risk-aware culture that supports innovation and accountability.

4. Background and relevant information

4.1 The Risk and Opportunity Management Policy forms part of the Council's corporate governance framework and applies to all employees, members, contractors and partners.

4.2 Key features include:

- A mandatory, organisation-wide framework for risk and opportunity management
- Alignment with recognised standards (ISO 31000, Orange Book).
- Integration with performance management and decision-making processes.
- Defined risk appetite, including low tolerance for risks relating to:
 - Health and safety
 - Legal and regulatory compliance

- Security of assets and information

4.3 The policy ensures that the Council maintains:

- A structured risk management cycle (identify, assess, treat, monitor, review)
- Clear escalation thresholds and governance arrangements
- A three lines model to strengthen assurance and accountability
- Requirements for maintaining risk registers at strategic, directorate and programme levels.

4.4 The revised policy strengthens the Council's approach to risk appetite by moving towards a more risk-informed model that supports proportionate and well-governed risk-taking. Whilst retaining a low appetite for risks relating to safety, compliance, equality and reputation, the policy along with the Enterprise Risk Management Framework recognises that controlled financial, commercial and operational risks may need to be taken to support innovation, continuous improvement and improved outcomes for residents.

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 Option 1: Do nothing / retain existing policy not recommended because:

- The existing policy does not reflect current best practice or updated frameworks
- It limits the Council's ability to respond effectively to emerging risks
- It weakens governance and assurance arrangements

6.2 Option 2: Partial update Not recommended as:

- A full refresh is required to align with ISO 31000 principles and modern ERM approaches
- Partial updates would create inconsistency and ambiguity.

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

Topic	Impact
Financial (including Social Value)	Improved risk management supports better financial planning and reduces exposure to unplanned costs. Enables proportional risk-taking to achieve value and service improvements. No direct financial implications beyond existing resources.
Procurement	There are no procurement implications in relation to this report.
Legal	Supports compliance with statutory requirements including: • Civil Contingencies Act 2004 • Local Government Act 1999
Risk	Establishes a robust, consistent risk management framework

	Improves identification, escalation and mitigation of risks Enhances organisational resilience and governance
Human Rights, Public Sector Equality Duty and Community Cohesion	Systematically embeds, measures and assures equality within risk management. Ensures decisions are evidence-based and proportionate
Reducing Poverty	Risk-informed decision-making enables better targeting of resources and interventions
Climate Change / Environmental	Supports identification and management of environmental and climate-related risks Enables proactive mitigation and opportunity realisation
Children and Young People Cared for by the Authority and Care Leavers	Strengthens safeguarding through improved risk visibility and control
Data Protection	Reinforces information risk management through SIRO governance and structured controls

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

Action	Responsible Officer	Deadline
Formal approval and publication of policy	Risk and Health & Safety Manager	September 2026
Roll-out of policy and communication across Council	Risk and Health & Safety Manager	October 2026
Update and alignment of risk registers	Risk and Business Continuity Officer	November 2026
Training and awareness programme	Risk and Health & Safety Manager	Ongoing
First assurance report to Audit Committee	Risk Management Function	March 2027

Appendices

1	Risk and Opportunity Management Policy 2026–2029
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Background papers

Body	Report title	Date
Executive	Previous Risk and Opportunity Management Policy	July 2023
Audit Committee	Risk Assurance Reports	Various

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Risk and Opportunity Management Policy

Creator	Author(s)		Gary Welch, Strategic Risk and Health and Safety Manager		
	Department		Chief Executive’s Department		
	Service area		Chief Executive’s Department		
	Head of Service		Ann-Marie Johnstone, Head of Chief Executive’s Department		
	Director		Erik Scollay – Chief Executive Officer		
Date	Created		31/03/2026		
	Submitted		08/06/2026		
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	Updating Frequency		3-Yearly		
Status	Version: 3.0				
Contributor(s)	Gary Welch Strategic Risk and Health and Safety Manager				
Subject	Health and Safety				
Type	Policy				
	Vital Record		X	EIR	
Coverage	Middlesbrough Council				
Language	English				
Document Control					
Version	Date	Revision History	Reviser		
0.1	2020/01/16	First draft	AM Johnstone		
1.0	2020/02/10	Agreed policy	P Stephens		
2.0	18/07/2023	Policy revised and updated	S McIntyre		
3.0	July 2026	Policy revised and updated	Gary Welch, Strategic Risk and H&S Manager		
Distribution List					
Version	Date	Name/Service area	Action		
1.0	2020/02/10	Executive	Approval		
2.0	18/07/2023	Executive	Approval		
3.0	XX	MBC	All directorates’ areas and electronically to intranet		

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Summary

1. This policy forms part of Middlesbrough Council's corporate governance framework and establishes a mandatory, organisation-wide approach to the identification, assessment, management, escalation and monitoring of risks and opportunities. It ensures that risk and opportunity management:
 - Supports delivery of the Council Plan and strategic priorities
 - Enables informed decision-making and resource allocation
 - Strengthens organisational resilience and accountability
 - Aligns with the Enterprise Risk Management Framework, the Orange Book and ISO 31000.
2. This Policy is supported by the Enterprise Risk Management (ERM) Framework, which sets out the practical arrangements, tools and architecture required for implementation. Where any ambiguity arises, this Policy takes precedence.
3. The following sections outline:
 - the purpose of this policy
 - definitions
 - scope
 - the legislative and regulatory framework
 - policy statement
 - roles and responsibilities
 - supporting policies, procedures and standards; and
 - monitoring and review arrangements.

Purpose

4. The purpose of this policy is to:
 - Establish a consistent, structured and mandatory approach to risk and opportunity management;
 - Define the Council's risk governance system and expectations;
 - Embed a risk-aware culture that supports innovation and accountability;
 - Ensure risks and opportunities are managed within defined risk appetite and tolerance levels;
 - Support compliance with statutory obligations and recognised standards.
 - Ensure that all risks and opportunities include consideration of their actual or potential impact on individuals and communities, including those with protected characteristics, in line with the Public Sector Equality Duty.
5. The policy will deliver the following benefits:
 - embed proactive risk and opportunity management within the culture of the Council, making it integral to business planning, decision-making and performance management;
 - ensure that the risk and opportunity management cycle and associated processes are implemented consistently and proportionately across the Council;

- clearly communicate the Council’s approach to risk and opportunity management to employees, Members and other stakeholders; and
 - ensure that potential disproportionate impacts on individuals and communities, including those with protected characteristics, are proactively identified and assessed, with Equality Impact Assessments informing decision-making, mitigating risk, and driving improved, inclusive outcomes.
6. Effective implementation of this policy will enhance the Council’s ability to deliver its strategic, tactical and operational objectives, support continuous improvement in service delivery, and ensure ongoing compliance with legislation and the principles of good governance.

Risk Management Principles

7. Middlesbrough Council adopts the principles of effective risk management as set out in ISO 31000, ensuring that risk management is integrated, structured, and embedded across all organisational activities. Risk management supports the delivery of strategic objectives by creating and protecting value, improving decision-making, and strengthening resilience. The Council’s approach to risk management is:
- **Integrated** – embedded within governance, planning, performance management and decision-making processes across all levels of the organisation.
 - **Structured and comprehensive** – applying a consistent approach through the Enterprise Risk Management Framework to ensure comparability and informed oversight.
 - **Customised** – aligned to the Council’s external environment, statutory responsibilities and strategic priorities.
 - **Inclusive** – engaging stakeholders, including Members, officers, partners and communities where appropriate, to ensure diverse perspectives inform risk identification and management.
 - **Dynamic** – responsive to change, recognising that risks and opportunities evolve over time and require regular review.
 - **Based on best available information** – drawing on data, experience, intelligence and expert judgement, while recognising limitations and uncertainty.
 - **Supportive of continual improvement** – strengthening organisational learning through monitoring, review and maturity development.
8. These principles underpin both this Policy and the Enterprise Risk Management Framework and guide how risk and opportunity management is applied in practice.

Definitions

Corporate governance	The systems, processes and values by which local authorities operate and by which they engage with, and are held accountable to, their communities and stakeholders.
Issue	An event that <i>has</i> occurred and should be addressed (as opposed to a risk, which has not yet, or may not, occur).

Risk	The effect of uncertainty on objectives.
• Compliance risks	Risks relating to the contravention of legal duties.
• Hazards	Risks relating to health and safety and emergency planning.
• Operational risks	Risks arising from the day-to-day operation of services.
• PPM risks	Risks arising from the programme or project environment.
• Strategic risks	Risks to the Council's strategic objectives.
Opportunity	Positive risk, which if exploited could enhance the delivery of organisational objectives.
Risk analysis	A systematic use of available information to determine risk likelihood and impact.
Risk appetite	The amount of risk the Council is willing to accept and its posture for treating those risks.
Risk impact	The effect a risk would have if its occurred.
Risk likelihood	A measure of how likely it is that some event will occur in a given time.
Risk and opportunity management	The practice of identifying, analysing and controlling risks and opportunities in the most effective manner.
Risk matrix	A model which visibly displays the relationship between risk likelihood and impact and provides a guide for scoring of risks to ensure consistency.
Risk maturity	The effectiveness of the organisation's risk and opportunity management.
Risk mitigation	The process by which an organisation introduces specific measures to address risks outside of its appetite.
• Risk Terminate (Avoidance)	A risk response that seeks to eliminate a threat by ceasing to carry out the activity concerned.
• Risk Transfer	A response whereby a third party takes on responsibility for an aspect of the risk.
• Risk Treatment	A response that seeks to reduce the probability and / or impact of the risk.
• Risk Tolerate	A response that means the organisations takes the chance the risk will occur.
Risk profile	A summary of identified risks and assessment of their seriousness.
Risk proximity	How far away in time a risk may occur if it materialises.
Risk registers	Working documents that record and quantify risks, assess them and set out mitigation.

Scope

- 9. This policy applies to:
 - All employees, elected members, contractors and partners
 - All Council activities, including:
 - Strategic planning;
 - Service delivery;
 - Programme and project management;
 - Partnerships and commissioned services.
- 10. All risk and opportunity management activity must be undertaken in accordance with this Policy and the ERM Framework.
- 11. In respect of partnerships and shared services, the risk and opportunity management policy of the lead organisation will apply. Where this is not the Council, managers must ensure that arrangements are in line with the key principles of this policy.
- 12. Where partnership arrangements apply, the Council must also ensure that equality and inclusion standards within those arrangements meet its own statutory obligations and risk management expectations, including compliance with the Public Sector Equality Duty.
- 13. The Council has in place a separate Partnership Governance Policy and supporting register of key partnerships and their governance arrangements.

Legislative and regulatory framework

- 14. Key elements of the legislative and regulatory framework relevant to risk management are set out below.

Civil Contingencies Act 2004	Requires the Council to have risk arrangements in place to manage the risk of emergencies occurring and impacting on the public.
Local Government Act 1999	General requirement to achieve value for money. The effective management of risk and opportunity reduces unnecessary expenditure and increases the likelihood of delivering organisational priorities.

Public Sector Equality Duty (Equality Act 2010)	Requires the Council, in the exercise of its functions, to have due regard to the need to: • eliminate discrimination, harassment and victimisation • advance equality of opportunity between people who share a protected characteristic and those who do not • foster good relations between different groups
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Policy statement

15. Middlesbrough Council is committed to managing risk across all levels of the organisation, adopting a proportionate approach to identifying, analysing, evaluating, and treating risks. This approach underpins the achievement of our strategic objectives and strengthens the quality and resilience of the services we deliver to our communities.
- We foster a culture that prioritises accountability over blame, ensuring that risks are actively managed rather than avoided.
- Our governance mapping policy reflects Middlesbrough Council’s commitment to being a risk-informed organisation, where decisions are guided by a balanced understanding of risk, and where it is recognised that not all risks can be controlled to the same extent.
- This policy statement forms part of our Risk Management Strategy with the following subset of objectives:
- sets out the amount and type of risk it is willing to seek or accept in the pursuit of its strategic objectives;
 - ensures that the risks if it is exposed to are proportionate to the opportunity / reward to be gained;
 - staff understand how to judge which risks are acceptable, and which are not;
 - the response to risks is proportionate, avoiding over the top or lax reactions to risk; and
 - appropriate escalation where the Council’s appetite for risk is exceeded.
16. The risk appetite is the cornerstone of risk management within the Council and provides a framework for informed decision-making. It will be reviewed annually by the Leadership Team.
17. The Council’s risk appetite sets out the amount and type of risk it is willing to accept in pursuit of its strategic objectives, and provides a framework to support consistent, proportionate and risk-informed decision-making across the organisation.
18. Middlesbrough Council seeks to be a secure, resilient and forward-looking organisation, where risks are managed deliberately and proportionately, and where well-considered risk-taking is recognised as an enabler of innovation, improvement and value creation.
19. The Council has a low appetite for risks that threaten:

- the safety and wellbeing of people;
 - compliance with legal and regulatory obligations;
 - equality breaches, reputational damage from exclusion and community trust; and;
 - the security of property, assets and information.
20. Strong controls are maintained in these areas and any significant exposure outside appetite must be escalated and addressed promptly.
21. The Council recognises that some financial, commercial and operational risk may be necessary to achieve significant improvements in service delivery, long-term sustainability and community outcomes. Such risks will be taken within a robust governance, legal and regulatory framework, supported by appropriate assurance and oversight.
22. Where risks are non-critical and within appetite, decision-making may be appropriately devolved to enable timely action, innovation and service improvement. Managers are expected to exercise professional judgement, supported by evidence, transparency and effective risk controls.
23. The Council's risk appetite is defined and applied through:
- The corporate risk matrix and escalation thresholds;
 - The Risk Framework aligned to the Council's Principal Risks; and
 - Regular review by the Leadership Management Team.
24. The risk appetite will be reviewed at least annually, or more frequently where there are significant changes in the Council's operating environment, priorities or risk profile.

Risk Scoring and Assessment

25. Middlesbrough Council uses a consistent risk scoring approach based on the assessment of impact and likelihood, supported by defined descriptors and escalation thresholds.
26. Detailed guidance on risk scoring, including impact and likelihood definitions, scoring matrices, escalation thresholds, and review cycles, is set out in the Enterprise Risk Management Framework and associated Risk Management Toolkit.
27. All risks and opportunities must be assessed and managed in accordance with that Framework.

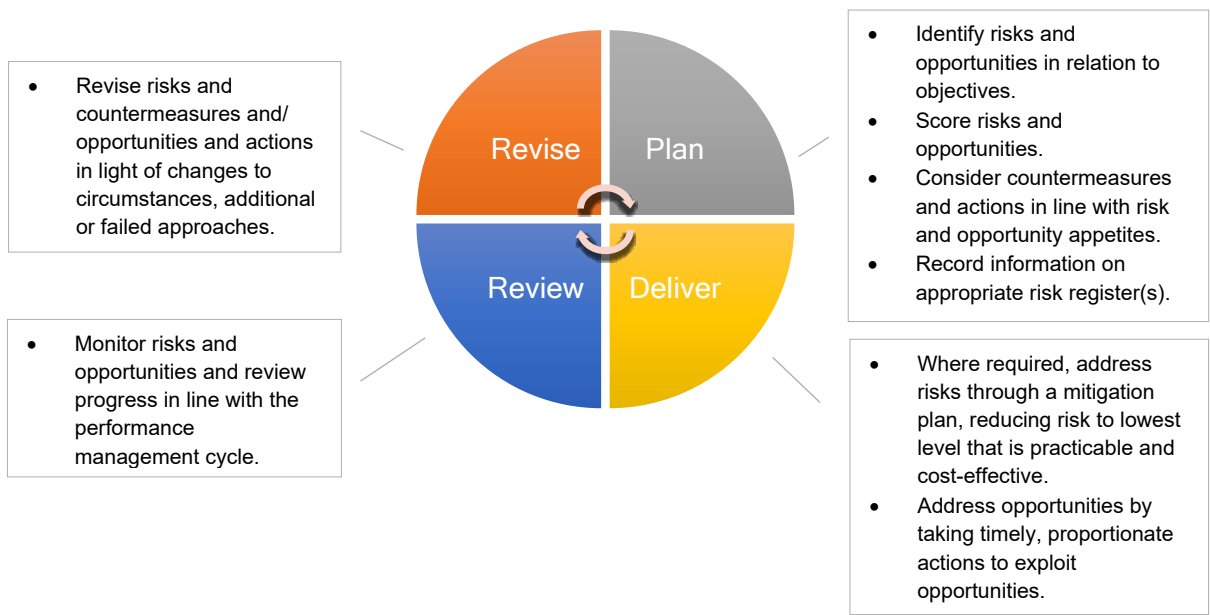
Risk Escalation and Tolerance

28. Risks are categorised using the Council's standard risk ratings of Low, Medium, High and Very High, based on combined impact and likelihood scoring as defined in the Enterprise Risk Management Framework.

- 29. High and Very High risks must be actively managed and escalated where they exceed the Council’s risk appetite.
- 30. Medium risks must be managed to the lowest practicable level within an agreed timeframe.
- 31. Low risks are accepted and monitored through normal management arrangements.
- 32. Risk ratings may be summarised using colour-based indicators for reporting purposes; however, escalation and decision-making are driven by the underlying risk rating and appetite.

Risk and opportunity management cycle

- 33. The Council’s risk and opportunity management cycle is based on the best practice outlined in A Risk Management Standard (IRM/AIRMIC/ALARM: 2002), ISO31000 Risk Management principles and guidelines, and other associated documents.
- 34. There is a clear similarity between the objectives and core processes of risk and performance management, which can essentially be viewed as two sides of the same coin. Both systems support the achievement of the Council’s strategic objectives, with performance management identifying and monitoring what is required to achieve objectives, and risk management addressing those hazards that may occur to prevent this.
- 35. As such the Council’s risk and opportunity management cycle supports, and is integrated within the Council’s performance management cycle, with all risks and opportunities being identified, reviewed and mitigated or exploited through the Council’s performance management processes. The key elements of the cycle are set out in the following graphic:



36. The Strategic Risk Register sets out risks and opportunities to the Council's strategic objectives and appropriate countermeasures.

37. As for business plans, risk and opportunity registers will also be developed, managed and reviewed on at least a quarterly basis at the three most senior management levels of the organisation:

- Level 1 Strategic Risks
- Level 2 Directorate level risks
- Level 3 Project/Programme level risks.

38. The more volatile the risk or opportunity, 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.

39. When, following review, risk or opportunity scores move outside of the Council's appetites, or where controls have failed, or are no longer effective in reducing a risk or exploiting an opportunity as intended, this must be escalated by the risk or opportunity owner to the next level of management as soon as possible and appropriate mitigation plans put in place to ensure that the risk or opportunity complies with the Council's appetites as soon as practicable.

Roles and Responsibilities

The Mayor and Executive	Overall responsibility for effective risk management, including agreeing the Council's Risk and Opportunity Management Policy, and ensuring that both it and the Council's strategic risk register are monitored and reviewed regularly.
Audit Committee	Review the effectiveness of risk and opportunity management and receive a bi-annual assurance report on progress being made.
Elected members	Ensure that risks and opportunities are being identified and effectively managed. Scrutinise the Executive's decisions to ensure that they meet the requirements of this policy.
Chief Executive and Leadership Management Team	Lead, coordinate and champion effective risk and opportunity management across the Council, ensuring that the Council fully complies with all corporate governance requirements; regularly review the Council's risk appetite and strategic risk register, utilising the Council's risk management solution to do so.
Section 151 Officer	Supporting the effective governance of the authority through development of: • corporate governance arrangements, risk management and reporting frameworks • corporate decision making arrangements. The section 151 officer must ensure that financial and risk implications of policy initiatives have been analysed and appropriately addressed.
Monitoring Officer	Responsible for ensuring the Council operates within the law and in accordance with its Constitution, including: • maintaining and promoting high standards of conduct and lawful decision-making • ensuring that governance, decision-making, and risk management arrangements comply with statutory requirements

	• providing oversight that legal, ethical, and equality considerations are fully integrated into Council processes The Monitoring Officer plays a key role in ensuring that equality duties, including the Public Sector Equality Duty (Equality Act 2010), are embedded within risk and decision-making frameworks, so that potential impacts on protected groups are identified, assessed, and addressed.
Executive Director and Strategic Director	Own and manage Level 1 strategic risk register and ensure that the risk management framework is implemented within department and directorates
Corporate Directors	Own and manage Level 1 Strategic risk register and Level 2 Directorate risk registers and ensure that the risk management framework is implemented within department and directorates.
Senior Information Risk Owner (SIRO)	Responsible for the overall management of information risk within the Council, advising the Chief Executive, management team and Information Asset Owners, and ensuring that staff training is available and fit-for-purpose.
Information Strategy Group	Operational group of key officers led by the SIRO responsible for implementing the Information Strategy, in conjunction with Information Asset Owners (Heads of Service).
Risk Management Group	Group of senior officers responsible for ensuring the Council has in place an approach to risk and opportunity management that complies with this policy. The group has reporting lines to enable risks in relation to this policy and other issues to be escalated by the SIRO and other risk owners to be considered as necessary.
Enterprise Risk Management Function (Risk and Health and Safety Manager)	Develops and maintains the council's risk management policy, fosters a risk-aware culture through training and building organisational understanding, and establishes internal risk frameworks. Coordinates risk management activities and prepares risk reports for senior leaders and committees.

Governance, Policy and Information Service	Provides guidance and coordinates the Council's approach to risk and opportunity management, maintaining oversight over all risk registers.
Internal Audit	Ensures that internal controls are robust and operating correctly, audits the key elements of the risk management process and ensures that risk work undertaken across the Council informs the overall audit plan.
Heads of Service	Adopt a risk-based approach to service planning, own and manage service risk and opportunity registers, utilising the Council's risk management solution to do so.
Middle Managers	Adopt a risk-based approach to service planning, own and manage team risk registers, utilising the Council's risk management solution to do so.
Frontline Managers	Adopt a risk-based approach to service planning, manage day-to-day risks, utilising the Council's risk management solution to do so.
All employees	Understand the level of personal performance that is expected and deliver on this. Ensure data is entered accurately and in a timely manner.
Programme Managers	Own and manage Level 3 Project/Programme risk register and ensure that programmes are managed within established tolerances for acceptable risk and that programme boards take ownership of and manage programme risk registers.
Project Managers	Own and manage Level 3 Project risk register and ensure the projects are managed within established risk tolerances, manage the project risk register, and facilitate appropriate escalation and de-escalation of risks between programme and project risk registers.

Assurance Framework and Three Lines Model

40. Middlesbrough Council applies a structured approach to assurance through the Three Lines Model, as defined within the Enterprise Risk Management Framework and Governance and Assurance Mapping arrangements. This model supports a

clear distinction between risk ownership, oversight and independent assurance, strengthening accountability and transparency across the organisation.

- **First Line – Operational Management**
Directorates, services and programme teams are responsible for identifying, assessing and managing risks and opportunities. This includes implementing controls, maintaining risk registers and providing assurance on the effectiveness of those controls through routine management activity.
- **Second Line – Oversight and Support Functions**
Corporate functions, including governance, risk management, compliance and specialist risk disciplines, provide guidance, challenge and oversight. They establish frameworks, policies and methodologies, support consistent application of risk management, and monitor adherence to the Council’s risk appetite and governance requirements.
- **Third Line – Independent Assurance**
Internal Audit, supported where appropriate by external audit and regulatory inspection, provides independent assurance on the effectiveness of risk management, governance and internal control arrangements. This includes evaluating the adequacy of both first and second line activities.

41. This structured approach ensures that risks are managed at the appropriate level, with proportionate oversight and independent assurance, and that significant issues are escalated through established governance routes to the Leadership Management Team and Audit Committee.

Supporting policies, procedures and standards

42. The following policies, procedures and standards will be implemented across the Council to support effective risk and opportunity management.

Information Governance Framework	Sets out a framework for effective information governance within the Council, meeting all legal obligations and underpinning the achievement of strategic objectives.
Manage your Risks – Ideagen Risk Portal User Guide	Guidance on how risks and opportunities are stored and updated within risk software.
Opportunity impact matrix guidance	Guidance that provides parameters for the scoring of opportunities to ensure consistency across the organisation.
Opportunity Profile Form	Form utilised for profiling and collecting data on opportunity.
Risk impact matrix guidance	Guidance that provides parameters for the scoring of risks to ensure consistency across the organisation.

Risk Profile Form	Form utilised for profiling and collecting data on risk.
Partnership Governance Policy	Sets out the Council's approach to developing and managing partnerships to ensure that their contribution to strategic aims and priorities are maximised.
Performance Management Policy	Sets out how the Council will ensure that performance is effectively managed to deliver strategic priorities for the town.
Project and Programme Management Policy	Sets out how the Council will manage its portfolio of programmes and projects to ensure delivery to scope, cost, time and quality.
Project and Programme Management Framework	Provides more detailed guidance and templates to be used within the life cycle of programmes and projects.
Project Risk Guide	Guidance on the PPM framework and standard project risks.
Project and Programme Management risk impact matrix	Sets out guidance on risk and opportunity scoring within the PPM environment to ensure consistency and appropriate escalation.

Emerging Risks and Horizon Scanning

43. In addition to the management of known risks, Middlesbrough Council recognises the importance of identifying and responding to emerging risks and opportunities. The Council will:
- Undertake horizon scanning to identify new and evolving risks arising from changes in the external and internal environment.
 - Consider emerging risks as part of the regular review of strategic and directorate risk registers.
 - Draw on data, intelligence, professional networks and sector insight to inform risk identification.
 - Ensure that emerging risks are assessed, aligned to the Council's Principal Risk categories, and escalated where appropriate in line with the Enterprise Risk Management Framework.
44. This forward-looking approach strengthens organisational resilience and supports proactive decision-making.

Monitoring and review arrangements

45. The Council's expectations around risk and opportunity management are clearly set out within its corporate values and associated competency frameworks. All managers and employees are required to comply with this risk and opportunity management policy to ensure that the Council effectively manages risks and exploits opportunities in pursuit of its strategic objectives. Managers and employees will be

provided with a range of resources, and where appropriate, training, to support the effective implementation of this policy.

- 46. A bi-annual assurance report on the Council’s risk management arrangements will be submitted to Audit Committee. This will be supported by a targeted internal audit as appropriate, which will be listed in the Council’s annual audit plan.
- 47. The SIRO and other risk owners will provide quarterly updates to the Council’s Risk Management Group, and annual reports to management team and Audit Committee.
- 48. LMT will review the Councils strategic risks on a quarterly basis or more frequently where they are volatile and ensure that any risk whether it be negative or positive affecting the strategic objectives is reviewed and actioned where necessary.
- 49. Middlesbrough Council is committed to the continuous improvement of its risk management framework and practices. This will be achieved through:
 - Periodic risk maturity assessments to evaluate the effectiveness of the Council’s approach.
 - Incorporating lessons learned from risk events, internal audit findings and assurance activities.
 - Ongoing review and refinement of the Enterprise Risk Management Framework, tools and guidance.
 - Investment in training and capability development to strengthen organisational understanding and application of risk management.
- 50. This approach ensures that risk management remains effective, proportionate and aligned to the Council’s evolving priorities.
- 51. The implementation and effectiveness of this policy and its supporting procedures will be reviewed annually, using the following metrics:
 - Availability of registers against corporate profile;
 - Availability of information to support regular tracking;
 - The proportion of risk mitigation plans achieved annually;
 - Effectiveness of mitigations in delivering targeted risk scores; and
 - The number of risks that become live issues for the organisation.
- 52. This policy will be reviewed every three years, unless there is significant development that would require a more urgent review e.g. new legislation.

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MIDDLESBROUGH COUNCIL	
Report of:	Corporate Director of Regeneration and Housing, Richard Horniman
Relevant Executive Member:	Executive Member for Development, Theo Furness
Submitted to:	Executive
Date:	2 September 2026
Title:	Place Strategy to Investment Prospectus
Report for:	Decision
Status:	Public
Council Plan priority:	A successful and ambitious town
Key decision:	Yes
Why:	Decision(s) will have a significant impact in two or more wards
Subject to call in?	Yes
Why:	Non-Urgent Decision
Proposed decision(s)	
That Executive: a) Notes the work undertaken by the Place Leaders Partnership to develop a Place Strategy for Middlesbrough and endorses the Council's role in delivery; b) Approves the town centre element of the Place Strategy as the Council's Town Centre Strategy; and, c) Approves the Investment Prospectus setting out the Council's economic funding priorities required to deliver the Place and Town Centre strategies.	

Executive summary

The Middlesbrough Place Leaders Partnership has brought together a range of organisations from public, private and voluntary sectors to develop an overarching strategy to improve the town. This is known as the Middlesbrough Place Strategy.

The objectives of Middlesbrough's Place Strategy are co-designed and co-owned with stakeholders across the Town. Middlesbrough Council is one, amongst many, stakeholders who are encouraged to adopt the objectives of the strategy and embed the principles into the working practices and strategic priorities for the long term.

Within this strategy is a specific section setting out what needs to happen in the town centre to support economic growth, and this will be known separately as the Middlesbrough Town Centre Strategy. The focus of these two strategies is the aim of **making Middlesbrough the most creative place for young people to live, learn and realise their future**. This focus on younger people is intended to drive a longer term change in the town that is more reflective of anticipated future trends and an evolving role.

A further document has been prepared identifying the specific interventions that need to be pursued, that will be known as the Middlesbrough Investment Prospectus. This would be used as a lobbying tool to secure external funding for the named projects, illustrating a coherent package of measures aimed at supporting the overall Place Strategy.

This report recommends that Middlesbrough Council plays a full role in the delivery of the Place Strategy, and approves the Town Centre Strategy and Investment Prospectus.

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

- 1.1 The purpose of the report is to set out the work that has been undertaken by the Place Leaders Partnership to develop a Place Strategy for Middlesbrough. The report proposes that the Council commits to playing a full role in its delivery.
- 1.2 The report also details the strategic actions required in the town centre and proposes that the Council approves these as the formal Town Centre Strategy for Middlesbrough. This would provide direction to future Council plans and investment priorities.
- 1.3 The report concludes with the presentation of an Investment Prospectus that would represent the key elements required to drive the economic elements of the above strategies and again proposes approval by the Council. This would enable the Council to lobby for funding for projects likely to be contained within future Council Plans.

Our ambitions	Summary of how this report will support delivery of these ambitions and the underpinning aims
A successful and ambitious town	Although wider than just dealing with economic issues, the Place Strategy and supporting documents are all aimed at driving sustainable economic growth and encouraging younger people to play their part in it.
A healthy Place	The Place Strategy sets out a more holistic vision for Middlesbrough, which is very much aimed at improving the life chances of our younger residents.
Safe and resilient communities	The Place Strategy and supporting documents will influence improvements in issues such as transport and connectivity and promote activity in communities to enable young people to thrive.
Delivering best value	The Place Strategy will aim to improve life in Middlesbrough, particularly for young people, reducing the need for public services to address inequalities or intervene.

2. Recommendations

2.1 That the Executive

- a) **Notes** the work undertaken by the Place Leaders Partnership to develop a Place Strategy for Middlesbrough and endorses the Council's role in delivery;
- b) **Approves** the town centre element of the Place Strategy as the Council's Town Centre Strategy; and,
- c) **Approves** the Investment Prospectus setting out the Council's economic funding priorities required to deliver the Place and Town Centre strategies.

3. Rationale for the recommended decision(s)

- 3.1 Improving Middlesbrough will require a collective, collaborative effort. The Place Leaders Partnership draws together a number of key organisations and businesses in the town, focused on working together to make Middlesbrough a better place. The partnership has determined that a subtle focus on younger people is the most effective

way to improve the town for everyone's benefit and has developed a strategy based on extensive engagement with young people to determine a clear way forward.

3.2 As a key member of the Place Leaders Partnership, it is important that the Council commits to its role in delivering the strategy and continuing to play its part in the collaborative effort of the partnership.

3.3 Adopting the accompanying direction for the Town Centre and Investment Prospectus would also ensure that the Council is acting in a collaborative way and contributing proactively to the agreed, shared direction.

4. Background and relevant information

4.1 Middlesbrough has traditionally played a role as the commercial heart of the Tees Valley, providing city centre functions for the wider Teesside conurbation, and provides much of the skilled workforce for the industrial economy situated in neighbouring boroughs. The fundamental, structural, macroeconomic shifts occurring in the wider economy have had an acute impact upon the town in recent years, and this has reshaped the nature of Middlesbrough's role in what is now the Tees Valley. As the structural change has happened, coupled with the targeted sector development programmes that have been undertaken, the town's economy has evolved. There is a purposeful drive for employment in professional services, new jobs being created through the digital sector, and a new identity emerging through the expansion of creative and cultural investment.

4.2 There is, however, further context that will require the town to evolve again, as the way people work, shop and spend their leisure time is changing more rapidly than ever, and the demographic mix in Middlesbrough grows increasingly diverse. As these are national, if not international, trends then Middlesbrough needs to be clear about its future role within a rapidly changing world and provide the opportunities necessary for its residents to fulfil their potential.

4.3 There is a significant amount of work being undertaken at sub-regional level to ensure that Tees Valley is responding to these changes, and Middlesbrough's future role is, to some extent, defined by the strategic direction set out in plans such as the Tees Valley Local Growth Plan. It is, however, critical that Middlesbrough can clearly articulate its own strategic direction and can set out how it will ensure that our town and its people can thrive in the future. Middlesbrough has specialisms and structural advantages which means that it can carve its own niche and contribute to the balance of the wider Tees Valley economy.

4.4 To determine this strategic direction the Council invited a number of 'anchor institutions' and key businesses to form a Place Leaders Partnership in 2025. Members of the partnership include organisations such as AV Dawson, Behaviour UK, Teesside University, Middlesbrough College, TVCA, Cleveland Police, the NHS – Integrated Care Board, NECC, the Creative Factory, Network Rail, and Middlesbrough Council and the terms of reference are included as Appendix I.

4.5 The partnership does not have any official standing, is not incorporated as a legal entity or have any formal links to any individual organisation. The Council provides the

secretariat for it, but it does not represent a formal body in the Council's constitution. It is a voluntary collective of primary stakeholders committed to leveraging their influence and aligning their efforts to the common objective of a singular Place Strategy for Middlesbrough.

- 4.6 The key role of the partnership was to provide a broad and independent perspective to determine the direction that the town needs to take to maximise its future success, within the wider context and agree how organisations could work better together to build upon what each could achieve individually.
- 4.7 The direction agreed through the partnership would take the form of a long term 'Place Strategy' that would be for the whole town, rather than being a strategy owned and delivered by any one individual organisation. This shared strategy would then be used to influence the in-house policy development of each partner and draw everyone's focus towards a core set of overarching metrics. The strategy will inevitably require a more delivery-focused plan of execution, to sit alongside it. This will be developed in the coming months as national funding programmes and locally devolved settlements become clearer.
- 4.8 The scope of the strategy is to set out how the town will grow, develop and position itself in the years ahead. It outlines priorities for economic growth, digital innovation, housing, transport, culture and community wellbeing. It is not however, all-encompassing and is not intended to replace every other strategy that exists. It is essentially a strategic framework for the town within which more detailed and topic-specific strategies can be developed.

Vision

- 4.9 Having reviewed previous visions and debated how best to influence the future direction of the town, the Place Leaders Partnership agreed that the best way to drive real change was to focus on younger people and the ambition that:

Middlesbrough be the UK's most creative place for young people to live, learn, and realise their future.

- 4.10 The partnership was keen to have a clear direction to make Middlesbrough a thriving, confident, and future-ready town that is digitally driven, powered by creativity, and unapologetically ambitious. Weighting efforts towards collective interventions that directly improve outcomes for younger people and future generations.
- 4.11 The definition of young people is intentionally abstract and is not prescriptive to any specific age boundaries – it could mean children in some contexts, young digital professionals or people at the beginning of their journey in business. The vision is also not designed to exclude any others, but to consider critical growth issues through the eyes of younger people, and to use the perspectives of younger people to drive better outcomes for everyone and shape Middlesbrough for the future.
- 4.12 Although the focus on young people will be clear, this will be used to drive longer term benefits for all residents. A town that has more successful, engaged and creative young people will naturally deliver more opportunities for families to thrive and for

parents, carers and people from older generations to enjoy a more vibrant and successful place.

Engagement

- 4.13 To inform the direction of the strategy in relation to young people, specialist researchers MMC were brought in to undertake a significant engagement exercise with young people. Over 1,300 young people took part through sessions in primary and secondary schools, Northern School of Art, Middlesbrough College and Teesside University. Young professionals in the digital sector were also included. The outcome of this research has influenced not only the priorities of the strategy, but the way in which they will be addressed.

Objectives & Summary

- 4.14 Middlesbrough's Place Strategy is locally led, co-designed and co-owned by a range of stakeholders across all major education institutions, health providers, business leaders, community advocates and cultural organisations. Priorities and initiatives have been informed by economic drivers, statistical trends, societal trends, commercial markets, community intelligence and anecdotal evidence from the Place Leaders Partnership.
- 4.15 In developing the ambition for Middlesbrough to be the **UK's most creative place for young people to live, learn, and realise their future**, it was essential to consult with younger people to understand their views and future aspirations, so Middlesbrough commissioned a comprehensive consultation exercise to seek the direct views of younger people, their families and carers, young professionals and advocates.
- 4.16 Over 1,300 people engaged in this exercise, the findings of which have provided valuable contributions and feedback have shaped Middlesbrough's Place Strategy. With this exercise we can be confident that the voices and ambitions of the people of Middlesbrough have been captured to identify the things our young people, young professionals, parents and carers told us were most important to them, when thinking about Middlesbrough's future.
- 4.17 **The headline findings from the consultation exercise were:**
- a) There is a strong sense of pride and affection for Middlesbrough amongst young people and parents and carers.
 - b) There was evidence of optimism about the future, with young people holding significantly more optimism for the future than adults surveyed.
 - c) Many felt that Middlesbrough possesses significant untapped potential and could become a more attractive place to live, work and build a future if existing strengths are better promoted and celebrated.
 - d) Participants frequently described the town centre as unattractive and in some cases, unsafe, particularly during the evening.
 - e) Crime, anti-social behaviour and drug use emerged as recurring concerns across both young people and parents and carers.

- f) There was a widespread perception that career and educational opportunities are limited, leading many young people to believe they may need to leave the area to fulfil their ambitions. Parents and carers often reinforced these concerns.
- g) A perceived lack of affordable leisure activities and safe spaces for young people, contributing to a sense that there is 'not enough to do' locally – particularly in the 16 to 18 age range.
- h) Together, these challenges risk undermining confidence in Middlesbrough and limiting young people's aspirations unless addressed through visible action and investment.

4.18 Shaped by consultation, these themes provide the focus for decision making, investment, and delivery:

- a) *Developing New Neighbourhoods - New Neighbourhoods* - Creating new homes, mixed-use development and future-focused communities in areas with the capacity to support growth. *Neighbourhood Renewal* - Investing in established communities, improving housing, public spaces, local facilities and connectivity, while capitalising on the powerful strengths and identities that already exist.
- b) *Celebrating Digital and Innovation* - Our ambition is for Middlesbrough to be a place where talent is developed, new ideas are tested and innovation creates high-value opportunities for our businesses and residents.
- c) *Driving Investment and Connectivity* - Improving transport, digital networks, grid infrastructure and wayfinding, linking people to opportunities to support the needs of businesses, residents, tech-savvy young people, students and start-ups.
- d) *Reshaping the Town Centre* - The town centre should be a place of possibility. A place where a young person can meet friends, discover something new, study, start a business, experience culture, access services and imagine a future.
- e) *Creating Safe, Green and Vibrant Spaces* - Middlesbrough is a place with safe, green and vibrant spaces, where people feel welcome, confident and connected.
- f) *Prioritising Skills, Education and Employment* - Education is one of Middlesbrough's greatest strengths. Our ambition is to turn that strength into a lasting advantage for the town. Talent should not have to leave Middlesbrough to find opportunity.

4.19 Together, we have a clear direction to make Middlesbrough a thriving, confident, and future-ready town that is digitally driven, powered by creativity, and

unapologetically ambitious. Weighting our efforts towards collective interventions that directly improve outcomes for younger people and future generations.

Putting the Strategy into Action

- 4.20 Having set the vision and direction, the partnership will continue to meet to determine how best to use and refine the strategy to influence the work of all partners, and drive collaboration and more joint working. A delivery plan will be produced to set out how collaboration will be achieved, focusing on specific areas where joint working will drive change rather than simply collating the individual actions of all partners into one document. Progress against key outcomes identified within the strategy (particularly those aligned with the Government's new Local Outcomes Framework) will also be monitored to enable appropriate targeting.
- 4.21 As a key partner in the strategy, the Council will need to consider where its own individual strategies and actions can be steered towards the identified objectives. As the Place Strategy is intended to span beyond political cycles, it will also be critical to informing the development of future Council Plans.

Middlesbrough Town Centre

- 4.22 Although the Place Strategy covers the whole of Middlesbrough, the importance of the town centre to the perception of the town and its future economic success is significant. The Place Strategy recognises this and contains a specific section regarding reshaping the town centre. This will be considered on its own as Middlesbrough's Town Centre Strategy.
- 4.23 The role of the town centres across the country has been evolving as consumer focus has shifted from the high street to online, and the need for physical commercial space has reduced. As Middlesbrough Town Centre has traditionally performed a 'city centre' role for the wider Tees Valley it was very heavily structured around large department store formats, shopping centres and large office blocks. These assets that once represented Middlesbrough's strength, have now largely become surplus to requirements in their original form, and need to be rationalised or repurposed.
- 4.24 Although all town centres (and particularly those in the North) have been badly affected by these changes in consumer patterns, Middlesbrough Town Centre has several structural elements that were once an advantage but now represent barriers to its future sustainability. The Town Centre Strategy is therefore more targeted to addressing these structural challenges than previous iterations of town centre plans, which were more focused on just improving the user experience.
- 4.25 As the role of the town centre evolves there is also a need to ensure that changes are being made with a view to a long term future, and this will be achieved by targeting the focus on **making Middlesbrough Town Centre the UK's most creative town centre for young people to live, learn, and realise their future.**
- 4.26 This focus on young people (reflected from the Place Strategy) will ensure that the changes made are forward looking, rather than trying to recapture its former structure and role. The focus on culture and creativity also reflects the aspirations around the

Turner Prize events of 2026/27 and the 2029 City of Culture bid, along with the events being staged in the run up to that.

- 4.27 As with the Place Strategy, the Council will play a key role in delivering the stated objectives, through actions across the work programmes of different directorates, and where appropriate these will be detailed in additional reports to be brought before Executive.

Objectives & Summary

- 4.28 Middlesbrough's Town Centre is of critical importance both locally and in terms of its function as a major focal point for the Tees Valley economy. Town Centres do not perform the same functions which they used to, they compete with online vendors and they need to adapt to emerging and future consumer trends, in order to stay relevant and active.
- 4.29 Middlesbrough needs to make some major structural changes both economically and in the built environment to ensure that the balance of commercial activity is fit for the future and that the town centre areas are attractive, safe, appealing and alive with plenty of things to see and do.
- 4.30 We need to reshape the economic balance of the town centre further away from an oversupply of redundant retail floorspace; we need to clear and demolish some of the older buildings which do not lend themselves to repurposing; we need to create new public spaces for people to enjoy; we need to provide modern retail stock which meets retailer demands; we need to embed leisure, hospitality, creativity and the arts at the centre of our town centre offer; we need to guarantee safe and secure public spaces for everyone to enjoy; and, we need to drive employment in our digital, creative and professional services sectors, into the heart of Middlesbrough town centre.
- 4.31 The primary objectives of Middlesbrough's Town Centre Strategy are:
- a) *Town Centre diversification* – shopping will always be part of Middlesbrough Town Centre however, we will work to make a shift in our overreliance on the retail economy by bringing more public services to the town, continue to make Captain Cook Square a primary leisure destination, bring Out of Town shopping back Into Town, focus premium shopping towards the Hillstreet Centre and consolidate the town centre estate and major retail assets.
 - b) *Cleared and repurposed surplus property* – Where town centre properties are end-of-life or surplus, we will prioritise the acquisition and clearance of these sites to make way for new public spaces, redevelopment or repurposing.
 - c) *Public spaces, events and animation* – The town centre will capitalise on current and new assets to create fun and imaginative spaces. This will include the development of a new major theatre facility, events and activities and offer, free

and affordable spaces for all ages and this will be underpinned by interventions designed to reclaim our public spaces by enhancing safety and security.

- d) *Urban Communities* – People living and working in a Town Centre increases footfall, consumer demand and animation of our central areas. Residential developments in adjacent areas of Greham and Middlehaven will be driven forward to enliven the town centre with residents and workers living nearby.
- e) *Investment Zone* – Being part of the only Digital and Creative Investment Zone in the UK unlocks up to £160m of investment to drive the growth of businesses and build a new commercial economy in the heart of Middlesbrough. We will focus the priorities of this programme to enhance our digital and creative sectors, make use of novel town centre spaces for business accommodation and underpin our sector specialisms in new technologies, creativity and professional services.

Investment Prospectus

- 4.32 Once a clear strategic direction has been set, and key organisations have determined the nature of their involvement in delivering the changes that are needed, there will be a collective need to lobby externally for funding for specific projects. Collectively there is a need to set out a compelling case to commercial funders, trusts and the Government that allocating their resources in Middlesbrough would not only help deliver specific projects, but also contribute to the delivery of the wider stated objectives. The business case for investment would therefore be able to demonstrate how the outputs of the specific project would also contribute to the outcomes being sought within the wider Place Strategy. It would also set out clearly the context within which individual investments are being made.
- 4.33 An Investment Prospectus has therefore been developed that will act as a lobbying tool in relation to funding, but also to give more specific detail to both the Town Centre Strategy and the Place Strategy itself. It will be the more dynamic document of the ambitions presented, as projects will inevitably evolve as they are either funded or superseded by others. Initial versions of the Investment Prospectus may also be limited by how specific they can be with respect to commercial assets. There is a need within the strategy to acquire, demolish or remodel certain types of floorspace, but the balance will need to be found within the Investment Prospectus between providing clarity, and unduly influencing the values of targeted properties.
- 4.34 The key projects featured in the Investment Prospectus include:
- a) The development of a new community with over 2,000 new homes at Middlehaven
 - b) The development of a new community at Gresham
 - c) Removing redundant retail floorspace and focusing premium retail activity around the Hillstreet Centre
 - d) Removing significant amounts of end-of-life office floorspace
 - e) Providing 'Out of Town' retail opportunities within the town centre
 - f) Development of a major new theatre venue on the Civic Centre site

- g) Development of a new hotel in Gurney House to bolster the existing cluster
- h) Making the town centre a creative canvas to be 'playable' for young people
- i) Creation of major urban spaces to replace redundant retail/office floorspace and improve connectivity
- j) Development of high-quality bus Super Stops to change how people use public transport
- k) Creation of a major Taxi Hub to provide taxi users with a better experience
- l) Development of a cultural department store concept known as 'House of Art'
- m) Establishment of an Academic Centre of Excellence for Surgery at JCUH
- n) Provision of major new housing site opportunities at Newham Hall
- o) Supporting the commercial purchase of existing residential empty properties

4.35 The projects featured in the Investment Prospectus represent those that are required to fundamentally change the underlying structure of the town and the town centre, and as such are aspirational. Some will naturally be delivered more easily than others, and the nature of some projects may also evolve over time. The document therefore sets out a menu of options for potential investors/funders, and a tangible plan to reshape the economic foundations. It provides comfort to developers, investors and public funders when they are making their own investment decisions and is a clear demonstration against progress against strategic priorities and commitments.

5. Ward Member Engagement if relevant and appropriate

5.1 The Place Strategy covers all wards and as such has not been the subject of specific consultation with ward members at this stage.

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

6.1 The following options have been considered in the preparation of this work:

Do Nothing

6.2 Middlesbrough continues to face challenges in almost every area, and the issues faced by many of its residents continue to become more acute and complex. Although the efforts of the Council and other partner organisations will always have some positive impact, not developing a collaborative and targeted strategy would risk maintaining the current situation and potentially falling further behind other places taking a bolder approach. This option has been rejected as it would not offer Middlesbrough the best chance of improving outcomes.

Develop a Council Led Strategy

6.3 It is recognised that the Council does not have the same level of influence or resources that a partnership of the key organisations in the town would collectively possess. Developing a standalone Council Strategy would potentially make a significant difference to the town, but it cannot be expected to achieve the same level of change that a collective, collaborative strategy would. The joint working potential with a partnership strategy is much greater, as is the likely impact of multiple organisations acting in the same direction. This option has therefore been rejected.

Develop a Fully Comprehensive Partnership Strategy

6.4 There are two areas where the strategy could be expanded – by extending the scope to cover every aspect of life in Middlesbrough, or by not focusing on younger people and ensuring that all people are considered equally. These options have been rejected as a strategy that tries to cover every aspect of life in Middlesbrough would inevitably be less focused, and potentially unwieldy. Previous strategies attempting to cover every aspect have been prepared by partnerships seeking to influence every issue, but have lacked the focus to enable a clear direction to be set. Such comprehensive strategies tend to have limited impact. The approach of focusing directly on younger people has been agreed by the partnership to ensure that a different path is taken to previous iterations of strategies that again try to address every issue for everyone and as a result lack any real impact or focus. By viewing the town through the eyes of younger people it is anticipated that any improvements the strategy delivers would still, ultimately, benefit everyone.

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

Topic	Impact
Financial (including Social Value)	The Council does not directly expose itself to any financial commitment or undertaking through the voluntary adoption of the Place Strategy. In the Revised Capital Programme for 2026/27 to 2029/30 contained within the Quarter One 2026/27 Integrated Performance and Finance Forecast Year End Outturn report to this Executive, £3m has been allocated for the Civic Centre Site Redevelopment and £2.279m for the Middlesbrough Investment Prospectus, subject to business cases. Other investment and initiatives which arise from the Town Centre Strategy and Investment Prospectus would require third-party and Council resource, and additional Executive or Council approvals would be sought for budgetary matters above the approved thresholds.
Procurement	Adopting the Place Strategy and its associated documents does not require any procurement activity. Any projects or procurements arising from the principles of this strategic framework, would be procured as per the Council's adopted contract regulations.
Legal	Legal to provide support to ensure that any sharing of data between partner organisations in the development of the strategy complies with all data protection legislation and duties of confidentiality. Any collaboration arrangements, projects, investments or initiatives which arise from the development of this strategy will be brought to the appropriate decision making body for

	approval and reviewed separately to ensure legal compliance.
Risk	There are no direct risks associated with adopting the Place Strategy. Each element detailed in the Investment Prospectus will bring specific risks once they become live projects, but these will require further Executive reports prior to their commencement.
Human Rights, Public Sector Equality Duty and Community Cohesion	The Place Strategy seeks to improve the town through a focus on young people. The intention is that the improvements driven by the strategy ultimately benefit everyone and bring communities together in a more collaborative way.
Reducing Poverty	The Place Strategy seeks to improve the town through a focus on young people. The intention is that the improvements driven by the strategy ultimately improve the overall economic sustainability of the town, raise skill levels and provide opportunities for residents. This will be critical to wider efforts to reduce poverty.
Climate Change / Environmental	The Place Strategy seeks to improve the town through a focus on young people. This is likely to drive a longer term view when planning activities and interventions, with a greater focus on sustainability.
Children and Young People Cared for by the Authority and Care Leavers	The Place Strategy seeks to improve the town through a focus on young people. This will include a greater focus on ensuring the right skills, opportunities and environment are available for people cared for the authority. Many care leavers and people currently in the care system were involved in the engagement activities undertaken as part of the preparation of this strategy.
Data Protection	There are no direct data protection issues arising from the adoption of the strategy, but further joint working and collaboration between partner organisations may require a different approach to data sharing than has previously been taken.

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

Action	Responsible Officer	Deadline
Develop business case proposals for Investment Prospectus projects	Corporate Director of Regeneration and Housing	March 31 st 2027
Present Investment Prospectus to external bodies to set out wider context	Corporate Director of Regeneration and Housing	March 31 st 2027
Present Annual update to Executive on delivery of the Place Strategy	Corporate Director of Regeneration and Housing	Annually from September 2027

Appendices

1	Place Leaders Partnership Terms of Reference
2	Middlesbrough Place Strategy
3	Middlesbrough Investment Prospectus

Background papers

Body	Report title	Date
N/A		

Contact: Richard Horniman

Email: richard_horniman@middlesbrough.gov.uk

PLACE LEADERS PARTNERSHIP TERMS OF REFERENCE

Aim: Middlesbrough requires a new framework which coherently reflects:

- i. the current and future issues of local importance;
- ii. the various policy instruments, services and regeneration structures (Mayoral Development Corporation (MDC), Levelling Up Partnerships (LUPs) etc;
- iii. a compelling offer to represent Middlesbrough for investment and employment;
- iv. Middlesbrough's bespoke requirements - and the underlying factors which are barriers to growth; and,
- v. a collaborative, widely-endorsed and universally-owned regeneration framework for all businesses, residents, partners and institutions to align to.

The Place Leaders Partnership will aim to produce a consolidated strategy which clearly sets out Middlesbrough's unique requirements and objectives for transformation. It should represent the 'go to' document for any organisation to refer to tell Middlesbrough's story, articulate our ambitions and clearly set out what we will ALL do to achieve our collective aims.

Rather than opportunistically pivot from national funding programme to national funding programme, compromising local priorities to fit funding criteria, this framework will set out WHAT needs to change, WHY we need change and HOW we will achieve change – a clear picture of our local requirements and a basis on which to influence regional and national policy development, to enable our vision.

The work of the partnership will begin with sharp focus in the first instance on the development of a co-designed Regeneration framework that will:

- i. be developed over a period of 12 months (task and finish);
- ii. be widely consulted upon and inclusively developed;
- iii. be based on the participation of senior institutional stakeholder leadership across Middlesbrough (decision makers with the ability to affect and embed change); and,
- iv. produce the definitive five year regeneration strategy for Middlesbrough.

The Place Leaders Partnership will run in parallel with, but will not assume the responsibilities of, the extant Town Deal Board. This body will continue to deliver its current remit and objectives, of the Town Deal financial settlement – to March 2026.

The Place Leaders Partnership will debate the strategic economic issues of the day and develop meaningful strategies and policy responses; with the aim of directing effort and resources of major strategic institutions and local economic actors.

The group will comprise a smaller number of senior institutional leaders and will advise the policy framework for the growth of Middlesbrough's economic and social infrastructure. Ideally, the group will advise the strategic plan for the area as a co-designed local strategy framework





which will pre-emptively inform bids to major national, and sub-regionally devolved, funding programmes.

It is envisaged that the memberships will be limited to leading institutional stakeholders, albeit subject area specialists may be periodically invited, as required.

Associate Members will have no voting rights and will include:

- a) Nominated officials and representatives
- b) Area Lead Tees Valley MHCLG
- c) Chief Executive of Middlesbrough Council

Sub-groups will be formed at the discretion of the Place Leaders Partnership on an adhoc basis to gather information for a specific issue / policy area, or on a Task-and-Finish basis. This process will call on broader disciplines and specialist stakeholders, as appropriate.

This group will not be an official committee of Middlesbrough Council and will be a private collective of key stakeholders. The group will be encouraged to publish meeting minutes and reports but not mandated to do so. Similarly, as a policy development group, it is not envisaged that it would be subject to Freedom of Information (FIO) requests.

This proposal is made not to reduce transparency or obfuscate scrutiny, rather to allow this new strategic body the space to explore matters with confidence and freedom. The important distinction is that the board would be free to publish any materials, but would not be mandated to do so. This will remain the principal body for advising and steering economic strategy and policy in Middlesbrough. There will also be no mandated memberships.

Outputs and Performance

- Collectively-endorsed Economic Growth Strategy to comprise:
 - Recognition of, and alignment to, the Local Plan agreed spatial masterplan.
 - The development of an Investment prospectus 2.0.
 - Town Centre Strategy
 - Strategic alignment to the Mayoral Development Corporation (MDC) Masterplan
 - Cultural Development

The above outputs will include a cross-cutting theme of how each of the above policy frameworks can maximise Social Value and Inclusion, for the businesses and residents of Middlesbrough.

Additional performance metrics may include:

- Increase weekly incomes by place of residence
- Increase GVA per capita
- Increased tourism rates
- Increased adult population level three and above



Invest in Middlesbrough



- Health outcomes improved
- Talent retention – halting the graduate / specialist drain
- Mosaic profiles – who are we targeting – what does a functional economy look like
- Business start up and growth rates
- Any other proxy or ad hoc metrics the board deem appropriate
- Develop a vision for what good looks like in terms of a transformed Middlesbrough economy, including:
 - A professional economy which develops young talent and local career development; with the opportunity to establish roots and retain talent.
 - A skilled population which attracts inward investment and meets local industrial growth needs.
 - A vibrant social and leisure lifestyle where attractive spaces are animated and alive.
 - Opportunities for vulnerable children and adults to be economically-active and ambitious.
 - An inclusive economy which reflects the rich cultural heritage of Middlesbrough.

Responsibilities:

1. Provide a strategic vision for creating the right place to live, work and play within, to achieve improvements for the following priority areas, including:

Place

- a) Economic Development, Productivity and Growth – growing GVA, Incomes and Outputs.
- b) Spatial Master planning – representing a Local Plan consultative role.
- c) Considering Infrastructure requirements to underpin mobility and economic drivers.
- d) Industrial Strategy – targeting and prioritising strategic and future growth sectors.
- e) Town Centre Strategy – considering mitigation for retail decline and repurposing town centres with a new role.
- f) Crime and anti-social behaviour – addressing poor perceptions and damaged confidence of businesses and residents.
- g) Communications and tackling stereotypes – Considering meaningful measures for enhanced place marketing and proper engagement with businesses and residents.
- h) Urban Housing – the role and scale of the housing offer in our urban areas.
- i) Developing a unique selling point for Middlesbrough, capturing our economic role in the Tees Valley and prioritising economic activities which build upon our comparative advantage and special characteristics.





- j) Development of a compelling inward investment proposition which can excite, inflame and attract new businesses to enter the local economy.
- k) Transformational change and addressing market failures – ensuring that effort and resource genuinely shift our market deficiencies and provides a commercial landscape which is less reliant on subsidy or public support.

People

- a) Addressing the skills gap of the resident population and supporting the skills pipeline for new and emerging industries.
- b) Improving employability of local residents and ensuring that the benefits of economic growth measures are reflected with increased resident opportunities.
- c) Social value contracting measures and the strength of the multiplier effect on local trades and businesses.
- d) Apprentice levy utilisation – latent underuse of this key resource – can this be deployed to greater effect.
- e) Crime and anti-social behaviour – addressing the material and social issues which blight our communities, businesses and economic potential.
- f) Resident and business engagement – engage and consult in a meaningful way, where views are acknowledged and challenged, with the opportunity for participatory budgeting and codesign.
- g) Vulnerable people – how do we share economic opportunity with the most deprived or vulnerable in society and make a generational change in prosperity and aspirations.
- h) Embed a Resident-Centred-Approach to policy measures, economic interventions and the services we provide. Do we listen? Do we hear?
- i) Inclusivity and opportunity – to ensure that economic opportunity is not limited to any Middlesbrough resident – particularly those with protected characteristics – and ensure that opportunity is not limited by background or deprivation.

Meeting arrangements:

1. The Place Leaders Partnership will initially meet for a series of scoping workshops.
2. The Place Leaders Partnership will meet quarterly – unless otherwise agreed.
3. Middlesbrough Council will provide secretariat support for the Place Leaders Partnership.
4. Meetings will be held in person and it is critical that, in the event of inability to attend, that substitutes are sent which are empowered and have authority to agree substantive issues.

Membership:

1. Cleveland Police – Deputy Chief Constable – Victoria Fuller
2. Mayor of Middlesbrough – Chris Cooke
3. Middlesbrough Mayoral Development Corporation – Bev Bearne



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4. Health Lead – ICB – Martin Short
5. Teesside University – Paul Croney
6. Middlesbrough College – Zoe Lewis
7. DLUHC representative - TBC
8. Chamber of Commerce – Rachel Anderson
9. Business - AV Dawson – Gary Dawson
10. Business – Behaviour UK – Bob Makin
11. Faith leadership – TBC
12. MVDA / VCSE – Bini Araia The International Centre
13. Football Club – Helena Bowman
14. Cultural Partnership – Anna Byrne

Voting:

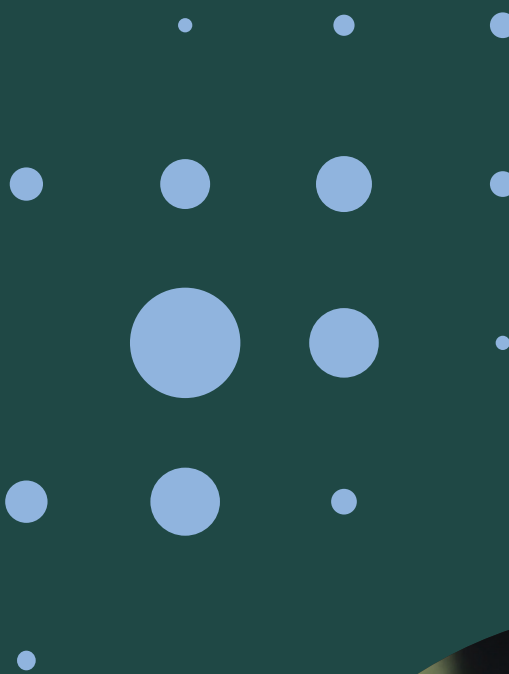
- i. Decisions will be voted upon, with a simple majority carrying any vote.
- ii. The Chair has voting rights and the casting vote, in the event of a tie.
- iii. Quorate membership attendance for decision making is three members.

Confidentiality:

- i. Members may, from time to time, be presented with commercially sensitive and confidential information. Each member will be expected to treat such information in strict confidence. Members will be clearly notified when such information is being shared.



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Future Middlesbrough

A place strategy for
young people

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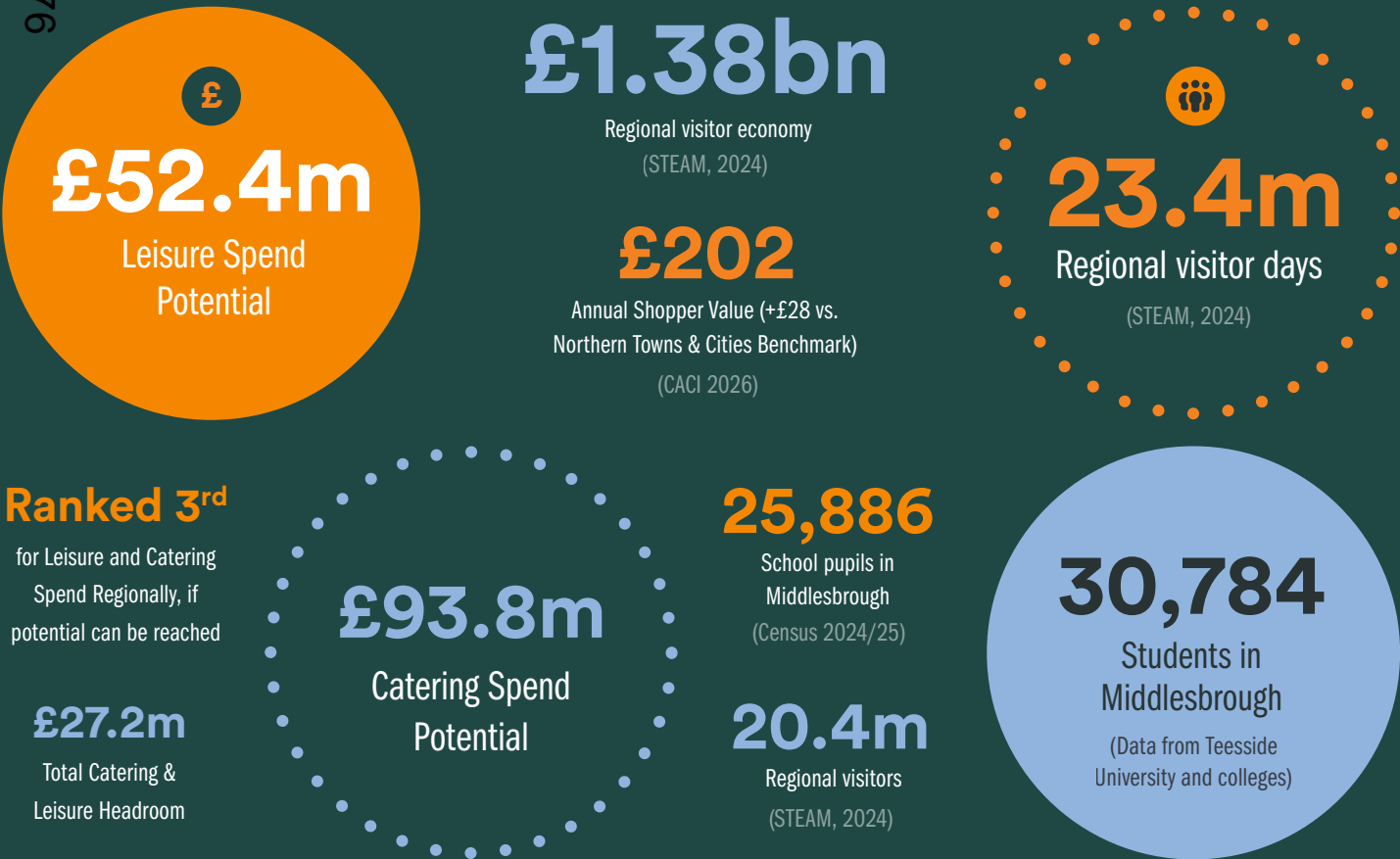
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Our Economy at a Glance



Introduction

The UK’s most creative place for young people
to live, learn, and realise their future.

Middlesbrough’s motto ‘Erimus’ and the translation ‘We Shall Be’ are everywhere around town. They feature on public art, the banners of football fans and throughout promotional campaigns. Middlesbrough people are proud of their past and have a clear sense of identity.

As a boom town that helped to build the world, Middlesbrough’s remarkable story is a source of fierce local pride. Once christened the ‘infant Hercules’, Middlesbrough’s industrial past helped shape modern cities around the globe.

Fast forward to 2026 and we’re still innovating, creating and making our mark worldwide. The ‘Made in Middlesbrough’ mentality now extends to international gaming hits, global

transport solutions and cutting-edge research in emerging fields.

Those strengths are the context for this Place Strategy. Developed by a Place Leaders Partnership made up of leading organisations and employers, it sets out a single, shared direction for Middlesbrough.

It brings together our common ambitions and identifies the opportunities where working together can make the greatest difference. It is about building confidence in the town, strengthening what makes Middlesbrough distinctive and creating the conditions for more people to choose to live, learn, work, visit, invest and thrive here.

Success will be measured by what happens next: the ideas we turn into action, the investment we unlock and the opportunities we create. It will depend on the continued leadership and contribution of people, communities, businesses, organisations and partners across Middlesbrough.

Our overall ambition is for Middlesbrough to be the UK’s most creative place for young people to live, learn, and realise their future. Together, we are working to make Middlesbrough a thriving, confident, and future-ready town that is digitally driven, powered by creativity and is unapologetically ambitious.



Vision for Middlesbrough

Middlesbrough has the energy and ambition to be one of the best places in the country to live, work and raise a family.

We want to offer great careers, better housing and accessible transport. We need brilliant amenities, beautiful spaces and safer streets. This gives people the advanced skills they want and creates happy communities.

Delivering all this matters because it helps us improve Middlesbrough, strengthen the local economy and give people in our town the best possible life chances.

They are worthy priorities but don't

set Middlesbrough apart from any other place. We are no clone town, we've always done things differently.

Our proud industrial heritage saw us build the world - now as a town we're putting culture and creativity at the heart of everything we do and forging ahead to become an international leader in the digital and tech sector.

That is why the Place Leaders Partnership has steered the development of a Place Strategy

informed by the real-world challenges, ambitions and experiences of our businesses, institutions, communities and public services.

The conclusion is clear: we must make the most of the opportunities in front of us and make the bold shifts needed to achieve our ambition to make Middlesbrough the UK's most creative place for young people to live, learn and realise their future.

Young people need a reason to build

their future in Middlesbrough. So this strategy looks through their eyes at the town they need Middlesbrough to become – a place where they can have a great career, find a decent home, enjoy a high quality of life and feel confident about their future.

But the Strategy doesn't exclude anyone. If we build this Middlesbrough, we create a better town for everyone. The choices we make now strengthen our communities, grow our economy and give future generations every reason to stay, return or make their home here.

There is already significant work under way across the Tees Valley to respond to these changes, with Middlesbrough's future role partly shaped by the strategic direction set out in documents such as the Tees Valley Local Growth Plan.

This vision cannot be delivered in isolation. Every business, stakeholder, institution and community has a role to play. The Place Strategy provides a clear way to connect our efforts, focus on what matters most and have a greater impact on our future.

LEARN MORE ABOUT MAJOR DEVELOPMENTS

The voice of young people

To inform the development of this Place Strategy, a wide-ranging consultation exercise listened to the views of younger people, their families and carers, young professionals and advocates.

Over 1,300 people took part and we can be confident that the voices and ambitions of the people of Middlesbrough have been captured.

There is a strong sense of pride and affection for Middlesbrough among young people, parents and carers



Headline findings

- ➔ There is a strong sense of pride and affection for Middlesbrough among young people, parents and carers
- ➔ There was evidence of optimism about the future, but these views differ between younger people and adults
- ➔ Many felt that Middlesbrough possesses significant untapped potential and could become a more attractive place to live, work and build a future if existing strengths are better promoted and celebrated
- ➔ The town centre was regularly described as unattractive, neglected and, in some cases, unsafe, particularly during the evening
- ➔ Crime, anti-social behaviour and drug use emerged as recurring

concerns across both young people and parents and carers

➔ There was a widespread perception that career and educational opportunities are limited, leading many young people to believe they may need to leave the area to fulfil their ambitions. Parents and carers often reinforced these concerns

➔ A perceived lack of affordable leisure activities and safe spaces for young people, contributing to a sense that there is 'not enough to do' locally – particularly in the 16 to 18 age range

➔ Together, these challenges risk undermining confidence in Middlesbrough and limiting young people's aspirations unless addressed through visible action and investment.



The Place Strategy provides a framework for decision making, investment and delivery. It connects place-based priorities with the policy levers that shape everyday life: transport, housing, skills, education, employment, land use, digital infrastructure, culture, public safety and the environment. The strength of the strategy lies in connecting all these elements together. The future prosperity of Middlesbrough depends on all of these priorities being tackled together. Residents, businesses, organisations and public bodies all have a stake in our collective success.

Uniquely, this strategy brings together the factors required for prosperity both now, and in the future. By shaping the Place Strategy around the wants and needs of younger people and future generations, we ensure that we are on a path for sustainable transformation, to ensure Middlesbrough is a place fit for every one who lives here. By looking at growth and development through the eyes of the younger person, we do not neglect the needs of our other residents. Instead, we have a unique perspective and work towards a package of interventions which benefit everyone.

The strategy is organised around six interconnected themes:

Developing New Neighbourhoods

**More homes. More choice.
More reasons to stay.**

Middlesbrough's ambition is not simply to build more homes. It is to create places where people want to live depending on their lifestyle choices.

We will increase the availability of affordable, flexible, high-quality and sustainable homes that appeal to young professionals, graduates, families and people at different stages of their lives.

We will support the development of new neighbourhoods that are connected, distinctive and designed around the needs of their communities. That means neighbourhoods with access to green space, local services, education, employment, culture and transport. It means creating a strong sense of identity and belonging. It means designing places that are adaptable, sustainable and ready for the future.

Developing New Neighbourhoods does not solely rely on newbuild development. It is critical to address the need to balance new development with additional infrastructure investment in existing communities and neighbourhoods. The strategy therefore distinguishes between:

New Neighbourhoods - Creating new homes, mixed-use development

and future-focused communities in areas with the capacity to support growth. This will include supporting the development of urban locations to bring forward affordable and flexible co-working hubs, innovation spaces and creative workspaces. This will help attract and retain young entrepreneurs, freelancers, start-ups and early-career professionals; and build businesses and careers in Middlesbrough.

Neighbourhood Renewal - Investing in established communities will improve housing, public spaces, local facilities and connectivity, while capitalising on the powerful strengths and identities that already exist. Local areas have unique and specific needs. The people who know how best to address the needs of their areas are those that live in those areas. The Pride in Place Programmes in Park End and Thorntree provide huge resources to improve neighbourhoods. More importantly, these programmes are designed, led and decided on by the local communities. This approach provides a great test-case for the establishment of more localised-decision making and investment in our communities.

Our ambition is to ensure that new housing and neighbourhoods meet the current and future needs of all Middlesbrough residents. In doing this, we will:



- 1** Support and enable the delivery of the £40m Pride in Place Programmes in the Park End and Thorntree areas of East Middlesbrough
- 2** Prioritise a new Urban Community in Middlehaven and redevelop the Old Town Hall
- 3** Deliver sustainable housing sites with community infrastructure and amenities
- 4** Enable the redevelopment of The Crown and wider Gresham site
- 5** Bring services to communities through neighbourhood hub investment.
- 7**

Digital & Innovation

A town where ideas become opportunities

Middlesbrough is positioning itself as a modern, connected and forward-thinking town with creativity and innovation at its heart. The town has rapidly transformed into one of the UK's most dynamic hubs for digital technology, games development, creativity and innovation.

Once defined internationally by heavy industry, Middlesbrough is now building a new reputation through digital media, software development, games, immersive technology, creative production and advanced manufacturing. This transformation is not about leaving our industrial heritage behind. It is about applying the same spirit of invention, skill and enterprise to the industries shaping the future. We built the physical world, so why not build the virtual one?

We have a great head start and will build on the strengths of the Boho Zone, Teesside University, the town's

other education institutions, creative businesses and growing technology community. Middlesbrough is part of the UK's only dedicated Digital and Creative Investment Zone. This status brings with it £160m of investment over the next decade with a sole focus on infrastructure investment, business support, placemaking and commercial spaces.

Our success in digital and creative sectors is massive. Major titles, international platforms and some of the biggest names in the sector, have roots in Middlesbrough. If we can better tell the story of what we achieve, and what we have created, we have a powerful recruiting sergeant for incoming talent but, more importantly, the ambition of our children and young people who are embarking on their career paths.

Our ambition is for Middlesbrough to be a place where talent is developed,

new ideas are tested and innovation creates high-value opportunities for our businesses and residents.

In doing this, we will:

1
Lever the power of Investment Zone status to support digital and creative businesses to start, scale and remain in Middlesbrough

2
Create affordable and flexible innovation, creative and co-working spaces

3
Connect education and industry to develop the skills employers need

4
Support entrepreneurship and young people's access to digital and creative careers

5
Encourage innovation across manufacturing, health, clean technology, culture and public services

6
Improve digital inclusion so that the benefits of technology are accessible to all communities

7
Strengthen Middlesbrough's reputation as a place where creative businesses can grow

Investment & Connectivity

Connecting people to opportunity

Investing in our future must be more than creating new buildings and rejuvenating public spaces. We need to provide the conditions where it is simple for investment to occur. Our plans must connect businesses and residents to the opportunities we create.

Middlesbrough will invest in advanced infrastructure to improve physical, digital and social connectivity. This is fundamental to ensure that businesses, residents, students, visitors and investors can easily navigate our town and connect to the wider world and access the places and opportunities that matter to them both physically and virtually.

Middlesbrough already benefits from good transport connectivity. A direct rail link to London, other expanded rail services, the A66 and A19, central bus services and a bus network spanning the entire Tees Valley, airport links and Teesport on our doorstep, provide an exceptional foundation to connect Middlesbrough. But we can do more.

We need to better link our transport modes by expanding bus super

stops and interchanges across the town centre; supporting additional services and a third platform at Middlesbrough Railway Station; developing centralised taxi hubs; vehicle network improvements across suburban areas; and more opportunities to walk and cycle.

Businesses and residents also demand the highest form of digital connectivity and infrastructure. Market-leading broadband capacity is rapidly becoming a non-negotiable. Failure to keep pace will undermine all other regeneration efforts in our area.

The next step is to turn confidence into visible progress: investment that improves the town, creates opportunity and reinforces Middlesbrough's reputation as a place ready for the future.

In doing this, we will:

1
Improve public transport connections within Middlesbrough and across the Tees Valley

2
Invest in bus super stops and distribute bus connectivity across the town centre

3
Support better rail connectivity and support the expansion of Middlesbrough Railway Station

4
Improve wayfinding so that people can connect to, and navigate, the town more easily

5
Strengthen digital

infrastructure and high-quality data connectivity

6
Create safer, clearer and more accessible walking and cycling routes

7
Support the needs of students, start-ups, entrepreneurs and digitally-connected young people

8
Deliver the power and network infrastructure to be primed for the digital age

9
Work towards making Middlesbrough a Smart City, with data-led amenities and IOT technology.



Reshaping the Town Centre

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A destination with more to do and more reasons to stay

The future of our town centre is integral to this entire Place Strategy. Improving perceptions and increasing use of our town centre will bring benefits to the whole of Middlesbrough.

The town centre is the primary location for employment, education, business, transport, retail, leisure, entertainment, tourism, food and beverage. Much of the rest of Middlesbrough is suburban and our town boundary means we don't have vast swathes of land available to bring alternative, land-hungry employment options to our economy.

Our geography means we must derive the highest amount of employment and activity from the limited space available. We can use this to our advantage by concentrating a huge amount of economic activity in a relatively compact area.

Businesses, employment and attractions get great benefits from clustering together. As they trade together, footfall increases, a buzz is generated and consumers know the areas they need to visit to get the product or service they want.

The potential benefits are why the town centre justifies a specific and targeted approach.

The town centre is the primary location for employment, education, business, transport, retail, leisure, entertainment, tourism, food and beverage



The Changing Role of the Town Centre

Town and city centres can't rely on traditional retail alone. Consumers have changed. We value speed, convenience, services to our doorstep and affordability. All are best delivered through online outlets and it is difficult for bricks-and-mortar retailers to compete.

Retailers have changed too. They are responding by consolidating in out-of-town outlets and clustering with like-minded brands. They are rejecting buildings which are older, more complex and more expensive to run.

They now favour modern, compact, efficient and purpose-built units in suburban areas and retail parks.

It's not time for town centres to surrender though. They have a major advantage which suburban centres and retail parks can't compete with. They have character, interesting architecture, connectivity, businesses, workers, events, public spaces, entertainment and heritage.

If Covid-19 taught us anything, it was that consumers want experiences.

We all flocked back to entertainment, hospitality and leisure activities as soon as we could. People value their free time and travel far and wide to experience new things. Out-of-town outlets will always struggle to deliver the experiences that town centres can, and it is why any talk of the death of the high street is premature and greatly exaggerated.

Transforming our town centre won't be cheap. It won't be simple or achieved overnight, but it is absolutely necessary. Middlesbrough town centre

has the foundations to reinvent itself.

We have made great strides in transforming Captain Cook Square into a major leisure site. New offices and business accommodation in Centre Square and the Boho Zone are driving employment. The LiveWell Centre and Employment and Skills Hub have repurposed former retail spaces. Bohouse North, Boho Village, Church House (Vertex) and Union Village have demonstrated that there is a market for Urban Living in central Middlesbrough.



A Common Vision

To make a major shift in the fortunes of the town centre it is critical to have a common, strategic focus which all major stakeholders can buy into. Having a clear set of priorities and ambitions gives certainty to businesses and investors. It ensures that public funding and investment is aligned to the correct purposes and instils confidence for existing businesses that there is a coherent plan for positive change.

We need to tackle oversupply of floorspace, vacancy rates, perceptions, safety and security,

tackling blight buildings and finding alternative uses for our large-scale department store formats. However, reshaping the town centre is not only about physical regeneration. It is about creating energy, confidence and belonging.

Critically, we need to address negative perceptions of Middlesbrough by tackling antisocial behaviour, better promoting our strengths and successes and reclaiming spaces for people to enjoy.

Our town can become a mixed-use,

active and inclusive urban destination where people can live, visit, work, learn, create and spend time. Our ambition is to create a town centre with a stronger, universal and more distinctive offer that is vibrant during the day, welcoming in the evening and active throughout the year.

The town centre is a place of possibility. A place where a young person can meet friends, discover something new, study, start a business, experience culture, access services and imagine a future.

Town Centre Priorities

The main objectives of Middlesbrough's Town Centre Strategy are set out below:

TOWN CENTRE DIVERSIFICATION

We will work to make a shift in our overreliance on the retail economy by:

- Diversifying with a broader mix of shops, food, leisure, culture and entertainment
- Bringing more public services to the town
- Continuing to make Captain Cook Square a primary leisure destination
- Developing stock to bring Out of Town shopping back into town
- Focusing premium shopping towards the Hill Street Centre
- Consolidating the town centre estate and major retail assets under a property partnership
- Supporting the growth of a stronger evening and night-time economy.

CLEAR AND REPURPOSE SURPLUS PROPERTY

- Where properties are end-of-life or surplus, we will prioritise the acquisition and clearance of these sites to make way for new public spaces, redevelopment or repurposing. Commitments include:
- Tackling vacant, unattractive and redundant buildings, which attract blight
 - Acquiring and demolishing redundant properties to make way for public spaces

- Improving public spaces and streetscapes to encourage people to stay longer
- Creating better connections between key destinations, neighbourhoods and transport hubs
- Working to deliver the right commercial space to meet demand of growing businesses
- Investing in the future of our employment and industrial areas with a programme of stock renewal and investment.
- Helping creatives and entrepreneurs use vacant space to test new ways of doing things.

PUBLIC SPACES, EVENTS AND ANIMATION

- We will capitalise on existing and new assets to create fun and imaginative spaces. This will include:
- The development of a new major theatre facility, entertainment attractions and creative content
 - Supporting creative and cultural activities and events that bring people together
 - Providing more free and affordable experiences that appeal to young people and families
 - Making our streets safer and reclaiming public spaces for everyone to enjoy by investing in interventions designed to enhance safety and security

- Creating flexible spaces for events, pop-ups, markets and independent businesses
- Delivering a town centre that is accessible, inclusive and welcoming to everyone.

URBAN COMMUNITIES

People living and working in a town centre increases footfall and consumer demand. Residential developments will be driven forward to enliven the town centre with residents and workers living nearby. Priorities will include:

- Developing a new residential neighbourhood in Middlehaven
- Supporting the redevelopment of Gresham and The Crown site
- Bringing forward development of brownfield areas, with the clearance and remediation of sites
- Supporting the completion of the new secondary school at Middlehaven
- Enabling development by working to secure power and data network capacity.

INVESTMENT ZONE

Being part of the only Digital and Creative Investment Zone in the UK unlocks up to £160m of investment.

This funding can drive the growth of businesses and build a new commercial economy in the heart of Middlesbrough. We will maximise impact of this programme by:

- Working in partnership to enhance our digital and creative sectors through support and innovation grants of the Investment Zone programme
- Bringing our digital and creative businesses into the high street
- Investing in the reuse of unique town centre spaces for sector accommodation (such as the former House of Fraser Building)
- Providing business support capacity to develop the strengths of our digital and creative sectors
- Showcasing Middlesbrough as a major player in the digital and creative eco-system by enabling and hosting specialist conventions and events
- Better telling our story and using digital and creative successes as a recruitment sergeant for these career paths
- Increasing the number of business start-ups in these sectors, to assist in attracting and retaining talent.



Safe, Green, and Vibrant Spaces

Places where people feel welcome, confident and connected

Public spaces are a major factor in how people experience a town. Great public spaces can inspire people, evoke pride in an area, influence how people feel about their town and are a huge part of how an area presents itself to the wider world.

From parks and informal green spaces, sports pitches and play areas, to town centre gateways, carparks and thoroughfares, each of these areas are an opportunity to create activity make places look great and animate our town with vibrancy and spirit.

We will create safe, bright, accessible and youth-friendly spaces that encourage people to spend time in the town – not simply move through it. We will animate these spaces with movement and creativity, bringing attractions, relaxing areas and spaces for everyone to enjoy, regardless of budget. We will create a greater sense of pride in our town and celebrate our heritage, culture and communities.

Safety and security is fundamental. A lack of confidence can undermine all of the great things happening in Middlesbrough and our opportunities for growth. People must feel confident using the town centre and public spaces during all times of the day and at night. We will make sure that spaces are well lit, secure and observed when people are moving about Middlesbrough.

As a partnership of communities, businesses, cultural organisations, public services and Cleveland Police, we will work together to improve visibility, confidence and perceptions of safety. We will deliver measures to discourage anti-social

behaviour and reclaim public spaces for people to enjoy together.

Middlesbrough is a place with safe, green and vibrant spaces, where people feel welcome, confident and connected.

In doing this, we will:

- 1 **Improve safety, lighting and accessibility of our streets and public spaces**
- 2 **Create welcoming spaces for young people to meet, socialise and be active**
- 3 **Provide affordable public spaces and activities for everyone**
- 4 **Increase access to green infrastructure and nature**
- 5 **Support physical activity, play, sport, relaxation and recreation**
- 6 **Create stronger connections between neighbourhoods and the town centre**

- 7 **Improve the appearance, utility and maintenance of public spaces**

- 8 **Support events, culture and community activity in parks, streets and public spaces**

- 9 **Reimagine vacant spaces and clear disused or blight property to create new public spaces for sport, leisure, culture, creativity and community use**

- 10 **Creating inclusive environments that are welcoming to people of all ages and backgrounds**

Skills, Education & Employment

Every young person should be able to achieve a great future here.

Too many younger people, skilled workers and graduates believe they must leave the area to achieve their professional ambitions. This is not the case.

Middlesbrough has great international businesses who are world-leaders in their sectors. We create some of the biggest household names in tech and games. We excel at advanced manufacturing, process industries, professional services, engineering, technology, digital sciences, creative arts and STEM careers.

Middlesbrough has an incredible concentration of major education, training and research institutions on our doorstep. Teesside University, Middlesbrough College, the Northern School of Art, local schools and specialist training providers create opportunities for people to develop skills across academic, technical, vocational and creative disciplines.

The challenge we are determined to overcome is ensuring those skills connect directly to opportunities for local businesses and residents as a foundation to build our local economy.

We will strengthen partnerships between education providers, employers, public services and sector leaders to create clearer pathways into meaningful careers in Middlesbrough.

Education is one of Middlesbrough's greatest strengths. Our ambition is to turn that strength into a lasting advantage for the town. Talent should not have to leave Middlesbrough to find opportunity.

In doing this, we will:

- Connect young people with careers, employers and real-world opportunities
- Expand access to apprenticeships, placements, internships and work experience
- Support progression from school to college, university, training and employment
- Align education and skills provision with growth sectors
- Support talent retention and help graduates build careers in Middlesbrough
- Developing skills in digital technology, creative industries, advanced manufacturing, health, clean technology and professional services
- Support our academic institutions to grow and provide excellent education, including a new



Education is one of Middlesbrough's greatest strengths. Our ambition is to turn that strength into a lasting advantage for the town. Talent should not have to leave Middlesbrough to find opportunity



secondary school at Middlehaven

- Support the creation of an Academic Centre of Excellence in Surgery
- Support business start-ups, entrepreneurship and self-employment
- Improve access to careers

information, advice and guidance

- Support employers to attract, develop and retain local talent
- Create opportunities for people to reskill and progress throughout their working lives.

What Success Looks Like

Achieving real change for Middlesbrough is about much more than words on a page. The work we will prioritise must make a tangible difference to the lives of businesses and residents in Middlesbrough.

In terms of Middlesbrough town centre and the ambition to be the UK's most creative place for young people to live, learn, and realise their future, we will measure success based on the outputs and outcomes people can see and feel.

We will aim to:

- Increase employment rates. More importantly, we want to see employment increase for Middlesbrough residents, not just see jobs filled by those commuting to our town

- Increase youth employment rates by increasing access to good training, apprenticeship and work experience opportunities

- Increase business start-up rates by support budding entrepreneurs to develop their ideas and start a business

- Reduce vacancy rates by diversifying the town centre, adapting stock and removing redundant space

- Increase the number of activities and events we hold

in the town centre annually

- Demonstrate improved perceptions and satisfaction in the town, measured through surveys

- Demonstrate growth in the number of people visiting and working in Middlesbrough – monitored via footfall count data

- Deliver measures which will increase average weekly incomes for the residents of Middlesbrough – to demonstrate a tangible impact on people's lives and the cost of living.



STRATEGIC CONTEXT
Middlesbrough's Place Strategy establishes a collaborative strategic framework for the town as it approaches its bicentenary in 2030/2031. It is closely aligned with all relevant local and national strategic frameworks and policy drivers. This ensures potential access to major funding programmes in order to deliver the ambitions of the strategy.

TEES VALLEY LOCAL GROWTH PLAN 2026 – 2036 is the ten-year plan for growth and regional prosperity.

DEVOLUTION BY DEFAULT Devolved funds will be a principal source of the resources to deliver these ambitions.

THE HOMES ENGLAND STRATEGIC PLAN (2025-2030) establishes the UK's housing ambitions and the initiatives scoped to deliver 1.5m new homes.

THE PRIDE IN PLACE PROGRAMME is a hyper-local, community-led programme provides long-term investment.

MIDDLESBROUGH COUNCIL STRATEGIC PLAN AND MAYOR'S VISION sets out the core themes for improving Middlesbrough. These objectives align with those of the Place Strategy. The core objectives are:

- A Successful and Ambitious Town: Boosting the local economy, rethinking the town centre, and driving sustainable growth.
- A Healthy Place: Improving life chances, addressing health inequalities, and helping residents live longer, healthier lives.
- Safe and Resilient Communities: Strengthening neighbourhood hubs, investing in local play areas and safety, and protecting vulnerable residents.
- Delivering Best Value: Modernising Council operations to ensure financial sustainability.

**We are a group of organisations
and individuals working together
to make Middlesbrough the most
Creative Town in the UK**

AV Dawson

Behaviour UK

Cleveland Police

MFC | MFC Foundation

Middlesbrough College

MIMA

MVDA UK

NECC

NHS NE and North Cumbria

Teesside University

The Auxiliary / Creative Factory

TVCA

Investing in People and Culture

**Contact us for
more information**

 invest@middlesbrough.gov.uk

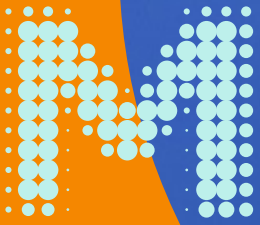
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Middlesbrough Investment Prospectus

Invest in
Middlesbrough



Introduction

I am delighted to present this Investment Prospectus at a pivotal moment in Middlesbrough’s history.

WRITTEN BY
Chris Cooke
Mayor of Middlesbrough

With the town’s bicentenary approaching in 2030, it comes at exactly the right time.

The years ahead will be truly transformative, with landmark opportunities including hosting the Turner Prize and a potential City of Culture title helping to place Middlesbrough firmly in the national spotlight.

As Mayor, I see every day the strengths that make our town unique: a proud industrial heritage, vibrant communities, a rich cultural offer, and a determination to embrace the opportunities of the future. I also recognise the challenges that the town faces in a rapidly changing world.

This prospectus sets out an exciting vision for Middlesbrough’s next chapter. It highlights the opportunities to transform our town centre into a thriving destination where people can live, work, invest, and spend quality time with family and friends. Through ambitious regeneration and strategic investment, we have the chance to breathe new life into the heart of our town.

Our digital sector is thriving and continues to drive Middlesbrough’s growth and regeneration ambitions. We are positioning our town as a leading centre for technology and digital enterprise, creating new opportunities for investment, skilled employment, and long-term prosperity.

Middlesbrough has always been a town built on ambition, innovation, and resilience. With the right investment and partnerships, we can unlock the town’s full potential and shape the future of the area.

I would like to extend my sincere thanks to everyone involved in the Place Leaders Partnership for their contribution to the Place Strategy developed alongside this Prospectus. Their shared commitment to Middlesbrough’s future have helped shape a clear and ambitious vision for our town.

I am excited by the opportunities set out in this prospectus and the vision it presents for Middlesbrough.

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The Middlesbrough Story

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The UK's most creative place for young people to live, learn, and realise their future

Born from industry, built on ambition and shaped by people who know how to get things done, Middlesbrough has never been afraid to think big.

Almost 200 years ago, our rapid growth earned us the nickname the 'Infant Hercules'. That industrial heritage - alongside the warmth, resilience and determination of our people - still characterises our town as we forge ahead to become a leader in the digital industries of the future.

Middlesbrough has a powerful story to tell as we approach our bicentenary in 2030. Our ambition is recognised in the wider Tees Valley Local Growth Plan 2026-2036, which sets out a shared vision of Middlesbrough as a place where people choose to live, study, work, invest and spend their leisure time.

The Middlesbrough Place Strategy which runs alongside this Investment

Prospectus presents a clear direction for a thriving, confident town - digitally driven, ambitious and focused on using culture and creativity to improve lives.

And the plan puts young people at the heart of our future, with a clear ambition to become:

"The UK's most creative place for young people to live, learn, and realise their future."

The Place Strategy is unique as it looks through the eyes of Middlesbrough's young people and considers their needs when it identifies how investment should be prioritised.

It will create the opportunities to keep Middlesbrough's most ambitious young people from leaving our town.

Six strategic themes will guide priorities and investment across the town:

1. **Developing New Neighbourhoods**
2. **Celebrating Digital and Innovation**
3. **Driving Investment and Connectivity**
4. **Reshaping our Town Centre**
5. **Creating Safe, Green and Vibrant Spaces**
6. **Prioritising Skills, Education and Employment**

This Investment Prospectus turns that ambition into action.

It sets out the headline projects and investment opportunities that can help reshape Middlesbrough and will continue to evolve as development progresses and new possibilities emerge.

It is a plan for Middlesbrough's future, rooted firmly in the place we have always been.

The Infant Hercules is growing up. As we approach our 200th birthday in 2030, we are ready to write the most exciting chapter of its story.

A town that's unapologetically ambitious

As a global leader in the digital sector, with roots and operations in Middlesbrough, I'm proud to support this Investment Prospectus as Middlesbrough looks forward to its bicentenary in 2030-31.

Our town has always been a place of innovation. We're home to one of the UK's most exciting games development, digital and creative clusters with advanced manufacturing, maritime and logistics all key pillars of the local economy.

We also have an award-winning university and superb local colleges supplying people with the skills to thrive.

For digital businesses like ours, the ambition for Middlesbrough to become the 'most creative town

in the UK' is both inspiring and essential. Creativity drives our businesses, attracts investment and helps retain local talent, and we will support developments in key areas to create Cultural Quarters.

Businesses in Middlesbrough have the energy and originality, and our goal is to shape our town to reflect this, with young people front and centre.

As partners, businesses and communities, we share a responsibility to champion our young people and the place they call home.

With investment and clear direction, we will collectively make Middlesbrough a thriving, confident and future-ready town that is digitally driven, creative and unapologetically ambitious.



WRITTEN BY
Bob Makin

General Manager Behaviour
Interactive - UK Studios

Over 2,000 new homes at Middlehaven

Middlehaven represents one of the largest urban regeneration opportunities in the country, with capacity for over 2,000 new homes.

Manchester-based developer Capital & Centric will be taking the site forward, with planning permission for the first homes due to be submitted in late 2026. The site will provide a unique urban living experience unlike anything else available in Tees Valley. New residents and visitors so close to the town centre will provide a massive boost to businesses and the night-time economy in the area.

Although Middlesbrough has a disproportionately high number of young people, and young families, the housing offer in the town is dominated by traditional 3&4 bed suburban

housing. The rapid growth of the digital sector, and the success of training hubs at Teesside University and James Cook University Hospital has created the demand for an urban living product not available elsewhere in the town. Capital & Centric has been engaged to develop the Middlehaven site as an entirely new urban community, capturing the vibrancy and feel of waterside living, town centre proximity and cutting-edge design to retain the younger, aspirational population within the area.

The site is separated into three key areas:

1

The Living Room

The former St Hilda's area will be the focal point of the family housing, with 1 bed through to 4 bed units being brought forward as Build To Rent and through Registered Providers to offer the core of the new community.

2

The Campus

The area around Middlesbrough College and the newly constructed

Outwood Academy Riverside will be expanded to provide a mix of additional housing and sports/recreational facilities.

3

The Harbour

Larger residential blocks will offer waterside living, around the existing dock which will be transformed with new watersports provision.



March 2027

Planning determined for first phase

Summer 2027

Development commences

Summer 2028

First unit occupied





A New Community At Gresham

The 4.5 acre site at Gresham provides an opportunity for mixed use development adjacent to the town centre, Teesside University, and the multi-award winning Union Village (2026 Best Homes and Communities Scheme - NE RTPI, and 2026 Regeneration Project of the Year - Northern Housing Awards). The area is largely cleared, with funding in place to facilitate clearance of the remaining buildings and sitewide remediation. The right mix of social housing, build to rent and commercial space would transform the area fronting onto Linthorpe Road and provide the town centre with further footfall. The vibrant

mix of bars and restaurants in the area also represents a unique opportunity to capture the graduate and young professionals seeking their first homes.

- KEY ACTIONS**
- December 2026**
Development proposals agreed by Mayoral Development Corporation
 - Spring 2027**
Funding package agreed
 - Summer 2027**
Planning submitted



The right mix of social housing, build to rent and commercial space would transform the area and provide the town centre with further footfall

New Hotel

Hotel demand in Middlesbrough is sky high, with commercial studies demonstrating that the current capacity is already insufficient. A new spike in demand is also anticipated to service industrial-scale projects at places such as Teesworks.

Already home to the Travelodge, Premier Inn, Holiday Inn Express and Leonardo brands, a further hotel is required in the town centre to support the increase in business visitors and contractors, with the price of hotel rooms in central Middlesbrough reaching London prices at peak times. Although different property options exist, or may come forward, bolstering the existing cluster of hotels in the Fry Street/Gurney Street triangle would be optimal for the wider sustainability of the town centre due to the extensive availability of car parking, close proximity to vibrant food and beverage venues and links to central transport hubs. We are therefore looking to support the development of a new hotel in Gurney House.

- KEY ACTIONS**
- December 2026**
Wider site masterplan agreed
 - Spring 2027**
Development proposal agreed
 - January 2028**
Start on site



Removing Redundant Retail

Although the retail offer is changing, Middlesbrough still boasts many of the surviving premium high street names.

The natural flow of shoppers and the evolution of the different shopping centres suggests that the HillStreet Centre is best placed to retain and attract premium retail lettings. The Town Centre Strategy for Middlesbrough recognises that the long-term sustainability of the retail cluster in and around HillStreet should be supported. As retail space becomes available in other parts of the town centre, the preferred outcome would be to remove or repurpose most of it. We will work with property owners and agents to retain and attract retail in the town centre while facilitating this general shift towards the HillStreet Centre.



KEY ACTIONS

December 2026
Site options appraisal undertaken

Spring 2027
Conversion of retail space to other uses

Summer 2027
Decant and clearance



Office Floorspace

Middlesbrough has an over-supply of older office accommodation. This over-supply constrains rental values and detracts from the business case to invest in the new stock demanded by potential future occupiers. We will work with owners, landlords and agents to identify and remove elements of this redundant over-supply, where there is no commercial case for it being retained. Office space causing visible blight will be prioritised, and the cleared spaces used for either re-supply of premium space, or further improvements to the urban environment.

KEY ACTIONS

December 2026
Site options appraisal undertaken

Spring 2027
First demolitions

Summer 2027
Site reuse plans prepared



‘Out of Town’ Retail

As many retailers have withdrawn from town centres in favour of retail parks, the requirements for new lettings have changed. Rather than large floorplates with direct footfall, there has been a shift to smaller, ‘white box’ units with parking directly outside.

Research confirms that areas able to provide space in this format can recapture a range of retailers that currently favour out of town retail parks. Small to medium sized retail parks where shoppers can drive in, shop and drive out are increasingly providing the bulk of consumer’s physical shopping, as well as providing convenient opportunities for collection of online orders. Middlesbrough has a number of sites where it is possible to locate a retail park of this type – within the town centre itself. Easy access

from the A19 and A66 makes these sites an attractive proposition for retailers, as well as offering visitors the option of walking further into the town centre itself. The retail park would be owned and governed by a partnership of the organisations that control the main shopping centres to ensure the right offer is created and that cannibalisation is avoided for existing properties and retailers.

KEY ACTIONS

Spring 2027
Legal partnership agreed with shopping centre owners

Spring 2027
Site option appraisal and business case

Summer 2027
Approach major retail brands

Research confirms that areas able to provide space in this format can recapture a range of retailers that currently favour out of town retail parks





A Playable Town Centre

The centre of Middlesbrough will be opened up to artists, creatives and digital entrepreneurs with a brief to transform the look and feel of the environment. To ensure young people feel welcome, engaged and excited to visit the town centre, the built and natural environment will be offered as a series of individual 'canvases' to add colour, movement, animation and play. Middlesbrough will be reinvented to be unlike any other similar town – it will be bold, colourful, joyful and playful. New buildings will also be challenged to design in play and no one visiting Middlesbrough should be in any doubt that this is a powerful creative and digital hub, driven by our young people.

KEY ACTIONS

October 2026
Creative Places Scheme launched

January 2027
Redevelopment of Centre Square East

April 2027
Town Centre Canvas open call



Urban Spaces

Clearing major blocks of redundant retail or office space creates the opportunity create a major urban park, or series of smaller spaces to encourage young people and their families to visit the town centre. The provision of an urban park would also allow the opportunity to better connect different parts of the town centre. Lighting and projection will be used to provide a modern, interactive space that will be driven by digital technology to make it uniquely Middlesbrough. We will look to replace any cleared urban space in this way as a priority.

KEY ACTIONS

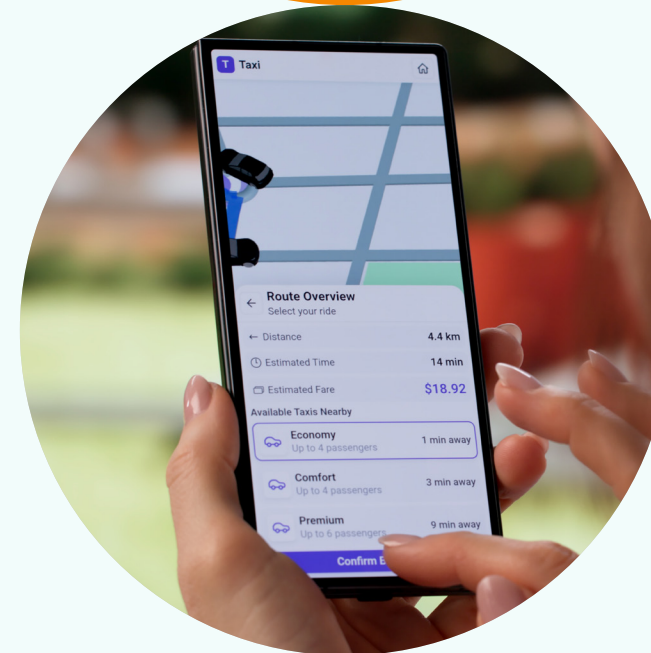
December 2026
Site options appraisal undertaken

Summer 2027
Site reuse plans prepared

December 2027
Commission design



Providing a more seamless integration between transport modes, and a better waiting environment for passengers



Super Stops

A series of technologically-enabled bus 'super stops' will be created near to Middlesbrough Railway Station, and across the centre of town, to provide a more seamless integration between transport modes, and a better waiting environment for passengers. The super stops will be high-spec enclosed hubs designed CCTV monitoring, secure and covered cycle parking, modern seating, real time bus information displays and ticket machines with e-ticket capabilities. These super stops will provide passengers with new options for drop off / pick up and will be aligned to new bus route changes in the town centre.

KEY ACTIONS

November 2026
Site option appraisal

January 2027
Consultation with Bus Operators and Users

March 2027
Sites secured

Taxi Hub

Taxi / Uber usage in Middlesbrough is very high, with young people in particular choosing this mode of transport. The collection and drop off flexibility offered through apps has changed the nature of taxi use, with reduced reliance on fixed ranks. The limited price difference between taxis and buses, allied to the high levels of availability make these trends increasingly irreversible. Although more convenient, evening usage in particular lacks the safety and comfort of waiting arrangements provided by other forms of transport such as bus and train. For the town centre to thrive the visitor experience needs to be improved, particularly for young people. A digitally enabled Taxi Hub would provide a safer and more welcome waiting environment for taxi/

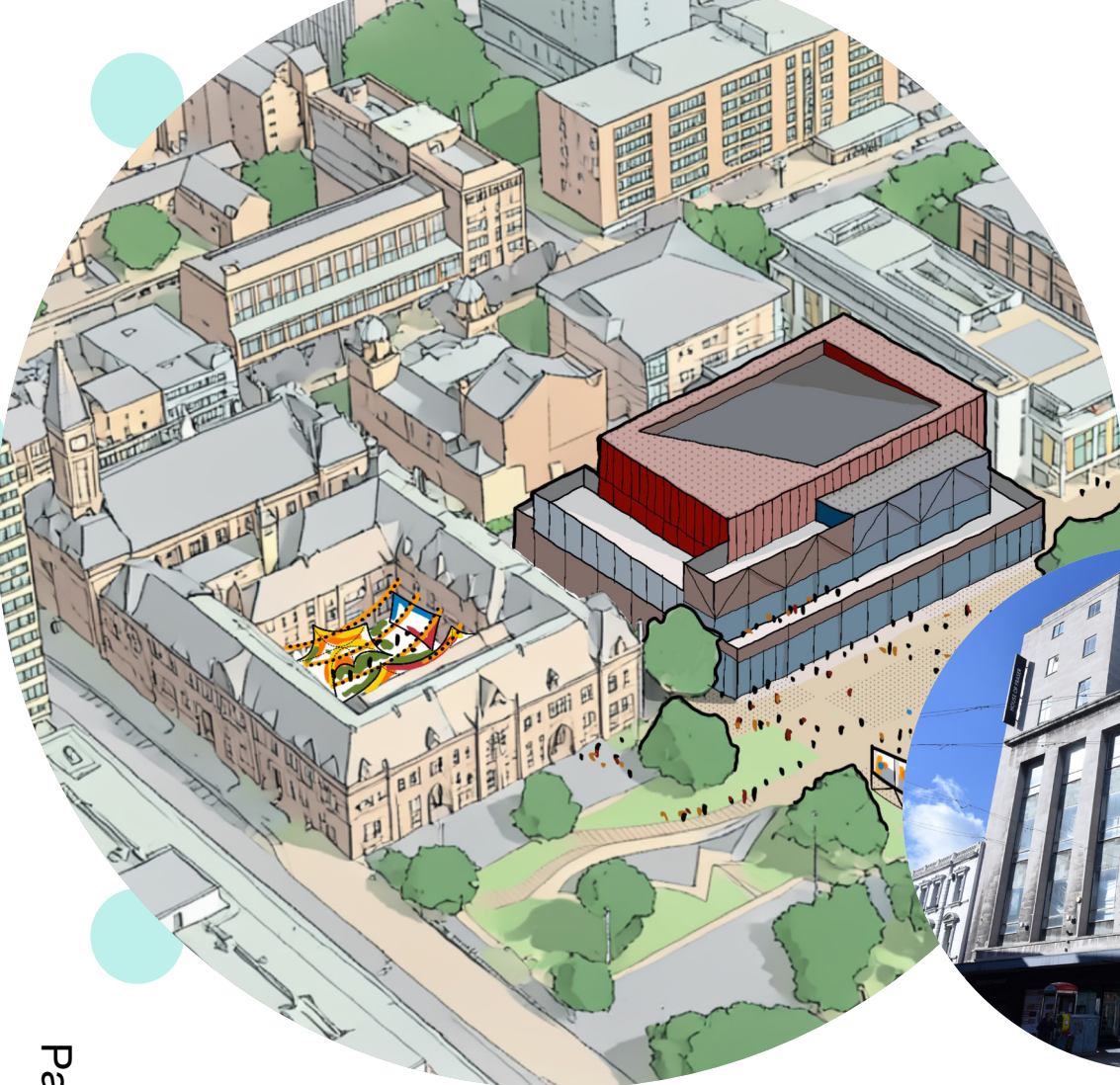
Uber users, offering many of the same facilities accessible to bus or train users, and providing seamless pick-up arrangements for operators/drivers.

KEY ACTIONS

November 2026
Site option appraisal

January 2027
Consultation with taxi operators and users

March 2027
Site secured



Page 02 A New Theatre

We are committed to partner with leading operators in the field to develop a major new theatre on the site of the former Civic Centre, providing a technologically-advanced venue capable of hosting major West End shows. The theatre will form the heart of a new cultural campus, coupled with the Town Hall concert venue, with the aim of making Middlesbrough the premier cultural destination in the North East. Featuring a cutting-edge modular design, the new theatre would meet modern, versatile set requirements blended with mind blowing digital capability to provide an unrivalled customer experience. The theatre will hold between 1,200 and 1,800 seats depending upon design, with an entrance that transforms the outlook

of Centre Square. The new cultural campus will breathe new life into the surrounding food and beverage offer, and underpin the adjacent hotel cluster. The Civic Centre site will be demolished in early 2027, with the aim of construction starting early in 2028.

KEY ACTIONS

Spring 2027
Delivery partner agreed

Spring 2027
Commence demolition of Civic Centre

Spring 2027
Funding package and business case agreed

Transforming Key Buildings

The town centre is home to several landmark buildings with enormous potential. As part of the UK's only dedicated Digital and Creative Investment Zone, Middlesbrough also has access to a share of £160m in funding over the next decade.

Part of the investment is designed to support placemaking and accelerate the transformation of commercial spaces.

Vacant floorspace would be overhauled to bring digital and creative businesses to the high street.

The businesses would co-locate with ambitious culture and leisure activity to attract visitors, bringing a mix of uses to key sites.

KEY ACTIONS

December 2026
Buildings secured

December 2027
Funding package and business case agreed

Spring 2028
Work commences

An Academic Centre of Excellence for Surgery

A facility will be established at James Cook University Hospital to bring together academia, healthcare, industry, public and private organisations to establish a UK national hub driving cutting edge surgical research and innovation.

The flagship ACeS hub will offer new opportunities for improving health and economic growth in the region and across the UK through job creation and talent retention. Creating a compelling collaborative environment through a centre of excellence, ACeS will drive the establishment of a world leading surgical research to drive early diagnosis and optimise surgical care. Establishing the Hub will act as a catalyst to attract further investment and talent to the region, and enable collaborative work with regional universities, healthcare industry, and the third sector.

KEY ACTIONS

Spring 2027
Site agreed

Autumn 2027
Funding package and business case agreed

Spring 2028
Work commences





Newham Hall

The largest housing site available in Middlesbrough is Newham Hall, located to the south east of Coulby Newham, where 42 ha of developable land sits within a 71 ha boundary providing capacity for over 1,000 dwellings as a high-quality suburban extension to the existing residential area. A new road has been constructed to provide access to the site, running from north to south from the Bonnygrove Roundabout to the B1365. Outline planning permission will be in place by December 2026 with the first plots marketed by early in 2027 with the first housing completions expected in early 2029.

- KEY ACTIONS**
- December 2026**
Outline planning agreed
 - February 2027**
Site marketing
 - April 2028**
Start on site

Delivery & Models

The Investment Prospectus programme forms a cohesive package of measures designed to transform Middlesbrough's future. As some are specifically about tackling structural issues there will be a mix of projects where sound business cases can attract commercial investment, but only once the structural conditions are in place to encourage investment.

Delivering these projects will require the Council and partners to take a different approach to what has gone before. Council investment will be crucial, but limited. Government grants and other national funding programmes will be important too, but the success of the prospectus will be reliant upon securing commercial investment.

Middlesbrough Council will lead and co-ordinate much of the activity, but the Council cannot deliver the transformation of Middlesbrough alone. The scale and complexity of the opportunities prioritised will require strong and sustained partnerships across the public, private, community and education institutions.

A range of delivery vehicles will be required rather than relying on a single model. In some instances, the Council will directly deliver projects and interventions. In others, partnerships, development agreements and special purpose vehicles may be best placed to deliver the greatest benefit. Each project will be assessed on its own business case and relative merits, for the optimum delivery model.



Empty Residential Properties

Middlesbrough has a significant number of empty properties, largely concentrated in TS1 and TS3. Many could provide attractive homes for individuals and families, but they require investment to bring them up to modern standards and back into use. Many are owned by people without the financial capacity to renovate them, or carry Council Tax debt that makes it unviable for the owners to take action themselves. Most are individually owned, but a number of small landlords are holding portfolios of empty properties due to a lack of resources. The impact these clusters of empty houses have on neighbourhoods is corrosive and, conversely, the effect that investment and bringing them back into use has can be transformative to a community. The level of housing need in the town provides an opportunity for

commercial return, so the Council is seeking to work with property investors or responsible landlords, who are seeking to secure additional properties in the area. The Council will consider the right proposals that would facilitate bringing these properties back into productive use.

- KEY ACTIONS**
- September 2026**
Pilot schemes identified for key streets
 - November 2026**
Owners of empty properties contacted
 - January 2027**
First purchases agreed



Roles

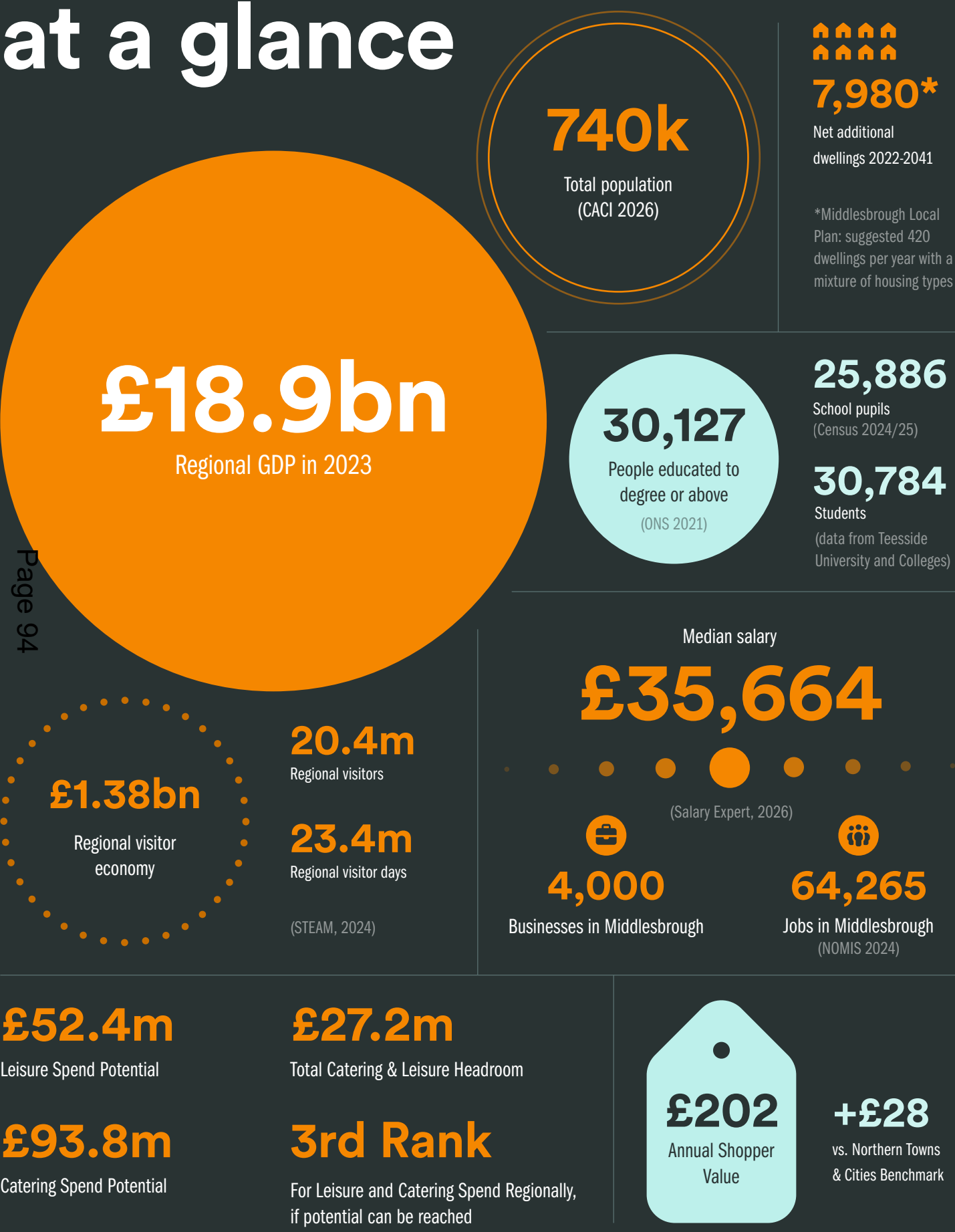
The Council will be the strategic lead and policy driver for the enablement and delivery of the Investment Prospectus. In many instances the Council will need to balance the roles of investor, landowner and developer. When the input of partners, funders and investors is essential, the Council will act as convener and enabler to support the delivery ambitions of partners and the private sector.

Stakeholders will play a pivotal role in the ambitions for Middlesbrough as they champion the plans, align their efforts and resources, bringing additional assets, expertise and capacity to strategic investments. Critical partnership roles to underpin the Investment Prospectus include:

- a.** **Community / Voluntary Sector** will assist in consultation, co-design, participatory budgeting and delivery of locally focused interventions
- b.** **Public Sector Partners** will bring resources, assets, funding and service delivery to enable and enhance our priorities
- c.** **Private Sector** involvement will be critical to raise capital and follow-on investment. They will also bring expertise, market intelligence, specialist service provision, with contract and construction delivery



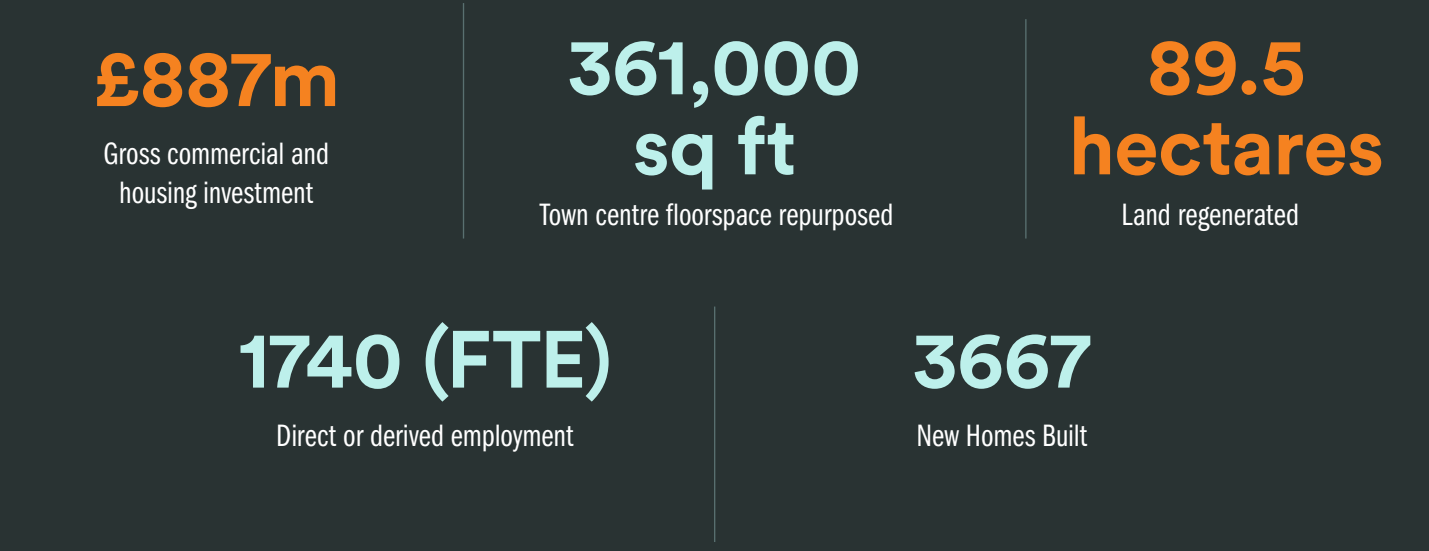
Our economy at a glance



Our commercial space at a glance



What our investment plans aim to deliver in the next decade:



Exciting things to come

- 2026 **Middlesbrough Football Club 150th Anniversary**
- 2028 **MIMA hosting Turner Prize**
- 2030 **300th Anniversary of Captain Cook's Birth**
- 2030 **Middlesbrough Bi-Centenary**
- 2030-31 **Teesside University Centenary (TU 100)**

Recent Successes

Middlesbrough has taken bold steps to strengthen our economy and create new opportunities for local people in recent years.

This Investment Prospectus builds upon the good work targeting investment in emerging sectors, new facilities and our industrial base which is helping to change the way our town looks, works and feels.

BOHO X

Boho X is the latest addition to Middlesbrough's thriving Boho Zone, bringing 70,000 sq ft of premium office space to the town. It is home to games giant Double Eleven and has created a striking new landmark for Middlesbrough.

It also strengthens our position as a growing centre for technology and digital businesses, supporting one of the fastest-growing sectors of our economy.

AUXILIARY

Our ambition is to harness creativity and culture to drive Middlesbrough's growth. A major investment has transformed the Auxiliary art space into a striking landmark for our creative scene with dedicated performance, studio and music spaces.

The completed facility gives artists, musicians and creative businesses new opportunities to work, collaborate and grow and strengthens our cultural offer as we build towards our ambition to become UK City of Culture 2029.

SOUTHLANDS

The first new community and sports facility has been delivered in East Middlesbrough for a generation at

Southlands. The new centre fulfils our commitment to replacing the former facility with a modern home for sport, activity and community life.

Middlesbrough Football Club Foundation is now based at Southlands and will operate the facility, bringing its expertise and vital community programmes to the heart of East Middlesbrough.

TEESAMP

Tees Advanced Manufacturing Park has created 180,000 sq ft of high-quality manufacturing space and helped bring hundreds of jobs to Middlesbrough.

The Council stepped in to unlock development where the private sector had been unable to do so.

That investment has helped demonstrate the demand for modern industrial space and given businesses the confidence to grow locally.

CAPTAIN COOK SQUARE

Captain Cook Square is being transformed into a new leisure destination for Middlesbrough and the wider region.

The council championed the redevelopment of the former shopping centre, helping to bring new attractions and businesses including Level X, Fun Shack, Inflate Space, Wendy's, Roxy Cinema and Umami.

It has brought an important part of the town centre back to life, replacing empty retail units and pulled families and visitors back into the town centre.



**For all enquiries about
investing in Middlesbrough**



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Middlesbrough**



**We are
Middlesbrough**

MIDDLESBROUGH COUNCIL	
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Report of:	Corporate Director of Environment, Communities and Culture – Geoff Field
Relevant Executive Member:	Executive Member for Environment
Submitted to:	Executive
Date:	2 September 2026
Title:	Cremator Refurbishment Programme
Report for:	Decision
Status:	Public
Council Plan priority:	Safe and resilient communities
Key decision:	Yes
Why:	Decision(s) will incur expenditure or savings above £250,000 and have a significant impact in two or more wards
Subject to call in?	Yes
Why:	Non-Urgent Decision

Proposed decision(s)	
That Executive:	
- Approves the inclusion of the Teesside Crematorium Cremator Refurbishment Programme totalling £1.047m in the Council's Capital Programme, and the allocation of capital funding from existing Council funded capital resources to deliver the project. - Approves the implementation of the proposed programme of works, including cremator refurbishment, refractory replacement, installation of operational bypass flues, NOx abatement technology, emissions monitoring upgrades, mechanical and electrical improvements, and associated structural alterations. - Notes the findings of the independent condition assessment and options appraisal, including the operational, environmental and compliance risks associated with maintaining the existing infrastructure without investment.	

- Notes that the proposed investment will extend the operational life of the existing cremator plant by at least ten years, improve service resilience, support compliance with DEFRA Process Guidance Note PG5/2(25), and reduce nitrogen oxide (NOx) emissions by approximately 65%.

Executive summary

Teesside Crematorium provides essential cremation services for residents of Middlesbrough and the wider Tees Valley.

In February 2026, an independent condition assessment and options appraisal identified that while the existing cremators remain structurally sound and capable of meeting current and projected demand, investment is now required to address ageing infrastructure, improve operational resilience, maintain regulatory compliance and enhance environmental performance requirements.

As part of the independent assessment, a number of significant risks requiring attention were identified. These include the loss of contingency capacity following the withdrawal of two mothballed Lupton & Place cremators, the absence of operational bypass flue arrangements, the deteriorating condition of cremator refractory linings, and the need to comply with the requirements of DEFRA Process Guidance Note PG5/2(25). Without investment, the Council faces an increased risk of service disruption, equipment failure, environmental compliance issues and escalating maintenance costs.

Following completion of the independent appraisal, the manufacturer of the existing cremators, provided updated budget quotations for refurbishment and replacement options based upon the preferred service option. The costs were considered alongside the findings of the condition assessment, operational requirements, environmental obligations, project deliverability and affordability.

The preferred option is the refurbishment and upgrade of the existing cremator plant. This includes replacement of refractory linings, installation of operational bypass flues, NOx abatement technology, upgraded burners and control systems, replacement emissions monitoring equipment, mechanical and electrical improvements, and associated structural alterations.

The estimated cost of the preferred option is £1.047m, comprising £0.786m for cremator refurbishment works, £0.061m for mechanical and electrical improvements, and £0.200m for structural and building alterations.

The proposed investment will extend the operational life of the existing cremator plant by ten years, improve business continuity arrangements, reduce nitrogen oxide (NOx) emissions by approximately 65%, and ensure continued compliance with environmental and operational requirements.

Alternative options considered included continued reactive maintenance, replacement of the existing cremators with new units, replacement with Hybrid Ready cremators, and longer-term replacement technologies. Whilst replacement options would provide a longer asset life, they require significantly greater capital investment and longer lead in times and are therefore not considered proportionate at this stage given the condition of

the existing cremators, the continued serviceability of the abatement plant, and the immediate requirement to address resilience and compliance issues.

The recommended option to refurbish the existing machines represents the most balanced and cost-effective solution available to the Council, addressing immediate operational risks whilst maximising the value of the existing machines and thereby allowing sufficient time to develop a longer-term crematorium replacement strategy in line with future technological and further regulatory developments.

The financial, legal, operational, environmental, equality, procurement and governance implications of the recommendations have been considered by the appropriate officers of the Council and are set out within the main body of this report.

This matter requires Executive approval as it is a Key Decision. In accordance with paragraph 10.20.1 of the Constitution, the Executive is responsible for making Key Decisions that have not been delegated elsewhere by the Mayor.

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

- 1.1 The purpose of this report is to seek approval for capital investment in the Teesside Crematorium Cremator Refurbishment Programme and the implementation of a programme to refurbish and upgrade the existing cremator plant, associated mechanical and electrical improvements, and structural alterations and environmental enhancement works.
- 1.2 The proposed investment will support the achievement of the Council Plan ambitions by safeguarding the provision of a bereavement service, improving operational resilience, strengthening environmental performance, ensuring compliance with statutory requirements and delivering long-term value from existing Council assets. The programme contributes directly to the Council's ambitions of creating a successful and ambitious town, supporting a healthy place, maintaining safe and resilient communities and delivering best value for residents.

Our ambitions	Summary of how this report will support delivery of these ambitions and the underpinning aims
A successful and ambitious town	The project supports local businesses and partners including funeral directors, contractors and suppliers, whilst ensuring that an essential public service remains sustainable and fit for purpose for at least the next decade. The investment also protects previous capital expenditure by extending the life of existing assets and delivering value for money.
A healthy Place	The installation of NOx abatement technology, upgraded burners and enhanced emissions monitoring are expected to reduce NOx emissions by approximately 65%, supporting improved air quality and contributing to the Council's environmental and climate commitments. The following will continue; continuous monitoring for particulate matter, carbon monoxide and oxygen as well as carrying out annual testing for hydrogen chloride and organic compounds, and that the emission limit for particulate will be stricter than existing (was 20mg per NM3 but will now be 10mg per NM3) however this will be complied with as a result of the new works.
Safe and resilient communities	In addressing ageing infrastructure and reducing the risk of service disruption the project strengthens the resilience of service. The installation of bypass flues, replacement of critical cremator components and upgrades to supporting infrastructure will ensure that services can continue to

	operate reliably during periods of maintenance or equipment failure. This provides reassurance to residents, funeral directors and stakeholders that an essential community service remains available when needed most.
Delivering best value	Refurbishing the existing cremators, as identified as option A within the appraisal document, provides the most cost-effective solution identified through the independent options appraisal. It extends the operational life of the existing cremators by at least ten years, avoids the significantly higher costs of full replacement and ensures compliance with DEFRA Process Guidance Note PG5/2(25) and other regulatory requirements. By maximising existing assets while improving resilience, environmental performance and operational efficiency, the proposal delivers long-term value for money and reduces future financial risk to the Council.

2 Recommendations

2.1 That Executive:

- 2.1.1 Approves the inclusion of the Teesside Crematorium Cremator Refurbishment Programme in the Council's Capital Programme, and the allocation of capital funding from existing Council funded capital resources to deliver the project.
- 2.1.2 Approves the implementation of the proposed programme of works, including cremator refurbishment, refractory replacement, installation of operational bypass flues, NOx abatement technology, emissions monitoring upgrades, mechanical and electrical improvements, and associated structural alterations.
- 2.1.3 Notes the findings of the independent condition assessment and options appraisal, including the operational, environmental and compliance risks associated with maintaining the existing infrastructure without investment.
- 2.1.4 Notes that the proposed investment will extend the operational life of the existing cremator plant by at least ten years, improve service resilience, support compliance with DEFRA Process Guidance Note PG5/2(25), and reduce nitrogen oxide (NOx) emissions by approximately 65%.

3 Rationale for the recommended decision(s)

- 3.1 Teesside Crematorium is a critical public service, and investment is required to maintain the reliability, resilience, and compliance of the existing cremator infrastructure.
- 3.2 An independent technical assessment of the existing cremators identified ageing infrastructure, deteriorating refractory linings, reduced contingency capacity and upcoming environmental compliance requirements as key risks requiring immediate intervention.
- 3.3 The proposed refurbishment and upgrade programme recommended within the technical assessment, will extend the operational life of the cremator plant by up to ten years, improve environmental performance, strengthen business continuity arrangements, and ensure compliance with current and future regulatory requirements.
- 3.4 Failure to proceed would increase the risk of service disruption, contribute to equipment failure, regulatory non-compliance, and higher maintenance costs as well as the potential of irreparable reputational damage to the Council.
- 3.5 The recommended investment represents the most proportionate and cost-effective solution to safeguard the long-term delivery of cremation services for residents of Middlesbrough and the wider Tees Valley.
- 3.6 This proposal directly contributes to the mitigation of Corporate Risk DR-05-035 (Crematorium – Lifespan and Replacement by 2030). The risk identifies the potential failure of crematorium infrastructure and the consequent impact on service continuity, regulatory compliance, reputation, and financial sustainability. The cremator refurbishment provides a medium-term mitigation by extending the life of the existing cremator plant to at least 2036 whilst allowing sufficient time for the Council to evaluate future cremation technologies and develop a long-term replacement strategy.

4 Background and relevant information

- 4.1 Teesside Crematorium is a key bereavement facility serving Middlesbrough and the wider Tees Valley. Due to operational concerns around contingency planning resilience, the Council commissioned an independent condition assessment and options appraisal to review the condition, capacity and future requirements of the cremator and abatement infrastructure.
- 4.2 The assessment confirmed that the existing cremators remain structurally sound and capable of meeting current and forecast cremation demand. However, the plant has now reached a stage in its lifecycle where targeted investment is required to maintain operational resilience, environmental performance and regulatory compliance and therefore the appraisal identified several priority areas requiring investment.

- 4.3 The crematorium currently operates three cremators and a shared abatement plant, all installed in 2011. Two older Lupton & Place (L&P) cremators, dating from around 1990, are no longer operational. These cremators are unsupported by the original manufacturer and no longer suitable for modern cremation requirements.
- 4.4 The independent options appraisal concluded that the three operational cremators remain mechanically and electrically sound, operating efficiently and continue to meet current environmental performance standards. However, the plant is now approximately 15 years old and key components, including refractory linings, burners, control systems and emissions monitoring equipment, have approached the stage where investment is required to maintain reliability, efficiency and regulatory compliance.
- 4.5 The crematorium now relies entirely on a single abatement system with no bypass flue arrangements in place. Consequently, a significant abatement plant failure could severely restrict the Council's ability to undertake cremations on site, creating operational, reputational and service delivery risks.
- 4.6 The report also identified several environmental and regulatory drivers for investment. Updated DEFRA Process Guidance Note PG5/2(25) introduces new requirements relating to emissions monitoring, energy metering and operating arrangements. Whilst the existing cremators are capable of meeting current requirements, further upgrades are required to ensure continued compliance and to improve environmental performance. In particular, the installation of NO_x abatement technology would achieve an estimated 65% reduction in nitrogen oxide emissions and future-proof the crematorium against anticipated tightening of environmental standards.
- 4.7 The appraisal concluded that the existing cremator plant has sufficient capacity to meet both current and forecast demand, with no evidence that additional cremation capacity is required.
- 4.8 The objectives of the project are to:
- Extend the operational life of the existing cremator plant to at least 2036.
 - Reduce NO_x emissions.
 - Remove redundant cremation equipment.
 - Improve service resilience through installation of bypass flues.
 - Ensure ongoing compliance with environmental legislation and DEFRA guidance.
 - Improve the working environment and operational efficiency of the crematory.
 - Avoid the need for premature investment in full cremator replacement.
- 4.9 As a result, the report recommends investment in the existing cremator infrastructure rather than full replacement, enabling the Council to maximise the value of its existing assets while maintaining service continuity and deferring a significantly larger capital replacement programme for at least a further ten years.

- 4.10 Further to approval, a structured implementation programme will be required to deliver the necessary upgrades and ensure the continued provision of a safe, resilient and environmentally compliant cremation service.
- 4.11 Delivery of the project will be planned to minimise disruption whilst ensuring resilience and compliance measures are implemented as a priority. Given the urgency of the issues identified and the requirement to strengthen operational resilience ahead of the winter period, the project will be delivered through a phased approach with clear governance, project oversight and performance monitoring arrangements in place throughout the implementation period.
- 4.12 Following completion of the independent options appraisal, the equipment manufacturer for the existing cremators was invited to review the recommendations and provide budget cost estimates for both refurbishment and replacement options.
- 4.13 The providers confirmed that the existing cremators remain suitable candidates for refurbishment and provided indicative budget costs for a range of options. The providers advised that, where considered, a replacement option would require detailed design work before formal prices can be confirmed. Consequently, further assessment of overall project costs would be required should the Council wish to pursue a full replacement strategy.
- 4.14 The updated cost information outlined in appendix A, has been considered alongside operational requirements, service resilience, environmental compliance, project deliverability and affordability. On balance, refurbishment of the existing cremator plant remains the preferred option as it addresses the immediate risks identified within the condition assessment whilst providing the most proportionate and cost-effective investment at this stage of the asset lifecycle.
- 4.15 This investment will ensure Teesside Crematorium remains compliant with the requirements of DEFRA Process Guidance Note PG5/2(25), the Environmental Permitting Regulations, the Cremation Regulations 2008 and other relevant industry standards and guidance.
- 4.16 The updated DEFRA guidance introduces new requirements relating to emissions monitoring, gas and electricity metering, standby cremator arrangements and environmental performance.
- 4.17 The option to refurbish rather than replace will incorporate the infrastructure upgrades necessary to meet these requirements, including the installation of NOx abatement technology, upgraded emissions monitoring systems, gas and electricity metering, and associated software and control system improvements.
- 4.18 The project will also address a number of significant operational and safety risks identified within the independent condition report. The removal of the condemned L&P cremators, installation of bypass flues, replacement of ageing refractory linings, upgrades to critical cremator components and improvements to ventilation systems will strengthen operational resilience and reduce the risk of equipment failure or service interruption. These improvements will ensure the crematorium

continues to operate safely, reliably and in accordance with statutory requirements, whilst providing a dignified service for bereaved families and a safer working environment for staff.

- 4.19 An Equality Impact Assessment (EIA) will be undertaken as part of the project development process to ensure the needs of all users of the service are fully considered.
- 4.20 The value of the works required means that any contract for works will be a below threshold contract for the purposes of the Procurement Act 2023. The proprietary knowledge, software, components and technical specifications required to undertake the work would support the Council to secure a direct award via the Council's Exemption route which is included in the Council's Constitution, this will be formally reviewed and signed off providing a clear audit trail.
- 4.21 The withdrawal of the two Lupton & Place cremators has removed the crematorium's historic contingency capacity. The service is now heavily dependent upon three cremators operating through a single abatement plant. In the event of a major plant failure, cremation services could be severely restricted or temporarily suspended, potentially resulting in funeral delays and significant distress for bereaved families.
- 4.22 The condition assessment identified an immediate requirement for refractory replacement within one cremator and a further requirement within the next twelve months, although this is believed to be a lot more urgent. Failure to undertake these works increases the likelihood of equipment breakdown, emergency repairs and unplanned service disruption. Reactive maintenance is likely to be significantly more expensive than undertaking planned replacement works.
- 4.23 DEFRA Process Guidance Note PG5/2(25) introduces enhanced requirements relating to emissions monitoring, environmental performance and utility metering arrangements. Failure to invest in the necessary infrastructure upgrades could place the Council at risk of non-compliance with environmental permit conditions and future regulatory requirements.
- 4.24 Delaying investment is likely to increase future costs. The independent appraisal demonstrates that refurbishment can extend the life of the existing cremator plant by ten years. Failure to undertake this work could accelerate the need for full replacement of the cremator infrastructure, requiring higher level of capital investment.
- 4.25 Bereavement services are among the most sensitive services delivered by the Council. Any significant disruption to cremation services, delays to funerals or environmental compliance failures would directly affect bereaved families and could result in substantial reputational damage to the Council.
- 4.26 Failure to progress the refurbishment programme would limit the Council's ability to mitigate Corporate Risk DR-05-035 (Crematorium Lifespan and Replacement by 2030). The Council would continue operating ageing infrastructure without addressing known resilience and compliance weaknesses, increasing long-term

operational and strategic risk exposure.

5 Ward Member Engagement

- 5.1 The Executive Member for Community and Culture Services has been consulted on the proposals and supports the recommendations contained within this report.

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

- 6.1 Alternative options were considered, including continuing with reactive maintenance only, partial refurbishment works, and full replacement of the existing cremators with new cremation technologies.
- 6.2 Reactive maintenance and limited refurbishment options were not recommended as they would fail to address the identified resilience, compliance and infrastructure risks and would increase the likelihood of service disruption.
- 6.3 Full replacement options would provide a longer operational lifespan but require significantly greater capital investment and are not considered proportionate at this time given the condition and remaining service life of the existing cremators and associated infrastructure.
- 6.4 The recommended refurbishment and upgrade programme provides the most balanced and cost-effective solution, addressing immediate operational and regulatory requirements whilst extending the life of the existing cremator plant by at least ten years.

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

Topic	Impact
Financial (including Social Value)	The proposed capital investment totalling £1.047m as detailed in Appendix A, will fund refurbishment and upgrade works to the cremator infrastructure at Teesside Crematorium. The project will be included in the Council's Capital Programme and the capital investment will be funded from existing Council funded capital resources by a virement included in the separate Quarter One 2026/27 Integrated Performance and Finance Forecast Outturn report to this agenda. The investment is expected to extend asset life by ten years, reduce the risk of unplanned maintenance expenditure and avoid the need for premature full replacement of the cremator plant. Social value will be delivered through the continued provision of a high-quality bereavement service for local communities.
Procurement	Procurement activity will be conducted in accordance with the Council's Contract Procedure Rules and Procurement Strategy.

	The value of the works required means that any contract for works will be a below threshold contract for the purposes of the Procurement Act 2023. The proprietary knowledge, software, components and technical specifications required to undertake the work would support the Council to secure a direct award via the Council's Exemption route which is included in the Council's Constitution, this will be formally reviewed and signed off providing a clear audit trail.
Legal	The proposed works support the Council's obligations under the Environmental Permitting Regulations, Cremation Regulations 2008, Health and Safety legislation and DEFRA Process Guidance Note PG5/2(25). Legal Services will be consulted as required in relation to procurement and contract arrangements.
Risk	Failure to proceed would increase the risk of cremator failure, service disruption, environmental non-compliance, increased maintenance costs and reputational damage. The proposed investment mitigates these risks by improving resilience, reliability and regulatory compliance.
Human Rights, Public Sector Equality Duty and Community Cohesion	The proposals are not expected to have any adverse impact on protected groups. An Equality Impact Assessment will be undertaken as part of project development to ensure that all service users continue to have equitable access to bereavement services.
Reducing Poverty	There are no direct impacts on poverty. However, maintaining a local, reliable and accessible cremation service supports residents by reducing the potential for disruption, delays and additional costs associated with funeral arrangements.
Climate Change / Environmental	The project will improve environmental performance through the installation of NOx abatement technology, upgraded burners and enhanced monitoring systems. NOx emissions are expected to reduce by approximately 65%, supporting the Council's environmental objectives and regulatory compliance. The following will also continue; continuous monitoring for particulate matter, carbon monoxide and oxygen as well as carrying out annual testing for hydrogen chloride and organic compounds, and that the emission limit for particulate will be stricter than existing (was 20mg per NM3 but will now be 10mg per NM3) however this will be complied with as a result of the new works.

Children and Young People Cared for by the Authority and Care Leavers	The proposals do not have a direct impact on children and young people cared for by the Authority or care leavers.
Data Protection	No significant data protection implications have been identified. Any personal data processed as part of project delivery will be handled in accordance with UK GDPR, the Data Protection Act 2018 and Council policies.

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

Action	Responsible Officer	Deadline
Secure Executive approval and allocate capital funding for the Teesside Crematorium Refurbishment Programme.	Executive / Corporate Director of Environment, Communities and Culture	September 2026
Finalise project scope, design requirements and governance arrangements with Facultative Technologies and internal stakeholders.	Bereavement Services Manager	September 2026
Appoint contractors and place orders for refurbishment works bypass flues, NOx abatement technology and associated infrastructure upgrades.	Bereavement Services Manager / Procurement / Property Services	October 2026
Commence refurbishment works to reduce the risk of service disruption during the winter period.	Bereavement Services Manager / Facultative Technologies	November 2026
Complete installation of bypass flues, emissions monitoring equipment, mechanical and electrical upgrades and associated structural works.	Property Services / Facultative Technologies	March 2027
Complete commissioning, compliance testing and project sign-off.	Bereavement Services Manager / Environmental Health	April 2027

Background papers

Body	Report title	Date
Appraisal to determine the crematory options for the existing Teesside Crematorium	Teesside Crematorium Options Appraisal	26 June 2026

Appendices

1	Appendix A Cremator Options Assessment Summary
2	Appendix 2 Impact Assessment Level 1: Initial Screening Assessment

Contact: Nicky Raine - Bereavement Services Manager

Email: Nicky_raine@middlesbrough.gov.uk

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Appendix A

Cremator Options Assessment Summary

1. Options Considered

Option	Total Cost
Option A - Refurbishment of Existing Cremators (Preferred Option)	£1,046,663
Option B - Replacement with New Bariatric Cremators	£1,306,934
Option C - Replacement with New Bariatric Hybrid Ready Cremators	£1,390,274

2. Preferred Option

Following the independent condition assessment, options appraisal and subsequent review of supplier cost estimates, refurbishment of the existing cremator plant remains the preferred option.

This option is recommended because:

- The existing cremators remain structurally sound and capable of meeting current and forecast demand.
- Urgent refractory replacement works are required to maintain operational reliability and service continuity.
- The existing abatement plant remains suitable for continued medium-term operation.
- Refurbishment delivers the required resilience, compliance and environmental improvements at the lowest capital cost.
- The proposal is approximately £260,000 less than replacement with new bariatric cremators and £344,000 less than replacement with Hybrid Ready cremators.
- The works can be delivered more quickly and with lower implementation risk than full replacement.
- Installation of NOx abatement technology is expected to reduce NOx emissions by approximately 65%.
- The investment will extend the operational life of the cremator plant by at least 10 years, allowing time for the Council to develop a longer-term replacement strategy.

4. Conclusion

The refurbishment programme provides the most proportionate and cost-effective solution available to the Council. It addresses the principal operational, environmental and compliance risks identified within the assessment while maintaining service resilience, reducing emissions and extending the life of the existing cremator infrastructure at a total estimated cost of £1,046,663.

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Subject of assessment:	Cremator Refurbishment Programme			
Coverage:	Service-specific.			
This is a decision relating to:	☐ Strategy	☐ Policy	☐ Service	☐ Function
	☐ Process/procedure	☐ Programme	☒ Project	☐ Review
	☐ Organisational change	☐ Other (please state)		
It is a:	New approach:	☐	Revision of an existing approach:	☐
It is driven by:	Legislation:	☐	Local or corporate requirements:	☒
Description:	Insert short description, using the following as sub-headings: • Key aims, objectives and activities • To refurbish and upgrade the existing cremator infrastructure at Teesside Crematorium, improving reliability, operational resilience, environmental performance and regulatory compliance through targeted investment in cremator equipment and associated infrastructure. • Statutory drivers (set out exact reference) • Environmental Permitting (England and Wales) Regulations 2006 • Cremation Regulations 2008 • Environmental Protection Act 1990 • Local Authorities' Cemeteries Order (LACO) 1977 • ICCM / FBCA guidance and codes of practice • Differences from any previous approach • Moves from a reactive maintenance approach to a planned programme of refurbishment and infrastructure investment. • Introduces operational bypass arrangements, improved emissions controls and enhanced resilience measures to support long-term service delivery. • Key stakeholders and intended beneficiaries (internal and external as appropriate) • Bereaved families • funeral directors • Bereavement Services staff, • Environmental Service • elected members • regulatory bodies • Intended outcomes. • Extended life of cremator infrastructure by at least ten years. • Improved service reliability and business continuity. • Compliance with environmental and statutory requirements. • Reduction in NOx emissions. • Reduced risk of service disruption and equipment failure. • A sustainable and resilient cremation service for the future.			

Live date:	2026
Lifespan:	7-10 years (2033 2036)
Date of next review:	Annual reviews – within 3 years (2029)

Screening questions	Response			Evidence
	No	Yes	Uncertain	
Human Rights Could the decision impact negatively on individual Human Rights as enshrined in UK legislation?	☒	☐	☐	There are no identified adverse impacts on individual human rights arising from the Bereavement Services Strategy. The strategy is designed to enhance dignity, respect and equitable access to bereavement services for all residents, ensuring that individuals are treated with compassion during times of loss. The proposals focus on improving service quality, accessibility (including extended service provision), cultural sensitivity and environmental standards, all of which support individuals' rights to dignity, respect and non-discrimination. Evidence used to inform this assessment includes analysis of current service provision, stakeholder engagement, and consideration of diverse community needs. There are no elements within the strategy that restrict access to services or disproportionately disadvantage any group in a way that would infringe on rights protected under UK legislation, including the Human Rights Act 1998.

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

Screening questions	Response			Evidence
Equality Could the decision result in adverse differential impacts on groups or individuals with characteristics protected in UK equality law? Could the decision impact differently on other commonly disadvantaged groups?*	☒	☐	☐	There are no identified adverse differential impacts on individuals or groups with protected characteristics arising from the Bereavement Services Strategy. The strategy has been developed to promote inclusivity, equitable access and cultural sensitivity across all bereavement services, ensuring that the needs of diverse communities are recognised and supported. Key elements of the strategy actively support equality by: • Ensuring services are accessible regardless of background, religion or income • Promoting culturally sensitive practices, including accommodating faith-based burial requirements and service preferences • Introducing extended service provision (including weekends) to better meet diverse community needs • Reviewing pricing structures to improve affordability and address funeral poverty, supporting economically disadvantaged groups The strategy aligns with the Public Sector Equality Duty under the Equality Act by seeking to eliminate discrimination, advance equality of opportunity and foster good relations between different groups Evidence used to inform this assessment includes service reviews, stakeholder engagement, and consideration of community demographics and needs. The proposals are intended to reduce inequalities in access to bereavement services rather than create them, and no groups are expected to be disproportionately negatively impacted.

Screening questions	Response			Evidence
Community cohesion Could the decision impact negatively on relationships between different groups, communities of interest or neighbourhoods within the town?*	☒	☐	☐	Not applicable. There are no identified negative impacts on community cohesion arising from the Bereavement Services Strategy. The strategy is designed to strengthen relationships across communities by promoting inclusive, culturally sensitive bereavement services that recognise and respect the diverse needs of Middlesbrough's population.
Armed Forces Could the decision impact negatively on those who are currently members of the armed forces of former members in the areas of Council delivered healthcare, compulsory education and housing policies?*	☒	☐	☐	There are no identified negative impacts on current or former members of the armed forces arising from the Bereavement Services Strategy. The strategy relates specifically to bereavement service provision (cremation, burial and memorial services) and does not directly impact on Council-delivered healthcare, education or housing policies. The strategy promotes equitable and inclusive access to services for all residents, including veterans and serving personnel and their families, ensuring dignity, respect and cultural sensitivity in bereavement provision.
Care leavers Could the decision impact negatively on those who are care experienced?*	☒	☐	☐	There are no identified negative impacts on individuals who are care experienced arising from the Bereavement Services Strategy. The strategy is focused on improving the quality, accessibility and inclusivity of bereavement services for all residents, including vulnerable groups.
Reducing Poverty Could the decision impact negatively on the Council's ambitions to reduce poverty in the town?	☒	☐	☐	Not applicable. There are no identified negative impacts on the Council's ambitions to reduce poverty arising from the Bereavement Services Strategy. Instead, the strategy includes specific measures intended to support affordability and reduce financial pressures associated with bereavement.

Screening questions	Response	Evidence
Next steps: ➡ If the answer to all of the above screening questions is No then the process is completed. ➡ If the answer of any of the questions is Yes or Uncertain, then a Level 2 Full Impact Assessment must be completed.		

Assessment completed by:	Nicky Raine	Head of Service:	Katie Bargewell
Date:	29.07.26	Date:	29.07.26

MIDDLESBROUGH COUNCIL	
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Report of:	Director of Environment, Community and Cultural Services, Geoff Field
Relevant Executive Member:	Executive Member for Environment and Sustainability, Cllr Peter Gavigan
Submitted to:	Executive
Date:	15 September 2026
Title:	Stainton Way Highway Improvements
Report for:	Decision
Status:	Public
Council Plan priority:	A successful and ambitious town
Key decision:	Yes
Why:	Decision(s) will incur expenditure or savings above £250,000
Subject to call in?	Yes
Why:	Non-Urgent Decision

Proposed decision(s)
That the Executive agree to approve the Stainton Way Highway Improvements project.

Executive summary
The report seeks Executive decision regarding the implementation of Highway improvements on Stainton Way. 1) Tees Valley Combined Authority (TVCA) secured funding from the City Region Sustainable Transport Settlement (CRSTS), to support ambitions to improve sustainable transport accessibility. 2) The project is part of a wider, regional programme of sustainable transport projects; delivered under the 'Local Cycling and Walking Implementation Plan' (LCWIP), that was introduced at a national level by the Department for Transport (DfT).

- 3) Public consultation was undertaken by TVCA on the proposals (Appendix 1) in July 2025. The consultation responses can be found in Appendix 2.
- 4) Following consultation, designs have been altered to reflect concerns raised by the public. The alterations do not fully mitigate all concerns raised. However, on the balance of improving sustainable transport accessibility and road safety; the Highway Authority is fulfilling its duty to secure the expeditious, convenient and safe movement of vehicular and other traffic (including pedestrians), as part of the Road Traffic Regulation Act 1984.

A decision is required to ensure that the proposals can be delivered. Approval of the scheme will allow TVCA to deliver the proposals, pending a successful business case.

Implications of the recommendation have been considered by the appropriate officers of the Council and are set out in the main body of the report.

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

- 1.1 The report seeks Executive decision following public consultation on the proposal to improve bus and walking / cycling provision on Stainton Way.
- 1.2 The Stainton Way Highway project consists of:
 - Signalisation of the existing roundabout at the junction of Stainton Way and Dalby Way. This will help to manage vehicular traffic by creating signalised movements and reducing speeds. This introduction will also create a safe crossing point for pedestrians and cyclists.
 - Create a Westbound by-pass at the Kings Academy roundabout to alleviate congestion/improve bus journey punctuality and reliability.
 - Improved footway / cycleway is proposed to be installed, connecting the two junctions.
- 1.3 Tees Valley Combined Authority (TVCA) secured funding from the City Region Sustainable Transport Settlement (CRSTS), to support ambitions to improve sustainable transport accessibility.
- 1.4 Stainton Way is a key transport corridor, providing access to local destinations including The Parkway Centre and The Kings Academy Secondary School. It is also part of the Council's Strategic Road Network (SRN), facilitating both local and regional journeys. Stainton Way acts as a 'barrier' between residents on the South, and destinations to the North.
- 1.5 The highway corridor witnesses high levels of vehicles (circa 12,000 per day), with a 40mph speed limit. Although there are existing pedestrian / cycle bridges connecting North and South of Stainton Way; the infrastructure was installed prior to the expansion of the area surrounding the Parkway Centre. This has resulted in the most commodious route to key destinations being unavailable.
- 1.6 This severance and convoluted route acts as a barrier for people when considering travelling locally by modes other than the private car. The Council is committed to reducing the reliance on private cars as this is not sustainable, creates public health issues and increases congestion on the wider network.
- 1.7 Reducing reliance on the private car is crucial to mitigate anticipated future traffic growth. Building new roads induces further demand, thus exacerbating future congestion. This proposal is part of the Council's wider approved Highway Infrastructure Delivery Plan, which sets out infrastructure improvements to maximise the efficiency of the Councils Highway asset.
- 1.8 The project is part of a wider, regional delivery programme of sustainable transport projects; delivered under the 'Local Walking and Cycling Implementation Plan' (LCWIP) that was introduced at a national level by DfT.

Our ambitions	Summary of how this report will support delivery of these ambitions and the underpinning aims
A successful and ambitious town	<i>Aims within this ambition are to:</i> - improving accessibility to key economic centres, the Council will be improving business opportunities for further inward investment by ensuring that transport does not act as a barrier to economic growth.
A healthy Place	<i>Aims within this ambition are to:</i> - improve accessibility to key services and facilities and assist the Borough in improving its reputation and aesthetics by improving the public realm, and reducing congestion and traffic noise, and improving air quality.
Safe and resilient communities	<i>Aims within this ambition are to:</i> - improve safety, accessibility and usability of the Councils Transport network; ensuring that people can access employment, education, retail and leisure opportunities.
Delivering best value	<i>Aims within this ambition are to:</i> - improving infrastructure, enabling growth, and supporting sustainable travel. It delivers best value through targeted investment, focusing on: - Supporting access to employment, education, and services. - Reducing future maintenance costs through asset renewal. - Encouraging modal shift and reducing carbon emissions. - Enhancing safety and accessibility across the network. - The proposed scheme aligns with corporate objectives and ensures resources are used efficiently to deliver long-term, measurable benefits for Middlesbrough.

2. Recommendations

2.1 That the Executive

- Approves the Stainton Way Highway improvements scheme, considering the issues raised and proposed mitigations.

3. Rationale for the recommended decision(s)

- 3.1 The proposals improve sustainable transport choices and improve road safety. This is assisting the Council's green strategy. It further supports social mobility, which is a key component for increasing economic activity.
- 3.2 The proposals will improve accessibility to key retail, employment and education opportunities (circa 1300 students).
- 3.3 The proposals will improve bus punctuality, by creating infrastructure that allows vehicles to bypass queuing traffic and provide priority at traffic signals.
- 3.4 The proposals support road safety for all, by physically segregating cycles from vehicles, signalling a key junction and creating additional crossing points.

4. Background and relevant information

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

4.2 The consultation consisted of:

- Early member engagement sessions
- Letters sent to all surrounding premises
- In person consultation event held at the Parkway Shopping Centre.

4.3 Key findings of the consultation

- 59 responses were received
- 52% either supported or were neutral in their response to the proposals
- 75% were not in favour of traffic lights
- Strong support for safer active travel to Kings Academy
- Strong support for pavement widening.

4.4 Key issues raised from the consultation were as follows

- 75% of respondents indicated that traffic signals at the Dalby Way / Stainton Way roundabout will worsen traffic congestion, and that the existing arrangement is safer.

Traffic modelling has been undertaken on the proposed signalisation of the junction. Although this indicates a slight worsening of traffic congestion, this is not at a level that will have a significant impact upon journey time for users. The accompanying safety improvements associated with signalising a roundabout, and improved connectivity for active travel modes outweigh the small dis-benefits.

Accident data from the area indicates that failing to look, and excess speed were causation factors. Signalisation improves this situation by slowing vehicles and creating safe crossing stages.

- Crossing point on Stainton Way is not required

The safe crossing point is only deliverable if the roundabout is signalised. The provision of a signalised crossing for active travel modes provides a more commodious route, connecting the Southern side of Stainton Way (predominantly residential) to the Northern (retail, job opportunities and education). This increases the attractiveness of accessing these opportunities via non-car dependent travel, further reducing congestion and improving physical activity.

- Lane widths on Dalby Way are insufficiently wide to accommodate bus travel

Additional carriageway widths have been provided to address this issue.

- 25% of respondents indicated that McDonalds causes the traffic issues

The scheme has been altered to accommodate two lanes Northbound (with a dedicated left turn lane) on Dalby Way; creating stacking capacity for the volume of traffic associated with demand.

- 4.5 Updated plans highlighting changes following consultation can be found in appendix 3.

5. Ward Member Engagement if relevant and appropriate

- 5.1 Middlesbrough Council engaged Ward Members prior to public consultation, with in person meetings held on 1st and 3rd July.
- 5.2 Ward members were consulted as part of a wider process by TVCA in July 2025.
- 5.3 No objections were raised as part of this engagement.

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

- 6.1 Do nothing. This is not recommended as it will not allow for the delivery of infrastructure improvements and risks the loss of funding, if not able to be reallocated.
- 6.2 Implement an alternate project. This is not recommended as the proposals have been designed following traffic modelling assessments, and engagement with highway users/statistics at the disposal of the Authority. No other proposal is achievable at the location.
- 6.3 Traffic signals provide a safe junction as drivers and pedestrians are afforded dedicated time to manoeuvre. This is not possible with a roundabout, and non-signalisation of a T junction on the network in this location is not safe. The safety and consistency of movement associated with traffic signals outweigh the cost of increased congestion/journey time.

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

Topic	Impact
Financial (including Social Value)	Should Executive approve the proposal to implement the scheme, TVCA will be able to arrange installation (pending business case approval). TVCA will manage the procurement and delivery of implementation of the proposals in partnership with Middlesbrough Council. The scheme will be fully funded by TVCA at no cost to the Council.
Procurement	Should Executive approve the proposal, TVCA would be responsible for procuring a construction company. There would be no requirements for Middlesbrough Council to be involved from a procurement perspective.

Legal	Should Executive approve the scheme, Middlesbrough Council will be required to make changes to Traffic Regulation Orders and the associated consultation. This will require legal services involvement, however, is a well-established process.
Risk	Implement the scheme: As considerations raised at Public Consultation have been accommodated, this will indicate that the Council has listened to comments, and has adjusted to reflect concerns Do not implement the scheme Not proceeding will not allow the Council to realise the benefits associated with implementation
Human Rights, Public Sector Equality Duty and Community Cohesion	The Equality Impact Assessment (EIA) undertaken evidenced that the proposals will not impact negatively upon all users (Appendix 4).
Reducing Poverty	There is no direct impact because of scheme implementation. The proposals will make low-cost transport more accessible.
Climate Change / Environmental	Implement the scheme Continuing to support the Council's Green Strategy. Continuing to support social mobility and access to the local economy
Children and Young People Cared for by the Authority and Care Leavers	There is no direct impact because of scheme implementation.
Data Protection	There is no direct impact because of scheme implementation.

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

Action	Responsible Officer	Deadline
Deliver the Highway improvements, subject to TVCA approval	Chris Orr	2028
Ensure that post construction site is made good.	Chris Orr	2028 (post completion of works)

Appendices

1	Stainton Way Highway Improvement Consultation Plan
1.1	Stainton Way signalisation visualisation

2	Stainton Way Consultation Summary Report
2.1	Stainton Way Highway Improvement Consultation response
3	Stainton Way Highway Improvement refined design proposal
4	Equality Impact Assessment

Background papers

Body	Report title	Date
Highway infrastructure delivery plan - 2024-2040	Middlesbrough Council Highway Infrastructure Delivery Plan	2024

Contact: Chris Orr
Email: chris_orr@middlesbrough.gov.uk

Stainton Way Proposed Improvements

B1364 to Bluebell
Corner and A174

The King's
Academy



Links to the National Cycle Network (Route 65) to connect into Middlesbrough Town Centre and Coulby Newham.



The Parkway
Shopping Centre



Opportunity to change the layout of the junctions to improve traffic flow. New crossings along the route will also make it safer and easier for people to cross the road.



Opportunity to widen the existing shared-use path and provide a two-way cycle track alongside the footway.



Opportunity for bus priority signals at the junction to improve journey times.



Saint Mary's
Cathedral



Tesco Petrol
Station



New path to the housing estate for people walking, wheeling, and cycling. This would provide a quicker and more direct alternative to the existing footbridge.



Bus opportunities



Walking, wheeling, and cycling opportunities



Points of interest



National Cycle Network (NCN)

B1365

COULBY
NEWHAM



Fairy Dell Park

Newham Way

Lingfield Way

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Public Engagement Summary Report:

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Stainton Way – Connecting better to The King’s Academy and the Parkway Centre

Stainton Way Transport Improvements: The scheme aims to ease congestion on Stainton Way and make travel safer for the 1,300 students at The King’s Academy, as well as for people accessing the Parkway Shopping Centre. Proposals include installing traffic signals at the Stainton Way roundabout to improve bus reliability and widening pavements to create safer routes for students. A new separated, two-way walking, wheeling and cycling path will link The King’s Academy with Dalby Way and connect into the National Cycle Network (Route 65). These changes will provide safer crossings, more reliable buses, and better active travel options, helping to reduce traffic and pollution.

The scheme is funded through the **City Region Sustainable Transport Settlement (CRSTS)**, with money **allocated specifically for transport improvements and not able to be spent on other services or projects.**

The link to the consultation can be found here: [Stainton Way - Connecting better to The King's Academy and the Parkway Centre - Tees Valley](#)

Summary of changes: Proposed improvements on this section of the route include:

1. **Installing traffic signals at the Stainton Way roundabout** by the entrance of the Parkway Shopping Centre.
2. **Creating a separated two-way walking, wheeling, and cycling path providing a safer space for all road users.** This will provide a safer route from The King’s Academy to the Parkway Shopping Centre by separating people walking, cycling, and using the road.
3. **Widening pavements** to give students a safer route to school at The King’s Academy from Stainton Way and separated from cyclists
4. **Connecting onward to the National Cycle Network** (Route 65) to connect into Middlesbrough and Coulby Newham.



Level of support:

- 47% of respondents supported the proposed plans.
- 48% of respondents did not support the proposed plans.
- 5% of respondents were neutral in their support of the plans.
- 25% of responses stated that many of the traffic related issues were caused by the McDonalds drive through and believe that installing traffic lights will not alleviate the issue.
- 75% of respondents who discussed traffic lights stated that they would increase congestion, while 25% viewed them as a positive change that would improve flow.

Key Comments from Residents:

1. Mixed views on installing traffic signals in place of the existing roundabout. Some residents state the signalisation would help as the congestion and safety is poor as is, however the **majority** believe that roundabouts are safer and would prefer it to be retained.
2. Residents commonly identified McDonalds as a source for congestion and the biggest factor contributing to poor traffic flow in the area and on the roundabouts.
3. Common suggestion that a pedestrian footbridge would be useful if placed nearer to the school to funnel children away from roads and crossing en masse.

Proposed Change	Overall feedback	Potential Solution for Consideration	Supporting Evidence
1. Installing traffic signals at the Stainton Way roundabout (by entrance of Parkway Centre)	Consensus that the current roundabout can cause congestion, primarily from McDonalds but signalisation would exacerbate issues with traffic flow.	Carry out traffic modelling scenarios	15% Support installing traffic signals at Stainton Way
2. Creating a separated two-way walking, wheeling and cycling path providing a safer space for all road users.	Support for promoting safer active travel to and The King's Academy.	N/A	Strong support for the principles of providing safer space for all road users.
3. Widening pavements	Support for widening both pedestrian/cycle pavement and widening road pavement, especially at approaches to and on roundabouts.	N/A	75% of those discussed pavement widening were in support.
4. Connecting onward to the National Cycle Network	Support for cycle improvements but noted that routes must join up and be continuous to work with the wider network	Ensure continuous connectivity – Cycle Route 65	High level of support for continued connection



Pre-communications:

Scheme	Stakeholder	Date/Message
Stainton Way	Cllr David Branson Cllr Jo Nicholson Cllr Luke Mason	• Mon 30 June – Webpage live • Wed June 18 Embargoed Briefing Email – officers are available to attend Ward Community Council Meetings

Further Stakeholder Communications:

Stakeholder	Date/Message
Tees Valley Bus Operators (for schemes)	Invitation to review and comment on schemes
Sustrans Briefing	Requested to bring plans & materials to Dr Bike Sessions + other events to promote schemes and survey completion.
RNIB	Invitation to review and comment on schemes
Difference NE – NE Charity for Disabled People	Invitation to review and comment on schemes – feedback received.
Justine Sharman, Access Officer MBC	Promote schemes to MBC contacts and stakeholders
Emergency Services, Taxi Operators, OTG groups	Via MBC internal communications

Press Release:

Press release was issued on Wed 9 July and picked up by:

- Teesside Live <https://www.gazettelive.co.uk/news/teesside-news/transport-upgrades-proposed-three-locations-32027890>
- Yahoo News [Transport upgrades proposed at three locations as views sought on developments](#)

Social Media:

<https://teesvalley-ca.gov.uk/travel/wp-content/uploads/sites/5/2025/07/Transport-Consultations-30MB.mp4>



Collected Feedback:

Scheme	Completed Surveys	In Person Consultation
Stainton Way	66	2

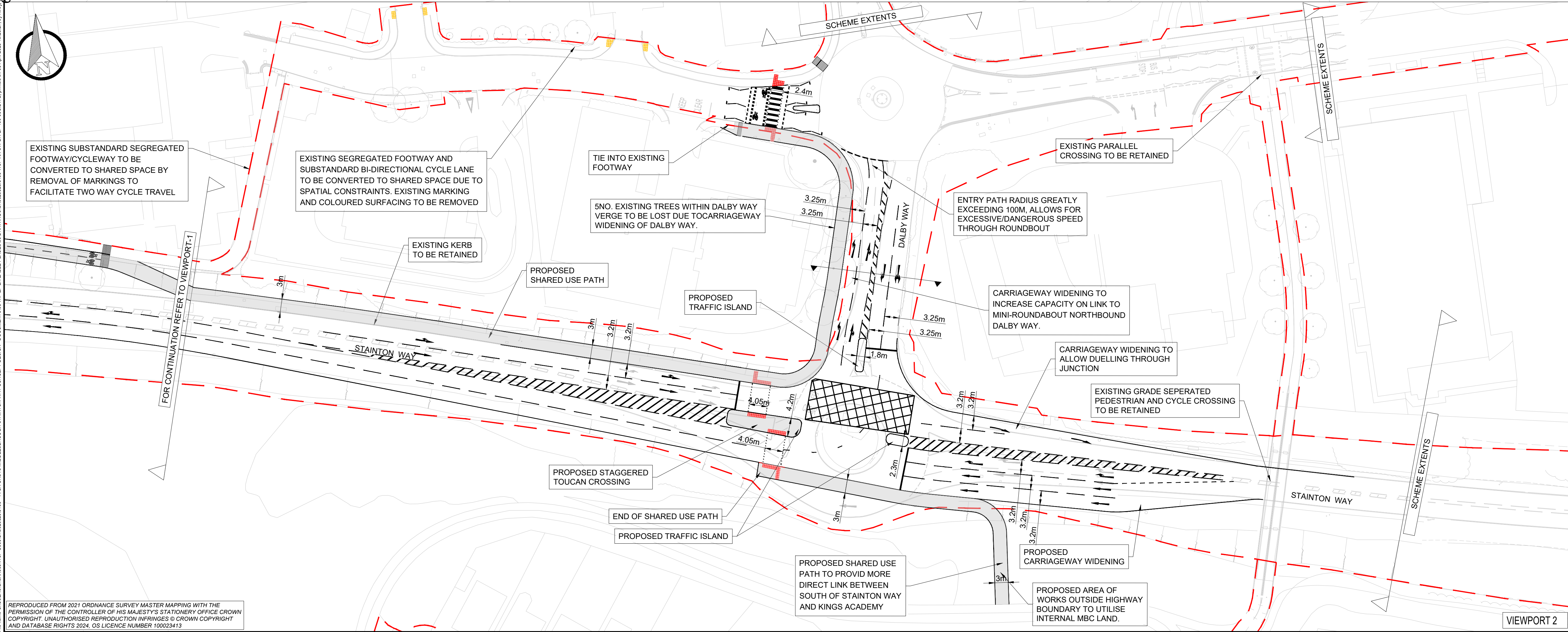
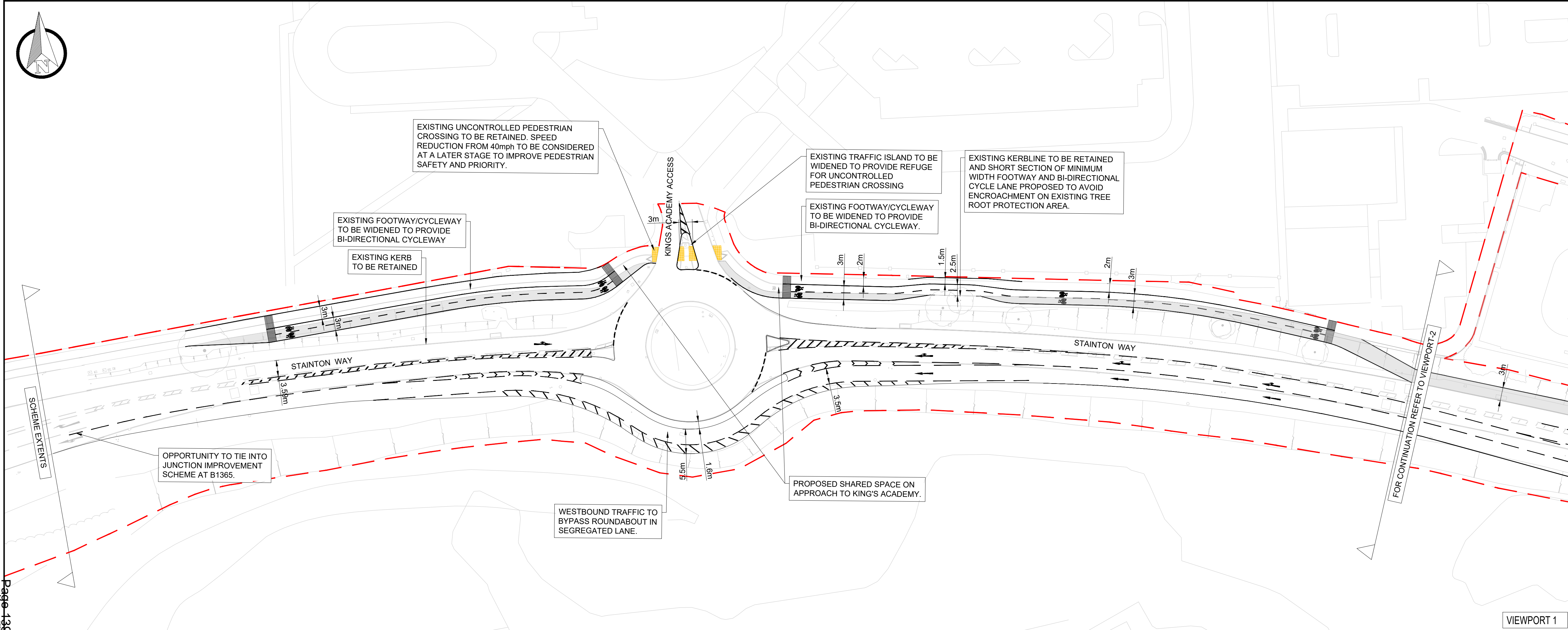
Public Event Location	Date	Public Event Venue	Time	Key Stakeholders in attendance	Residents attending
Councillor Briefings MBC	Tues 1 July	Middlesbrough Council	10-11am	Cllr Tom Livingstone (Acklam Ward) Cllr Janet Thompson (Ayresome Ward) Cllr David Branson (Coulby Newham Ward)	N/A
Councillor Briefings MBC	Thu 3 July	Middlesbrough Council	10-11am	Cllr Jackie Young (Ayresome Ward) Cllr Naweed Hussain (Linthorpe Ward) Cllr Jackie Young (Ayresome Ward) Cllr Philippa Storey (Linthorpe Ward) Cllr Peter Gavigan (Longlands & Beechwood Ward)	N/A
MBC Stainton Way Public Event	Tue 15 July	The Parkway Shopping Centre; Coulby Newham, Middlesbrough TS8 0TJ	12pm-6pm	Cllr Ian Moorish (Marton West Ward) Cllr David Branson (Coulby Newham Ward)	162 (mixed letters and Parkway customers est 50/50)

Stainton Way	Source	Stakeholder	Level of Support	Summary of feedback	Extra Feedback	Tags	Feedback adopted Y/N	(Y) Changes to design or (N) Reason for not incorporating feedback
July 21, 2025 4:57 PM	Survey	Resident	Strongly do not support	Dixons Bank Junction works will Stainton way was designed to push traffic onto Stainton was where as the proposed traffic lights while improving a minority of journeys would dissuade motorists from using station way.	Install a no right turn island outside kings and remove the current roundabout there, then install and additional land from the B1365 (roundabout) to kings just for the school traffic. Coulby Newham is the best served area in MBRO for cycle ways why not improve the situation for other wards first?	King's roundabout to be adjusted to funnel traffic to school		
July 21, 2025 4:54 PM	Survey	Resident	Strongly support	Traffic flow will improve safer for pedestrians	ensure full accessibility for wheelchairs	Ensure full accessibility		
July 21, 2025 4:49 PM	Survey	Resident	Strongly support	To increase safety for pedestrians and keep the flow of traffic at a reasonable level continuity	No comments regarding these plans however I do have suggestions for the roundabout at Stainton Way/Newham Way be installed with traffic signals. In the mean time change the lanes to three definite lanes - covering from the Bluebell - one right into Hemlington - one straight across and one into Newham Way.	Road markings and clear lanes on surrounding areas		
July 21, 2025 4:45 PM	Survey	Resident	Support	at the moment traffic backs up so this would all a better flow. the introduction of traffic lights should make the junction safer.	? Reduce the speed limit to 30mph	Reduce speed limit to 30mph - signals make it safer		
July 21, 2025 4:43 PM	Survey	Resident	Strongly support	Too much traffic using this road	No	Congestion is an issue		
July 21, 2025 4:26 PM	Survey	Resident	Strongly do not support	from my experience traffic flows better with roundabouts. however, I do support cycle lane.	Enough grass verge to choose more vehicle + cycle tracks - prevents being held back behind cyclist.	Roundabout would be better than signals - more grass verge should be used for widening		
July 21, 2025 4:25 PM	Survey	Resident	Strongly support	its a good idea	walking cycling	Positive		
July 21, 2025 4:20 PM	Survey	Resident	Strongly do not support	There is no need to put a safe crossing in when there is a safer bridge that can be used with in a minute of the proposed new footpath and lights. This isn't going to change the way children cross the road.	Maintenance doesn't happen now on the pathways and cyclepath so adding more to it will just fall in to disrepair	Future maintenence needs to be monitored - bridge is a safe crossing - do not need a new crossing		
July 21, 2025 4:16 PM	Survey	Resident	Strongly support	Ease traffic congestion at school times, which is a positive.		It will improve road safety for kids		
July 21, 2025 4:13 PM	Survey	Resident	Support	will reduce congestion during rush hour through Coulby Newham	Cameras to enforce people not stopping outside Kings to drop off children this cause a bottleneck for the traffic behind	Enforcement of traffic regulation		
July 21, 2025 4:09 PM	Survey	Resident	Strongly support	something needs doing urgently, traffic mental at times		Congestion is an issue the chnages will improve it		
July 21, 2025 4:05 PM	Survey	Resident	Strongly support	needs to be safer, traffic lights will keep it clear	a slip road going to McDonalds would alleviate traffic.	Slip road to McDonalds		
July 21, 2025 3:59 PM	Survey	Resident	Neutral	Agree with Kings Academy junction the filter land will ease flow of traffic. Lingfield Farm junction being traffic lighted will cause congestion further back especially if junction further back are changed to traffic lights.	The current pedestrian routes are exposed to slower traffics so safer. If signalised ALL (inc Southern Cross) should be enforced chevrons to reduce blocking of junctions.	Signalised traffic lights will cause more congestion - not needed, xebr crossings better		
July 21, 2025 3:55 PM	Survey	Resident	Support	future housing will benefit from safer junction	The roundabout near the Cathedral is horrendous to come out of. Needs traffic lights	Needs traffic lights near the cathedral roundabout		
July 21, 2025 3:53 PM	Survey	Resident	Strongly support	McDonalds que's, if this would help the idea would be great.		McDonalds Traffic		
July 21, 2025 3:51 PM	Survey	Resident	Strongly support	will make a good plan and easy to get across road.		Safer		
July 21, 2025 3:48 PM	Survey	Resident	Strongly support	Tea time and morning traffic is awful at the moment	I really like the new look with traffic lights, it will be much safer.	Traffic lights will be safer		
July 21, 2025 3:43 PM	Survey	Resident	Strongly support	There are more residents +more kids using the present roads pavements etc	YES! make MORE DROP DOWN PAVEMENTS PLEASE FOR US IN WHEELCHAIRS	More dropped kerbs		
July 21, 2025 3:41 PM	Survey	Resident	Support	Need to syphon traffic wanting entry to parkway centre.		Parkway centre traffic issue		
July 21, 2025 3:36 PM	Survey	Resident	Strongly support		The road needs widening to allow the traffic to flow so that vehicles traveling straight on would not be restricted by traffic turning left into the parkway.	Roads need widening to allow for turning		
July 21, 2025 3:24 PM	Survey	Resident	Strongly do not support	The traffic lights on the roundabout will cause severe traffic jams due to McDonalds, it causes problems now it will cause more problems getting into Parkway.		McDonalds traffic and worsened congestion from traffic lights		
July 21, 2025 3:19 PM	Survey	Resident	Neutral	Traffic lights tend to pulse traffic, creating tailbacks		Traffic lights will increase traffic/congestion		
July 21, 2025 2:56 PM	Survey	Resident	Support	It will slow traffic but stop the kids running across the main road so improving safety. Anything to improve things for cyclists is a positive.	Prioritizing roads (safe) for cyclists is important. cars are in to much of a rush now!	It will improve road safety for kids		
July 21, 2025 12:42 PM	Survey	Resident	Strongly support	The current roundabout on Dalby Way is frightening, motorists approaching from Kings Academy direction are often going to fast, sometimes in the wrong lane with no regard for cars coming away from the Parkway centre.	No, do not walk or cycle along this route	Speeding on Dalby way roundabout and incorrect lane use		
Jul 20 2025 07:53 AM	Survey	Resident	Strongly do not support	Adding traffic lights instead of the round about is going to cause so much more havoc and traffic at peak times, not just at the one you would be removing, but the other roundabouts either side.	I dont get how adding a pedestrian crossing to that road is safer than the bridge that is already there. On the bridge you have zero worries about cars, and you dont have to wait for lights.			
Jul 20 2025 07:32 AM	Survey	Resident	Strongly do not support	Looking down on the map, the big round about to the right gets jammed (particularly on a morning) as it is, and traffic lights won't solve that.	Adding a crossing will also make the road less efficient, as not only will it have to factor in different directions, people crossing will mean queues during peak times too.	Traffic lights will increase cogestion		
Jul 20 2025 07:32 AM	Survey	Resident	Strongly do not support	From the kings way, its the McDonald's drive through that causes thr most traffic, and this won't improve that either.	At school times this would cause more delays cause the amount of kids thay would cross there to go to King's would cause just as much traffic as the current system does, if not more. Then combined with the lights natural changing queues will likely get bigger.			
Jul 20 2025 07:32 AM	Survey	Resident	Strongly do not support	I live near the One Stop shop and on a morning traffic already can build up massively at the big roundabout due to vehicles coming from Marton/Nunthorpe down towards King's Academy. It gets really difficult and dangerous trying to go over that roundabout trying to get down to the bottom end of Coulby. Cars already block the roundabout due to traffic congestion down Stainton Way towards the Stainton Way/Dalby Way roundabout. Traffic lights proposed will make the traffic further up even worse! This problem will also get so much worse when the new houses are built at Newham Hall. I only have one entrance/exit into my end of Coulby and it already causes so many issues!	Traffic lights would make sense at the big roundabout as mentioned above to give a safer route for people driving in the area.	Increase congestion and already difficult getting to Coulby		
Jul 19 2025 10:48 AM	Survey	Resident	Strongly support	I find it difficult accessing by going over the bridge so creating this will mean I don't have to cross over a bridge or walk the 50 min long way round to avoid the bridge to access the shops	No I think this plan is really good	Will reduce walking/cycling travel time		
Jul 19 2025 02:24 AM	Survey	Resident	Strongly support	Very good ideas which mean more pavements and done at no detriment to anyone else.	#N/A	Useful		
Jul 17 2025 10:50 PM	Survey	Resident	Strongly do not support	This will cause more issues than it has benefits and will become like Marton road which is a nightmarw	Strongly object to this there is already bike paths and walking paths that are used just fine if anything will cause more issues with the young chavs driving up and down on motorbikes almost knocking people out. There does not need to be anymore footpaths put in at the extent of causing more traffic issues and flow the problem is with McDonald's drive thru Que not the roundabout itself and by putting this in it won't solve anything	Roundabout isn't the problem the McDonalds drive through is		
Jul 16 2025 12:53 PM	Survey	Resident	Strongly do not support	There is plenty of foot paths that can be used to access the area. The current walkway bridge is suitable and has been used for many years by local residents. Doing this will encourage the young kids from kings acadamy to cross the road in-between the slower traffic causing more danger. The current roundabout works well with no need for change. Spend the money on repairing the already installed foot and cycle path that runs from the bridge near aldi past the petrol station round McDonald's and to kings acadamy.	There is plenty of access for both walkers, disabled, cyclists and anybody else in this area. Sort the McDonald's que or have the restaurant relocated this would reduce the need to waste tac payers money on another stupid idea	Roundabout isn't the problem the McDonalds drive through is		
Jul 16 2025 06:17 AM	Survey	Resident	Strongly do not support	The traffic lights are getting out of hand in this area. They are making traffic worse not better and we are considering moving in out of the area as it's gridlock on a morning. Traffic lights do not improve congestion	Stop making the road systems worse in this areas it's a disgrace. We need to improve the roads and find ways to reduce traffic not make it worse for none traffic	Traffic lights will increase cogestion		

Jul 15 2025 11:43 PM	Survey	Resident	Do not support	Roundabouts generally work fine, and introducing traffic signals creates worse traffic conditions. Look at signals installed on Stainton way near hemlington hall Rd. Was never an issue. Lights installed and now traffic backs up and round the roundabout to the A174 during peak times.	No signals required. 2 lanes is fine but can be worse on opp side at Dalby way when people queue for the McDonald's drive thru. This needs sorting first. Speed limit does not require lowering to 30mph. You can use a 30 when flashing for school start and finish if necessary.	Roundabout isn't the problem the McDonalds drive through is
Jul 15 2025 10:09 PM	Survey	Resident	Strongly do not support	Increased traffic congestion	No established cycle route. Proposal doesn't join up with another our route as they do not exist.	Cycle route doesn't join up with others
Jul 15 2025 09:54 PM	Survey	Resident	Strongly support	Make the roads safer.	#N/A	Useful
Jul 15 2025 07:24 PM	Survey	Resident	Do not support	Roundabouts help traffic flow more easily. It will cause far more congestion as lights	The pedestrian and cycle access needs improving, but can be done without the need for lights at that junction	Traffic lights will increase cogestion
Jul 15 2025 04:12 PM	Survey	Resident	Strongly do not support	Not enough footfall, waste of money. McDonald's needs moving, the cause of most delays at this intersection. Another area for motorbikes/e scooters to cross over from footpaths behind Woodlea etc. these paths are used regularly by motorbikes etc. coming from Hemlington Grange crossing behind The Birches/Woodlea, frequently dangerous for pedestrians.	Traffic lights on roundabout Stainton way/Lingfield to help flow & backlog of traffic coming out of estate. Will be more traffic when new housing built at top of estate. This roundabout is dangerous as people don't slow down crossing along Stainton way, seen lots of near misses.	Roundabout isn't the problem the McDonalds drive through is
Jul 15 2025 01:45 PM	Survey	Resident	Strongly do not support	The traffic already backs up and impacts drivers massively. The idea that more people will walk will not happen and this will lead to massive traffic jams.	Improve the traffic flow around the McDonald's entrance as this is an issue.	Roundabout isn't the problem the McDonalds drive through is
Jul 15 2025 01:44 PM	Survey	Resident	Strongly do not support	I feel as though this will cause more traffic flow issues and accidents of the students trying to cross without waiting for the green man and will end up like matron road where traffic is horrendous. This will be the worst thing you can do to Coulby. The kids can walk or cycle already on the paths provided and walk over the bridge there is absolutely no need for new crossings. The traffic lights with cause more of an issue with the smaller round about were Tesco garage is and the lingfield causing gridlock I very strongly object to this	It was cause a lot more problems than it will solve why aren't the people of Coulby Newham asked before all these plans are made or discussions taken place first!!!!	Traffic lights will increase cogestion
Jul 15 2025 01:31 PM	Survey	Resident	Strongly do not support	We do not need traffic lights. This will only cause more of a delay and a prime example of this is marton cross roads. Kids can safely get to school going by the bridge but it's because they're to lazy and parents aren't bothered that they weave in and out of traffic, the kids will still do the same thing and go between traffic this is shown with the lights that go between the A's and kings academy, the children just run infront of cars.	We do not need a cycle route it is not needed. The bridges are fine for children to go across, if you are so bothered build another bridge closer. it's only because of the lazy kids that can't be bothered to get their arse out of bed early and go the proper route.	Traffic lights will increase cogestion
Jul 15 2025 01:25 PM	Survey	Resident	Neutral	I do agree that the roads need to be wider with more lanes but something more needs to be done about the McDonald's traffic I had to cancel my membership to Bannatynes because it would take me 15 mins to get through,be ideal if they could widen the road there but there's not enough room.	Get rid of ALL LARGE ROUNDABOUTS, they are dangerous and made worse by some idiot sticking bushes, plants, and advertising boards on them to obscure the view. Proof that they don't work properly is plain to see at places like Teesside Park, Portrack Lane/A19 Junction, A66/Cargo Fleet Throughabout which all started off as roundabouts but were found to be dangerous and useless. Large roundabouts should all have traffic lights put on them. Why not put more foot/cycle paths outside the Kings Academy entrance and another bridge over the road.	More cyce paths outside of Kings Academy and a closer bridge
Jul 15 2025 01:24 PM	Survey	Resident	Strongly do not support	There is no point in commenting or making suggestions as local authorities will just go ahead and do whatever they want. People will still take kids to school by car especially in bad weather and shoppers who have cars will still use them.	Scrap the idea	Traffic lights will increase cogestion
Jul 15 2025 01:05 PM	Survey	Resident	Do not support	Waste of money - we don't have much of a bus service so what delays do you refer to. Roundabouts are safer than TL - more gridlock - the traffic just doesn't flow due to TL after TL	As above, put a seperate route leading into macdonalds paid for by macdonalds	Roundabout isn't the problem the McDonalds drive through is
Jul 15 2025 01:03 PM	Survey	Resident	Do not support	Very few cyclists use cycle paths now they prefer do use roads and slow the motorists dkwon by riding several abreast or moving in and out around either sides of vehicles!make cyclists use existing cycle paths of which there are plenty at coulby newham and fine them if they use roads when cycle paths can be used Also the biggest cause of the traffic problem as regards stationary queues of traffic is the obvious.....macdonalds! This company should be made to pay for a seperate route into their premises, the amount of money they must make in a week never mind a year, they must surely be held to account for causing this traffic chaos.	Why not simply put more foot and cycle paths in, get rid of trees and bushes which will encroach onto said paths and building another bridge near the small roundabout outside the school entrance. The worst thing about roads in this country is LARGE ROUNDABOUTS they are dangerous. Then some idiot makes them even more dangerous by sticking bushes, plants and advertising boards on them to block vision.	Add another footbridge closer to School and tidy up roundabouts to improve vision
Jul 15 2025 12:43 PM	Survey	Resident	Strongly do not support	It's not that part of the road that needs sorting out. It's every large roundabout in Coulby Newham. Traffic lights should be installed on ALL of them. Accidents are caused because people get held up waiting for gaps in the traffic. Traffic lights give everyone an equal chance to get across or turn onto the other roads. As for more shoppers walking and students using bikes and walking, that will not happen as their parents will still drop them off, especially if they live more than a mile away.	#N/A	Traffic lights will increase cogestion
Jul 15 2025 12:18 PM	Survey	Resident	Support	There is nothing wrong with the way it is currently laid out. I believe this will make traffic flow worsened due to the amount of traffic lights already on Stainton way. As a pedestrian and a car driver I strongly prefer zebra crossings rather than pelican crossings. For several reasons: cost, pelican lights are more expensive compared to zebra crossing lights. Pelican lights take time to respond and on occasion pedestrians take risks and cross anyway. For drivers pelican lights are slow that result in traffic build up and more delays	Nothing to add other than as a pedestrian and a driver I strongly prefer zebra crossings rather than pelican crossings.	Would prefer zebra crossings
Jul 15 2025 12:06 PM	Survey	Resident	Support	I do believe a crossing is required to improve safety and connectivity	I do believe a zebra crossing would be better, traffic lights take time to respond to pedestrians request to cross resulting in some people being inpatient and taking risks. When the lights do then stop traffic for pedestrians to cross they are typically very slow and will cause traffic congestion and frustration. In addition the cost of a set of traffic lights compared to zebra crossing lights is much higher.	Would prefer zebra crossings
Jul 15 2025 12:00 PM	Survey	Resident	Support	Unsafe for many people with current layout. Area around Lingfield pub, McDonalds etc is horrific. Roundabout road signage needs to be clearer. Too many drivers going too fast over roundabouts, trying to merge and causing major issues.	Very clear signage to ensure users use the correct path. It's often a free for all. Dogs should be kept on a short lead on the appropriate path as they cause issues for cyclists and pedestrians. This is the case on many of the cycle lanes in the area.	Roundabout isn't the problem the McDonalds drive through is. Dogs on lead.

Jul 15 2025 11:43 AM	Survey	Resident	Strongly do not support	I am not objecting for the sake of it, new infrastructure is good, but the proposal of new traffic lights in this location is not needed. There is already a bridge less than 100m away. There are other improvements elsewhere which could be more effective. For example, Ladgate Lane, Ormesby Road Junction. It is not an effective use of public finances to provide lights to allow crossing that will impact traffic levels, whilst not providing any additional benefit that the footbridge already does not. Traffic on a morning backs up from the roundabout which is proposed to be replaced, creating a queue of traffic eastwards along Stainton Way. This actually blocks traffic from Lingfield Way creating a queue back back into the estate to the south.	Dalby Way roundabout does not need replacing for a crossing point when there is already a footbridge 100m away. What is the business case for this? Providing a pedestrian crossing does not provide any additional benefit that the bridge does not.	Waste of resources
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Jul 15 2025 11:02 AM	Survey	Resident	Strongly support	This is a great idea the small roundabout is not fit for purpose and offers a better way from the new housing estate Making a left turn in a busy intersection can be a complex maneuver. As a result, collisions are more likely to occur when making left turns. Roundabouts are a way to avoid the traditional stop-light intersection that requires drivers to cross lanes on oncoming traffic when making a left turn. Roundabouts vs. Traffic Lights: the Risk of Accidents Reduction of Conflict Points Roundabouts offer a benefit to drivers in that they have fewer “conflict points” than traditional intersections. Conflict points are the areas in an intersection where collisions are more likely. The are multiple conflict points at play when making a left turn at an intersection, specifically the point where drivers must cross a lane of oncoming traffic. Because the flow of traffic remains in the same direction in a roundabout, there is no instance of opposing left turns.	#N/A	Useful
Jul 15 2025 10:58 AM	Survey	Resident	Strongly do not support	Decreased Severity of Accidents One of the most common types of accidents associated with left turns at traffic lights is T-bone collisions, where the front of one vehicle impacts the side of another. By introducing a greater number of right turns, roundabouts eliminate this risk and reduce the potential for high-speed perpendicular accidents. Vehicles navigating the circular path of a roundabout tend to drive at a slower speed, thus reducing the severity of accidents that might occur. How Do Roundabouts Change Traffic Flow? Yes new paths need to build especially a crossing at the King’s roundabout, however traffic lights will not be beneficial, the roundabout is only congested for around 1.5 hours a day with traffic still moving fairly quickly. Traffic lights will cause further accidents due to people speeding/going through red lights out of frustration. Whilst I welcome the general principles of walking and cycling, the installation of traffic lights will create further issues with traffic flow. With the junction of the proposed traffic lights and the smaller roundabout (by Lingfield pub) in close proximity, by halting the flow of traffic based on red or green signals, you are creating further bottleneck at the smaller roundabout. At least with the current two roundabout system, whilst not ideal due to road layout, it enables a steady movement of traffic entering and exiting the parkway and surrounding traffic. A traffic light system will create regular intervals where traffic cannot move and / or navigate around the smaller roundabout. It is also disappointing to note that little has been done / considered to address the main issue of traffic entering and exiting McDonald’s which is a fundamental issue to the traffic movement and flow around this area.	Yes, having walked there thousands of times, there is no real difficulty.	Roundabout isn't the problem the McDonalds drive through is
Jul 15 2025 10:53 AM	Survey	Resident	Strongly do not support	It is also disappointing to note that no consideration has been considered around the ongoing traffic congestion at Stainton way / Lingfield way / Newham way junction. The introduction of traffic lights (even part time lights) is exactly what is needed to create better control of traffic and to halt the steady movement coming down Stainton way from Marton (particularly in the morning which is why part time Lights would be suffice) Personally I think you are prioritising the wrong junction to introduce traffic lights if you trying to better control traffic flow in the area and furthermore you have not addressed the major issue of traffic flow / congestion which is the mcdonalds traffic and the closer Proximity of the smaller roundabout leading to the parkway centre - whilst you have two junctions in close proximity of each other, you are always creating traffic flow issues - traffic lights will not help on this occasion	As above	Roundabout isn't the problem the McDonalds drive through is
Jul 15 2025 10:41 AM	Survey	Resident	Strongly do not support	The only issue here is people going to the drive thru at macdonalds causing a back log wich trifrid lights will not change. Traffic will avoid Stainton way especially at peak times making the Marton crawl even worse. Previous alterations encouraging more traffic to use Stainton way from Dixon bank simply have not worked wasting money. This scheme will just cause yet another pinch point in an already overloaded road system.	Macdonalds is the issue the drive thru needs to be closed	Roundabout isn't the problem the McDonalds drive through is
Jul 15 2025 10:29 AM	Survey	Resident	Strongly do not support	Anything which adds safer walking, wheeling and cycling routes is a positive and should be prioritised. Buses should also be prioritised where possible. Yes i approve of the paths to aid walking but not the traffic lights they are not required just widen the road and make it into a 2 car lane to the main roundabout Stupid idea, waste of money.	Spend the money on installing pedestrian bridges over Stokesley road near the school and shops so that pedestrian controlled lights can be removed altogether.	Traffic lights will increase cogestion
Jul 15 2025 10:02 AM	Survey	Resident	Strongly do not support	Build another foot bridge that leads the path running infront of the school. Adding traffic lights will cause more delays during peak times.	I would consider making the road 2 lanes as well with a lane for turning into kings academy which will help keep a consistent traffic flow.	Increase capacity on roundabout (2 lanes)
Jul 15 2025 09:59 AM	Survey	Resident	Do not support	Build a new on slip to the A174 to ease traffic. Flats lane would be ideal or Ormesby bank. Unnecessary works, given the foot bridge a couple of minutes from the proposed crossing.	Cycle lane waste of money	Increase capacity on roundabout (2 lanes)
Jul 15 2025 09:56 AM	Survey	Resident	Strongly do not support	Strongly do not agree with installing traffic lights instead of a roundabout. The path goes through the Parkway Centre already and there is a BRIDGE crossing the road already. We do not need more lights. There is already a pedestrian BRIDGE crossing the road already!!	See above.	Unnecessary
Jul 10 2025 12:26 PM	Survey	Resident	Strongly do not support	Strongly do not agree with installing traffic lights instead of a roundabout. The path goes through the Parkway Centre already and there is a BRIDGE crossing the road already. We do not need more lights. There is already a pedestrian BRIDGE crossing the road already!!	#N/A	Unnecessary
Jul 10 2025 10:24 AM	Survey	Resident	Do not support		Strongly do not agree with installing traffic lights instead of a roundabout. The path goes through the Parkway Centre already and there is a BRIDGE crossing the road already. We do not need more lights. There is already a pedestrian BRIDGE crossing the road already!!	Traffic lights will increase cogestion



DO NOT SCALE

NOTES:
1. ALL DIMENSIONS ARE IN SHOWN METRES UNLESS OTHERWISE SPECIFIED.
2. THE LAYOUT SHOWN IS CONCEPT AND SHALL BE SUBJECT TO CHANGES AT DETAIL DESIGN STAGE.
3. THE DRAWING SHOULD BE READ IN CONJUNCTION WITH ALL OTHER CONCEPT DESIGN DRAWINGS AND DOCUMENTS.
4. HIGHWAY BOUNDARY PROVIDED BY MIDDLESBROUGH BOROUGH COUNCIL.
5. JUNCTION IMPROVEMENTS AND SIGNAL CHANGES ARE SUBJECT TO TRAFFIC MODELING REVIEW.

KEY:
- - - HIGHWAY BOUNDARY
- - - EXISTING ROAD MARKING TO BE RETAINED
- - - PROPOSED ROAD MARKING
- - - PROPOSED KERB
- - - EXISTING KERB
[Pattern] PROPOSED LADDER PAVING
[Pattern] PROPOSED TRAMLINE PAVING
[Pattern] PROPOSED RED TACTILE PAVING
[Pattern] PROPOSED BUFF TACTILE PAVING
[Pattern] PROPOSED / WIDENED CYCLE TRACK / SHARED USE PATH

PO4	08/04/2026	FB	UPDATED FOLLOWING RSA STAGE 1	JK	GS
PO3	11/11/2025	KT	ATE WORKSHOP SUBMISSION	JK	GS
PO2	03/11/2025	KT	UPDATED PEDESTRIAN ROUTE ON DALBY WAY	JK	GS
PO1	04/09/2025	HJ	FIRST ISSUE	JK	GS
REV	DATE	BY	DESCRIPTION	CHK	APP

DRAWING STATUS: FEASIBILITY DESIGN

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CLIENT:

SITE/PROJECT: TVCA CRSTS
MIDDLESBROUGH DP003
CONCEPT DESIGN DEVELOPMENT

TITLE: STANTON WAY HIGHWAY IMPROVEMENTS
DALBY WAY OPTION 3C
SIGNALISED JUNCTION WITH DALBY WAY WIDENING

SCALE @ A1: 1:500	CHECKED: JK	APPROVED: GS
PROJECT NO: 70117762	DESIGNED: KT	DRAWN: KT
DATE: April 26		REV: P04

DRAWING NO: UK0029529.8135-WSP-XX-SW-DR-LP-100-03C

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Template for Impact Assessment Level 1: Initial screening assessment

Subject of assessment:	Stainton Way Highway improvements			
Coverage:	To cover the proposed corridor improvements on Stainton Way			
This is a decision relating to:	☐ Strategy	☐ Policy	☐ Service	☐ Function
	☐ Process/procedure	☐ Programme	☒ Project	☒ Review
	☐ Organisational change	☐ Other (please state)		
It is a:	New approach:	☐	Revision of an existing approach:	☐
It is driven by:	Legislation:	☐	Local or corporate requirements:	☐

	<u>Key aims, objectives and activities</u> The aim of the report and assessment is to evaluate the options around the decision whether to retain the current infrastructure, or proceed with the proposed scheme implementation. This impact assessment sets out the likely understood impact of a decision to proceed with the scheme implementation. <u>Statutory drivers</u> As a Highway Authority, the Council has statutory duties, as set out within the Traffic Management Act 2004. “It is the duty of a Local Traffic Authority to manage their road network with a view to achieving, so far as is reasonably practicable having regard to their other obligations, policies and objectives, the following objectives; (a) Securing the expeditious movement of traffic on the Authority’s road network; and (b) Facilitating the expeditious movement of traffic on road networks for which another Authority is the Traffic Authority.” The introduction of traffic signals and improved pedestrian and cycling facilities will allow the Council to provide safe, attractive facilities to encourage uptake of active, sustainable transport. Description: The proposals follow Department for Transport (DfT) guidance in the form of LTN 1/20, which sets out the requirements to install quality infrastructure to enable more people to cycle safely and more often. Tees Valley Combined Authority (TVCA) gained funding from the Levelling Up Fund (LUF) to support ambitions to improve sustainable transport accessibility. The project is part of a wider, regional delivery programme of sustainable transport projects; delivered under the ‘Local Walking and Cycling Implementation Plan’ (LCWIP) that was introduced at a national level by DfT. <u>Differences from any previous approach</u> Retaining the highway layout will not result in any changes. <u>Key stakeholders and intended beneficiaries</u> (internal and external as appropriate) Key stakeholders include Residents, Businesses, Politicians, Council Officers, Public Transport operators, disability groups, taxis, Emergency services, Tees Valley Combined Authority and visitors to the area <u>Intended outcomes</u> This impact assessment sets out the impact of the proposal to implement the scheme and how it will allow the increase in sustainable modes, and ensure that accident levels have the best possible chance of remaining low.
Live date:	May 2026
Lifespan:	N/A
Date of next review:	March 2029

Screening questions	Response			Evidence
	No	Yes	Uncertain	
Human Rights Could the decision impact negatively on individual Human Rights as enshrined in UK legislation?	☒	☐	☐	The project aims to improve access to sustainable transport for all residents. This will assist in improving accessibility to education, employment, training, retail and leisure facilities by making reasonable adjustments to services provided to new proposals, and retrofitting existing infrastructure, and therefore not impact negatively upon human rights. Evidence used to inform this assessment includes analysis of the Human Rights Act 1998.
Equality Could the decision result in adverse differential impacts on groups or individuals with characteristics protected in UK equality law? Could the decision impact differently on other commonly disadvantaged groups?	☒	☐	☐	The proposed scheme consultation exercise has included stakeholders such as the RNIB. As part of the design process the necessary measures have been included to produce a fully accessible scheme proposal. In addition, to extensive road safety audits, Active Travel England reviews and LTN 1/20 compliance. The scheme proposal includes the signalisation of Stainton Way/Dalby Way roundabout (creating a safe crossing point on Stainton Way, and a new signalised crossing on Dalby Way, with associated foot/cycleways to connect the infrastructure in to the existing network. In addition, to a full lighting level review, and additional lighting to be implemented, if required. It is therefore not anticipated that there would be only beneficial impacts upon equality. Evidence to support this assessment includes analysis of the current provision which allows all people to use the facilities. The proposed decision impact which will be that scheme implementation would increase accessibility to people from all disadvantaged groups.
Community cohesion Could the decision impact negatively on relationships between different groups, communities of interest or neighbourhoods within the town?	☒	☐	☐	There is no evidence and has not been raised as an issue during public consultation that the proposed scheme would impact negatively upon relationships between different community groups. This project would improve sustainable access routes to communities and safe road networks. Anti-social and illegal behaviour remains a global problem, and could create community tension between highway users. This is not an issues specific to this scheme, so it is anticipated that this will not create a specific cohesion issue. Evidence to support this assessment includes analysis of the proposed provision which allows all people to use the facilities. The proposed decision impact which will be that the proposed scheme will increase accessibility to all of the community.

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

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

Assessment completed by:	Chris Orr	Head of Service:	Craig Cowley
Date:	26 th May 2026	Date:	26 th May 2026

MIDDLESBROUGH COUNCIL	
Report of:	Chief Executive, Erik Scollay Corporate Director of Finance (s151 Officer), Andrew Humble
Relevant Executive Member:	Mayor, Chris Cooke Executive Member for Finance, Cllr. Nicky Walker
Submitted to:	Executive
Date:	2 September 2026
Title:	Quarter One 2026/27 Integrated Performance and Finance Forecast Year End Outturn
Report for:	Decision
Status:	Public
Council Plan priority:	Delivering Best Value
Key decision:	Yes
Why:	Decision(s) will incur expenditure or savings above £250,000 and have a significant impact in two or more wards
Subject to call in?	Yes
Why:	Non Urgent Decision
Proposed decision(s) That the Executive: • Approves budget virements over £250,000 within the revenue budget (Appendix F1) • Approves budget virements over £250,000 within the capital programme (Appendix F5) • Approves the inclusion of new schemes and additions to existing schemes to the Capital Programme totalling £3.120m for 2026/27, which are all externally funded to either new or existing schemes (detailed in Appendix F5), resulting in a new Capital Programme budget of £94.940m for 2026/27. • Notes the Council's financial performance and forecast year-end financial outturns for revenue and capital budgets for the financial year 2026/27 as at Quarter One, 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 £8.479m (4.22%) at year end after the proposed use of remaining available corporate contingencies and other centrally held resources, although this should	

not be viewed as the anticipated year-end outturn as further work will be undertaken to mitigate the current forecast pressure.

- **Notes** that work will be ongoing to address these pressures and Directors will continue to actively manage forecast budget pressures through the Council's Integrated Performance and Financial Management Framework, including the completion of Quarter One Officer and Member Integrated Performance and Budget Clinics. Through these arrangements, financial performance, service delivery and risks have been jointly reviewed, with a range of mitigating and corrective actions agreed to address forecast pressures. Executive acknowledges the requirement for Directors to continue delivering, monitoring and refining these actions, maintaining robust financial controls and ensuring expenditure remains aligned with approved budgets and the Medium-Term Financial Plan.
- **Notes** that the Leadership Management Team and Directors acknowledge the severity of the current forecast position, and Directors are required to complete a Financial Recovery Plan that details the financial controls being implemented to strengthen governance and challenge expenditure and are expected to identify in-year financial recovery actions that will generate measurable financial benefits during 2026/27.
- **Notes** that the current forecast overspend if not addressed will impact on the level of usable unrestricted revenue reserves and would impact on progress towards achieving the Council's preferred financial resilience targets as set out in the Reserves Policy. This reinforces the need for immediate action to reduce forecast overspends and protect reserves.
- **Notes** the progress that has been made against the Council Plan 2026 – 2029 at Quarter One 2026/27 as set out in detail at Appendix One.
- **Notes** the Strategic Risk Register content as at the end of Quarter One 2026/27 (Appendix Three).

Executive summary

The purpose of this report is to provide Executive with an integrated overview of the Council's performance, financial position and strategic risks at Quarter One 2026/27. It represents the first reporting cycle under both the refreshed Council Plan 2026-29 and the Council's Integrated Performance and Financial Management Framework and enables Executive to discharge its responsibilities for overseeing delivery of Council Plan priorities, financial sustainability and strategic risk management.

Quarter One has focussed on both delivery of Council Plan priorities and establishment of the supporting performance framework. All 32 Council Plan activities are currently progressing as planned and no overdue actions have been identified. Significant achievements have been recorded across a number of priority areas including apprenticeship delivery, housing growth, development of our local area SEND plan, digital inclusion, environmental services, Substance Misuse treatment services, reductions in Anti-social Behaviour (ASB), and the implementation of the Eat Well Schools programme. Further work is underway to establish performance baselines and refine performance measures to ensure they remain aligned to the outcomes they are intended to measure. As the framework develops, reporting will increasingly demonstrate how delivery, investment and early intervention respond to evidenced need and contribute to reducing inequalities across the town.

The Council's approved net revenue budget for 2026/27 is **£200.840m**. At Quarter One, the Council is forecasting a year-end financial pressure of **£8.479m (4.22%)** after the application of remaining available corporate contingencies and other centrally held resources if no further action is taken. This forecast represents the position before the full impact of planned mitigating actions, strengthened financial controls and Financial Recovery Plans are realised. The Leadership Management Team and Executive acknowledge the severity of the current forecast outturn position and Directors are required to identify and implement immediate actions to reduce forecast overspends, improve financial sustainability and strengthen financial resilience.

The most significant forecast pressure continues to be within Children's Social Care **£8.472m** driven primarily by agency staffing, emergency resource workers, increasing numbers of children looked after and high-cost external placements due to complexity and national sufficiency issues. Additional financial pressures have been identified within Environment, Communities and Culture **£1.342m**, Regeneration & Housing **£0.488m** and Adult Social Care & Health **£0.199m**. These pressures are partially offset by favourable forecast positions within Finance, Central Budgets and the Chief Executive's Department.

Quarter One Officer and Member Integrated Performance and Budget Clinics have now been completed across all Directorates. Through these arrangements, financial performance, service delivery and strategic risks have been considered together, providing greater insight into the underlying drivers of financial pressures and enabling earlier intervention. Directors are now required to prepare Financial Recovery Plans that identify measurable in-year recovery actions and mitigating measures to improve the forecast outturn position.

In addition, Monthly Member and Officer review meetings are being held to provide enhanced oversight of the Children's Social Care financial position, monitor delivery of the Financial Recovery Plan and support the development of sustainable medium-term solutions to workforce, placement and demand-led pressures. These meetings are intended to ensure that immediate recovery actions are progressed whilst informing future Medium-Term Financial Plan assumptions and longer-term service improvement activity.

The report also highlights that:

- The approved **£6.460m** of growth initiatives aligned to the Council Plan priorities are progressing broadly in line with expectations. Any forecast underspend reflects implementation phasing, recruitment and mobilisation timescales rather than non-delivery of approved growth. The majority of initiatives are now operational and expected to be fully embedded during 2027/28.
- The Council continues to monitor delivery of **£9.040m** of savings requirements carried forward into 2026/27, including legacy Children's Services savings that are being formally closed through established governance arrangements.
- Executive is requested to approve additions to the Capital Programme totalling **£3.120m** from increased external funding and associated capital virements. Capital expenditure is forecast at **£88.861m** against a revised programme of **£94.940m** with forecast slippage of **£6.079m** being reprofiled into future years.

- The Council's approved **£26.700m** Transformation Programme is now substantially committed. No further Flexible Use of Capital Receipts funding beyond the originally approved programme is currently planned, with future focus shifting towards embedding transformation benefits and continuous improvement activity.
- The current forecast overspends, if not addressed would reduce unrestricted revenue reserves and hinder progress towards achieving the Council's preferred resilience targets set out in the Reserves Policy. Whilst reserves have improved in recent years, they remain below the Council's longer-term resilience targets, reinforcing the need for immediate action to reduce forecast overspends and protect reserves.
- The forecast cumulative Dedicated Schools Grant (DSG) deficit is expected to increase to **£38.316m** by 31 March 2027. Whilst national reform and the Local SEND Reform Plan (if approved by the Department for Education) provide a route towards longer-term sustainability, DSG remains a significant financial risk for the Council.

Strategic risks continue to be actively managed through the Strategic Risk Register. Quarter One highlights ongoing risks relating to financial sustainability, children's safeguarding, cyber security, DSG deficits and governance of regional bodies. A new strategic risk relating to compliance with the Best Value Duty has also been introduced. The highest-scoring risks continue to relate to financial sustainability, children's services demand and safeguarding, cyber security, DSG deficits and governance arrangements within regional partnerships.

Overall, the Quarter One forecast position remains consistent with the key financial risks identified through the Medium-Term Financial Plan and the Council's S151 Officer's Section 25 Statement to Council on 18 February 2026. Whilst the Council remains in a significantly stronger financial position than in previous years, continued delivery of Financial Recovery Plans, improved forecasting, robust financial management and early intervention will be critical to reducing forecast overspends, protecting reserves and ensuring the continued delivery of Council Plan priorities and Best Value throughout the remainder of 2026/27.

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

- 1.1 The purpose of this report is to provide Executive with an integrated overview of Council's performance, financial position and strategic risks at Quarter One 2026/27. The report enables Executive to discharge its responsibilities for monitoring delivery of the Council Plan, overseeing financial performance and ensuring that risks, resources and service outcomes remain aligned. It also supports the Executive's responsibilities for the management and control of the Council's revenue budget, capital programme, reserves and overall financial sustainability. This includes considering whether activity and resources are also aligned with evidenced need and are contributing to improved outcomes for the town's residents and communities.
- 1.2 Quarter One represents the first reporting cycle under both the refreshed Council Plan 2026-29 and the Council's Integrated Performance and Financial Management Framework. As such, the report focuses on establishing the new arrangements for integrated performance, finance and risk reporting, highlighting key achievements, emerging challenges and areas requiring management intervention. Further work is underway to refine performance measures, validate data sources, establish robust baselines and ensure that performance indicators remain aligned to the Council Plan outcomes they are intended to measure.

Our ambitions	Summary of how this report will support delivery of these ambitions and the underpinning aims
A successful and ambitious town	This report provides oversight of economic growth, housing delivery, educational improvement and transport connectivity. Through integrated consideration of performance outcomes, financial investment and associated risks, Executive can monitor progress and ensure resources remain aligned to the delivery of growth, regeneration and educational priorities.
A healthy Place	The report enables Executive to monitor progress in addressing commitments in the Council Plan. It highlights both performance achievements and financial investment supporting preventative and early intervention approaches.
Safe and resilient communities	Through consideration of safeguarding performance, housing pressures, digital inclusion, community safety and strategic risk, the report supports oversight of services that help residents remain safe, independent and connected to their communities.
Delivering best value	The report demonstrates how performance, finance and risk are managed through a single integrated framework. It supports effective governance, financial sustainability, continuous improvement, transparent decision-making and the Council's statutory Best Value duty by ensuring that resources are directed towards the delivery of agreed outcomes and priorities.

2. Recommendations

2.1 That the Executive:

- **Approves** budget virements over £250,000 within the revenue budget (Appendix F1)
- **Approves** budget virements over £250,000 within the capital programme (Appendix F5)
- **Approves** the inclusion of new schemes and additions to existing schemes to the Capital Programme totalling **£3.120m** for 2026/27, which are all externally funded to either new or existing schemes (detailed in Appendix F5), resulting in a new Capital Programme budget of **£94.940m** for 2026/27.
- **Notes** the Council's financial performance and forecast year-end financial outturns for revenue and capital budgets for the financial year 2026/27 as at Quarter One, 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 **£8.479m (4.22%)** at year end after the proposed use of remaining available corporate contingencies and other centrally held resources, although this should not be viewed as the anticipated year-end outturn as further work will be undertaken to mitigate the current forecast pressure.
- **Notes** that work will be ongoing to address these pressures and Directors will continue to actively manage forecast budget pressures through the Council's integrated Performance and Financial Management Framework, including the completion of Quarter One Officer and Member Integrated Performance and Budget Clinics. Through these arrangements, financial performance, service delivery and risks have been jointly reviewed, with a range of mitigating and corrective actions agreed to address forecast pressures. Executive acknowledges the requirement for Directors to continue delivering, monitoring and refining these actions, maintaining robust financial controls and ensuring expenditure remains aligned with approved budgets and the Medium-Term Financial Plan.
- **Notes** that the Leadership Management Team and Directors acknowledge the severity of the current forecast position, and Directors are required to complete a Financial Recovery Plan that details the financial controls being implemented to strengthen governance and challenge expenditure and are expected to identify in-year financial recovery actions that will generate measurable financial benefits during 2026/27.
- **Notes** that the current forecast overspend if not addressed will impact on the level of usable unrestricted revenue reserves and would impact on progress towards achieving the Council's preferred financial resilience targets as set out in the Reserves Policy. This reinforces the need for immediate action to reduce forecast overspends and protect reserves.
- **Notes** the progress that has been made against the Council Plan 2026 – 2029 as set out in detail at Appendix One.
- **Notes** the Strategic Risk Register content as at the end of Quarter One 2026/27 (Appendix Three).

3. Rationale for the recommended decision(s)

- 3.1 The Executive has responsibility for oversight of the Council's strategic performance, financial management and risk arrangements and requires regular information to fulfil these responsibilities.
- 3.2 The recommendations provide assurance regarding progress against delivery of the Council Plan, the forecast financial position and management of strategic risks at Quarter One 2026/27. They also ensure that budget virements, amendments to the capital programme and other associated governance decisions are considered and approved in accordance with the Council's Constitution and Financial Procedure Rules.
- 3.3 The integrated approach adopted within this report supports informed decision-making by bringing together performance, financial and risk information, enabling Executive to understand both delivery achievements and areas requiring further management intervention.

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 of actions necessary to address areas of financial pressure, under performance and areas of risk. Standing Orders and Financial Procedures require the Executives approval for major virements between revenue budgets and in year changes to the Council's capital Programme within the approved Council resources within the approved policy framework.
- 4.2 This report provides the necessary information to enable the Executive to discharge its performance, financial and risk management responsibilities, setting out the financial outturn at Quarter One, progress in implementation of the 2026-29 Council Plan, management of strategic risks and other key associated items, together with actions to be taken to address any issues identified.
- 4.3 Financial Procedure Rules 12.6.45 and 12.6.132 of the Council constitution requires the Executive's approval of revenue and capital programme budget virements over £250,000.
- 4.4 Financial Procedure Rule 12.6.91 requires approval by the Executive of the write off of debt over financial thresholds set out in 12.6.132. There are none for the purpose of the Quarter One forecast outturn report.
- 4.5 Quarter One represents a positive start to delivery of the Council Plan 2026-29. All Council Plan activities remain on track, and a number of significant achievements have been delivered. However, the Council continues to face financial challenges, particularly within Children's Social Care and income-generating services. The Integrated Performance and Budget Clinic process chaired by the Executive Member for Finance with the relevant lead Executive member in attendance have fed into this report and have enabled these issues to be identified early, and actions have been

agreed to support improved performance, financial sustainability and delivery of Best Value.

4.6 The financial forecast outturn position as at 30 June 2026 has been prepared using the following key assumptions:

- all known staffing costs and changes have been reflected within the anticipated outturn position.
- Income and expenditure positions have been prepared in conjunction with budget holders, based on actual activity and accruals where appropriate.
- the national local government pay award for 2026/27 has not yet been agreed. The current pay offer is a 3.3% increase, an increase from the 3% increase assumed at 2026/27 budget setting, and if agreed this would result in an additional estimated cost pressure of circa £0.350m p.a., which has been accounted for in the forecast outturn position.

Progress at Quarter One 2026/27

4.7 As this is the first reporting cycle under the refreshed Council Plan, Quarter One should be viewed as a baseline-setting period. Significant work has been undertaken across directorates to identify appropriate measures of success and align those measures with the outcomes approved by Executive.

4.8 Alongside this work, services have continued to deliver key priorities, whilst managing financial pressures and emerging strategic risks. The section below highlights some of the successes and challenges to date, with an early indication of progress and the areas where further attention may be required during the remainder of the year. This section has been developed following completion of a series of Integrated Performance and Budget Clinics which have used performance and financial data to understand budget positions at Quarter One and supporting performance information to understand the drivers as well as consideration of:

- progress against Council Plan outcomes and commitments
- ongoing delivery of programmes and projects
- identification of potential opportunities to deploy task and finish continuous improvement activity, and
- management of risk.

4.9 As the year progresses, the clinics will also consider progress against Directorate Plans as they are finalised and work to track commitments and targets within them is delivered.

Successes

4.10 At Quarter One, a number of successes were highlighted as a result of this process, including:

- Apprenticeship delivery – this has significantly exceeded its target. Increasing the availability of apprenticeships supports the Council's ambition to tackle deprivation by increasing access to employment pathways, particularly for young people and residents who are facing labour market disadvantage. 217 apprenticeships have been supported in Quarter One, against a target of 128. Opportunities have been created across a range of services including Public Health, Highways, Planning, Finance and Legal Services, supporting workforce development from Level 2 to Level 7 qualifications.
- Improved outcomes for children and young people - Special Educational Needs and Disabilities (SEND) services continuing to demonstrate strong performance. Education Health and Care Plan (EHCP) timeliness remains significantly above regional and national averages and our co-designed Local Area Reform Plan has been developed to further strengthen SEND and inclusion services across Middlesbrough.
- Economic Growth and Housing Delivery - Housing growth continues to perform strongly, with 653 net additional dwellings delivered against a rolling three-year target of 420. The average rolling three-year performance for this measure is also above the target, at 445. The Council has also continued delivery of regeneration, transport and employment initiatives that support the Council Plan ambition of creating a successful and ambitious town.
- Substance misuse treatment - The proportion of participants demonstrating substantial progress increased from 42.8% in 2023/24 to 46.6% in 2024/25 and has continued to improve across all three substance groups (opiates, non-opiates and alcohol), with non-opiate treatment showing the largest increase from 29.4% to 41.0%. By supporting recovery and reducing the harms associated with substance misuse, these services contribute to improving health outcomes, reducing inequalities and helping residents facing some of the most complex challenges to achieve greater stability and wellbeing.
- Reduction in recorded Anti-Social Behaviour (ASB) – Levels of ASB have decreased and are now below target levels and represent the lowest recorded levels since 2024.
- Supporting residents to maximise household income – This remains a key component of the Council's approach to delivering the Making Middlesbrough Thrive strategy and the Council Plan commitment to reduce poverty and improve lives and life chances for local people. During Quarter One, the Council identified £1.5m in previously unclaimed benefits for Middlesbrough residents, helping households access financial support to which they were entitled. In addition, £1.1m of financial assistance was distributed to residents most in need through a range of support schemes. Together, these interventions are helping to improve financial resilience, mitigate the impacts of poverty and support healthier, more independent and sustainable communities.
- The Council's Public Health team have commenced delivery of a programme to improve food and nutrition standards. At Quarter One, the Eat Well Schools Award programme was reported as being on target for the number of schools it aims to

have sign up to the programme with the aim of even more joining over the remainder of the year. By promoting healthier lifestyles from an early age, the programme also supports efforts to reduce health inequalities and improve life chances, particularly for children living in more disadvantaged communities.

Challenges

4.11 At Quarter One the following challenges that are impacting on the Council Plan Key Performance Indicators (KPIs), financial sustainability and Strategic Risk Register were identified as a result of this process and actions to address them were agreed which will be delivered and tracked through the clinic process:

- Children's Services - Continued growth in demand, increasing placement costs and workforce instability and agency dependency all continue to create significant financial pressure within Children's Social Care, with a forecast overspend of £8.472m. The number of children looked after has increased steadily over the last 12 months, rising from 493 in June 2025 to 541 in June 2026, with increasing complexity of need contributing to higher placement and support costs. Whilst service performance remains strong in key areas, including EHCP timeliness and SEND improvement, the Directorate continues to face challenges associated with increasing demand, more complex cases and agency workforce dependency, in line with national trends.

An inspection of the Council's Children's Services was completed by Ofsted during Quarter One. Whilst the inspection concluded that services require improvement to be good, inspectors recognised the progress made since the December 2025 Focused Visit, supported the Council's improvement priorities and identified positive developments in leadership, strategic planning and decision-making. A comprehensive Children's Improvement Plan has been developed to address the areas for further improvement identified through the inspection.

All these factors are reflected both within the financial forecast, planned improvements by the Directorate and the Strategic Risk Register. Whilst these actions are expected to improve outcomes and reduce financial pressures over time, it is recognised that many of the anticipated benefits will be realised over the medium term rather than generate immediate in-year savings. Monthly member/officer meetings are taking place tracking the progress of the improvement plan and the financial implications. Work is ongoing regarding examining the current staff establishment within Children's Social Care.

- Housing and homelessness demand – Demand for temporary accommodation remains significant with a £0.444m predicted pressure on Adult Social Care budgets as a result. Additional work is underway through housing strategies, tenancy sustainment activity and improvements to prevention services to improve outcomes for our most vulnerable residents.
- Income generating functions - A number of functions are experiencing income pressures against expected targets, particularly within commercial property, parking, planning, cultural services and visitor attractions. These pressures reflect

wider economic conditions and changing demand patterns and are being reviewed by Directorates and within the Medium-Term Financial Plan process.

- Community safety remains an area of focus. Whilst Anti-Social Behaviour has reduced and remains below target levels, overall crime rates remain above target, and partnership activity continues with Cleveland Police and other agencies to address the underlying drivers of offending.

Integrated Performance & Budget Clinics

- 4.12 Quarter One has seen completion of the first full cycle of Member Integrated Performance and Budget Clinics, providing a single forum to review performance, financial sustainability, workforce issues, strategic risk and delivery of Council Plan priorities. The clinics are designed to identify areas of success, emerging risks and underperformance at an early stage, enabling timely management intervention and informed decision-making.
- 4.13 The clinics will continue to evolve as learning from the Quarter One process is used to strengthen the Quarter Two process. They will also deepen their consideration of performance information alongside and intertwined with financial data as both they and the Council Plan and Directorate Plans are embedded.

Financial outturn at Quarter One 2026/27

- 4.14 The Council's approved net revenue budget for 2026/27 is £200.840m. As detailed in Appendix Two, the forecast outturn position at Quarter One is a financial pressure of £8.479m (4.22%) after the application of remaining available corporate contingencies and other centrally held resources, assuming no further mitigating actions are implemented. The most significant pressures relate to Children's Social Care £8.472m and Environment, Communities and Culture £1.342m with additional pressures within Regeneration & Housing £0.488m and Adult Social Care & Health £0.199m. These pressures are partially offset by favourable positions across Central, Finance and the Chief Executive's Department.
- 4.15 The forecast position reflects a combination of increasing demand, workforce pressures, income shortfalls and inflationary challenges, many of which are consistent with the financial risks identified during the 2026/27 budget-setting process and the Council's S151 Officer's Section 25 Statement. Whilst these pressures are significant, the forecast position should not be viewed as the anticipated year-end outturn. Directors have completed Quarter One Officer and Member Integrated Performance and Budget Clinics and are required to implement mitigating actions and Financial Recovery Plans designed to improve the year-end position, strengthen financial control and protect reserves.
- 4.16 The report also highlights continued delivery of the Council's approved growth programme, ongoing monitoring of savings delivery, progress of the Capital Programme and the Council's reserves position. The current forecast overspend if not addressed will impact on the level of usable unrestricted revenue reserves and would impact on progress towards achieving the Council's preferred financial resilience targets as set out in the Reserves Policy. Consequently, maintaining financial

discipline and reducing forecast overspends will remain a key priority throughout the remainder of 2026/27.

- 4.17 Executive is therefore requested to consider the detailed financial performance information contained within Appendix Two alongside the emerging performance and strategic risk information presented elsewhere within this report.
- 4.18 Quarter One has seen completion of the first full cycle of Officer and Member Integrated Performance and Budget Clinics under the Council's Performance and Financial Management Framework. A key benefit of the new arrangements has been the ability to consider financial performance, service delivery, outcomes and risk together, providing a more complete understanding of the underlying drivers of budget pressures and service performance. For example, increasing demand for Children's Social Care placements, SEND services, homelessness support and temporary accommodation has been considered alongside financial forecasts, enabling more informed decisions on both immediate recovery actions and longer-term Medium-Term Financial Plan requirements. Equally, the clinics have highlighted areas where positive service performance and early intervention activity are supporting improved outcomes and helping to reduce future demand and financial pressures. This integrated approach has strengthened corporate challenge, improved understanding of service pressures and supported more effective identification of corrective actions than would be possible through separate performance and financial reporting processes.
- 4.19 The Quarter One Integrated Performance and Budget Clinics have demonstrated the value of considering performance, finance and risk together. Through this process, a number of financial challenges have been identified where additional operational, demand and performance information would further strengthen understanding of the underlying drivers of cost. Work is underway to enhance the integration of performance and financial reporting, particularly in demand-led and income-sensitive services, to support earlier intervention, improved forecasting and more informed decision-making. As the framework matures and performance baselines become established, the quality and depth of integrated analysis will continue to improve throughout 2026/27.

Council Plan Outturn at Quarter One 2026/27

- 4.20 The Council Plan 2026-29 introduced a revised approach focused on outcomes and impact. During Quarter One, work has concentrated on developing an appropriate performance framework that enables progress against those outcomes to be measured effectively.
- 4.21 Whilst proposed indicators have been identified, officers have undertaken an initial review and concluded that further refinement is required before the framework can be considered fully mature. In some cases, measures require clearer definitions or additional validation to ensure that they accurately reflect the outcomes they are intended to measure.
- 4.22 The Performance Outturn at Quarter One reports, included in this report at Appendix One, sets out the proposed Key Performance Indicators (KPI) framework that is in

development. Performance reporting will evolve as measures are refined and baseline positions become established. The aim to commence reporting against these KPIs and commitments within the Quarter Two Outturn report.

Making Middlesbrough Thrive

- 4.23 The Council Plan 2026-29 sets out the Council's ambition to create a thriving, healthier, safer and more ambitious town. The 2025 Indices of Multiple Deprivation reinforce the scale of the challenge facing Middlesbrough, with many residents experiencing significant disadvantages in relation to health, education, employment, housing and income.
- 4.24 Quarter One has established the baseline for the Council's new performance framework. During Quarter Two, work will continue to strengthen the link between performance reporting and the Making Middlesbrough Thrive agenda. Future reports will place greater emphasis on outcomes and reducing inequalities and the impact that Council activity is having within communities experiencing the greatest need.

Strategic Risk Register at Quarter One 2026/27

- 4.25 The Council has a Strategic Risk Register in place which captures, the most significant risks, that if they occurred, could impact on the Council's delivery of the Council Plan ambitions.
- 4.26 During Quarter One, Strategic Risks continue to be reviewed monthly, with one to ones between the risk team and the responsible officers happening monthly to discuss their strategic risks and their current state.
- 4.27 The overall number of strategic risks in the three months of Quarter One has decreased by one with the removal of two risks (Strategic Partnership Working and Transformation Delivery) and the addition of one risk (Compliance with Best Value Duty).
- 4.28 Five retained risks have changed their score, four have increased including Cyber Security and Children's Safeguarding and one has decreased relating to funding of Tees Valley Combined Authority / Middlesbrough Development Corporation projects.
- 4.29 The register for the beginning of July 2026 has shown a decrease in the number of risks with a rating of 15+ from 7 to 6.
- 4.30 Appendix Three of this report sets out the Strategic Risk Register as at the end of Quarter One 2026/27.

5. Ward Member Engagement if relevant and appropriate

- 5.1 Not applicable. Whilst no specific ward consultation has been undertaken in relation to this report, the information presented reflects activity and performance across all wards of the Borough. Executive Members have participated in Integrated Performance and Budget Clinics to provide oversight and challenge.

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

- 6.1 The alternative would be not to approve the revenue budget virements over £250,000 and the changes to the Council's Capital Programme, and to not report the Council's forecast outturn positions at Quarter One for the financial year 2026/27. This would not enable the Executive to discharge their responsibilities to manage and control the revenue budget, capital programme and overall balance sheet position of the Council.

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

Topic	Impact
Financial (including Social Value)	This report sets out the implications associated with the financial performance of the Council in managing its revenue, grants, and capital resources for the financial year 2026/27 and the financial implications are incorporated throughout. The report should be read in conjunction with the 2026/27 Revenue Budget, Medium Term Financial Plan, and Council Tax setting report and the Prudential Indicators 2026/27 to 2029/30 and Treasury Management Annual Strategy Report 2026/27 presented to Council on 18 February 2026 to fully understand the financial position of the Council.
Procurement	Financial pressures identified within the report require ongoing review of procurement arrangements, contract management and commissioning activity, particularly within Children's Services, Adult Social Care and corporate savings programmes.
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	The report includes consideration of strategic risks which may impact delivery of Council Plan outcomes, financial sustainability and statutory obligations. Actions are in place to mitigate identified risks.
Human Rights, Public Sector Equality Duty and Community Cohesion	No direct adverse impact arises from the recommendations. Effective monitoring of performance and financial resources supports delivery of services that contribute towards equality, community cohesion and improved outcomes for residents.
Reducing Poverty	The report references delivery of the Welfare Strategy, assistance programmes, benefits maximisation activity and wider Council Plan commitments that contribute positively towards reducing poverty and supporting vulnerable households.
Climate Change / Environmental	The report includes monitoring of activities that support environmental improvement, including delivery of food waste

	collections, environmental services and sustainable transport initiatives.
Children and Young People Cared for by the Authority and Care Leavers	The report highlights both performance achievements and financial challenges within Children's Services and supports delivery of improvement activity designed to improve outcomes for children and young people.
Data Protection	There are no specific data protection implications arising from the recommendations. Personal data continues to be managed in accordance with the Council's information governance framework.

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 F1 to be actioned	Head of Financial Planning & Business Partnering	30/09/2026
Subject to approval by Executive, amendments to the capital programme for 2026/27 detailed in Appendix F5 to be actioned	Head of Financial Planning & Business Partnering	30/09/2026
Financial Recovery Plans to be submitted to the Section 151 Officer	All Directors	14/09/2026

Appendices

1	Performance Outturn at Quarter One 2026/27
2	Revenue and Capital Budget Forecast Year-end Outturn Position at Quarter One 2026/27
3	Strategic Risk Register at Quarter One 2026/27

Background papers

Body	Report title	Date
Executive	2025/26 Revenue & Capital Year End Outturn	10 June 2026
Full Council	2026/27 Revenue Budget, Medium Term Financial Plan and Council Tax Setting	18 February 2026
Full Council	Prudential Indicators 2026/27 to 2029/30 and Treasury Management Annual Strategy Report 2026/27	18 February 2026
Executive	Council Plan 2026 - 2029	11 March 2026
Executive	Performance and Financial Management Policy	8 April 2026

Contact: Helen Dalby (Deputy 151 Officer and Head of Financial Planning and Business Partnering)
Ann-Marie Johnstone (Head of Chief Executive's Department)

Appendix One: Progress Against the Council Plan - Performance Outturn Summary Quarter One 2026/27



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Introduction

This quarterly report, covering the period 1 April 2026 to 30 June 2026, provides an update on performance against our Council Plan 2026-29. The report should be read alongside the Council's *Making Middlesbrough Thrive* approach, which recognises that deprivation, and inequality remain some of the most significant challenges facing the town and provides the strategic context for the Council's priorities and activity.

The Plan will be supported by Directorate plans, which are being implemented during 2026/27 to ensure there is a golden thread from the Council Plan through Directorate priorities and into individual appraisal objectives. Directorate plans also provide an opportunity to capture the wider obligations, beyond the Council Plan, that Directorates must deliver. In Quarter One 2026/27 work has been ongoing to establish monitoring of Key Performance Indicators (KPIs) which are included at the end of this report. Progress against them will start to be reported in the Quarter Two Outturn report.

The report forms part of the Council's performance and financial management framework and helps meet legislative and regulatory requirements for accountability, transparency and continuous improvement in the delivery of local government services.

The 2026-29 Council Plan states that the vision for Middlesbrough is to be a thriving, healthier, safer and more ambitious place where people want to live, work, invest and visit. While this report focuses on delivery against Council Plan commitments, the ultimate measure of success is the extent to which our collective action improves outcomes for residents, reduces inequalities and supports communities to thrive. This vision is supported by four core ambitions, which set out what the Council aims to achieve for local people over the next four years and guide everything we do. This report sets out progress towards achieving that vision. As the framework matures, reporting will also provide a clearer line of sight between evidenced need, Council activity and the outcomes experienced by residents and communities.

Middlesbrough's Vision and Ambitions:



A
successful
and
ambitious
town

- We will grow businesses and employment opportunities within the town
- We will close attainment gaps and work with education providers to increase the number of students who achieve their expected grades
- We will ensure housing supply meets local demand
- Transport connectivity will improve



A healthy
place

- People live healthier lives for longer and health inequalities are reduced
- The look and feel of the physical space in Middlesbrough will improve
- We will be closer to our communities and involve them in decision-making
- We will reduce and alleviate the impact of poverty to improve lives and life chances for people in Middlesbrough



Safe and
resilient
communities

- All adults are supported through strength-based practice to live the lives they choose
- We will promote digital inclusion
- We will continue to work with Voluntary and Community groups and individuals to improve the resilience of our communities
- Residents will feel safer



Delivering
Best value

- We will be a well-run Council that provides Value for Money Services
- We will set a balanced budget and medium-term financial plan

Context: Middlesbrough - ‘Village of 100’ Snapshot

Middlesbrough Council serves a diverse population with a wide range of needs and characteristics.

Middlesbrough has a strong industrial heritage, proud communities and significant opportunities for growth. However, the town continues to face social, economic and health inequalities that present ongoing challenges to achieving sustainable and inclusive growth.

These things are important context to our performance updates. This evidence will help the Council assess whether our activity is responding appropriately to the needs of Middlesbrough’s different communities. Here’s a snapshot of our sample of 100 cases, which provides a basis for identifying patterns and drawing indicative conclusions about the wider population:

Population



20 Aged 0-15



63 Aged 16-64



17 Aged 65 and over



50 Male



50 Female



82 White



11 Asian or Asian British



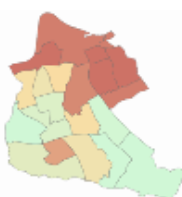
3 Black, African, Caribbean or Black British



2 Mixed or Multiple Ethnic Group



2 Other Ethnic Group



If Middlesbrough's 90 neighbourhoods were represented as 100, around 50 would be among the 10% most deprived neighbourhoods in England. Middlesbrough has the second highest average level of deprivation nationally, reflecting the significant social and economic challenges faced across the Borough.

A successful and ambitious town



66 children have a good level of development up to age 5



22 Children have a Special Educational Need



63 have the expected standard across RWM at KS2



21 Adults have no qualifications



57 have GCSE Grade 4+ in English and Maths



6 Adults are unemployed



22 children are absent from school more than 10%

A healthy place



40 Year 6 children are overweight or obese



34 Adults are Physically inactive



70 Adults are overweight or obese



21 Adults have a disability



People in Middlesbrough have lower life expectancy than the regional and national averages. Life expectancy is 76 years for males and 81 years for females, compared with 78 and 82 regionally, and 80 and 84 nationally.

Safe and resilient communities



9 People experience loneliness



5 People are victims of violent crime



55 People are satisfied with their local area



4 people aged 16+ are victims of domestic violence

Poverty and inequalities



35 children live in poverty



55 children aged 0-15 live in income deprived households



12 homes experience fuel poverty



There is a life expectancy gap of 17 years for males and 15 years for females between the most and least deprived areas, higher than regional (14 and 11 years) and national (10 and 8 years).



49 people live in England's most deprived areas



26 people aged 60+ live in income deprived households

What this means for Middlesbrough

The Village of 100 provides a summary overview of some of the characteristics and challenges facing the town.

The indicators presented highlight challenges across income, employment, education and skills, health, crime, housing and the living environment. Almost half of residents live in some of England's most deprived neighbourhoods, over half of children live in income deprived households and significant inequalities in health outcomes persist between our most and least deprived communities.

These challenges underpin the Council's priorities and the Making Middlesbrough Thrive approach. Whilst this report tracks delivery of Council Plan activities, our focus is not simply on delivering actions, but on improving outcomes for residents, reducing inequalities, alleviating poverty and improving life chances, particularly in communities experiencing the greatest levels of deprivation. Future performance reporting will increasingly demonstrate the impact that Council activity is having on these outcomes.

The evidence presented through the Village of 100 provides important context for understanding both the priorities within the Council Plan and the progress set out in this report. The following sections demonstrate how the Council is responding to the social, economic and health inequalities facing the town and contributing to the long-term ambition of helping Middlesbrough thrive.

Progress Against the Council Plan – Quarter One 2026/27

32 Council Plan activities are underway, supporting delivery of the Council's ambitions to improve outcomes, reduce inequalities and help Middlesbrough thrive.



A successful and ambitious town

100% of planned Council Plan activities are progressing as expected. However, Middlesbrough continues to face significant deprivation and inequality challenges, and successful delivery must ultimately translate into improved outcomes for residents and communities.



Safe and Resilient Communities

There are **92** Key Performance Indicators (KPIs) in place to measure the impact of the Council Plan initiatives. We will evolve these measures to ensure they continue to be the best KPIs to measure impact. A full list is provided at Appendix A. Quarter One work has focused on establishing the baseline for the new Council Plan. We intend to start reporting on progress from Quarter Two onwards. We are already able to highlight a number of early successes and challenges. This is set out in the following pages, which will highlight progress against initiatives and their impact on KPIs as we progress with delivery of the Council Plan over the next three years.



A Healthy Place

Future reporting will increasingly demonstrate how Council activity contributes to reducing inequalities, alleviating and improving outcomes for residents, particularly in communities experiencing the greatest levels of deprivation.



Delivering Best Value



A successful and ambitious town

Maximising economic growth, employment and prosperity in an inclusive and environmentally sustainable way.

What was Going Well at Quarter One Outturn

- 1. Apprenticeship delivery has significantly exceeded target.** Increasing the availability of apprenticeships supports the Council's ambition to tackle deprivation by increasing access to employment pathways, particularly for young people and residents who are facing labour market disadvantage. 217 apprenticeships have been supported in Quarter One, against a target of 128. Opportunities have been created across a range of services including Public Health, Highways, Planning, Finance and Legal Services, supporting workforce development from Level 2 to Level 7 qualifications.
- 2. Educational workforce capacity has been strengthened through apprenticeship programmes,** with local authority schools supporting 46 apprenticeships, including 16 teachers undertaking teacher apprenticeships.
- 3. Housing growth continues to deliver positive outcomes,** with the three-year rolling average of net additional dwellings at 445, remaining above the target of 420. The rolling average reflects sustained housing delivery over time and contributes to the Council's wider regeneration and growth objectives. Increasing housing supply contributes to improved housing choice and supports longer-term efforts to tackle housing pressures experienced by residents across the town. Future reporting will also consider how delivery responds to the type, affordability and location of housing need once the Council has agreed a Housing Strategy which is currently in development.
- 4. Development of a co-designed, comprehensive local area reform plan to continue to deliver strong SEND and inclusion services** for children in partnership with our schools and education providers.
- 5. Exclusion and Suspension rates are moving in a positive direction for vulnerable pupils,** including children eligible for free school meals, those receiving SEN support and those with an Education, Health and Care Plan (EHCP).
- 6. EHCP timeliness remains stable and within statutory requirements.** Ensuring children and young people with SEND receive support as quickly as possible, is particularly important in improving life chances and reducing the risk of disadvantage becoming entrenched. **93.3% of EHCPs being issued within 20 weeks** (excluding exceptions), significantly above both the Regional average (60.5%) and the national average (46.1%).
- 7. Access to sustainable transport has improved through the continued expansion of electric vehicle charging points,** supporting greener travel and the transition to lower-carbon transport.



A successful and ambitious town

Issues we are addressing

- 1. Crime levels have reduced from the peak recorded during summer 2024**, demonstrating progress through continued partnership working across community safety services. However, the latest crime rate remains above target at approximately **13.5 incidents per 1,000 population**, compared to a target of **11.8 incidents per 1,000 population**. Work with Cleveland Police and community safety partners continues to address the underlying drivers of violent and sexual offending.
- 2. Additional support is being developed to help more families access settled accommodation and reduce reliance on temporary accommodation.** Demand for temporary accommodation remains above expected levels, mainly due to domestic abuse victims, the ending of private rented tenancy or the family no longer willing or able to accommodate (accounting for 40%). Revised Housing and Homelessness Strategies are being developed, alongside reviews of temporary accommodation provision and tenancy sustainment arrangements to strengthen prevention activity. This work responds to an area of significant need and will support focus on prevention and improved outcomes for vulnerable households.
- 3. Significant progress is being made in delivering the highways resurfacing programme, with further works already underway.** Whilst Quarter One delivery was below profile, an additional **3.3km** of resurfacing is currently underway and due for completion in the coming weeks. A total of **14.6km** of resurfacing is planned for delivery this year, significantly exceeding the annual target of **9km**.



A Healthy Place

Helping our residents to live longer, healthier lives.

What was Going Well at Quarter One Outturn

- 1. Environmental cleanliness has been maintained through the continued delivery of the fortnightly alleyway cleaning programme**, helping to improve local neighbourhoods and resident satisfaction.
- 2. The Council has successfully implemented the food waste collection service**, with **75 tonnes** of food waste collected from households in the first two weeks. This is contributing to increased recycling rates, reducing waste sent to landfill and supporting environmental sustainability objectives.
- 3. The Eat Well Schools Award programme continues to support schools across South Tees** in improving food and nutrition standards, contributing to better health, wellbeing and educational outcomes for children and young people. By promoting healthier lifestyles from an early age, the programme also supports efforts to reduce health inequalities and improve life chances, particularly for children living in more disadvantaged communities. The programme is helping schools prepare for the introduction of new School Food Standards and anticipated Ofsted monitoring requirements.
- 4. Substance Misuse Treatment Services have reported improved treatment outcomes.** The proportion of participants demonstrating substantial progress increased from **42.8% in 2023/24** to **46.6% in 2024/25** and has continued to improve across all three substance groups (opiates, non-opiates and alcohol), with non-opiate treatment showing the largest increase from **29.4% to 41.0%**. By supporting recovery and reducing the harms associated with substance misuse, these services contribute to improving health outcomes, reducing inequalities and helping residents facing some of the most complex challenges to achieve greater stability and wellbeing.



Safe and Resilient Communities

Creating a safer environment where residents can live more independent lives.

What was Going Well at Quarter One Outturn

1. **Anti-social behaviour has continued to reduce, contributing to improved community safety** across Middlesbrough. The latest rate stands at **2 incidents per 1,000 population**, below the target of **2.6 incidents per 1,000 population** and representing the lowest level recorded since late 2024.
2. **Digital Inclusion (Rekindle):** Digital inclusion helps residents access employment opportunities, education, benefits and public services and is an important component of reducing inequalities. The programme exceeded its target, with **82 people gaining additional digital skills against a target of 60**. This has helped reduce digital exclusion and improve residents' ability to access online services and opportunities. Strong participant engagement demonstrates the continued demand for and value of the programme.

Issues we are addressing

1. **Collaborative work is underway to strengthen safeguarding practice and reduce repeat safeguarding enquiries.** Whilst performance remains stable, the latest figure shows **36% of Section 42 enquiries** involved an adult with a previous enquiry within the last 12 months. The service has remodelled its front door arrangements and is working with the Tees Valley Safeguarding Adults Board (TSAB) and neighbouring authorities to further improve practice.
2. **Action is being taken to manage increased safeguarding demand and improve timeliness.** A significant rise in **Section 42 enquiries**, alongside staffing pressures, has created challenges in completing safeguarding concerns within three days. Targeted work is underway to understand the causes of the increase and identify opportunities to improve performance.



Delivering Best Value

Changing how we operate, to deliver affordable and cost-effective outcomes for residents and businesses.

Going Well

1. Our Ofsted Inspection of Local Authority Children's Services (ILACS) took place in June 2026. Inspectors expressed support for our Children's Services improvement priorities, finding a systematic and methodical approach to improvement and an outward looking leadership team working in collaboration with improvement partners, regulators and regional peers. Inspectors recognised the progress made in light of this approach since the December 2025 Focused Visit and expressed their optimism about ongoing improvements within children's services: **'With a stable and experienced leadership team now in place, strategic planning and decision-making are improving, with clearer priorities and expectations beginning to drive more consistent practice.'**
2. **Supporting residents to maximise household income** remains a key component of the Council's approach to delivering the Making Middlesbrough Thrive strategy and the Council Plan commitment to reduce poverty and improve lives and life chances for local people. During Quarter One, the Council identified £1.5m in previously unclaimed benefits for Middlesbrough residents, helping households access financial support to which they were entitled. In addition, £1.1m of financial assistance was distributed to residents most in need through a range of support schemes. Together, these interventions are helping to improve financial resilience, mitigate the impacts of poverty and support healthier, more independent and sustainable communities.

Issues we are addressing

1. **Action is being taken to improve the long-term sustainability of Children's Services and reduce budget pressures.** High placement costs and continued reliance on agency staff has created significant financial pressures within the service. To address this, senior leaders are reviewing staffing structures to ensure that our establishment appropriately matches the needs of our children and is aligned to delivery of children's social care reforms. This work aims to reduce agency dependency, strengthen workforce capacity and support delivery of the Children's Services transformation programme.
2. **Demand for high-cost external placements has increased consistently over the past 12 months and has continued into Quarter 1.** This mirrors the overall rise in the number of children cared for by the Council and has resulted in a forecast overspend of £2.575 million within the External Placements and Independent Foster Carers budget. Measures to strengthen practice and reduce dependence on high-cost placements are being progressed through the Children's Improvement Plan.



Delivering Best Value

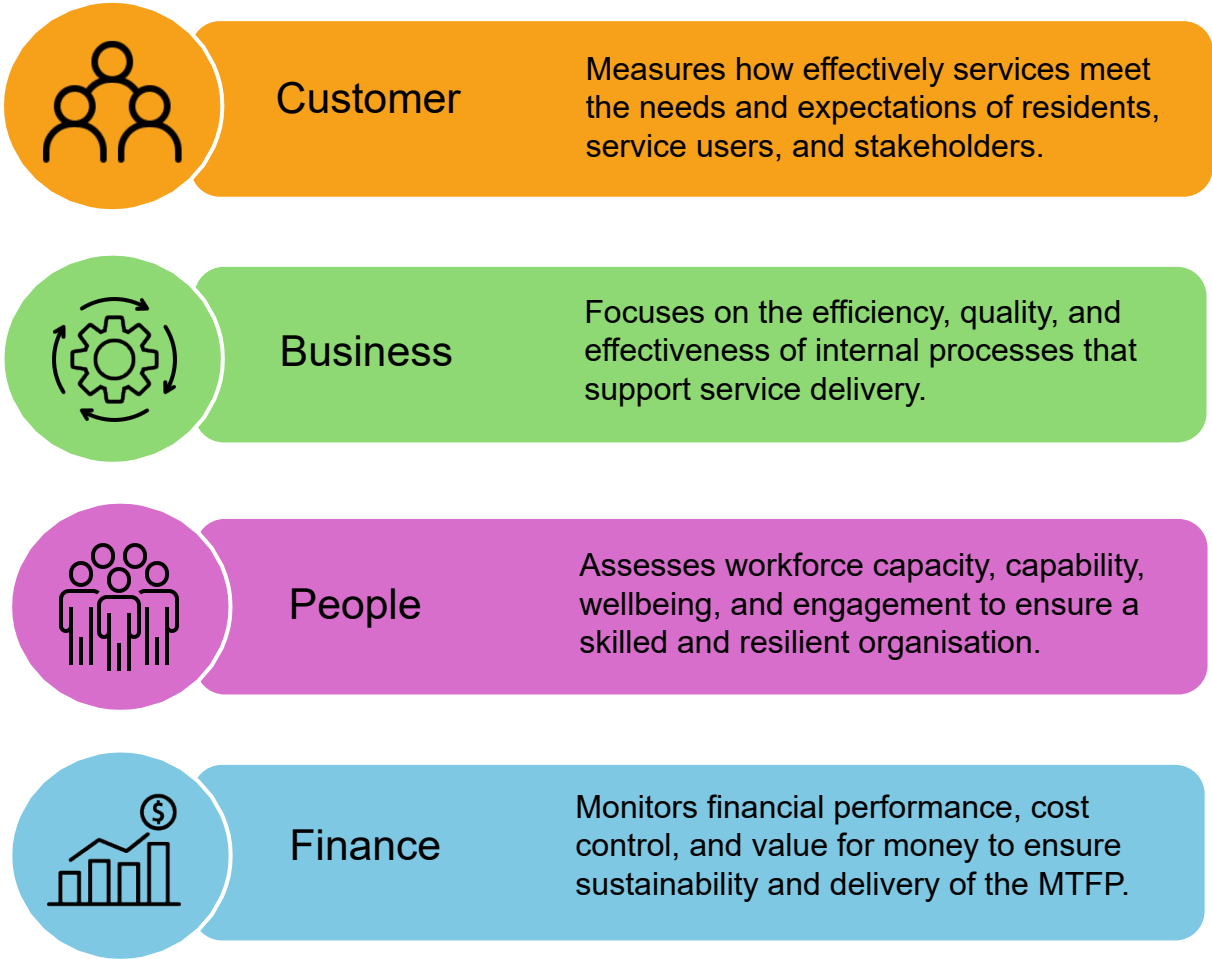
3. **Children's Improvement Plan** - Ongoing delivery of our Children's Services Improvement Plan, incorporating Ofsted feedback and the key areas for improvement identified during the June 2026 inspection:

- Strengthen leadership ambition and aspiration for children and young people in Middlesbrough, while ensuring children, young people and families are actively involved in shaping services through participation, engagement and influence.
- Improve the quality, consistency and timeliness of written records for children, young people and families.
- Enhance the identification of young carers and the quality of support available to meet their needs.
- Improve the quality and impact of management supervision to ensure effective progression of assessments and plans, including robust and timely decision-making for children entering care.
- Strengthen the exploration and engagement of family networks for children in need of help, care and protection.
- Improve the effectiveness of challenge and escalation by Independent Reviewing Officers, ensuring children receive timely permanence planning and high-quality life-story work.

Directorate Plans - Introduction

In addition to the Council Plan, each Directorate is expected to operate within a consistent framework of financial control indicators, including workforce cost controls, which must be monitored throughout the year. During 2026/27 Directorates are reestablishing Directorate Plans. In line with the Making Middlesbrough Thrive report, Directorate Plans will identify the key evidence of need relevant to each Directorate’s responsibilities and the commitments through which services will respond.

These Plans will include indicators that measure the health of the Directorate across the themes of people, business, customer and finance. As the plans are developed, this report will highlight key successes and challenges and provide assurance about the relationship between evidence of need, planned activity, resources and outcomes.



APPENDIX A

Key Performance Indicators (KPIs)

Priority 1 – A successful and ambitious town

We will grow businesses and employment opportunities within the town

1. Number of apprenticeships provided by the Council
2. Number of apprenticeships provided by LA Schools
3. Achievement rate of apprenticeships delivered by MBC
4. Births of new enterprises

We will close attainment gaps and work with education providers to increase the number of students who achieve their expected grades

1. Gaps in GLD outcomes will reduce year on year
2. Percentage of children achieving a Good Level of Development (GLD) will improve year on year
3. Gaps in phonic attainment will reduce year on year
4. The percentage of children achieving expected standard in phonics will improve
5. The proportion of children achieving the expected standard in Reading, Writing and Maths combined will improve year on year
6. Gaps in attainment at Key Stage 2 will reduce year on year (All Pupils)
7. Gaps in attainment at Key Stage 2 will reduce year on year (Disadvantaged Pupils)
8. To close the gap of percentage of CLA, CIN and CP pupils at KS2 meeting the expected standard in reading, writing and maths (combined)
9. All pupils will make strong progress from their starting points, reflected in improved Progress 8 outcomes
10. The proportion of pupils achieving a Grade 4+ in English and Maths will improve
11. Gaps in both attainment and progress between key pupil groups will reduce. Reduction in the attainment and progress gap year on year (All Pupils)
12. Gaps in both attainment and progress between key pupil groups will reduce. Reduction in the attainment and progress gap year on year (Disadvantaged Pupils)
13. To close the gap of Percentage of pupils achieving grade 4 or above in English and maths GCSEs
14. Reduction in the number of children who are suspended (rate) by FSM
15. Reduction in the number of children who are suspended who have SEN Support
16. Reduction in the number of children who are suspended who have an EHCP
17. Reduction in the number of children who are permanently excluded (rate) by FSM
18. Reduction in the permanent exclusions of children with SEN Support
19. Reduction in the permanent exclusions of children with an EHCP
20. Overall absence of all children in Middlesbrough will increase in line with national

We will ensure housing supply meets local demand

- 1. Number of empty properties brought back into use
- 2. Number of empty properties brought back into use that have been empty for 12 months+
- 3. Selected properties identified as being problematic cease to become problem properties
- 4. Net additional dwellings
- 5. % reduction of homeless applicants owed a relief duty
- 6. % increase of individuals / families accessing prevention services
- 7. Increase in enquiries resolved at first contact (those enquiring don't progress to an open case)
- 8. Number of households with children in temporary accommodation
- 9. Number of families in B&B over 6 weeks
- 10. Number of people sleeping rough on a single night
- 11. Number of people sleeping rough over the month who are long term

Transport connectivity will improve

- 1. 400m walk of a commercial daytime bus service
- 2. KM of highways resurfaced

Priority 2 – A Healthy Place

People live healthier lives for longer and health inequalities are reduced

- 1. Proportion of schools engaged in Eat Well Schools Programme (%)
- 2. Proportion of Year 6 children classified as obese (%)
- 3. Proportion of successful quits in the stop smoking service (%)
- 4. Adult smoking prevalence (%)
- 5. Attendances at Everyone Active leisure centres (No.)
- 6. Adults who are physically inactive (%)
- 7. Proportion of clients in substance misuse treatment services that are showing substantial progress (%)

The look and feel of the physical space in Middlesbrough will improve

- 1. Satisfaction of with the local area as a place to live
- 2. A reduction in the number of environmental reports
- 3. Increase in LAMS Surveys to ensure consistent 'scoring'
- 4. Number of alleyways cleared within current service promise every 2 weeks
- 5. % of ROSPA identified equipment now repaired

We will be closer to our communities and involve them in decision –making

- 1. Number of co-designed creative programmes supported
- 2. Number of cultural events supported outside of the town centre
- 3. Number of people participating in cultural events delivered outside of the town centre
- 4. The average open rate of news and neighbourhood e-newsletters issued by the Marketing and Communications team
- 5. Increase the proportion of people in the local area that pull together to improve the area
- 6. Count the footfall through Community Hubs
- 7. Number of engagements (people) though Neighbourhood activity

We will reduce and alleviate the impact of poverty to improve lives and life chances for people in Middlesbrough

1. The proportion of children in receipt of benefit related free school meals accessing the HAF Programme
2. Percentage of children completing the Childhood Enrichment Guarantee (10x10 programme)
3. Number of residents accessing Community Learning and Employment Hub services per annum
4. Identified unclaimed Benefits (Value) - Number of people we have sorted benefits out and the total amount they've received
5. Crisis Resilience Fund – We will introduce and further develop a policy in accordance with government guidance to target households and reduce poverty, improve financial resilience, financial management and encourage employment
6. Assistance Provided (Value) – An assessment of the total value of awards made by the Council in providing support to households across the schemes managed through Resident and Business Support
7. Support for families through the Multibank through units distributed

Priority 3 – Safe and resilient communities

All adults are supported through strength-based practice to live the lives they choose

1. The number of adults aged 18 to 64 whose long-term support needs are met by admission to residential and nursing care homes (per 100,000 population)
2. The number of adults aged 65 and over whose long-term support needs are met by admission to residential and nursing care homes (per 100,000 population)
3. Repeat safeguarding concerns rate
4. Time taken to complete section 42 enquiries
5. Proportion of safeguarding enquiries where the person reports their desired outcomes were achieved
6. Number of clients living in Extra Care Housing
7. % of people who leave reablement with no ongoing care needs, or reduced package of care
8. % of people whose long-term care reduces or remains stable at the point of review

We will promote digital inclusion

1. Number of individuals receiving digital skills support through the digital inclusion programme
2. Number of focus session / engagement session regarding digital skills
3. To maintain a minimum of 14 Digital Champions on the programme
4. % of digital champions actively supporting individuals with digital skills

We will continue to work with Voluntary and Community groups and individuals to improve the resilience of our communities

1. Progress in putting Neighbourhood plans in place
2. Number of community events co-originated by Neighbourhoods Team

Residents will feel safer

1. Rate of Crime per 1,000 population
2. Rate of ASB per 1,000 population
3. Percentage agree adults in their communities can be trusted
4. How safe or unsafe do you feel when outside in your local area - during the day
5. How safe or unsafe do you feel when outside in your local area - after dark
6. Individuals supported at domestic abuse safe accommodation services

Priority 4 – Delivery Best Value

We will be a well-run Council that provides Value for Money Services

1. Staff survey level of engagement measured as a %
2. % of staff who agree with the following statement: I am proud to work for MBC
3. % of staff who agree with the following statement: I would recommend MBC as a good place to work
4. >90% of internal audit reports to provide Substantial or Reasonable assurance
5. External Audit Annual Value for Money judgement
6. % actions on target or delivered against the Continuous Improvement Plan

We will set a balanced budget and medium-term financial plan

1. Maintain unrestricted usable revenue reserves in line with approved reserves
2. Maintain GF balance in line with approved reserves policy
3. We will maintain budgeted levels into the collection fund

APPENDIX B

Council Plan Initiatives (2026)

Priority 1 – A successful and ambitious town

We will grow businesses and employment opportunities within the town

1. Expand the town's cultural offer through the creation of a Cultural Masterplan, alongside exploration of external investment to ensure long term sustainability
2. Development and implementation of a Place Strategy and Investment Prospectus
3. Improve the range of health and employment related services offered to the public through successful delivery of the Levelling Up Partnership funds
4. Development Employment Hub offer (employers / residents)
5. Partnership with Middlesbrough College

We will close attainment gaps and work with education providers to increase the number of students who achieve their expected grades

1. Implement refreshed SEND and Inclusion Strategy and establish local area strategic governance with ICB

We will ensure housing supply meets local demand

1. Improve access and support for individuals at risk of homelessness and domestic abuse
2. Implement Youth Homelessness Protocols
3. Empty Properties (Houses) delivery plan in place
4. Develop the Supported Housing Strategy
5. Strategic Housing Needs Assessment in place
6. Develop a Housing Provision Plan
7. Enforcement Protocol in place (action on Landlords of empty properties)
8. A Private Rented Sector Improvement Plan in place

Priority 2 – A Healthy Place

People live healthier lives for longer and health inequalities are reduced

1. Implement the Tees Suicide Prevention Strategy Action Plan
2. Improve substance use service delivery bases to ensure accessibility right across the borough and a full service offer as close to communities with the greatest needs as possible
3. Address the risk factors that contribute to ill health of our population and promote good health and wellbeing across the life course
4. Work with vulnerable communities to understand barriers to preventative healthcare and promote good health and improve access, experience, and outcomes
5. Identify knowledge gaps in the Health and Wellbeing Strategy goals and develop into research projects
6. Deliver a unified public health offer to schools
7. Embed the Healthy Weight Declaration

The look and feel of the physical space in Middlesbrough will improve

1. Increase community engagement to support a decrease in environmental offences
2. Refresh of the Green Strategy
3. Review of rewilding areas and other approaches to increase the habitat and quality of wildlife
4. Increase the use of community volunteers to help maintain and develop rewilding areas
5. Delivery of the pride in place impact funding (Centre Square Lake)

We will be closer to our communities and involve them in decision-making

1. Develop and implement Middlesbrough's Enrichment Strategy
2. Carry out Big Conversation with children and young people across Middlesbrough
3. Delivery of the Health and Wellbeing element of the Neighbourhood Plans
4. Work with vulnerable communities to understand barriers to preventative healthcare and promote good health and improve access, experience, and outcomes

We will reduce and alleviate the impact of poverty to improve lives and life chances for people in Middlesbrough

1. Develop and implement long term strategic plan across Children's Services through delivery of Children's Services Improvement Plan.
2. Introduce and further develop a policy in accordance with government guidance to target households and reduce poverty
3. Increase in Youth Provision
4. Develop a Public Health approach to improve early childhood development and school readiness
5. Delivery of the Health and Wellbeing Strategy Poverty Mission
6. Develop and launch a multi-agency evidence based South Tees Sexual Health Strategy to reduce, STIs and unintended pregnancies, and reduce inequalities
7. Influence the development of plans to support people into employment
8. Through the Tees Valley Anchor Network, work together to make employment from those areas with the greatest deprivation or those in low quality employment a priority

Priority 3 – Safe and resilient communities

All adults are supported through strength-based practice to live the lives they choose

1. Develop the care academy
2. Develop an autism strategy, and pathways for support
3. Develop the smart house
4. Undertake a review of reablement
5. Embed Directorate wide roll out of strength-based practice
6. Embed a quality framework across adult social care, ensuring an ethos of co-production
7. Obtain White Ribbon Accreditation

We will promote digital inclusion

1. Support and signpost more residents to access council services in way that meets their needs

We will continue to work with Voluntary and Community groups and individuals to improve the resilience of our communities

1. Increase in cultural events and activities to support communities to celebrate community cohesion

Residents will feel safer

1. Delivery of the Crime and ASB element of the Neighbourhood Plans

Priority 4 – Delivery Best Value

We will be a well-run Council that provides Value for Money Services

1. We will expand the content of the data we publish on our open data site to increase transparency and manage demand
2. Successful delivery of Information Strategy
3. Implementation of a Continuous Improvement Team
4. Further review of Financial Regulations
5. Further training for elected members and officers on Financial Regulations and Contract Procedure Rules
6. More targeted work with services non-compliant Financial Regulations
7. Improve forecasting over the medium to longer term
8. Successful delivery of People Strategy

We will set a balanced budget and medium-term financial plan

1. Improve forecasting over the medium to longer term

Appendix Two: Revenue and Capital Budget Forecast Year End Outturn Position at Quarter One 2026/27



Appendix Two: Revenue and Capital Budget Forecast Year End Outturn Position as at Quarter One 2026/27

1 Executive Summary

- 1.1 This report presents the Council's forecast financial performance for 2026/27 as at Quarter One and enables Executive to discharge its responsibilities for financial management, governance and budgetary control. The report sets out the forecast year-end revenue and capital outturn position, progress against the approved savings and growth initiatives, the position on reserves and the key financial risks and actions being taken to improve the year-end position.
- 1.2 The Council's approved net revenue budget for 2026/27 is £200.840m. At Quarter One, the Council is forecasting a year-end financial pressure of **£8.479m** (4.22%) after the use of corporate contingencies if no further action is taken. This forecast represents the position before the full impact of planned mitigating actions and Financial Recovery Plans are realised. The Leadership Management Team and Executive recognise the severity of the current forecast outturn position, and the need for urgent action. As part of this, Directors have been required to identify and implement immediate actions to reduce forecast overspends and strengthen financial resilience.
- 1.3 The most significant pressure continues to be within Children's Social Care **£8.472m** driven primarily by agency staffing, emergency resource workers, increasing numbers of children looked after and high-cost external placements. Additional pressures are forecast within Environment, Communities and Culture **£1.342m**, Regeneration & Housing **£0.488m** and Adult Social Care & Health **£0.199m**. These pressures are partially offset by favourable positions within Central Budgets, Finance and the Chief Executives Department.
- 1.4 Quarter One Officer and Member Integrated Performance and Budget Clinics have been completed across all Directorates. Through these arrangements, financial performance, service delivery and risks have been reviewed collectively and a range of mitigating actions, strengthened financial controls and financial recovery measures have been agreed. Directors are now required to submit Financial Recovery Plans to the Section 151 Officer identifying both financial controls and measurable in-year recovery actions to support delivery of the most sustainable year-end position possible.
- 1.5 The report also highlights that:
 - The approved £6.460m Council Plan growth initiatives are progressing broadly in line with expectations, with implementation continuing across service areas. Any forecast underspend reflects implementation phasing and recruitment timelines rather than non-delivery of approved growth.
 - The Council continues to monitor delivery of £9.040m of savings requirements carried forward into 2026/27, including legacy Children's

Services savings that are being formally closed through established governance arrangements.

- Capital expenditure is forecast at £88.861m against a revised programme of £94.940m, resulting in forecast slippage of £6.079m into future years.
- The current forecast overspend if not addressed will impact on the level of usable unrestricted revenue reserves and would impact on progress towards achieving the Council's preferred financial resilience targets as set out in the Reserves Policy. This reinforces the need for immediate action to reduce forecast overspends and protect reserves.
- The forecast cumulative Dedicated Schools Grant (DSG) deficit is expected to increase to £38.316m by March 2027. Whilst national reforms and the Local SEND Reform Plan (still to be approved by the DfE), provide a route towards longer-term sustainability, DSG remains a significant financial risk for the Council.

- 1.6 Overall, the Quarter One forecast is consistent with the key financial risks identified through the Medium-Term Financial Plan and the Council's S151 Officer's Section 25 Statement. Maintaining strict financial discipline, delivering Financial Recovery Plans, reducing forecast overspends, and protecting reserves will remain critical priorities throughout the remainder of 2026/27

2 Financial Performance Overview

Background and relevant information

- 2.1 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.
- 2.2 This report enables the Executive to discharge its financial management responsibilities by setting out the Council's 2026/27 year-end financial position.
- 2.3 Financial Procedure Rules 12.6.45 and 12.6.132 of the Council constitution requires the Executive's approval of revenue and capital programme budget virements over £250,000.
- 2.4 Financial Procedure Rule 12.6.91 requires approval by the Executive of the write off of debt over financial thresholds set out in 12.6.132, there are none for the purpose of the 2026/27 Quarter One forecast outturn report.
- 2.5 The Quarter One outturn forecast position report as at 31 March 2027 has been prepared using the following key assumptions:

- all known staffing costs and changes have been reflected within the anticipated outturn position.
- income and expenditure positions have been prepared in conjunction with budget holders, based on actual activity and accruals where appropriate.
- the national local government pay award for 2026/27 has not yet been agreed. The current pay offer is a 3.3% increase, an increase from the 3% increase assumed at 2026/27 budget setting, and if agreed this would result in an additional estimated cost pressure of circa £0.350m p.a., which has been accounted for in the forecast outturn position.

Revenue Budget 2026/27

- 2.6 The 2026/27 Revenue Budget, Medium Term Financial Plan 2026/27 to 2029/30, and Council Tax report to Council on 18 February 2026 set out the future financial position of the Council.
- 2.7 As part of that report a net revenue budget for 2026/27 of £200.840m was approved by Full Council. Within the report the Corporate Director of Finance (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
- 2.8 The Council has achieved significant improvement in its financial position in recent years, supported by a significantly improved 2026/27 financial settlement relative to previous years. However there remains an ongoing need to maintain strong financial discipline in order to manage expected overspends and meet the Council's Reserves Policy. The forecast for Quarter One 2026/27 demonstrates the importance of delivering approved savings and maintaining robust governance and financial control arrangements.
- 2.9 The Council's net revenue budget for 2026/27 is £200.840m. At Quarter One, the Council is forecasting a year-end overspend of **£8.580m** before the application of any further recovery actions or use of available corporate mitigations.
- 2.10 The most significant forecast pressures are within Children's Social Care **£8.472m** and Environment, Communities and Culture **£1.342m**, together accounting for the majority of the forecast overspend. Additional pressures are forecast within Regeneration & Housing **£0.488m** and Adult Social Care & Health **£0.199m**. These are partially offset by a favourable position on Finance, Central Budgets and Chief Executive's Directorate of **(£1.921m)** and balanced positions across Education & Partnerships.
- 2.11 The current forecast position continues to be driven by increasing demand and placement costs within Children's Social Care, income shortfalls and service delivery pressures across Environment, Communities & Culture services, and commercial income challenges within Regeneration & Housing. Central Budgets continue to provide some mitigation through favourable forecast on capital financing and centrally held grant funding.

- 2.12 Quarter One Integrated Performance & Finance Budget Clinics have been completed with Executive Members to scrutinise emerging financial risks, demand pressures and savings delivery issues across all Directorates. Directors are working closely with Finance Business Partners to identify, develop and implement appropriate mitigating actions and recovery plans, with the objective of reducing forecast overspends and delivering the most financially sustainable outturn position possible by the end of 2026/27.
- 2.13 A summary of the main variances for each Directorate is included in paragraphs 2.22 to 2.45. Table 1 below summarises the overall position per Directorate and shows that the 2026/27 forecast year end outturn at 30th June 2026 (Quarter One) is an overspend of **£8.479m (4.22%)** against the approved budget of £200.840m

Table 1 – Summary by Directorate

Directorate	Original Budget Full Year £m	Current Full Year Budget £m	Forecast Outturn £m	Forecast Outturn Variance £m	MEMO FORECAST VARIANCESPLIT	
					Savings Delivery Variance £m	Underlying variances £m
				Adv / (Fav)	Adv / (Fav)	Adv / (Fav)
Adult Social Care & Health	68.299	68.299	68.498	0.199	0.000	0.199
Public Health	0.536	0.536	0.536	0.000	0.000	0.000
Children's Care	59.067	59.067	67.539	8.472	1.483	6.989
Education & Partnerships	7.625	7.625	7.625	0.000	0.000	0.000
Regeneration & Housing	5.479	5.479	5.967	0.488	0.200	0.288
Environment, Communities & Culture	26.972	26.972	28.314	1.342	0.343	0.999
Legal & Corporate Services	11.114	11.114	11.154	0.040	0.000	0.040
Finance	4.909	4.909	4.835	(0.074)	0.000	(0.074)
Chief Executives Department	2.407	2.407	2.357	(0.050)	0.000	(0.050)
Total Directorates	186.408	186.408	196.824	10.416	2.026	8.390
Central Budgets	14.432	14.432	12.596	(1.836)	0.819	(2.655)
Total	200.840	200.840	209.420	8.580	2.845	5.735

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

Corporate Contingency Budget	(0.101)
Remaining forecast outturn variance	8.479

- 2.14 As shown at the bottom of Table 1, if actions to reduce the overspend are not successful, it is currently proposed to use the remaining available Corporate Contingency of (£0.101m).
- 2.15 As part of the 2026/27 budget, £6.460m of service growth aligned to Council Plan priorities was approved by the Council. The proposals were developed by the Mayor, in conjunction with Directors and relevant Executive Members to support the delivery of priority outcomes for residents. Implementation of the approved growth has commenced across all service areas and progress is being monitored through established governance arrangements. While some elements of the programme are experiencing minor delays due to recruitment and onboarding timescales, delivery is generally progressing in line with expectations. A summary of current financial progress against each growth area is set out in the table below.

- 2.16 It is worth noting that the current forecast underspend if already is already included in the overall forecast outturn position and primarily reflects the phased implementation of approved growth proposals, including the time required to complete recruitment, mobilise new service delivery and finalise implementation plans. These timing differences are not currently expected to impact delivery of the intended outcomes or long-term objectives associated with the approved growth. Many growth initiatives are now operational, with expenditure expected to increase during the remainder of 2026/27 as services become fully established. During Quarter One a number of key initiatives progressed, including agreement of the Making Middlesbrough Thrive approach, with further detail on delivery and outcomes to be reported to Executive in December. Investment in CCTV infrastructure also forms part of the Council's ongoing commitment to tackling anti-social behaviour and crime across the town. While crime levels remain a concern, anti-social behaviour incidents reduced during Quarter One, providing an encouraging indication of progress. As many of the growth initiatives have only recently become operational, not all associated performance indicators were available for Quarter One reporting. A more comprehensive update on service performance, outcomes and the delivery of approved growth proposals, including reporting against relevant KPIs, will therefore be provided from Quarter Two onwards. Consequently, the approved service growth is expected to be fully embedded and operating on a business as usual basis by 2027/28.

Table 2 – Growth Initiatives

<u>Growth Initiative - By Growth area</u>	Budget 2026/27 £m	Forecast 2026/27 £m	Forecast Outturn Variance £m
			Adv / (Fav)
Continuing to improve the look and feel of our Town	1.700	1.536	(0.164)
Childhood Enrichment	0.900	0.650	(0.250)
Supporting firms to provide jobs of the future	0.630	0.406	(0.224)
Spending more on culture and events	0.500	0.500	0.000
Making our town safer	0.650	0.500	(0.150)
Improving planning and housing standards	0.300	0.203	(0.097)
Improving Play Parks	0.200	0.200	0.000
Supporting our communities	0.600	0.600	0.000
Supporting and protecting vulnerable residents	0.870	0.695	(0.175)
Supporting our carers and foster families	0.110	0.068	(0.042)
Total	6.460	5.358	(1.102)

Budget Savings Programme

- 2.17 The budget for 2026/27 is predicated on the delivery of £3.517m of savings previously approved in 2024/25 and 2025/26. There was no requirement for the Council to make any additional further budget savings in 2026/27 other than those already included in the current MTFP, however work will continue to identify and deliver efficiencies and savings in the future through robust budget monitoring and continuous improvement.
- 2.18 In the 2025/26 Revenue & Capital Year End Outturn report there were £7.731m of undelivered savings plus £0.250m in relation to Residents Parking Scheme that was offset by a temporary in year budget virement, however it remained unachievable in relation to the impact on 2026/27. £2.458m was removed from the MTFP as per the 2026/27 Revenue Budget, Medium Term Financial Plan, and Council Tax setting report approved at Council on 18th February 2026, after it was deemed unlikely that the savings would be achieved in the manner originally intended. This resulted in £9.040m of savings to be achieved within 2026/27.
- 2.19 Table 3 provides a summary of delivery performance against savings required in 2026/27, with further detail included in Appendix F2. All savings continue to be subject to robust monitoring through Integrated Performance and Budget Clinics with Directorates and are reported through this process.
- 2.20 Any savings not fully delivered in 2026/27 will continue to be managed as part of the Council's Medium-Term Financial Plan (MTFP). Savings will be subject to review to determine the most appropriate route to delivery, including whether they can be achieved through revised approaches, replacement savings, or longer-term continuous improvement activity. Where savings are no longer considered deliverable in their original form, this will be addressed through the established governance process as part of the ongoing development of the MTFP, ensuring that the Council maintains a balanced and sustainable financial position over the medium term.
- 2.21 Children's Social Care unachieved savings of **£3.833m** carried forward from previous years and associated with historic transformation projects will be formally closed through the Council's governance arrangements. Whilst these savings have not been delivered through the original transformation activity as intended, the service has managed the financial impact over time by reducing budgets within the areas where the savings were expected to be achieved. As a result, the budget reductions remain embedded within the service's base budget. However, due to passage of time, changes in service demand, the Ofsted ILACS inspection outcome and wider national reform, the original assumptions underpinning the savings are no longer valid and it is no longer possible to demonstrate delivery through the intended projects. Consequently, the reduced budget provision in these areas is likely to continue to contribute towards future budget pressures and forecast overspends. Discussions are ongoing regarding the future use of transformation funding to support delivery of the Children's Services Improvement Plan, manage budget pressures and review the funding

of existing resources currently supported from this budget. The savings related to the following areas;

- Internal residential
- Workforce development
- Maximising grants
- Modernising foster care
- Edge of care.

Table 3 – Savings Programme Assurance Summary for 2026/27 by Directorate

Directorate	2026/27 Budgeted Savings Target	2026/27 Savings Acheived / Budget Adjustment	2026/27 Savings (over) / Under achived
	£m	£m	£m
Adult Social Care & Health	(0.768)	(0.768)	-
Children's Social Care	(5.316)	(3.833)	(1.483)
Education & Partnerships	(0.267)	(0.267)	-
Regeneration & Housing	(0.500)	(0.300)	(0.200)
Environment, Communities & Culture	(0.028)	0.315	(0.343)
Legal & Corporate Services	-	-	-
Finance	0.015	0.015	-
Central Budgets	(0.819)	-	(0.819)
Corporate Vacancy Factor	(1.357)	(1.357)	-
	(9.040)	(6.195)	(2.845)

Directorate Main Variances

- 2.22 The explanations for Directorate major variance at Quarter One 2026/27 and the key underlying drivers are summarised below. The forecast positions presented reflect the current assessment of risks and pressures at this stage of the financial year and, unless otherwise stated, represent the position before the full impact of planned mitigating actions and management interventions are realised.
- 2.23 Through the Council's Integrated Performance and Financial Management Framework, Directors have already identified and commenced a range of actions to strengthen financial management, improve budgetary control and reduce forecast pressures where possible. These actions have been reviewed through Officer and Member Integrated Performance and Budget Clinics and include both in-year mitigating actions and longer-term measures designed to support the delivery of sustainable services within the approved budgets and the Medium-Term Financial Plan.
- 2.24 These arrangements focus on the integrated consideration of financial performance, service delivery and risk, ensuring that emerging issues are identified, challenged and addressed through a structured governance process. This includes regular budget monitoring, Directorate oversight and Member Integrated Performance and Budget Clinics, and ongoing engagement with

Finance Business Partners to monitor progress against agreed actions and assess emerging financial risks.

- 2.25 Proposed revenue budget virements above £250,000 require Executive approval, and those proposed at Quarter One are set out in Appendix F1 for consideration and approval.

Adult Social Care & Health: Forecast overspend £0.199m

Adult Social Care	Current Budget Full Year £m	Forecast Outturn £m	Outturn Variance £m Adv / (Fav)	% Variance
Total Directorate	68.299	68.498	0.199	0.29%

- 2.26 The Quarter One Officer and Member Integrated Performance and Budget Clinics considered the forecast position and agreed a number of actions to strengthen financial management and improve understanding of emerging pressures. These include a review of temporary accommodation costs and associated budget responsibilities, further modelling of inflationary pressures within commissioned care, continued enhanced monitoring of high-cost care packages and health contributions and continued review of purchasing budgets and demand trends. Whilst the current forecast position remains manageable, these actions will support both in-year financial management and development of the future Medium-Term Financial Plan assumptions.

- Temporary Accommodation: £0.444m

The cost and use of temporary accommodation continue to exceed budget assumptions and reflect a national trend of increasing demand. In previous years, responsibility for these costs sat within the Resident and Business Support Service, however associated budget treatment is currently under review.

- Purchasing – Inflation: £0.264m

The budget is based on inflationary uplifts linked to National Living Wage assumptions. However, average rates paid across all client groups are significantly higher than the standard Older Persons rates which has previously been used in the budget assumptions to calculate the cost of future uplifts, resulting in the current budget pressure. This will be reviewed as part of the next refresh of the Medium-Term Financial Plan and will also consider the potential impact of changes arising from the Employment Rights Act.

- Purchasing – Other: £0.315m

The forecast includes an increase in the bad debt provision where service user contributions are considered unrecoverable, including cases where recovery from deceased estates is not possible.

- Net pay savings: (£0.648m)

Delays in recruitment across Prevention, Provider and Support Services and Specialist & Lifelong Services and Access & Safeguarding Services are offsetting some of the pressures outlined above. Where posts are grant funded, the associated income has been adjusted accordingly.

- Other savings across the Directorate: (£0.176m)

A number of smaller savings are being achieved across the Directorate, including (£0.065m) arising from the capitalisation of Tees Community Equipment Services (TCES) purchases.

Public Health: Forecast breakeven

Public Health	Current Budget Full Year £m	Forecast Outturn £m	Outturn Variance £m Adv / (Fav)	% Variance
Total Directorate	0.536	0.536	0.000	0.00%

- 2.27 Public Health is currently forecasting an underspend of £0.330m in 2026/27. In accordance with the conditions of the ring-fenced Public Health Grant, any underspend at year end will be transferred to the Public Health Reserve and therefore will not contribute to the Council's overall General Fund position. The Public Health Reserve currently stands at £2.293m, and plans have been developed to utilise these resources on eligible Public Health initiatives and priorities in future years in line with grant conditions.

Children's Social Care: Forecast overspend £8.472m

Children's Care	Current Budget Full Year £m	Forecast Outturn £m	Outturn Variance £m Adv / (Fav)	% Variance
Total Directorate	59.067	67.539	8.472	14.34%

- 2.28 Children's Social Care is forecasting a significant budget pressure at Quarter One, primarily driven by continued reliance on agency staffing, high-cost external residential placements and Independent Fostering Agency placements, together with increasing numbers of children looked after. These pressures reflect ongoing structural and demand-led challenges previously identified within both the Medium-Term Financial Plan and the 2025/26 Outturn Report.
- 2.29 The Directorate is in the process of implementing a range of measures to improve financial sustainability and reduce demand-led pressures. These include delivery of the Workforce Strategy to reduce agency reliance, strengthened recruitment controls, enhanced placement scrutiny and governance arrangements, targeted work to improve placement sufficiency, development of the Children's Improvement Plan and increased focus on reunification and family-based care approaches. The Directorate is also undertaking a review of staffing structures, placements and commissioning arrangements to ensure resources remain aligned to demand and statutory responsibilities whilst enabling delivery of the Children's Improvement Plan.

- 2.30 The Directorate has recognised the severity of the forecast position and the need for immediate intervention. Whilst a number of potential areas for improvement have been identified through the Quarter One Officer and Member Integrated Performance and Budget Clinics, many of these actions remain at an early stage of development and the financial impact has not yet been fully quantified. Consequently, the current forecast position does not assume any significant reduction from future recovery actions.
- 2.31 The scale of the forecast overspend requires a renewed focus on financial recovery, expenditure control, and demand management. The Director is required to maintain a detailed Financial Recovery Plan, supported by Finance Business Partners, identifying both immediate in-year actions and measurable financial benefits wherever possible. Particular focus will be placed on agency staffing, emergency resource workers, placement costs, Section 17 expenditure and wider demand-led pressures. Progress against these actions will be subject to ongoing review through Directorate Management Teams, Officer and Member Integrated Performance and Budget Clinics and the Council's Integrated Performance and Financial Management Framework.
- 2.32 The main components of the Quarter One forecast position are summarised below.

- External Residential and Independent Fostering Placements: £2.575m

Children Looked After external placement costs are forecast to exceed budget by £2.575m, comprising pressures of £2.174m in residential placements and £0.401m in Independent Fostering Agency placements. The overspend reflects both the increasing number of children requiring care and the cost and complexity of placements required to meet individual needs. As at 30 June 2026, the number of Children Looked After has continued to increase compared to the same period in the previous year, resulting in increased reliance on high-cost external provision. The position is further influenced by market pressures where demand for specialist placements continues to exceed available supply. The Directorate has strengthened placement governance through enhanced panel arrangements and scrutiny processes to ensure all placement decisions are appropriately challenged, and that family-based and in-house options are fully considered wherever safe and appropriate. The Council continues to maximise contributions from health partners where eligible.

- Agency and Emergency Resource Workers: £3.788m

The Directorate continues to experience significant workforce pressures, resulting in reliance on agency staff and emergency resource workers to maintain safe statutory services. This creates a forecast pressure of £3.788m. The Directorate has implemented a Workforce Strategy and strengthened recruitment controls, whilst undertaking a comprehensive review of staffing structures and establishment requirements. These actions seek to stabilise the workforce, reduce agency reliance and ensure resources are aligned to current levels of demand and the requirements of the Children's Improvement Plan. The

Directorate is also working with Procurement colleagues to strengthen arrangements for the engagement of emergency resource workers and ensure best value for money is achieved.

- Children with Disabilities: £0.409m

Children with Disabilities services are forecasting a pressure of £0.409m. While demand levels remain broadly stable, average package costs continue to exceed budget assumptions. The pressure primarily relates to increased expenditure on respite provision, direct payments and Section 17 support, which is being used to stabilise family circumstances and prevent escalation into higher-cost statutory interventions and looked after placement.

2.33 Children's Social Care has implemented a range of mitigating actions in recent years to manage financial pressures and deliver savings. However, many of the Directorates financial challenges remain structural and demand-led in nature, particularly in relation to placement sufficiency, workforces' stability and the increasing complexity of need. Following the recent Ofsted ILACS inspection, the Directorate's priority is to deliver the Children's Improvement Plan and embed sustainable service improvements. Whilst these actions are expected to improve outcomes and reduce financial pressures over time, it is recognised that many of the anticipated benefits will be realised over the medium term rather than generate immediate in-year savings. Finance colleagues continue to work closely with the Directorate through the Integrated Performance and Financial Management Framework and Medium-Term Financial Plan process to identify both short-term mitigating actions and longer-term opportunities to improve financial sustainability.

2.34 Considering the adverse forecast variance, a range of actions have been agreed through the Quarter One Officer and Member Integrated Performance and Budget Clinics to strengthen financial management and support delivery of Children's Improvement Plan, including:

- Review of staffing structures and establishment requirements to ensure resources are aligned to demand and statutory responsibilities.
- Strengthened recruitment controls and governance arrangements to reduce reliance on agency staffing over time.
- Review of financial controls relating to agency and emergency resource workers.
- Enhanced scrutiny and review of all high-cost external residential and fostering placements, supported through strengthened panel arrangements and placement governance.
- Continued development of placement sufficiency plans, including increasing family-based care options and reviewing opportunities to reduce reliance on external provision.
- Review of Section 17 expenditure and associated financial controls, including opportunities to utilise Resident and Business Support services to maximise access to wider support and benefits advice.

- Ongoing monitoring of delivery through Directorate Management Teams, Officer and Member Integrated Performance and Budget Clinics, and the Council's Integrated Performance and Financial Management Framework.

Education & Partnerships: Forecast breakeven

Education & Partnerships	Current Budget Full Year £m	Forecast Outturn £m	Outturn Variance £m Adv / (Fav)	% Variance
Total Directorate	7.625	7.625	0.000	0.00%

- 2.35 The Directorate is currently forecasting a break-even position by the end of 2026/27. Previous years have highlighted the challenging nature of the Integrated Transport Unit with costs driven by demand for services often outpacing available resources. Demand associated with the new academic year will be reassessed during the summer period and will continue to be closely monitored. The Quarter One Officer and Member Integrated Performance and Budget Clinics also considered a number of emerging financial risks, including demand associated with Special Educational Needs and Disabilities (SEND) provision and the High Needs Block. Whilst these do not currently present a material risk to the General Fund revenue position, the Directorate will continue to monitor development and work with Finance colleagues to assess any potential implications for future years.

Regeneration & Housing: Forecast overspend £0.488m

Regeneration	Current Budget Full Year £m	Forecast Outturn £m	Outturn Variance £m Adv / (Fav)	% Variance
Total Directorate	5.479	5.967	0.488	8.90%

- 2.36 The Regeneration & Housing Directorate is forecasting an overspend of £0.488m at Quarter One. The forecast position is primarily driven by income pressures across investment properties and planning-related services. The Quarter One Officer and Member Integrated Performance and Budget Clinic considered the forecast position and reviewed a range of actions to strengthen financial management, support income recovery and monitor emerging risks. Whilst some of the identified pressures reflect market conditions and factors outside of the Council's direct control, the Directorate continues to work with Finance colleagues to monitor performance, review budget assumptions and identify opportunities to improve financial sustainability.

- Investment Properties: £0.204m

Occupancy levels at Boho Buildings are lower than expected, creating a pressure of £0.212m, whilst income at Centre Square 2 reduced following the surrender of a lease, creating a further pressure of £0.259m. These pressures have been partially offset by support from the Corporate Contingency, as shown in Table 4 later in the report. Additional recurring funding of £1.000m was provided through the 2026/27 Medium-Term Financial Plan to address investment property income pressures, however, assumptions continue to be

reviewed in light of market conditions and occupancy levels. Work continues to increase occupancy across the Council's commercial property portfolio, although the financial benefits of these actions are expected to be realised over the medium term rather than during 2026/27.

- Planning Services: £0.229m

There is an expected income pressure within Development Control due to delays in the anticipated submission dates of major planning applications. The timing of submission remains dependent upon developer activity and the availability of sites for development. Building Control income is also below budget: however, following recent recruitment activity the service is now substantially resourced and is working to recover market share and increase activity levels. The Directorate continues to work with developers and internal services to support the progression of applications and maximise future income opportunities.

- Other overspends across the Directorate: £0.055m

A number of smaller financial pressures are being reported across the Directorate resulting in a net overspend of £0.055m. These continue to be monitored through routine budget monitoring arrangements and the Integrated Performance and Financial Management Framework.

Environment, Communities & Culture: Forecast overspend £1.342m

Environment & Communities	Current Budget Full Year £m	Forecast Outturn £m	Outturn Variance £m Adv / (Fav)	% Variance
Total Directorate	26.972	28.314	1.342	4.98%

- 2.37 Environment, Communities and Culture is forecasting a budget pressure at Quarter One primarily driven by a combination of income shortfalls across several services, ongoing inflationary pressures and a number of historic budget assumptions that are proving challenging to achieve. The most significant pressures relate to Area Care, Car Parking income, Cultural Services, Catering Services and the delayed delivery of savings. Whilst a number of these pressures are unique to the Directorate, several reflect wider structural challenges facing local government, including changing service demand, town centre footfall, income generation and the affordability of service provision.
- 2.38 The Directorate continues to take steps to strengthen financial management and improve financial sustainability. These include reviewing income-generating services, strengthening management oversight of expenditure, implementing operational actions to reduce avoidable costs, and reviewing longer-term opportunities to align income targets and service budgets with current operating realities. Through the Integrated Performance and Financial Management Framework, the Directorate is also working with Finance colleagues to review legacy savings assumptions, fees and charges strategies, income-generating opportunities and cost recovery approaches to ensure future budgets are sustainable and achievable.

2.39 Whilst immediate action is being taken to mitigate in-year pressures, a number of the issues identified at Quarter One will require medium-term solutions through the Medium-Term Financial Plan. In particular, income pressures relating to Town Hall operations whilst essential roof maintenance is undertaken, Car Parking, Catering Services and other discretionary services require strategic consideration of future service models and income expectations. The Directorate and Finance team will continue to work together to identify sustainable solutions that support delivery of Council Plan priorities whilst maintaining financial resilience.

2.40 The main components of the Quarter One forecast position are summarised below;

- Environmental Services: £0.769m

Environmental Services are forecasting a financial pressure of £0.769m with the pressure spread across a number of services. Area Care is forecasting a financial pressure of £0.200m primarily due to the short-term hire of additional vehicles, which has now ceased, together with income shortfalls relating to allotments and rechargeable work. Income shortfalls are also being reported at a number of sites including the Transporter Bridge and Visitor Centre £0.120m, Newham Grange Leisure Farm £0.062m, Bereavement Services £0.054m and Middlesbrough Bus Station £0.054m. Catering Services are also forecasting a financial pressure of £0.119m, reflecting increased food costs combined with the Council's decision to freeze school meal prices to support families.

- Cultural Services: £0.244m

Cultural Services are forecasting a financial pressure of £0.244m. This primarily reflects the lower than anticipated venue hires income and Middlesbrough Town Hall, particularly for large scale comedy and music events. In addition, the planned closure of the Town Hall during the final quarter of the year to facilitate roof repairs has reduced the Directorate's ability to achieve its income target, which was set on assumptions made before the timing of the closure was fully known.

- Environment, Communities and Culture Management: £0.343m

The forecast financial pressure of £0.343m, largely relates to savings that have not yet been delivered. Increased service pressures, operational requirements and health and safety considerations have delayed the implementation of a planned staffing restructure. The position will continue to be reviewed as part of the Directorate's wider workforce planning arrangements.

- Emerging financial pressure - Corporate Vacancy Target

In addition to the forecast position reported above, the Directorate has identified a potential risk in relation to the achievement of the corporate vacancy target. Due to the operational nature of the Directorate and the requirement to maintain service delivery throughout the year, including seasonal staffing requirements,

the Directorate may find it difficult to achieve its allocated vacancy factor in full. This position will continue to be monitored throughout the year.

- Highways & Transport: £0.181m

Highways and Transport are forecasting a financial pressure of £0.181m, principally due to lower than budgeted car parking income. This reflects both the sale of Zetland Car Park and continued reduction in town centre footfall, resulting in income levels below those assumed within the approved budget.

2.41 In light of the forecast adverse variance, a number of actions have been agreed with the Directorate through the Quarter One Officer and Member Integrated Performance and Budget Clinics, including:

- Development of a more strategic review of fees and charges across the Directorate, in line with the approved fees and charges policy including the consideration of cost recovery principles and future budget sustainability.
- Review of the catering provision, establishing the funding requirement for a financially sustainable operating model and to inform future Medium-Term Financial Plan assumptions.
- Review of car parking income targets, charging structures and benchmarking against comparable local authorities to assess the long-term sustainability of income assumptions.
- Further work to identify and evaluate legacy savings and income targets that may no longer be achievable in their original form and require consideration through the Medium-Term Financial Plan process.
- Continued monitoring of financial performance through Directorate Management Team meetings and future Integrated Performance and Budget Clinics, with a specific focus on understanding and addressing any movements in the forecast positions between Quarter One and Quarter Two.

Legal & Corporate Services: Forecast overspend £0.040m

Legal & Governance	Current Budget Full Year £m	Forecast Outturn £m	Outturn Variance £m Adv / (Fav)	% Variance
Total Directorate	11.114	11.154	0.040	0.36%

2.42 At Quarter One, Legal & Corporate Services is forecasting a marginal overspend of £0.040m. Savings of £0.220m within ICT Service, resulting from the phased implementation of the service restructure are largely offset by increased Coroners costs (£0.074m), higher legal disbursements associated with Children's Services cases (£0.079m) and additional costs within Democratic Services (£0.070m) relating to electoral registration and Special Responsibility Allowances.

Finance: Forecast underspend (£0.074m)

Finance	Current Budget Full Year £m	Forecast Outturn £m	Outturn Variance £m Adv / (Fav)	% Variance
Total Directorate	4.909	4.835	(0.074)	-1.51%

- 2.43 The Directorate is currently forecasting an underspend of (£0.074m) for 2026/27. Whilst a number of cross-cutting savings targets are not expected to be achieved in full, these pressures are being offset by staff savings within Financial Planning and Business Partnering arising due to vacant posts pending recruitment. Recruitment activity is ongoing and the position will continue to be monitored throughout the year.

Chief Executive's Department: Forecast underspend (£0.050m)

Chief Executive Department	Current Budget Full Year £m	Forecast Outturn £m	Outturn Variance £m Adv / (Fav)	% Variance
Total Directorate	2.407	2.357	(0.050)	-2.08%

- 2.44 The Chief Executive's Department comprises the Chief Executive together with Corporate Strategy, Information and Governance services. A small staffing underspend is currently forecast as a result of vacant posts pending recruitment. Recruitment activity is ongoing and the position will continue to be monitored throughout the year.

Central Budgets: Forecast underspend (£1.836m)

Central Budgets	Current Budget Full Year £m	Forecast Outturn £m	Outturn Variance £m Adv / (Fav)	% Variance
Total Directorate	14.432	12.596	(1.836)	-12.72%

- 2.45 Central budgets are volatile by nature, incorporating corporate provisions and contingency allocations and as such the position can vary between reporting periods as assumptions are updated and final allocations are confirmed.

- General Fund: £0.385m

The General Fund is forecasting a pressure of £0.385m. This is primarily due to the national Business Rates Retention Levy Account surplus for 2025/26 not being likely to be received during 2026/27 following further information received following the Local Government Finance Settlement for 2026/27. This income shortfall has therefore been reflected within the current forecast position.

- Capital Financing: (£0.500m)

A forecast underspend of (£0.500m) is reported against Capital Financing. This is primarily due to slippage within the Capital Programme reducing the Council's borrowing requirements and associated financing costs during 2026/27.

- Centrally Held Grants & Funds: (£2.440m)

Centrally Held Grants are forecasting a favourable variance of (£2.440m). This primarily relates to the Children's Social Care Prevention and Reform element of the Children, Families and Youth Grant (£2.228m) and the Holiday Activities Food (HAF) Capacity Building Fund (£0.053m). A virement is included within Appendix F1 to transfer the funding to Children's Services, where it will be applied to eligible expenditure in support of service improvement, prevention activity and transformation initiatives. Finance Business Partners will continue to work closely with the Directorate to ensure the grant is utilised effectively, monitored appropriately and remains fully compliant with the relevant grant terms and conditions. The transfer will reduce the Children's Care Directorate's forecast budget pressure whilst having no impact on the Council's overall forecast outturn position.

- Cross Cutting Savings: £0.819m

Despite best endeavours some remaining corporate savings are expected to be unachieved in the manner originally intended, comprising of £0.619m relating to Procurement and Contract Reviews, and £0.200m relating to digitisation of procurement activity. This is largely due to the majority of savings that have been identified to date being unable to be realised as actual revenue budget savings as they have largely been related to capital expenditure. Work will continue to seek savings where possible and mitigate the effect as much as possible, and these savings will be reviewed as part of the budget setting process for 2027/28.

- External Audit: (£0.100m)

Forecast savings are expected in audit fees arising from the disclaimed audit opinion.

Contingency Budget and Change Fund

- 2.46 Table 4 summarises the 2026/27 budget and commitments against the Corporate Contingency and the Change Fund Reserve which are controlled under the delegated powers of the S151 Officer.

Table 4 – Use of Corporate Contingency and Change Fund in year

	Corporate Contingency	Change Fund Reserve
	£m	£m
Starting Budget 2026/27	0.873	2.766
Permanent virements requested at Q1 to cover Director salary uplifts following Senior Management Review	(0.041)	-
Permanent virement to LCS - additional post to cover monitoring of Agency Workers (<i>provisional - final figure still TBD</i>)	(0.047)	-
Contributions 2026/27 (<i>No planned contribution to Change Fund in 2026/27 due to use of Flexible Capital Receipts Funding for transformational expenditure</i>)	-	-
Available for use	0.785	2.766
Approved use to date		
Turner Prize contribution	(0.300)	-
ICT Security Expert	(0.090)	-
School Theatre Visits	(0.050)	-
Element of shortfall in commercial income funded from Contingency - one off for 2026/27 only	(0.244)	-
Approved use to date	(0.684)	-
CURRENT REMAINING UNCOMMITTED BALANCE ON CORPORATE CONTINGENCY	0.101	
FORECAST CLOSING BALANCE ON CHANGE FUND RESERVE AT 31/03/27		2.766

- 2.47 At Quarter One, it is forecast that £0.101m of unused Corporate Contingency Funding will be available for use against the overall Council outturn position. To date there has been no call on the Change Fund Reserve and no calls are expected for the remainder of the financial year.

Council Reserves and Provisions

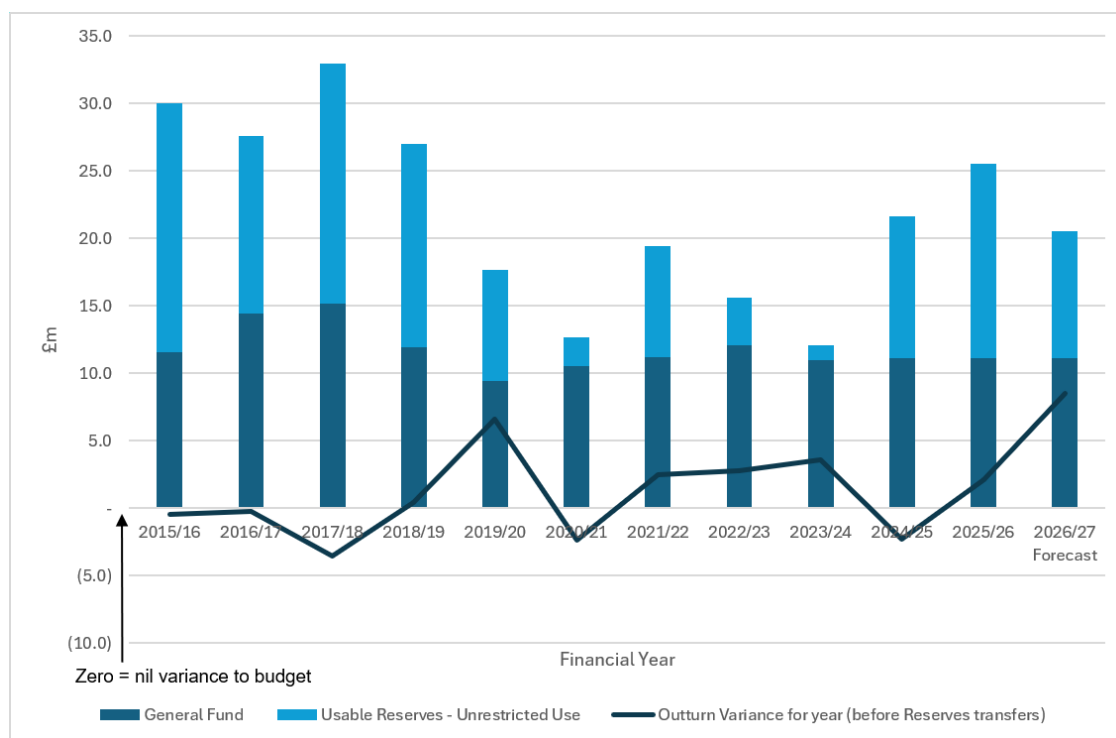
- 2.48 Table 5 summarises the Council's General Fund reserve and provisions showing the movement between 31 March 2026 and that currently forecast at 31 March 2027, with full details included in Appendix F3. It shows that the Council has forecast usable unrestricted revenue reserves on 31 March 2027 of £20.520m made up of £11.101m General Fund reserve and £9.419m Unrestricted Usable Earmarked reserves (highlighted yellow):

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

	Opening Balance 01/04/26	Proposed Use in Year	FORECAST Additional Contributions	FORECAST Transfers from / (to) General Fund	FORECAST Transfers between Reserves	FORECAST Balance at year-end (BEFORE ANY ADJUSTMENTS FOR OUTTURN)	FORECAST outturn variance Reserves transferred to (from) / to General Fund	FORECAST Closing Balance at 31/03/27 (AFTER ADJUSTMENTS FOR CURRENTLY FORECAST)
	£m	£m	£m	£m	£m	£m	£m	£m
GENERAL FUND RESERVE	11.101	-	-	-	-	11.101	-	11.101
USABLE EARMARKED RESERVES								
Restricted Use	3.547	-	0.500	(0.170)	-	3.877	-	3.877
Unrestricted Use	14.429	-	3.553	(0.084)	-	17.898	(8.479)	9.419
	17.976	-	4.053	(0.254)	-	21.775	(8.479)	13.296
UNUSABLE EARMARKED RESERVE	(24.594)	-	-	(9.000)	-	(33.594)	-	(33.594)
SCHOOL BALANCES	4.037	-	-	-	-	4.037	-	4.037
PROVISIONS	4.031	-	-	-	-	4.031	-	4.031
	12.550	-	4.053	(9.254)	-	7.349	(8.479)	(1.130)

2.49 Figure 1 below shows the trajectory of Middlesbrough's unrestricted usable reserves from 2015/16 through to 2026/27 year-end forecast closing balance against 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 2026/27 and reported outturn variance per year

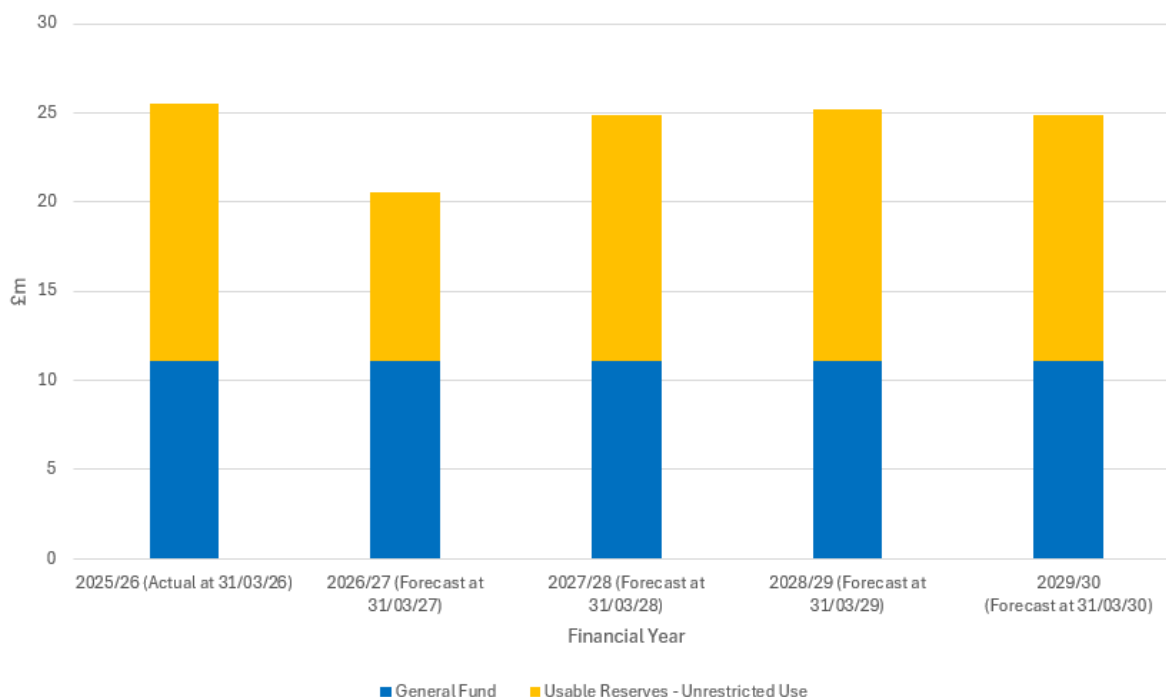


2.50 The level of reserves illustrated in Figure 1, shows a clear positive trajectory in strengthening unrestricted usable revenue balances in recent years, despite continued in-year service pressures. This reflects the Council's strategy of rebuilding resilience through disciplined financial management and the planned use of contingencies and planned resources rather than reactive use of reserves. However, it should be noted that the balance on unrestricted usable revenue reserves is currently expected to reduce by the end of 2026/27 given the significant budget pressure currently forecast, if no further action is taken.

2.51 The Council must continue to rebuild its unrestricted usable 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 2026/27 Revenue Budget, Medium Term Financial Plan 2026/27 to 2029/30, and Council Tax report to Council on 18 February 2026.

2.52 Figure 2 below shows the projected unrestricted usable revenue reserves through to the end of 2029/30 after planned contributions; however, this would be affected by any unplanned drawdowns of reserves in future years.

Figure 2 - Forecast Unrestricted Usable Reserves from closing balance 2025/26 through to closing balance 2029/30 (following planned contributions and drawdowns)



Dedicated Schools Grant (DSG)

2.53 Local authorities receive a ring-fenced grant from central government each year, which can only be used to fund education, this is referred to as the Dedicated Schools Grant (DSG) and is accounted for separately from the main Revenue Budget. The DSG comprises a number of funding blocks:

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

2.54 Table 6 below summarises the latest position on the DSG budget. This shows an anticipated in-year overspend of £9.000m for 2026/27 which means that the cumulative forecast DSG deficit at 31 March 2027 is £38.316m.

Table 6 – Dedicated Schools Grant (DSG) after recoupment and deductions

	2026/27 Income	2026/27 Expenditure	2026/27 Year-end Forecast	Balance as at 31/03/26	Cumulative DSG Deficit forecast as at 31/03/27
	£m	£m	£m	£m	£m
Early years Block	27.846	27.846	0.000	(2.718)	(2.718)
Schools Block	12.998	12.998	0.000	(0.490)	(0.490)
High Needs Block	35.492	44.492	9.000	32.587	41.587
Central School Services Block	1.464	1.464	0.000	(0.063)	(0.063)
TOTAL	77.800	86.800	9.000	29.316	38.316

- 2.55 The Dedicated Schools Grant (DSG) continues to be subject to a statutory override, requiring deficits to be held separately from the General Fund. The Government has confirmed that this override will now be extended to 31 March 2028, aligning with the transition to a reformed SEND system. In addition, local authorities will be eligible for a High Needs Stability Grant covering up to 90% of the DSG deficit accrued to March 2026, subject to approval of a Local SEND Reform Plan by the Department for Education. The remaining 10% has been provided for within the reserves in the Medium-Term Financial Plan approved by Council in February 2026.
- 2.56 Middlesbrough Council has submitted the Local SEND Reform Plan to the Department for Education, and this is currently going through the Secretary of State approval process. Successful councils will be informed of the grant during September 2026. The plan has been developed with partners to build a sustainable approach to managing demand, improving outcomes and stabilising the High Needs Block. While the DSG deficit remains a significant financial pressure and is forecast to continue in the short term, these national reforms, alongside local delivery of the SEND Reform Plan, provide a clearer pathway towards long-term sustainability.
- 2.57 Further details of the DSG budget and the management actions being taken alongside the delivery of the SEND Reform Plan programme are provided in Appendix F4.
- 2.58 The DSG risk is included in the Council's Strategic Risk Register

Medium Term Financial Plan issues

- 2.59 The Quarter One forecast outturn position has highlighted a number of issues that will require ongoing consideration as part of the Medium-Term Financial Plan (MTFP) refresh. Whilst the overall Council position should remain manageable at this early stage of the financial year, forecast pressures are consistent with the key risks identified within the 2026/27 Budget Report and the Council's S151 Officer's Section 25 Statement and demonstrates that several demand-led structural financial challenges continue to require active management.
- 2.60 The forecast position reported at Quarter One should not be viewed as the anticipated year-end position. Directors are expected to take immediate action to manage expenditure within approved budgets and implement mitigating actions to reduce forecast pressures. In addition, all Directors, regardless of their forecast outturn position, are required to develop and maintain Financial Recovery Plans, identifying in-year financial recovery actions capable of generating measurable financial benefits during 2026/27. This reflects the ongoing need to support corporate financial resilience, protect reserves and contribute to the delivery of a sustainable Medium-Term Financial Plan. Whilst Directors have already commenced actions to reduce forecast overspends, continued intervention throughout the remainder of the financial year will be required to minimise the impact on the Council's overall financial position and strengthen financial resilience.
- 2.61 The 2027/28 financial year falls within the Government's three-year Local Government Finance Settlement covering the period 2026/27 to 2028/29 and as such there has been no separate funding announcement for 2027/28 to date. Funding for 2027/28 will be detailed in the Local Government Finance Settlement for 2026/27 which will be provisionally announced in mid to late December 2026. Whilst the multi-year settlement has improved financial certainty relative to previous years, there remains uncertainty regarding future funding levels beyond 2028/29, future Council Tax assumptions, inflationary pressures, service demands and the impact of future legislative and policy change.
- 2.62 The Quarter One forecast has reinforced several existing risks already reflected within the MTFP and the Council's S151 Officer's Section 25 Statement. In particular, pressures continue to emerge in demand-led services and income sensitive budgets where expenditure or income levels are influenced by external factors beyond the Council's direct control. The most significant areas requiring continued monitoring include:
- Sustained demand and cost pressures within Children's Social Care, particularly in relation to external residential placements, agency staffing and workforce sufficiency.
 - Continuing demographic, complexity and inflationary pressures within Adult Social Care, including the cost of commissioned care and future working reforms.

- Financial sustainability of the Integrated Transport Unit and the impact of increasing SEND related transport demand.
- Income volatility across commercial property, planning, building control and other fee-generating services.
- Ongoing affordability pressures associated with homelessness and temporary accommodation provision.
- Waste disposal and environmental cost pressures, including future impacts arising from the Emissions Trading Scheme and wider environmental legislation.
- The continuing risk associated with Dedicated Schools Grant (DSG) deficits, SEND demand and the successful implementation of the Local SEND Reform Plan.

2.63 Whilst provision has been made within the MTFP for known demand pressures and risks, Quarter One demonstrates that many of these pressures remain structural in nature and will require both continued financial discipline and longer-term service transformation to achieve sustainable outcomes. Directors are therefore expected to maintain a rigorous focus on budgetary control, challenge all non-essential expenditure, actively manage vacancies and agency usage where appropriate, and ensure that planned savings, mitigations and recovery actions are delivered in full.

2.64 The Council's unrestricted reserves position has improved significantly in recent years. However, the Council has not yet achieved its preferred level of financial resilience and reserves remain below the longer-term targets established by the Section 151 Officer. The Quarter One forecast indicates that, if no further mitigating actions are implemented, the current year forecast overspend would require use of reserves and reduce progress towards achieving these planned reserve levels. It therefore remains essential that overspends are addressed at source and that expenditure is contained within approved budgets wherever possible. Failure to do so would reduce financial resilience and Medium-Term Financial Plan assumptions.

2.65 The position relating to the Dedicated Schools Grant continues to evolve. The Government has confirmed its intention to support local authorities through the High Needs Stability Grant and Local SEND Reform Plan arrangements. However, access to this support remains dependent upon successful approval and delivery of the Council's Local SEND Reform Plan. Demand for Education, Health and Care Plans, specialist placements and alternative provision continues to place pressure on the High Needs Block, and the financial position remains dependent upon the pace of delivery of national reforms, local implementation and future Government support. Whilst these pressures remain outside of the General Fund while the statutory override is in place until March 2028, they continue to represent a significant strategic financial risk for the Council.

2.66 The next review of the MTFP will be presented to Executive in October 2026 as part of the 2027/28 Budget and MTFP update report. This will consider the Quarter One forecast position, emerging demand trends, inflationary pressures,

delivery of savings and transformational activity, together with any changes in Government policy or funding assumptions.

- 2.67 The Council will continue to utilise its Continuous Improvement approach and strengthened governance arrangements to identify efficiencies, improve demand management, modernise service delivery and support long-term financial sustainability. This includes the continued operation of the Integrated Performance and Financial Management Framework, Financial Recovery Plans, Directorate Budget reviews and Officer and Member Integrated Performance and Budget Clinics.
- 2.68 Overall, whilst the Quarter One forecast position remains consistent with the risks identified during budget setting, Directors are expected to take immediate action to reduce forecast overspends and ensure expenditure remains aligned with approved budgets. Continued delivery of recovery actions, robust financial management and early intervention will be critical to protecting reserves, strengthening financial resilience and ensuring the Council remains on a sustainable financial footing throughout the remainder of 2026/27 and across the MTFP period.

2026/27 Capital Programme Forecast Outturn as at Quarter One

- 2.69 On 18 February 2026 Council approved a Capital Programme for 2026/27 of £79.483m. This was revised to £91.820m as approved by Executive within the 2025/26 Revenue and Capital Outturn report of 10 June 2026 to take account of 2025/26 programme slippage and some new externally funded schemes.
- 2.70 The budget has been further revised at Quarter One by the addition of a total of £3.105m of new externally funded schemes / additional external funding to existing schemes, and £0.015m brought forward from 2027/28 in relation to School Building Condition Funding. The total additional funding has increased the capital programme for 2026/27 to £94.940m. Details of all the additional funding and the schemes to which it is attributed to are provided at Appendix F5.
- 2.71 There are a number of virements over £0.250m between Directorates requested for approval by Executive between schemes in the Capital Programme approved by the Council on 18 February 2026 which are funded from within existing Council resources. All details of virements between schemes is included on Appendix F5.

Table 7 – summary of capital programme approved budget, revised budget, forecast outturn and variance

Directorate	2026/27	2026/27	2026/27	2026/27	2026/27	2026/27	MEMO Explanation of Year-End Forecast Outturn Variance	
	Capital Programme Budget (as approved by Council 18/2/26)	Revised Capital Programme Budget (as per Executive report 10/6/26)	Revised Capital Programme Budget (as at Quarter One)	Year-end Forecast Outturn	Year-end Forecast Outturn Variance	Year-end Forecast Outturn Variance against Revised Budget at Quarter One		
	£m	£m	£m	£m	£m	%	Slippage £m	Underspend £m
Regeneration & Housing	36.431	39.860	39.860	36.626	(3.234)	-8.8%	(3.234)	-
Environment, Communities and Culture	21.901	26.344	26.614	25.833	(0.781)	-3.0%	(0.781)	-
Public Health	0.000	0.001	0.001	0.001	0.000	0.0%	-	-
Education and Partnerships	8.508	12.822	12.837	11.886	(0.951)	-8.0%	(0.951)	-
Childrens Social Care	0.000	0.269	0.269	0.269	0.000	0.0%	-	-
Adult Social Care & Health	1.733	2.434	5.269	4.535	(0.734)	-16.2%	(0.734)	-
Legal and Corporate Services	4.723	4.484	4.484	4.105	(0.379)	-9.2%	(0.379)	-
Finance	0.398	0.334	0.334	0.334	0.000	0.0%	-	-
Transformation	5.789	5.272	5.272	5.272	0.000	0.0%	-	-
Total	79.483	91.820	94.940	88.861	(6.079)	-6.8%	(6.079)	0.000

2.72 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 current amount of slippage from 2026/27 of £6.079m is reprofiled and carried forward to financial years 2027/28 to 2029/30 to reflect revisions to the expected delivery and expenditure timescales. Details of capital slippage for 2026/27 as at Quarter One are shown in Appendix F6.

Transformation

2.73 The Capital Programme 2026/27 to 2029/30 and Capital Strategy 2026/27 (Appendix 9) and the Flexible use of Capital Receipts (FUoCR) Strategy for 2026/27 (Appendix 10), included in the 2026/27 Revenue Budget, Medium Term Financial Plan, and Council Tax Setting report, approved by Council on 18 February 2026, included the provision for transformational and redundancy expenditure of up to £5.789m in 2026/27, funded through FUoCR. This forms part of the Council's approved £26.700m Transformational Programme covering the period 2024/25 to 2028/29.

2.74 Of the approved £26.700m programme, £9.850m has been transferred to the Capital Programme to support the Neighbourhood Hubs Investment Programme, ICT Transformation and Smart Living Demonstration Home projects, as detailed in Appendix F7. To 31 March 2026 £10.106m had been spend on transformational activity, with a further £5.272m planned during 2026/27 and £1.472m during 2027/28. The original Transformation Programme

is now substantially committed and no additional FUoCR beyond the approved £26.700m Transformation Programme is currently planned. Going forward, the Council's focus will shift towards embedding the benefits already delivered through transformation and driving further efficiencies through continuous improvement.

- 2.75 Any further use of Flexible Use of Capital Receipts will be considered in accordance with the Council's approved FUoCR Strategy and relevant statutory guidance.
- 2.76 Table 8 summarises, and Appendix F7 details updated year-end outturn expenditure for 2026/27 and forecast expenditure for the period 2026/27 to 2029/30 split over the various schemes and the proposed funding.

Table 8 – Summary of Capital Programme 2026/27 to 2029/30

Directorate					TOTAL
	2026/27	2027/28	2028/29	2029/30	
Regeneration & Housing	36.626	46.206	18.408	8.370	109.609
Environment, Communities and Culture	25.833	8.635	8.306	7.761	50.536
Public Health	0.001	-	-	-	0.001
Education and Partnerships	11.886	0.867	0.279	-	13.032
Children's Social Care	0.269	-	-	-	0.269
Adult Social Care & Health	4.535	1.784	1.120	1.120	8.559
Legal and Corporate Services	4.105	4.600	1.649	2.185	12.539
Finance	0.334	0.187	-	-	0.521
Transformation	5.272	1.472	-	-	6.744
					-
Total Expenditure	88.861	63.751	29.762	19.436	201.810

Workbook last modified: Just now

					TOTAL
	2026/27	2027/28	2028/29	2029/30	
Funded By	£m	£m	£m	£m	£m
Borrowing	(30.860)	(22.038)	(12.572)	(11.436)	(76.906)
Leases	(0.150)	(0.087)	-	-	(0.237)
Capital Receipts	(8.797)	(24.239)	(11.939)	(7.000)	(51.975)
Flexible Use of Capital Receipts	(5.272)	(1.472)	-	-	(6.744)
Grants	(38.573)	(9.285)	(1.078)	(1.000)	(49.936)
Contributions	(5.209)	(6.630)	(4.173)	-	(16.012)
					-
Total FUNDING	(88.861)	(63.751)	(29.762)	(19.436)	(201.810)

Treasury Management – Borrowing & Prudential Indicators

- 2.77 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 latest Treasury Management Strategy 2026/27 approved by Council on 18 February 2026.
- 2.78 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.
- 2.79 Investment and borrowing decisions are taken to manage the short, medium and long-term cash needs of the Council and these are driven primarily by the following:
- the extent to which the Council finances its capital expenditure by borrowing which is measured by the Capital Financing Requirement (CFR)
 - the timing differences between operational income and expenditure flows
 - the level of cash backed reserves held, and
 - current short to long term interest rate forecasts.
- 2.80 The budget and forecast position on these prudential indicators at Quarter One for 2026/27 are summarised in Table 9 below.

Table 9 – Prudential Indicators – Quarter One 2026/27

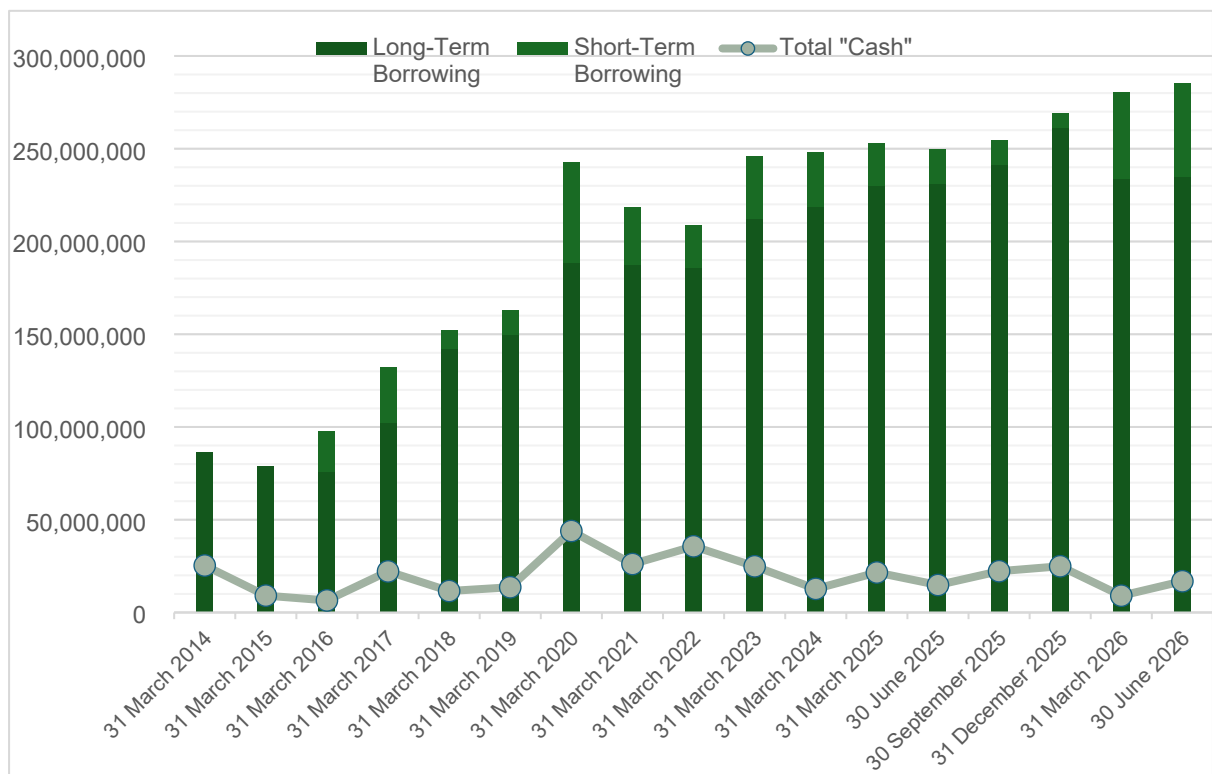
<u>Prudential Indicators - 2026-27 Quarter One</u>				
	<u>Budget</u> <u>(as per</u> <u>June</u> <u>approval)</u> <u>(£M)</u>	<u>Forecast</u> <u>at Quarter</u> <u>One</u> <u>(£M)</u>	<u>Variance</u> <u>(£M)</u>	<u>Variance</u> <u>as %</u> <u>of Budget</u> <u>(£M)</u>
Capital Expenditure	91.820	88.861	(2.959)	-3.22%
<u>Financing</u>				
External Sources	43.578	43.782	0.204	0.47%
Own resources	17.232	14.069	(3.163)	-18.36%
Debt	31.010	31.010	0.000	0.00%
	91.820	88.861	(2.959)	-3.22%
Capital Financing Requirement	333.755	333.533	(0.222)	-0.07%
External Debt	326.068	325.164	(0.904)	-0.28%
Investments	15.000	16.835	1.835	12.23%
Capital Financing	14.151	13.651	(0.500)	-3.53%
Cost as a % of Revenue Budget	7.05%	6.80%	-0.25%	

- 2.81 The Council's forecast Capital Expenditure outturn at Quarter One is £88.861m compared to an approved budget of £91.820m for 2026/27, a forecast decrease of £2.959m (3.2%) against the approved budget for 2026/27. The increase in capital expenditure is due to new schemes funded by grants and contributions of £3.105m, less rephasing of existing schemes into later years of £6.064m.
- 2.82 During the first quarter of 2026/27, external borrowing increased from £280.589m on 1 April 2026, to £285.164m on 30 June 2026. This increase of £4.575m reflects new borrowing during the quarter of £20.000m offset by the repayment of £10.000m of maturing debt (long-term borrowing of £5.000m and £5.000m of short-term borrowing). The remainder relates to the repayment of principal on annuity loans of £5.425m.
- 2.83 Long-term interest rates from the Public Works Loan Board have continued to increase due to the global economic uncertainty because of the Iran War. These are now around 5.40% – 5.70% in the 10–15-year period which has been the preferred option for external long-term borrowing in recent years. This is well above the target borrowing rate of 4.75% for the financial year. As a result, only short-term borrowing has been taken in the first quarter at rates of interest between 4% - 4.25% to finance the capital and revenue cash needs of the Council and to keep the financing cost within budget.
- 2.84 The ratio of long-term to short-term borrowing has increased slightly towards the short term – given that all new borrowing in this financial year has been in periods less than one year. The overall change is marginal in the context of the total debt portfolio. The Council's total under borrowed position (external debt compared to the capital-financing requirement – or underlying need to borrow for the financial year) is £48.369m on 30 June 2026, or 14.5%. Total additional borrowing of around £50m may be required over the remainder of the financial year to finance the forecast spend on the capital programme and to keep liquidity balances at a sustainable level. The over-riding objective continues to be to demonstrate value for money and affordability from any borrowing decisions.
- 2.85 The amount of external debt at £285.164m and the total underlying need to borrow of £333.533m, are both below the Council's authorised debt limit of £355.000m for the year which is the threshold above which any borrowing would be unlawful. The difference relates to the contingency buffer included within the authorised limit for any unexpected and unbudgeted borrowing required by the Council outside of the capital programme. The total annual cost of financing the capital investment plans is forecast at £13.651m, or 6.8% of the current net revenue budget. This is a £0.500m underspend against the approved budget, which relates to mainly to interest and principal savings from slippage on previous years capital schemes.
- 2.86 Cash balances have increased from £9.053m to £16.835m between the start of April 2026 and the end of June 2026. This increase during the first quarter reflects the fact that many income streams applicable to local authorities are front loaded with amounts of grant income being received early in the financial

year and before the appropriate expenditure has been incurred. It should though be noted that cash balances at this stage relative to previous financial years are lower than normal. This mainly is due to the impact of the accumulated special educational needs deficit where cash has been spent on service costs without any Government funding currently being received, leading to low cash balances overall for the Council.

- 2.87 The debt and cash levels held by the Council and how these have changed over time is showing in the graph below.

Figure 3 – Borrowing and cash held from 2013/14 to date



Collection Fund - Council Tax and Business Rates income

- 2.88 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 2026/27 income collection variances from the budgeted amount used in setting the Council Tax for 2026/27 do not immediately affect the General Fund position. By illustration, the impact of any estimated surplus or deficit variance on the Collection Fund for 2026/27 is fed into the development of the 2027/28 budget and MTFP and any cost/benefit does not impact the 2026/27 financial year.
- 2.89 An update on the Collection Fund position will be provided in the Quarter Two budget monitoring report.

Debt Recovery Performance

- 2.90 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
- 2.91 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 previously detailed in Appendix 11 of the Quarter Three 2024/25 report. Progress has been included in quarterly monitoring reports ever since with the position at the end of Quarter One (30 June 2026) shown in Table 10 below.

Table 10 – Debt Collection Performance 2026/27

Category of Collectable Debt	Balance at 01/04/2026 (£m)	Movement in-year (£m)	Balance at 30/06/2026 (£m)
Council Tax	42.589	(3.642)	38.947
Business Rates	7.201	(0.375)	6.826
Sundry Debt	7.342	(0.002)	7.340
Housing Benefits Overpayments	4.912	(0.270)	4.642
Total	62.044	(4.289)	57.755

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%).

- 2.92 A separate report will be presented to Executive later in 2026/27 for approval to write off a range of the above debts, detailing the debtor involved, date raised, amount involved, recovery action taken to date, and the reason why this debt cannot be collected.

Appendices

F1	Proposed revenue budget virements above £250,000 at Quarter One 2026/27
F2	Details of savings classified as unachievable at Quarter One 2026/27
F3	Forecast Reserves & Provisions 2026/27 as at Quarter One
F4	Dedicated Schools Grant (DSG)
F5	New Additions and Virements to Capital Programme at Quarter One 2026/27
F6	Details of capital slippage as at Quarter One 2026/27
F7	Revised Capital Programme Forecasts 2026/27 to 2029/30

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Proposed Virement Request	Regeneration & Housing	Environment, Communities & Culture	Public Health	Education & Partnerships	Children's Care	Adult Social Care & Health	Legal & Corporate Services	Chief Executive's Department	Finance	Central budgets
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Permanent										
Real Support Services recharges income targets moved from Finance Directorate to Central Budgets									1.843	(1.843)
Overheads charged to Grants income target moved from Finance Directorate to Central Budgets									0.984	(0.984)
Cross cutting savings target - Reducing Council Debt moved from Finance Directorate to Central Budgets									0.258	(0.258)
Insurance budget moved from Finance Directorate to Central Budgets (as held as a separate Fund)									(0.703)	0.703
Prevention Services - moved from Children's Care to Education and Partnerships				0.850	(0.850)					
Youth Provision moved from Education and Partnerships to Finance				(0.300)					0.300	
Holiday Activities Fund (Half Terms)			(0.250)						0.250	
Children's Families & Youth Grant - Families First (Prevention & Reform) transferred from Central Budgets to Children's Care - expenditure budget element					2.228					(2.228)
Children's Families & Youth Grant - Families First (Prevention & Reform) transferred from Central Budgets to Children's Care - income budget element					(2.228)					2.228
Total Virement	-	-	(0.250)	0.550	(0.850)	-	-	-	2.932	(2.382)
									Total:	-

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Appendix F2 Details of Savings Initiatives for delivery in 2026/27 by Directorate

		Total Savings for 2026/27	Budget Adjustments 2026/27	Forecast Savings to be Achieved 2026/27 as at Q1	Forecast Unachieved Savings 2026/27 as at Q1	Notes
Adult Social Care & Health						
Ref:	Budget Savings Proposal	£m	£m	£m	£m	
ASC12	Transformation of Adult Social Care Services	(0.750)		(0.750)	-	
ASC11	Re-provision use of Levick Court	(0.018)		(0.018)	-	
Total Adult Social Care & Health		(0.768)	-	(0.768)	-	
Children's Care						
Ref:	Budget Savings Proposal	£m	£m	£m	£m	
CC03	Improvement of Internal Residential Capacity through the purchase of suitable properties and refurbishment of existing Council properties into residential homes	(0.615)		-	(0.615)	Due to difficulties in staffing in residential care and limited assurance on quality of care, it proposed to delay increasing capacity in internal residential homes until the Ofsted improvement plan is embedded.
CC05	Other savings - Maximising Grants	(0.704)	(0.604)	-	(0.100)	Investment in a Bid Writer was limited and the expected additional income from grants is not expected to materialise.
CC08	Modernising foster care. This project aims to increase local authority foster carers to reduce the number of children in residential and other settings to reduce costs and better meet children's needs.	(1.886)	(1.518)	-	(0.368)	The establishment of the Regional Care Cooperative is underway and the initial phase is to harmonise fostering across the north east via a newly created Foster With North East. The savings will not be achievable at this time.
CC10	Introduce Edge of Care team. The team would support families who are experiencing difficulties, with the aim of keeping the family together. This will avoid children needing to be taken into care.	(1.200)	(0.800)	-	(0.400)	Number of children in care remains high. The team have been successful in cost avoidance however this has not translated to overall savings against base budget.
CS04	Reduction in agency costs	(0.380)	(0.380)	-	-	Service demand pressures and the inability to recruit to permanent posts is preventing the ability to achieve this target.
CS07	Introduce Supplier Incentive Scheme across Children's Care	(0.031)	(0.031)	-	-	Small savings were made against this target in the prior year however it is not expected to deliver further in 2026/27.
CC01	Review of all Children's Care staffing	(0.500)	(0.500)	-	-	As part of the wider Families First Programme and the outcome of the Ofsted ILACS report, the saving is not expected to be delivered in the way intended.
Total Children's Care		(5.316)	(3.833)	-	(1.483)	
Education & Partnerships						
Ref:	Budget Savings Proposal	£m	£m	£m	£m	
EDC02	Deliver passenger assistance training internally	(0.037)	-	(0.037)	-	These are assumed to be achieved as no forecast overspend at Q1 2026
EDC03	Increase transport capacity	(0.084)	-	(0.084)	-	These are assumed to be achieved as no forecast overspend at Q1 2026
EDC04	Management Review	(0.044)	-	(0.044)	-	These are assumed to be achieved as no forecast overspend at Q1 2026
EDC07	Travel Training	(0.102)	-	(0.102)	-	These are assumed to be achieved as no forecast overspend at Q1 2026
Total Education & Partnerships		(0.267)	-	(0.267)	-	
Environment, Communities & Culture						
Ref:	Budget Savings Proposal	£m	£m	£m	£m	
ECS06	Increase in education and enforcement around recycling	(0.020)		(0.020)	-	
ECS15	Grant funding. Funding from the Capital Transport Strategy Grant would be used to cover the costs of management.	0.060		0.060	-	Reversal of previous years one-off savings. Budgets now reinstated.
ECS17	One off - Use of Capital grant funding One off charging of eligible expenditure to capital on street lighting. There would be no change to levels of street lighting maintenance.	0.200		0.200	-	Reversal of previous years one-off savings. Budgets now reinstated.
ECS18	One off - Maximisation of grants Further use of external grant funding to cover appropriate staffing costs within community safety	0.200		0.200	-	Reversal of previous years one-off savings. Budgets now reinstated.
ECS05	Integrate Environment Services and Supporting Communities functions and create a Neighbourhood Management approach	(0.111)	-	(0.050)	(0.061)	Savings were expected in relation to service restructure however one post was not able to be removed due to contractual issues.
ECS13	ECC Management Review	(0.282)	-	-	(0.282)	The savings will not be achieved following new services being agreed as part of council plan priorities creating additional oversight and management responsibilities.
REG03	Review and implementation of alternative operating models for Captain Cook Birthplace Museum	(0.075)		(0.075)	-	Assumed that Middlesbrough Football Club Foundation support is still forthcoming
Total Environment, Communities & Culture		(0.028)	-	0.315	(0.343)	
Regeneration & Housing						
Ref:	Budget Savings Proposal	£m	£m	£m	£m	
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	(0.500)	-	(0.300)	(0.200)	A national crisis in temporary accommodation is impacting the ability of adults and children's directorate's ability to achieve remaining saving.
Total Regeneration & Housing		(0.500)	-	(0.300)	(0.200)	
Finance						
Ref:	Budget Savings Proposal	£m	£m	£m	£m	
FIN16	Accounts payable staffing change This relates to a saving due to a vacant post within the accounts payable finance team which was held temporarily vacant for 2025/26	0.015		0.015	-	This is the removal in 2026/27 of this saving which was for 2025/26 only
Total Finance		0.015	-	0.015	-	
Central Budgets						
Ref:	Budget Savings Proposal	£m	£m	£m	£m	
FIN13	Procurement Contract Management This relates to the merger of FIN07 24/25 Contractual Spend Review £0.619m and FIN12 25/26 Digitise Procurement Activity £0.200m. Note that a double count of saving FIN07 from 24/25 budget setting was removed as part of the 26/27 budget setting.	(0.819)	-	-	(0.819)	Despite best endeavours, it has now become apparent that the remainder of these savings cannot now be achieved in the manner originally intended. This is largely due to the majority of savings that have been identified to date being unable to be realised as actual revenue budget savings as they have largely been related to capital expenditure. Work will continue to seek savings where possible and mitigate the effect as much as possible, and these savings will be reviewed as part of the budget setting process for 2027/28.
Total Finance		(0.819)	-	-	(0.819)	
Corporate Vacancy Factor						
Ref:	Budget Savings Proposal	£m	£m	£m	£m	
CRC01-2526	Financial Management of Pay budgets This initiative standardises the budgeting for employee costs across all directorates to recognise underspends that occur naturally due to staff turnover. It also tightens budgetary control arrangements relating to the management of over and underspending to control expenditure within the overall approved budget.	(1.357)	-	(1.357)	-	The Corporate Vacancy Factor has been incorporated with Directorate Service Budget and is expected to be achieved overall.
Total Corporate Vacancy Factor		(1.357)	-	(1.357)	-	
TOTAL SAVINGS APPROVED IN PREVIOUS YEARS		(9.040)	(3.833)	(2.362)	(2.845)	

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Appendix F3 - Detail of Forecast Reserves and Provisions movements in 2026/27

	ACTUAL	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST	FORECAST
	Opening Balance 01/04/26	Proposed Use in Year	Additional Contributions	Transfers from / (to) General Fund	Transfers between Reserves	Balance at year- end (BEFORE ANY ADJUSTMENTS FOR OUTTURN VARIANCE)	Outturn variance transferred to Reserves (from) / to General Fund	Closing Balance at 31/03/27 (AFTER ADJUSTMENTS FOR CURRENTLY FORECAST OUTTURN VARIANCE)
	£m	£m	£m	£m	£m	£m	£m	£m
GENERAL FUND RESERVE	11.101					11.101		11.101
USABLE EARMARKED RESERVES								
<i>Restricted Use</i>								
Public Health	2.292			0.330		2.622		2.622
Insurance Fund	-		0.500	(0.500)		-		-
Better Care Fund	1.182					1.182		1.182
Marton Library S106	0.025					0.025		0.025
Housing Rental Sinking Fund	0.047					0.047		0.047
	3.547	-	0.500	(0.170)	-	3.877	-	3.877
<i>Unrestricted Use</i>								
Financial Resilience Reserve	9.999		3.553			13.552	(7.084)	6.468
Savings Delivery Risk Reserve	1.395					1.395	(1.395)	-
Middlesbrough Priorities Fund Reserve	0.141			(0.141)		-		-
Change Fund	2.766					2.766		2.766
Elections Costs	0.128			0.057		0.185		0.185
	14.429	-	3.553	(0.084)	-	17.898	(8.479)	9.419
	17.976	-	4.053	(0.254)	-	21.775	(8.479)	13.296
UNUSABLE EARMARKED RESERVES								
Revenue Grants Unapplied (Technical Reserve)	4.722					4.722		4.722
Dedicated Schools Grant Adjustment Account	(29.317)			(9.000)		(38.317)		(38.317)
	(24.594)	-	-	(9.000)	-	(33.594)	-	(33.594)
SCHOOL BALANCES	4.037					4.037		4.037
PROVISIONS								
Business Rates Appeals	1.857					1.857		1.857
Insurance	2.007					2.007		2.007
Other	0.167					0.167		0.167
	4.031	-	-	-	-	4.031	-	4.031
	12.550	-	4.053	(9.254)	-	7.349	(8.479)	(1.130)

NOTE

The year-end balances may be subject to further change due to further technical adjustments which may be required as part of the closure of the Council's accounts. These will be mainly relating to the closure of the Collection Fund accounts, DSG, school balances, and Insurance Fund. There may also be potential changes required as part of the external audit of the Council's accounts. The final year-end balances will be reported in the Council's Statement of Accounts for 2026/27, and will be updated as far as is possible as part of the quarterly budget monitoring reports throughout the financial year.

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Appendix F4

Dedicated Schools Grant (DSG)

The Dedicated Schools Grant (DSG) is a ring-fenced grant provided by Department for Education (DfE) to local authorities to fund education and is accounted for separately from the Council's General Fund. The DSG comprises four main funding blocks:

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

The High Needs Block supports provision for children and young people with Special Education Needs and Disabilities (SEND), including those requiring Education, Health and Care Plans (EHCPs), specialist placements and alternative provision.

Context and National Framework

Local authorities with DSG deficits are required to demonstrate active management of High Needs spending and long-term plans to restore sustainability.

The national framework has evolved significantly following announcements in February 2026 in the Provisional Local Government Finance Settlement. The Government introduced Local SEND Reform Plans as the primary mechanism for delivering system-wide improvement, alongside confirmation of a High Needs Stability Grant, which will cover up to 90% of DSG deficits accumulated at 31 March 2026, subject to plan approval. Future in year deficits may also be covered by High Needs Stability Grant if milestones in the SEND Reform Plan are achieved. The remaining deficit will continue to be reported as unusable reserve until 31 March 2028 when the balance will revert to be reported as usable council reserves. This has been accommodated in the current MTFP.

Working with local partners in health and parents of young people with SEND, the Council has developed a Local SEND Reform Plan, which sets out a comprehensive and evidence-based programme of system transformation to improve outcomes, reduce demand for high-cost provision and deliver a financially sustainable High Needs Block. The plan has been submitted to DfE with the aims of

- Increasing inclusion within mainstream settings
- Strengthening early intervention
- Improving joint commissioning with health partners
- Reducing reliance in high-cost placements
- Stabilising the High Needs Block over the medium term

The plan has been submitted to the Department for Education, and this is currently going through the Secretary of State approval process. It is expected that successful local authorities will be informed of the grant during September/October 2026.

Demand and Cost Pressures

The DSG position continues to be driven by increasing demand, complexity of need, and market pressure, consistent with the national position.

Key demand pressures include:

- Continued growth in EHCP's, increasing from 1,669 in 2022 to over 2,040 in 2025.
- Rising demand for specialist and alternative provision, including increasing numbers of pupils requiring high-cost placements
- Growth in permanent exclusions and alternative provision placements
- Increased complexity of need, resulting in higher cost packages and specialist interventions

The Local SEND Reform Plan identifies that these pressures are closely linked to inconsistent levels of inclusion across mainstream settings, leading to a higher reliance on statutory processes and specialist provision.

These demand pressures also have a wider financial impact, particularly on home to school transport costs, which are funded from the Councils core budget.

Ongoing work to Manage Pressures and Improve Services

A range of operational and strategic actions are being undertaken to manage the High Needs Block and support system improvements.

These actions form part of, and are being further developed through, the Council's Local SEND Reform Plan, ensuring alignment with national policy and long-term sustainability.

Key areas of focus include:

- Strengthening inclusion in mainstream education
- Review of EHCPs
- Improved commissioning and sufficiency planning
- Partnership working with Health
- Development of a revised resource allocation system
- Reduction in exclusion and improved reintegration
- Enhanced governance and financial oversight

These actions are embedded with key reform workstreams, including delivery of an Experts at Hand model, development of a co-produced Universal Offer, and expansion of local inclusion bases, all of which are designed to reduce pressure on high-cost specialist provision.

Financial Position and Outlook

The High Needs Block continues to experience significant financial pressures, resulting in an ongoing DSG deficit.

The Local SEND Reform Plan includes clear outcome measures, including reductions in out-of-area placements, stabilisation of EHCP demand and increased inclusion within mainstream settings, which will underpin improvements in financial sustainability over the medium term.

While national reforms provide a more structured financial framework, the position remains dependent on:

- Successful approval and delivery of the Local SEND Reform Plan
- The pace at which inclusion and early intervention reduce demand growth
- Continued Government support

Risk and Assurance

The DSG deficit remains a significant financial risk to the Council.

The Local SEND Reform Plan recognises that there remains a risk that, if the Plan is not approved or does not deliver the intended outcomes at pace, the Council may not secure access to the High Needs Stability Grant or achieve the anticipated financial improvements, which would increase pressure on the overall financial position.

The risk is actively managed through inclusion on the Strategic Risk Register, strong governance arrangements, alignment with the Medium-Term Financial Plan and delivery of the Local SEND Reform Plan.

Summary

The DSG reflects system-wide demand and structural pressures.

The Local SEND Reform Plan provides a clear delivery framework, including measurable outcomes and phased implementation, which supports both improved outcomes for children and young people and the transition towards a financially sustainable High Needs System.

While financial pressures will continue in the short term, the combination of national reform, local delivery and strengthened system leadership provides a foundation for long-term sustainability.

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Appendix F5 : Capital Programme Quarter One 2026/27 - new externally funded schemes / additional external funding to existing schemes, additions to Council funded schemes, and virements between schemes

Directorate	Scheme	Total Value 2026/27	Total Value Future Years	Reason	Change To Capital Programme	External Funding	Council Funding
		£m	£m		£m	£m	£m
New Externally Funded Schemes / Additional External Funding To Existing Schemes							
Environment, Communities & Culture	Playground Fund	0.270	-	Additional Government Funding	0.270	0.270	-
	Total Environment, Communities & Culture	0.270	0.000		0.270	0.270	-
Adult Social Care & Health	Chronically Sick & Disabled Persons Act - All schemes	0.186	-	Additional Government Funding	0.186	0.186	-
	Disabled Facilities Grant - All schemes	2.349	-	Additional Government Funding	2.349	2.349	-
	Smart Living Demonstration Home	0.300	-	Additional Government Funding	0.300	0.300	-
	Total Adult Social Care & Health	2.835	0.000		2.835	2.835	-
Education & Partnerships	Block Budget - Devolved Formula Capital (DFC) - All Schools	(0.013)	-	Allocation 2026-27 from the DfE	(0.013)	(0.013)	-
	S106 - Lowgill	(0.500)	-	S106 funding applied to sufficiency schemes	(0.500)	(0.500)	-
	Contingency Funding Reserve	(0.105)	-	Grant funding has been subsumed into Block Budgets	(0.105)	(0.105)	-
	Building Condition Improvements - Primary School	1.201	0.040	Allocation 2026-27 from the DfE	1.241	1.241	-
	Building Condition Improvements - Special Schools	(0.030)	(0.030)	Allocation 2026-27 from the DfE	(0.060)	(0.060)	-
	School led Capital schemes - all maintained schools	(0.568)	(0.025)	Allocation 2026-27 from the DfE	(0.593)	(0.593)	-
	SEN Small Capital Grant Schemes	0.030	-	Allocation 2026-27 from the DfE	0.030	0.030	-
	Total Education & Partnerships	0.015	(0.015)		(0.000)	(0.000)	0.000
	TOTAL ALL DIRECTORATES	3.120	(0.015)		3.105	3.105	-

Virements between Directorates Requiring Executive Approval

Directorate	Scheme	Total Value 2026/27	Total Value Future Years	Reason	Change To Capital Programme	External Funding	Council Funding
		£m	£m		£m	£m	£m
Environment, Communities & Culture	Replace or Repair Longlands Overbridge	-	(3.000)	A contribution from Department of Transport is expected to be confirmed supporting the Longlands Overbridge repairs planned for 2029/30, releasing Council capital funding that had previously been allocated to the scheme. It is proposed that £3.000 million of this funding be reallocated to support the redevelopment of the Civic Centre, alongside a minor reprofiling of expenditure. Redevelopment will commence with the clearance of the site, contributing to the wider regeneration of the town centre.	(3.000)	-	(3.000)
Regeneration & Housing	Civic Centre Site Redevelopment		3.000		3.000	-	3.000
	TOTAL ALL DIRECTORATES	-	-		-	-	-

Virements Within Directorates

Directorate	Scheme	Total Value 2026/27	Total Value Future Years	Reason	Change To Capital Programme	External Funding	Council Funding
		£m	£m		£m	£m	£m
Environment, Communities & Culture	Replace or Repair Longlands Overbridge	-	(1.047)	Subject to confirmation of a Department for Transport contribution towards the Longlands Overbridge repairs programme in 2029/30, Council capital funding currently earmarked for the scheme will be released. It is proposed that £1.047 million of this funding be redirected to support the refurbishment of the cremator at Teesside Crematorium.	(1.047)		(1.047)
Environment, Communities & Culture	Cremator Refurbishment Programme		1.047		1.047		1.047
Regeneration & Housing	Middlesbrough College Investment	(1.600)		Middlesbrough College has advised that Council funding is no longer required for the proposed extension, as alternative funding sources have been secured and as a result, the Council will no longer be able to generate the additional rental income previously anticipated. In line with the Place Strategy and Investment Prospectus, it is proposed that the released funding be repurposed to support the development of an overarching strategy aimed at driving the regeneration and improvement of the town.	(1.600)		(1.600)
Regeneration & Housing	Middlesbrough Investment Prospectus	1.600			1.600		1.600
Regeneration & Housing	Acquisition of Town Centre Properties (removed)		(1.000)	The acquisition of Whorlton Road Industrial Estate was completed at a lower cost than originally anticipated, resulting in a surplus within the capital programme. It is therefore proposed that the remaining funding be reallocated to improvements across the Council's commercial property portfolio to enhance the quality of the assets and attract additional tenants. In addition, the funding previously allocated to the Town Centre Property Acquisitions, Live Well Centre East relocation and de-risking of sites projects has been reprofiled and redirected to support investment in commercial property improvement schemes.	(1.000)		(1.000)
Regeneration & Housing	Acquisition of Whorlton Road Industrial Estate	(0.368)			(0.368)		(0.368)
Regeneration & Housing	Derisking Sites	-	(0.800)		(0.800)		(0.800)
Regeneration & Housing	Investment / Commercial Properties - Occupancy And Compliance	0.368	1.800		2.168		2.168
Regeneration & Housing	Resolution House	-	(0.276)	Unspent capital funding from the Resolution House project will be reallocated to the depot refurbishment scheme, where additional costs have been identified during the delivery of the programme.	(0.276)		(0.276)
Regeneration & Housing	Repair And Refurbishment Of The Council Depot Facility	-	0.276		0.276		0.276
Regeneration & Housing	Middlesbrough Investment Prospectus	0.030	0.679	The costs associated with de-risking sites to facilitate future capital receipts are now expected to be lower than originally anticipated. This has released surplus funding, which it is proposed will be reallocated to support priorities within the Place Strategy and Investment Prospectus.	0.709		0.709
Regeneration & Housing	Derisking Sites	(0.030)	(0.679)		(0.709)		(0.709)
Regeneration & Housing	Town Hall Roof	0.030	0.891	Remaining expenditure for municipal buildings refurbishment has been subsumed into Town Hall project.	0.921		0.921
Regeneration & Housing	Municipal Buildings Refurbishment	(0.030)	(0.891)		(0.921)		(0.921)
Adult Social Care & Health	Disabled Facilities Grant - All schemes	0.071		Home Loans Partnership has been subsumed into the Small Grants programme of the Disabled Facilities Gran.			
Adult Social Care & Health	Home Loans Partnership (removed)	(0.071)					
	TOTAL ALL DIRECTORATES	-	-		-	-	-

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Appendix F6: Capital Programme Quarter One 2026/27 – 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 as at Quarter One from the 2026/27 revised capital programme budget (as per the 2025/26 Outturn report to Executive on 10/6/26).

APPENDIX F6

Directorate	Scheme	2026/27 £m	2027/28 £m	2028/29 £m	2029/30 £m	Funding Source	Slippage Explanation
Regeneration & Housing	Pride in Place Impact Fund	(0.738)	0.738			Grant	Delays to the delivery of the Central Square improvement works have necessitated the rephasing of the associated capital expenditure.
Regeneration & Housing	Tackling Homelessness	(0.400)	0.400			Borrowing	As the homelessness project remains at an early stage of development, expenditure has been rephased into 2027/28.
Regeneration & Housing	Repairs To Broadcasting House	(1.497)	1.497			Borrowing	Progress on the project has been delayed as a result of technical challenges related to the relocation of the rooftop aerials.
Regeneration & Housing	Levelling Up Partnership	(0.900)	0.900			Grant	Following confirmation of the intended use of the Live Well East building, the project has been reprofiled and works are now expected to proceed in line with the revised programme.
Regeneration & Housing	Investment / Commercial Properties - Occupancy And Compliance	(0.300)	1.100	(0.800)		Borrowing	Progress on projects aimed at improving the lettability of buildings has been delayed due to the extended tendering process and the significant volume of external works, which are dependent on suitable weather conditions.
Regeneration & Housing	Civic Centre Site Redevelopment	0.200	(0.200)			Borrowing	Enabling works are now underway for the redevelopment project, and off-framework consultants have been commissioned to complete the necessary surveys.
Regeneration & Housing	Middlesbrough Theatre Improvements	0.400	0.491			Borrowing	Funding has been brought forward to enable preparatory works for the theatre extension to commence in 2026/27. These works will focus on improving accessibility for disabled users, expanding the bar area, and delivering a range of other enhancements to improve the venue's suitability and functionality for future events.
	Regeneration and Housing Total	(3.235)	4.926	(0.800)	-		
Environment, Communities & Culture	City Regional Sustainable Transport Scheme - Highways Maintenance	(0.500)	0.500			Grant	Larger carriageway repair schemes are likely to be delayed due to procurement-related issues, resulting in the rephasing of associated expenditure within the capital programme
Environment, Communities & Culture	City Regional Sustainable Transport Scheme - Incentive Funding	(0.100)	0.100			Grant	Larger carriageway repair schemes are likely to be delayed due to procurement-related issues, resulting in the rephasing of associated expenditure within the capital programme
Environment, Communities & Culture	Cremator Refurbishment Programme	0.837	(0.837)			Borrowing	The Cremator repairs are urgent and are programmed to take place in 2026/27.Due to the contract value falling below the works threshold, and the contract will be expedited via a direct award using the Council's Exemption route.
Environment, Communities & Culture	Bridges & Structures	(1.000)	1.000			Borrowing	Delays in finalising the contract specifications are likely to result in some major works being deferred
Environment, Communities & Culture	Members Small Schemes	(0.018)	0.018			Grant	Minor re-profiling
	Environment, Communities & Culture Total	(0.781)	0.781	-	-		
Education & Partnerships	Sufficiency Schemes - Primary	(0.250)	0.250			Grant	Grant funding has been reprofiled to part fund future years works
Education & Partnerships	Sufficiency Schemes - Secondary	(0.701)	0.500	0.201		Grant	Grant funding has been reprofiled to part fund future years works
	Education & Partnerships Total	(0.951)	0.750	0.201	-		
Adults Social Care & Health	Chronically Sick & Disabled Persons Act - Top-Ups	(0.084)	0.084			Grant	A number of committed schemes are scheduled to commence during the latter half of 26/27 however will not complete until 27/28
Adults Social Care & Health	Smart Living Demonstration Home	(0.650)	0.650			Grant	This project has slipped into 2027/28 due to the delays in accessing car parking at the identified site requiring further liaison with other stakeholders
	Adult Social Care & Health Total	(0.734)	0.734	-	-		
Legal and Corporate Services	ICT Essential Refresh & Licensing	1.121	(0.585)	(0.536)	-	Capital Receipts	The capital programme requires rephasing to align with licence renewal schedules and asset tagging activities
Legal and Corporate Services	ICT Transformational Capital Expenditure	(1.500)	1.500	-	-	Capital Receipts	Transformational activities are not expected to take place in accordance with the original timescales
	Legal and Corporate Services Total	(0.379)	0.915	(0.536)	-		
	TOTAL	(6.079)	8.105	(1.135)	-		

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Appendix F7 : Revised Capital Programme Forecasts 2026/27 to 2029/30

	2026/27	2027/28	2028/29	2029/30	TOTAL
	£m	£m	£m	£m	£m
Regeneration & Housing					
Town Centre related projects	0.010	-	-	-	0.010
Housing Growth	0.152	0.446	-	-	0.598
Newham Hall	4.893	6.836	-	-	11.729
BOHO X	0.211	-	-	-	0.211
Indigenous Growth Fund - Captain Cook Square	0.737	1.200	-	-	1.937
Pride in Place Impact Fund	0.738	0.738	-	-	1.475
Towns Fund	9.398	0.928	-	-	10.326
Towns Fund - East Middlesbrough Community Hub	1.961	-	-	-	1.961
Acquisition of Town Centre Properties	-	-	-	-	-
Acquisition of Whorlton Road Industrial Estate	2.247	-	-	-	2.247
Levelling Up Partnership	1.626	2.541	-	-	4.167
Capitalisation Of Major Schemes Salaries	0.530	0.530	0.530	0.530	2.120
Affordable Housing Via Section 106	-	3.855	2.361	-	6.216
Highways Infrastructure Development Section 106	-	2.474	1.752	-	4.226
Levelling Up Fund - South Middlesbrough Accessibility	1.293	-	-	-	1.293
Middlesbrough Investment Prospectus	1.600	0.179	0.250	0.250	2.279
Derisking Sites	0.232	0.250	0.250	0.250	0.982
Civic Centre Site Redevelopment	0.200	2.800	-	-	3.000
Tackling Homelessness	0.100	0.900	-	-	1.000
Property Services Building Investment	0.340	0.340	0.340	0.340	1.360
Property Asset Investment Programme	2.030	2.000	2.000	2.000	8.030
Town Hall Roof	0.128	6.942	5.000	5.000	17.070
Middlesbrough Theatre Improvements	0.400	1.000	-	-	1.400
Cleveland Centre	0.158	-	-	-	0.158
Cemetery Provision	2.367	-	-	-	2.367
Neptune Centre Roof Repairs And Wall Cladding	-	1.800	-	-	1.800
Asset Review - Accommodation Works	0.539	2.174	-	-	2.713
Neighbourhood Hubs Investment	2.944	2.000	-	-	4.944
Repair And Refurbishment Of The Council Depot Facility	0.500	1.676	4.100	-	6.276
Repairs To Broadcasting House	-	1.497	-	-	1.497
Investment / Commercial Properties - Occupancy And Compliance	0.568	3.100	0.500	-	4.168
Investment in Parks	0.007	-	-	-	0.007
Cultural Development Fund - Enhancements to Central Library & Partner Organisations	0.302	-	-	-	0.302
Dorman Museum Roof And Window Replacement	-	-	1.325	-	1.325
Regulatory ICT System (Public Protection)	0.415	-	-	-	0.415
Total Regeneration & Housing	36.626	46.206	18.408	8.370	109.609

Council Funding	External Funding
£m	£m
0.010	-
0.598	-
4.094	7.635
0.059	0.152
-	1.937
-	1.475
1.125	9.201
1.378	0.583
-	-
2.247	-
-	4.167
2.120	-
0.302	5.914
0.142	4.084
-	1.293
2.279	-
0.982	-
3.000	-
1.000	-
1.360	-
8.030	-
14.475	2.595
1.400	-
0.158	-
2.367	-
1.800	-
2.713	-
4.944	-
6.276	-
1.497	-
4.168	-
0.007	-
0.090	0.212
1.325	-
0.415	-
70.361	39.248

	2026/27	2027/28	2028/29	2029/30	TOTAL
	£m	£m	£m	£m	£m
Environment, Communities & Culture					
Purchase of New Vehicles	4.531	1.200	1.600	1.200	8.531
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	3.398	0.500	-	-	3.898
City Regional Sustainable Transport Scheme - Incentive Funding	1.807	0.100	-	-	1.907
Street Lighting-Maintenance	0.468	0.468	0.468	0.468	1.872
Urban Traffic Management Control 1	0.020	-	-	-	0.020
Flood Prevention	0.090	-	-	-	0.090
Section 106 Ormesby Beck	0.015	-	-	-	0.015
Bridges & Structures	2.893	4.650	4.798	-	12.341
Newport Bridge	0.540	-	-	-	0.540
CCTV	0.003	-	-	-	0.003
Towns Fund Initiatives	0.016	-	-	-	0.016
Highways Infrastructure	0.696	0.200	-	-	0.896
Urban Traffic Management Control 2	0.116	-	-	-	0.116
Traffic Signals Non Tees Valley Combined Authority	0.173	-	-	-	0.173
Traffic Signals Obsolescence Grant	0.466	-	-	-	0.466
Fusion	0.165	-	-	-	0.165
Food Waste Collection	0.905	-	-	-	0.905
Street Lighting Column Replacement	0.253	-	-	-	0.253
Levelling Up Partnership - Neighbourhood Safety	0.615	-	-	-	0.615
Section 106 Marton West Beck	0.094	-	-	-	0.094
Community Recovery Fund	0.003	-	-	-	0.003
Parks & Playzones	0.006	-	-	-	0.006
Members Small Schemes	0.256	0.078	0.060	0.060	0.454
Linthorpe Road Cycleway Removal	0.997	-	-	-	0.997
Carriageway Resurfacing Programme	0.662	-	-	-	0.662
Footways Repairs Programme	0.564	-	-	-	0.564
Section 106 Stewart Park	0.013	-	-	-	0.013
Simpler Recycling	0.786	-	-	-	0.786
Extension of Fleet Workshop	1.345	-	-	-	1.345
Replace or Repair Longlands Overbridge	0.100	0.300	0.450	5.103	5.953
Town Hall and Theatre Equipment Renewal	1.500	-	-	-	1.500
Replacement and Improvement to Equipment in Play Areas	0.500	0.200	0.200	0.200	1.100
Playground Fund	0.270	-	-	-	0.270
Cremator Refurbishment Programme	0.837	0.209	-	-	1.047
Total Environment, Communities & Culture	25.833	8.635	8.306	7.761	50.536

Council Funding	External Funding
£m	£m
8.531	-
0.400	-
0.220	-
2.300	-
-	3.898
-	1.907
1.872	-
-	0.020
-	0.090
-	0.015
12.341	-
0.540	-
0.003	-
-	0.016
0.896	-
-	0.116
-	0.173
-	0.466
-	0.165
-	0.905
0.253	-
-	0.615
-	0.094
-	0.003
-	0.006
0.454	-
-	0.997
0.662	-
0.564	-
-	0.013
0.786	-
1.345	-
5.953	-
1.500	-
1.100	-
-	0.270
1.047	-
40.767	9.769

	2026/27	2027/28	2028/29	2029/30	TOTAL
Public Health	£m	£m	£m	£m	£m
Swimming Pool Support Fund	0.001	-	-	-	0.001
Total Public Health	0.001	-	-	-	0.001

Council Funding	External Funding
£m	£m
-	0.001
-	0.001

	2026/27	2027/28	2028/29	2029/30	TOTAL
Education and Partnerships	£m	£m	£m	£m	£m
Family Hubs and Early Years	0.075	0.077	0.078	-	0.230
Block Budget - Combined	6.653	-	-	-	6.653
S106 - Lowgill	0.035	-	-	-	0.035
Building Condition Improvements - Primary School	1.305	0.040	-	-	1.345
Building Condition Improvements - Special Schools	0.300	-	-	-	0.300
School led Capital schemes - all maintained schools	0.109	-	-	-	0.109
Sufficiency Schemes - Primary	0.250	0.250	-	-	0.500
Sufficiency Schemes - Secondary	1.816	0.500	0.201	-	2.517
Sufficiency Schemes - SEND and Alternative Education	1.015	-	-	-	1.015
SEN Small Capital Grant Schemes	0.201	-	-	-	0.201
Capitalisation of Salary Costs	0.127	-	-	-	0.127
Total Education and Partnerships	11.886	0.867	0.279	-	13.032

Council Funding	External Funding
£m	£m
-	0.230
-	6.653
-	0.035
-	1.345
-	0.300
-	0.109
-	0.500
0.146	2.371
-	1.015
-	0.201
-	0.127
0.146	12.886

	2026/27	2027/28	2028/29	2029/30	TOTAL
Children's Social Care	£m	£m	£m	£m	£m
House Purchase and Adaptations (Permanence) Hilton Drive	0.269	-	-	-	0.269
Total Children's Social Care	0.269	-	-	-	0.269

Council Funding	External Funding
£m	£m
-	0.269
-	0.269

	2026/27	2027/28	2028/29	2029/30	TOTAL
Adult Social Care & Health	£m	£m	£m	£m	£m
Chronically Sick & Disabled Persons Act - All schemes	1.180	1.084	1.070	1.070	4.404
Disabled Facilities Grant - All schemes	3.289	-	-	-	3.289
Capitalisation of Staying Put Salaries	0.050	0.050	0.050	0.050	0.200
Smart Living Demonstration Home (Fakenham Avenue)	-	0.650	-	-	0.650
Small Schemes	0.016	-	-	-	0.016
Total Adult Social Care & Health	4.535	1.784	1.120	1.120	8.559

Council Funding	External Funding
£m	£m
4.218	0.186
-	3.289
0.200	-
0.350	0.300
0.016	-
4.784	3.775

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Council Funding	External Funding
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	2026/27	2027/28	2028/29	2029/30	TOTAL
Legal and Corporate Services	£m	£m	£m	£m	£m
ICT Essential Refresh & Licensing	2.568	1.600	1.649	2.185	8.002
ICT Transformational Capital Expenditure	1.500	3.000	-	-	4.500
HR Pay	0.037	-	-	-	0.037
Total Legal & Corporate Services	4.105	4.600	1.649	2.185	12.539

£m	£m
8.002	-
4.500	-
0.037	-
12.539	-

	2026/27	2027/28	2028/29	2029/30	TOTAL
Finance	£m	£m	£m	£m	£m
Former Partnership Investment (ICT Infrastructure Revenues & Benefits)	0.156	0.100	-	-	0.256
Business World Upgrade	0.028	-	-	-	0.028
Capitalisation of Property Finance Lease Arrangements	0.150	0.087	-	-	0.237
Total Finance	0.334	0.187	-	-	0.521

Council Funding	External Funding
£m	£m
0.256	-
0.028	-
0.237	-
0.521	-

	2026/27	2027/28	2028/29	2029/30	TOTAL
Transformation Programme	£m	£m	£m	£m	£m
Transformation / Subject Matter Expertise	3.487	0.172	-	-	3.659
Neighbourhood	0.940	0.644	-	-	1.584
Contingency	0.845	0.656	-	-	1.501
Total Transformation	5.272	1.472	-	-	6.744

Council Funding	External Funding
£m	£m
3.659	-
1.584	-
1.501	-
6.744	-

	2026/27	2027/28	2028/29	2029/30	TOTAL
ALL DIRECTORATES	£m	£m	£m	£m	£m
Total ALL DIRECTORATES	88.861	63.751	29.762	19.436	201.810

Council Funding	External Funding
£m	£m
135.862	65.948

	2026/27	2027/28	2028/29	2029/30	TOTAL
FUNDED BY:	£m	£m	£m	£m	£m
Borrowing	(30.860)	(22.038)	(12.572)	(11.436)	(76.906)
Leases	(0.150)	(0.087)	-	-	(0.237)
Capital Receipts	(8.797)	(24.239)	(11.939)	(7.000)	(51.975)
Flexible Use of Capital Receipts	(5.272)	(1.472)	-	-	(6.744)
Grants	(38.573)	(9.285)	(1.078)	(1.000)	(49.936)
Contributions	(5.209)	(6.630)	(4.173)	-	(16.012)
					-
Total FUNDING	(88.861)	(63.751)	(29.762)	(19.436)	(201.810)

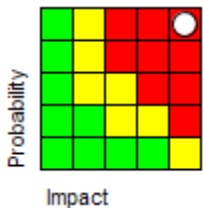
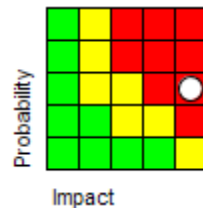
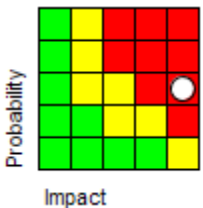
Council Funding	External Funding
£m	£m
(76.906)	-
(0.237)	-
(51.975)	-
(6.744)	-
-	(49.936)
-	(16.012)
(135.862)	(65.948)

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01 Strategic Risk Register

Generated on: 01 July 2026

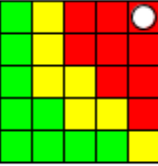
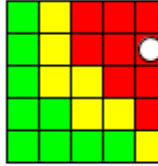
Code SR-01

Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
SR-01	Failure to Maintain a balanced budget and MTFP	Director of Finance		• Responsibility and Accountability for Financial Management reinforced by budget clinics. • Monthly budget monitoring, forecasting, and tracking of savings delivery by Directors with accountability to the CEX through LMT and development and delivery of financial recovery plans to control within approved budget • Monthly budget clinics chaired by Director of Finance for all Directorates (subject to review by Director of Finance) to enable development of insight, understanding and wider collaboration of colleagues in order to address significant financial risks. • Timely briefing of Mayor and Executive Members on significant financial challenges with agreement for action. • Quarterly member led budget clinics chaired by the Executive Member for Finance to engage Executive Members. • Monthly monitoring of income budgets, council tax and business rates collection rates and debt levels. • Update MTFP regularly ahead of Council Planning and annual budget setting process.	 21		 21

Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
				• Further development of budget management Power BI dashboard over Business World financial management system in order to improve accessibility of financial information for Directors, Heads of Service and Budget Manager. • Implementation and expansion of purchase to pay compliance dashboards for use by Directors, Heads of Service and Budget Managers to drive increase in compliant procurement in relation to retrospective ordering, on vs off contract spend and use of purchase cards. • Corporate and Strategic Capital boards to monitor capital expenditure and develop future capital plans.			

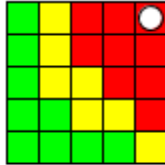
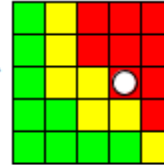
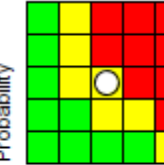
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Code SR-02

Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
SR-02	Volatility in the demand, complexity and cost of children's social care.	Director of Children's Care; Director of Children's Services		Children's input • Weekly activity data through Chat reports/ data • Weekly financial monitoring with Finance Business Partner • Placement review has taken place to manage costs associated with young people. • MOU surrounding agency costs as a region was implemented in April 2025. • Recruitment and retention strategy reviewed to increase permanent staff within the local authority.			

Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
				• Spending controls in place as per scheme of delegation. • Monthly Member and Officer meetings. • Director Children's Care reviewing placements to ensure VFM. • Future proofing for savings for Children's Services to ensure effective financial planning.			

Code SR-03

Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
SR-03	Volatility in the demand and cost of adult's social care	Director of Adult Social Care and Health	 Probability Impact	• Local Government settlement • Budget Management process • Contract management processes • Demand model in place • Monthly demand reported to DMT • Performance clinic held monthly with finance partners • Scheme of Delegation process in place • High cost review panel introduced meeting fortnightly	 Probability Impact	Develop a demand model, that monitors performance across activity demand and unit costing, to understand 'current state'.	 Probability Impact

Code SR-04

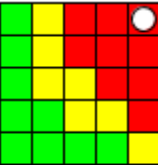
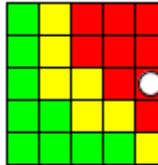
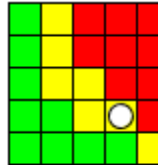
Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
SR-04	Unlawful decision by the Council	Monitoring Officer		• Council constitution and supporting policy framework • Corporate policies and procedures • Compliance checks across key areas 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 • Report development process • Regular review of the Council Constitution. • Corporate training provided for all officers. • Scheme of sub delegation implemented. • Governance lawyer in post to support the Councils lawful decision making.		deliver the Continuous Improvement Plan quarterly updates to Executive from October 2025.	
						Deliver the Annual Governance Statement for 2024/25	

Code SR-05

Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
SR-05	Serious accident or death occurred as a result of failure to comply with Health and safety legislation and regulations	Head of Chief Executive's Department		Comprehensive suite of Health and Safety policies and procedures. Mandatory and complimentary Health and safety training for all Council staff. Dedicated HSE Advisor team Incident investigation system (My Compliance) to learn from incidents.			

Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
				HSE intranet page with important HSE information Audit schedule Service area audit schedule HSE steering group Fire Management System implemented across Council premises.			

Code SR-08

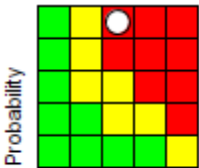
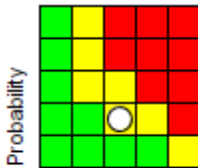
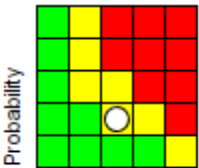
Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
Page 241 SR-08	Fail to ensure an approach to cyber security that meets good practice standards as set out by the National Cyber Security Centre and other bodies	Head of ICT and Digital	 Probability Impact	- Annual Information and Communications Technology (ICT) health checks are conducted, including both internal and external penetration testing. - Compliance is maintained with Public Services Network (PSN) and Payment Card Industry (PCI) standards. - Internal vulnerability scanning is performed whenever new systems are introduced. - Strong defensive systems are in place, including network firewalls, web content filtering, and endpoint protection solutions. - A rigorous sixty-day cycle is followed for applying software patches and performing system maintenance. - Security testing is completed and continuously repeated to ensure ongoing protection. - Recommendations from health checks are reviewed and implemented as appropriate. - The organisation is an active member of the North East Warning,	 Probability Impact	Commission an external ICT security GAP analysis	 Probability Impact
						Deliver the recommendations within the ICT Security GAP Analysis	

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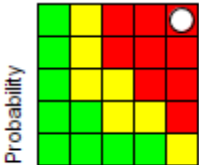
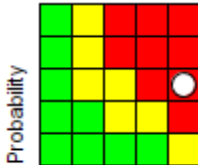
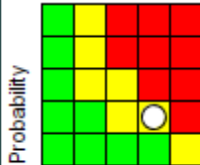
Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
				Advice and Reporting Point (WARP) and the Cyber Security Information Sharing Partnership (CiSP). • Protective Domain Name System (DNS) services are utilised to prevent access to malicious websites. • A robust data backup strategy is in place, including offline tape backups to support full recovery in the event of data loss. • A Cyber Incident Response (CIR) partner is contracted to provide expert support in the event of a security breach. • Infrastructure inspections are carried out every quarter to minimise the risk of disruption to service delivery. • Comprehensive overview to benchmark our current security position. • Purchase of Cloudflare to enhance the security of the local authority against Distributed Denial of Service (DDOS) attacks.			

Code SR-09

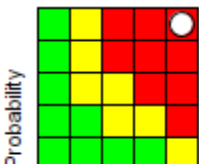
Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
SR-09	Corporate Governance arrangement not fit for purpose	Head of Chief Executive's Department		• External reports commissioned on Corporate governance and findings reflected within a Corporate Governance Improvement Plan which is embedded and being delivered.	6	Put in place a strategic Partnerships Strategy.	6
						Community Engagement strategy and approach to be developed	
						Ensure the Company is fully liquidated during 2025/26.	

Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
Page 243			 Probability Impact	- Detailed improvement plan in place that has delivered a range of changes to corporate governance processes - Annual Governance Statement process and supporting action plan. - Regular reports to Audit Committee on aspects of corporate governance to provide assurance within its remit. - Revised terms of reference for Audit Committee to align with CIPFA guidance on scope - Annual report for Audit Committee in place for the first time in 2025.	 Probability Impact	Review of the Internal Audit function	 Probability Impact
						Continue to implement a scheme of sub-delegations where appropriate to further improve governance around officer delegated decisions.	
						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.	
						Continually review the Community Engagement policy to ensure it aligns with the wider needs of the organisation that will emerge from the Transformation Programme.	
						A clear Asset Acquisition Policy reflecting these requirements is integrated into the Corporate Landlord Model framework that will be considered by Executive.	
						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.	

Code SR-12

Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
SR-12	Fail to deliver quality practice within children's safeguarding services		 Probability Impact	- Implemented Children's services improvement plan - Monthly performance monitoring boards in place - Review to be undertaken of Children's Care - Monthly audit activity and reports undertaken to consider the quality of practice. - Implementation of children's improvement board. - Commitment to SHiFT, to improve quality and management of practice. - Ongoing monitoring via OFSTED with a focused visit due the fiscal year. - OFSTED future inspections to continue. - Internal audit to review working practices.	 Probability Impact		 Probability Impact

Code SR-14

Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
SR-14	Failure to ensure effective governance of the Middlesbrough Development Corporation	Head of Growth and Assets	 Probability Impact	- Teesworks report and commitment from TVCA to reflect findings in the governance arrangements of the MDC - Council representatives on the MDC Board - Mayor - Monthly meetings arranged with the CEX MDC (Bev Bearne) with Director Regeneration. - Collaboration of Regenerations Director via LMT, TVCA and MDC	 Probability Impact		 Probability Impact

Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
				setting out Council's priorities and concerns. • Effective communication between key stakeholders. • Direct risks which could impact on the local authority will be escalated to LMT			

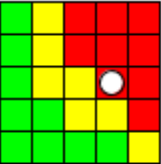
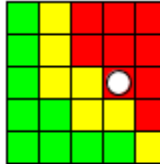
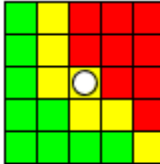
Code SR-15

Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
Page 245 SR-15	Threats to Social Cohesion and Democratic Resilience	Head of Neighbourhoods		Internal Controls (Current Mitigations in place): • Community tension monitoring undertaken. • Community engagement undertaken. • Neighbourhood safety liaison in place. • Prevent operational group risk plans in place • Liaison with policing partners to verify validity of possible demonstrations. • Initial credibility verification through visual audits using CCTV operations and open sources. • Gatekeeping protocols with marketing and communications for potentially controversial communications • Ongoing promotion of education around disinformation and building of media literacy by partners within the local authority and via social media • Monthly meetings held with senior leadership.		Repair relationships and engagement between local communities where they have broken down following serious conflict and flashpoint incidents. Deliver the Community Cohesion Strategy	

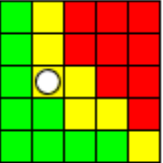
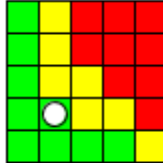
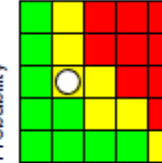
Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
				• Gold and Silver recovery group meetings with senior leadership teams across the organisation and partners. • Action plan developed by silver group to be reported to gold with escalations. • Community safety partnership reconstituted to provide greater strategic oversight. • MBC have secured £600k to be spent in response to community tensions as a further control. • BELONG employed to support delivery of the community cohesion strategy.			

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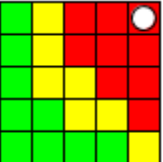
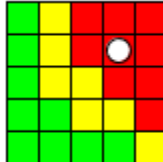
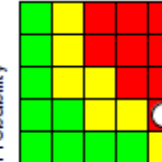
Code SR-16

Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
SR-16	Removal of the statutory override preventing the Designated School Grant (DSG) deficit from being met from general fund resources.	Interim Service Director, Education and Partnerships	 Probability Impact	• 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.	 Probability Impact	Lobbying Government to resolve the funding issue and provide a long term solution to the DSG deficit issue	 Probability Impact
						Ongoing monitoring of the HNF budget	
						Work with schools and settings to reduce the number of children and young people who are excluded.	
						Promote greater inclusion within mainstream settings.	
						Reduce the number of children and young people in out of area provision.	

Code SR-17

Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
SR-17	Funding for key external projects led by TVCA or MDC	Director of Regeneration and Housing; Chief Executive	 Impact	- Tees Valley Investment Strategy. - Monthly meeting with CEX of MDC to discuss project developments. - Collaboration of Regenerations Director via LMT, TVCA and MDC setting out Council's priorities and concerns. - Effective communication between key stakeholders. - Direct risks which could impact on the local authority will be escalated to LMT. - Mayor Middlesbrough Council is a board member of the TVCA and MDC with the CEX present as observer. - Scrutiny committee for the TVCA of which Middlesbrough Council have Councillor representation.	 Impact	Working with TVCA/MDC to develop a realistic delivery plan against essential projects.	 Impact

Code SR-18

Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
SR-18	Ineffective governance of the Tees Valley Combined Authority (TVCA)	Chief Executive	 Impact	• LGA improvement panel with independent oversight and planned publication of improvement panel reports to increase public scrutiny and transparency • Improvement plan (TVCA). • Best Value Inspection Notice issued April 26 resulting in increased government oversight. • Key officer relationships between Monitoring Officers and Directors of Finance	 Impact	Review the reports of the improvement panel as they are published to identify actions that Middlesbrough Council can take to support the TVCA to improve governance and relationships Regular provision of advice to Middlesbrough Council representatives who sit on various TVCA bodies to ensure they are able to deliver their roles	 Impact

Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
				- Interim appointments for the Director of Finance and Monitoring Officer roles - Reset discussions undertaken with the new Chief Executive		in full and with regard to good governance	

Code SR-19

Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
Page 248 SR-19	If we fail to Demonstrate Compliance with the Best Value Duty	Head of Chief Executive's Department		- Council Plan with priority outcomes and corporate performance reports linked to the Mayor's vision. - Constitution; Scheme of Delegation; financial regs; Contract Procedure Rules. - Audit Committee & Overview and Scrutiny functions and associated work programmes of reporting. - Directorate scorecards (varies by service); quarterly reporting cycle agreed and being implemented in 2026/7 - Directorate service plans being reintroduced in 2026/7 which demonstrate delivery of council plan, directorate priorities and obligations and wider contributions towards cross cutting strategies and the corporate governance policy framework - Data reporting tools 85*.4; Information Governance policies. - MTFS; savings tracking; procurement pipeline; contract management standards.		Ensure new CI policy is embedded and reviewed annually and inline with council plan refresh cycles	
						Creation of the continuous improvement team.	
						Embedding, identifying, and delivery of CI opportunities in the performance management cycle.	
						Implementation of directorate business plans	
						Implementation of scorecards to provide directors with oversight of key deliverables from their business plans	
						Implementation of integrated Performance and Finance Clinic Boards	
						Revised PPMF to support the revised PPM Policy	
						Implementation of the Performance Management Framework	

Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
				• Governance and Assurance Policy approved and being rolled out in 2026/7 • Continuous improvement plan in place with plans to integrate it into performance and governance frameworks to ensure the principle of continuous improvement is embedded within the organisation • Strategic and Directorate risk register; service and programme risk logs. • Internal Audit plan; management actions tracking; External Audit VfM work. • PMO artefacts (business cases, highlight reports, RAID); benefits registers (varied maturity). Staff Engagement Surveys where results are reported <i>and issues raised considered.</i> • <i>Integrated performance and financial management reporting agreed within the agreed Performance and Financial Management Policy and to be implemented from Q1 2026/7</i>		Agreement of the Governance and Assurance Policy	
						First annual report of delivery against the governance and assurance policy	

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