



Decisions taken by the Executive on Wednesday 14 February 2024

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

A3	Corporate Performance Review: Quarter Three 2023/2024	<p>ORDERED that Executive:</p> <ol style="list-style-type: none"> 1. Approves the proposed amendments to Executive actions at Quarter Three 2023/24 detailed in Appendix. 2. Notes progress of delivery of the Strategic Plan 2022-24 at Quarter Three 2023/24, detailed in Appendix 2. 3. Approves the proposed amendments to Strategic Plan workplan at Quarter Three 2023/24, detailed in Appendix 3.
A4	Best Value Notice Update	<p>AGREED that Executive note the revised 'Best Value Notice' that had been issued by government, following the expiration of the previous notice that was issued in January 2023.</p>
A5	Revenue and Capital Budget - Forecast Outturn position at Quarter Three 2023/24	<p>ORDERED</p> <ol style="list-style-type: none"> 1. In respect of the General Fund Revenue Budget that Executive approve the proposed revenue budget virements over £250,000 as detailed in Appendix 4. These were technical adjustments. 2. In respect of the Capital Programme and Treasury Management that Executive approve the inclusion of additions to the Capital Programme for 2023/24 totalling £0.297m (summarised in Table 9) which were externally funded or funded from

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		<p>within existing Council resources for the 2023/24 Capital Programme as approved by Council in February 2023. These had increased the 2023/24 Capital Programme budget to £67.631m from the £67.334m revised Capital Programme budget for 2023/24 approved at Quarter Two.</p> <p>AGREED</p> <p>In respect of the General Fund Revenue Budget that Executive:</p> <ol style="list-style-type: none"> 1. Note the forecast 2023/24 net revenue budget year-end outturn as at Quarter Three of £131.898m against an approved budget of £126.354m, a forecast year-end overspend of £5.544m (4.4%). This represented an improvement of £3.012m from that forecast at Quarter Two. 2. Note that the forecast year-end overspend of £5.544m related primarily to a combination of forecast demand and inflationary pressures as detailed in the table on page 39 of the agenda pack. 3. Note and endorse the management actions taken in consultation with Executive Members over the year to date to control expenditure within the approved budget and to develop more financially sustainable solutions for future years as set out in paragraphs 4.6 to 4.13 of the report. 4. Note that work would continue to try to mitigate further the forecast year-end overspend before the end of 2023/24 and the final position would be reported as part of the final 2023/24 outturn report to Executive in June 2024. <p>In respect of the Council’s Reserves and Provisions Executive:</p>

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		<p>1. Note that the s151 Officer had undertaken a review of the balance sheet which had resulted in the release of £0.757m from the Revenue Grants Received Unapplied account that has been transferred to the Change Fund and the balance had been re-stated as at 31 March 2023 from £0.730m to £1.487m.</p> <p>2. Note that the s151 Officer had determined that the 2023/24 Change Fund Reserve of £1.487m, should be available to fund expenditure on transformation and efficiency as part of an agreed financial recovery plan.</p> <p>3. Note that, as a result of the balance sheet review, the s151 officer was in discussion with the External Auditor in relation to the audit of the Council’s methodology to calculate the Collection Fund Bad Debt provision in 2021/22 financial statements. This was estimated to result in a favourable adjustment of approximately £8.3m affecting the 2022/23 and 2023/24 accounts and impact upon 2024/25 budget setting – this would be used to replenish the usable unrestricted revenue reserves and General Fund balance that would be used to fund the final 2023/24 overspend. This sum was not available to balance the 2024/25 budget.</p> <p>In relation to the Council’s financial recovery and resilience Executive:</p> <p>1. Note the Quarter Three forecast of usable revenue reserves of £9.036m available at 1 April 2024 based on the Quarter Three forecast outturn position of £5.544m, a reduction from the already critically low level of £15.586m at 31 March 2023. These would comprise of:</p>

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		<ul style="list-style-type: none"> • General Fund Reserve of £9.036m. • Council’s unrestricted usable earmarked reserves of £NIL (with the exception of a £0.055m Election Costs Reserve which whilst technically is unrestricted and usable had planned committed spend against it on election costs in future years). <p>2. Note that in order to set a legally balanced and robust budget whilst maintaining adequate revenue reserves for 2024/25, Executive on 17 January 2024 approved an application for Exceptional Financial Support (EFS) to the Department for Levelling Up Housing and Communities (DLUHC). The s151 Officer’s advice was that without securing External Financial Support via DLUHC, it would not be possible for it to:</p> <ul style="list-style-type: none"> • Balance the 2024/25 budget. • Secure financial recovery and sustainability over the medium term. <p>3. Note that the formal EFS application was made to DLUHC on 17 January 2024 and the result of the application was expected in the period from 26 February to 1 March 2024. Further details would be provided as part of the 2024/25 budget and Medium-Term Financial Plan (MTFP) report to Executive on 28 February 2024 and Council on 8 March 2024.</p> <p>4. Note that depending on the decision taken by DLUHC in relation to the EFS application, the risk of a s114 Notice under the provisions of the Local Government Finance Act 1988 remained. Further details would be provided as</p>

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		<p>part of the 2024/25 budget and Medium-Term Financial Plan (MTFP) report to Executive on 28 February 2024 and Council on 8 March 2024.</p> <p>5. Note that Statutory Officers remained in dialogue with DLUHC, the External Auditor and the Middlesbrough Independent Improvement Advisory Board (MIIAB) in relation to the development and delivery of the Council’s Financial Recovery and Resilience plans.</p> <p>In respect of the Capital Programme and Treasury Management Executive:</p> <p>1. Note that a full review of the Capital Programme had been undertaken since Quarter Two including a review of profiling and alignment of funding sources to optimise the use of grants and external funding and mitigate the revenue impact of debt financing upon the revenue budget position as far as possible.</p> <p>2. Note the 2023/24 Capital Programme forecast outturn of £47.129m at Quarter Three, which was a reduction of £20.502m (30%) from the revised £67.631m budget for 2023/24. The forecast outturn against the revised capital programme was a favourable variance comprising:</p> <ul style="list-style-type: none"> • An underspend of £1.611m. • Slippage of £18.891m into 2024/25. <p>3. Note the Treasury Management forecast outturn position with respect to the Council’s prudential indicators as set out in paragraphs 4.73 to 4.81 of the report.</p> <p>In respect of the Dedicated Schools Grant (DSG) Executive:</p>

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		<ol style="list-style-type: none"> 1. Note the current forecast in-year deficit of £6.644m for 2023/24 relating to the High Needs Block, which was an increase of £3.323m from the £3.321m reported at Quarter Two. The increase was mainly due to higher demand for specialist provision as inclusion of pupils within mainstream settings had remained a challenge. A range of management actions were being taken to address the increase in expenditure alongside the DBV (Delivering Best Value) programme (paragraph 4.54) 2. Note the forecast total cumulative deficit of £13.208m at 31 March 2024, including £13.665m relating to the High Needs Block, as set out in Table 7 and paragraphs 4.52 to 4.53 of the report. 3. Note that under existing government regulations this deficit cannot be funded from the General Fund, and the Council is required to deliver a recovery plan to the Department for Education (DfE). This position presents a long-term risk to the Council’s financial position which is dependent upon how central government ultimately resolve the spending pressures arising in High Needs, given the nationwide financial pressures being experienced by local authorities in this area. 4. Note that the Council was part of the DfE Delivering Better Value (DBV) scheme which aimed to support financial recovery of the DSG position.
A6	Levelling Up Partnership	<p>ORDERED that Executive:</p> <ol style="list-style-type: none"> 1. Approves the Levelling Up Partnership Programme as set out in appendix A; 2. Approves the acceptance of funding and Council status as accountable body for the funds – on the basis that the formal grant offer letter was in the form of an un-ringfenced S31 Capital grant and funding conditions being achievable; and, formally approved by the Director of Finance (S151); and, 3. Approves that the submission of any programme amendments / change control processes with DLUHC be delegated to the Director of Regeneration and Culture,

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		and Director of Finance (S151), subject to consultation with the relevant Executive members.
A7	Newham Hall - Disposal Option Update	<p>ORDERED that Executive:</p> <ol style="list-style-type: none"> 1. Approve the approach of Middlesbrough Council acting as the master developer for the Newham Hall site - being financially responsible for bringing the site forward for phased disposal and marketing without external intervention or support from Homes England; 2. Approve the use of the awarded Levelling Up Fund 2 and Towns Fund grants, Strategic Highways Section 106 Funding, other developer contributions and existing Council capital funding of £4.129m dedicated to Housing Growth or other projects already contained within the current capital programme to unlock and de-risk the Newham Hall housing site; 3. Approve Delegated Authority for the Director of Regeneration in respect of Public Open Space and Land Appropriation process and; 4. Approve Delegated Authority for the Director of Regeneration and Director of Finance for further amendments to the proposed disposal route.
A10	Newham Hall - Appendices A, 2 and 3	
A1		
A2		