

EXECUTIVE

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| Date: Wednesday 8th January, 2025 |
| Time: 5.00 pm |
| Venue: Mandela Room |

AGENDA

1. Apologies for Absence
2. Declarations of Interest
3. Minutes - Executive - 4 December 2024 3 - 16

EXECUTIVE MEMBER - NEIGHBOURHOODS

4. Community Recovery Fund 17 - 24

EXECUTIVE MEMBER - DEVELOPMENT

5. Publication Local Plan - Update 25 - 34
6. Any other urgent items which in the opinion of the Chair, may be considered.
7. Exclusion of Press and Public

To consider passing a Resolution Pursuant to Section 100A (4) Part 1 of the Local Government Act 1972 excluding the press and public from the meeting during consideration of the following items on the grounds that if present there would be disclosure to them of exempt information falling within paragraph 3 of Part 1 of Schedule 12A of the Act and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

8. **EXEMPT - Restoration of the Old Town Hall: Heritage Lottery Funding** 35 - 208

Charlotte Benjamin
Director of Legal and Governance Services

Town Hall
Middlesbrough
Monday 30 December 2024

MEMBERSHIP

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

Assistance in accessing information

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

EXECUTIVE

A meeting of the Executive was held on Wednesday 4 December 2024.

PRESENT: Mayor C Cooke (Chair) and Councillors T Furness, P Gavigan, L Henman, J Ryles, P Storey, J Thompson and N Walker

PRESENT BY INVITATION: Councillor I Blades

ALSO IN ATTENDANCE: Councillors D Coupe, I Morrish and J Platt and D Hodgson (Local Democracy Reporter)

OFFICERS: S Bonner, C Benjamin, M Brown, B Carr, A Davis, E Dorgan, G Field, S Gilmore, A Humble, D Middleton, J Savage and E Scollay

APOLOGIES FOR ABSENCE: None.

24/51 **DECLARATIONS OF INTEREST**

| Name of Member | Type of Interest | Nature of Interest |
|------------------|------------------|--|
| Cllr Luke Henman | Non-Pecuniary | Agenda Items No. 5 & 6 – Employed by Registered Social Landlord. |

24/52 **MINUTES - EXECUTIVE - 13 NOVEMBER 2024**

The minutes of the Executive meeting held on 13 November 2024 were submitted and approved as a correct record.

24/53 **CORPORATE PERFORMANCE: QUARTER TWO 2024/25**

The Mayor submitted a report for Executive’s consideration. The purpose of the report was to advise Executive of corporate performance at the end of Quarter Two 2024/2025, and where appropriate sought approval of any changes, where those were within the authority of the Executive.

The Council’s Scheme of Delegation gave the Executive collective responsibility for corporate strategic performance, together with associated action. The report provided the necessary information to enable Executive to discharge its performance management responsibilities, setting out progress against priority performance disciplines and other key associated items, together with actions to be taken to address any issued identified.

The projected financial outturn at Quarter Two 2024/2025 was presented separately at the meeting and was not repeated for this report. There were plans to integrate performance, risk, and financial reporting for future financial years.

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

The output from those sessions was reflected through quarterly updates to Executive and covered progress in delivering actions agreed by the Executive, key Directorate performance issues and other performance-related matters.

The Council’s overall performance at the end of Quarter Two 2024/25 maintained achievement in three of the five corporate performance disciplines as set out in the Council’s risk appetite, a similar picture to that reported at Quarter One 2024/25. Details of the performance output was detailed in the table at paragraph nine of the report.

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

ORDERED that Executive:

1. **Approve the proposed changes to the Executive actions, detailed at Appendix One of the report.**
2. **Agree the additional metrics to assess incremental impact of Council Plan outcomes, at Appendix Four of the report.**

AGREED that Executive:

1. **Note the progress and position of the corporate performance disciplines, including the Transformation Portfolio.**
2. **Note delivery status of the Council Plan 2024-27 supporting workplan at Quarter Two, detailed at Appendix Two of the report.**
3. **Note the Strategic Risk Register, at Appendix Three of the report.**

OPTIONS

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

REASONS

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

24/54

HOUSING SUPPLY

The Executive Member for Development submitted a report for Executive's consideration. The report sought Executive approval to implement a cohesive and co-ordinated approach to providing a housing supply model that addressed the needs of residents at risk. This included those at risk of homelessness, particularly families, single people with complex needs and young care leavers within Middlesbrough. This would also help to reduce the significant financial costs to the Council of providing temporary accommodation.

The ambition behind the introduction of The Homeless Reduction Act 2017 was "to shift the culture of homelessness services towards prevention and provide assistance to all eligible people in need of it, removing barriers for service users."

The Act introduced an enhanced prevention duty extending the period a household was threatened with homelessness from 28 days to 56 days. This meant housing authorities were required to work with people to prevent homelessness at an earlier stage. It also introduced a new duty to those already homeless so that housing authorities would support households for 56 days to relieve their homelessness by helping them to secure accommodation (called the relief duty).

From April to June 2018 through January to March 2024, the number of households owed a homeless duty in Middlesbrough rose from 135 to 493, which was a 365% increase. Across the North-East, over the same time frame, the number of households owed a homeless duty rose from 3550 to 5480, which was a 154% increase. Whilst both increases were high, Middlesbrough's rise in homelessness has been much more dramatic.

During the financial year 2023/2024, the Council spent £1.29m on temporary accommodation, which was the highest expenditure of any financial year to date. Without any housing market intervention, this would continue to be an annual cost pressure to the Council.

Additionally, there were 38 young people aged 17 who required accommodation at the point of leaving care at 18, which would potentially increase the cost pressure still further.

Authorities should, therefore, be expected to have more prevention cases than relief cases, as this would indicate a more upstream prevention approach was being embedded.

An assessment of Middlesbrough's prevention and relief statistics over the period April 2018 to December 2023 had highlighted that Middlesbrough had not yet effectively embedded an upstream prevention approach to homelessness (and beyond the 56-day prevention duty).

The benefits of a prevention approach were that it cost less in the long-term. A modest investment in prevention activity and resource could prevent the use of expensive temporary accommodation or cross subsidised supported accommodation. It could reduce the need for Children's Social Care intervention and costs associated with this.

The Executive Member for Children's Services welcomed the report and commented the initiative would also help Middlesbrough's young people.

The Chair of the Overview and Scrutiny Board advised Executive that the Place Scrutiny Panel was undertaking a review into empty properties and asked if the relevant Executive Member would be willing to attend a scrutiny meeting if necessary. Both the Mayor and Executive Member for Development welcomed the invitation and stated they would be prepared to attend a scrutiny meeting.

A Member queried where the housing would be located and its cost. The Mayor clarified the type of housing would be mixed, as would its location, depending on circumstances.

In term of funding, the Executive Member for Development clarified that grant funding, such as the Town's Fund, was being used for the initiative. The Council would continue to invest in the initiative if it was successful.

ORDERED that Executive:

- 1. Approve the business case set out in Appendix one of the report aimed at delivering the savings identified within the Council's Transformation Programme as REG07;**
- 2. Approve the use of approved capital resources from the Towns Fund (£4m) and Levelling Up Partnership (£2.141m), as set out in the Business Case included, as Appendix one of the report, to acquire and refurbish properties to increase the supply of housing in order to reduce expenditure on temporary accommodation.**
- 3. Delegate authority to the Director of Regeneration, following consultation with the Executive Member for Development, to utilise the three delivery proposals set out in paragraphs 4.11 to 4.13 of this report, within the approved funding envelope of £6.141m, to maximise potential cost reductions.**

OPTIONS

The following options had been explored and assessed as not delivering the same benefits as the recommended approach:

Do Nothing

The cost of accommodating people in private sector provision was forecast to increase further as demand outstripped supply. The local market was also geared towards the provision of accommodation only and was not aligned with the support packages required to maintain tenancies and deliver positive outcomes for people with complex needs or care leavers. As a result, the churn in placements would continue, the costs would continue to rise, and the stability required to reduce long term dependency would be missing.

Enter into a Partnership with an Existing Provider With Stock

The option to enter a partnership with an existing Registered Social Landlord would potentially allow some of the support services to be aligned with a property offer, but the economics of such a model did not work for the landlord without significant

additional revenue input from the Council. Commissioning those services from a provider, but utilising stock owned by the Council would significantly reduce the costs.

REASONS

The funding available through the Towns Fund and Levelling Up Partnership would be used to create a supply of suitable accommodation with support (where needed) to reduce the usage of expensive temporary accommodation, reducing costs and creating better long-term outcomes for families, single people with complex needs, and young people leaving care.

The use of capital funding to acquire and refurbish properties to increase the housing supply would complement the proposals of the Empty Properties Strategy – Domestic, which was also be presented at the meeting.

If the recommendations of this report were approved, it was estimated that the cost of providing housing would be reduced by £2.091m over a five-year period.

24/55

EMPTY PROPERTIES STRATEGY - DOMESTIC

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

According to data extracted from council tax records for 7 October 2024, 2,695 homes were empty in Middlesbrough. Empty homes were monitored and tracked through a corporate dashboard which provided a comprehensive overview of the Council's current position.

Council Tax charge details were provided in the table at paragraph 4.1 of the report.

Of the recorded empty homes in Middlesbrough, some were 'transactional vacancies' (for instance, properties empty following the death of the owner) and were necessary for the normal operation of the housing market and were therefore not the focus of the strategy.

The 514 homes that had been empty for two years or more were the cause of most concern as they were more likely to remain empty for longer without intervention and were also more likely to have a negative impact on both the social and physical regeneration of the area.

In addition to these empty homes, Middlesbrough had an as-yet unquantified number of problem properties, streets, and gardens in poor condition.

At present, the council tax database was the only verified method to evaluate and monitor the number of empty homes in Middlesbrough. This method did not provide a full and accurate view of the actual number of empty homes and did not include problematic occupied properties.

Between 2019-2024 the rented housing market had changed significantly. In the social rented sector, the turnover of properties had reduced from an average of 12% in 2019 to less than 5% in 2024. This directly impacted the availability of affordable properties to rent in the town.

Affordable options to move out of social rented, such as moving into private rented or securing a mortgage had become more limited and the strategy was intended to support reversing this trend.

Some high rise multi storey properties were in the process of being demolished following new Building Safety Regulations and this would reduce the number of reported empty properties.

Properties could become empty as they become unaffordable for residents in receipt of Housing Benefit/Universal Credit where rental inflation outstripped Housing Benefit. This left landlords, who provided low-cost housing, unable to find tenants who could afford to pay market rent. Consequentially, this had created an affordability gap for those on lower incomes being able to access or continue to live in the private rented sector. In short, the private rented sector had become unaffordable for many.

The Mayor and Executive Member for Finance thanked the Operations Manager for

Investigations and Enforcement as well as the Head of Resident and Business Support for their work on the report.

The Chair of the Overview and Scrutiny Board asked if the Council would consider Compulsory Purchase Orders as part of this process. The Mayor clarified that while that was a possibility the emphasis would be on working with the owners of empty properties.

The Mayor thanked officers for their work on the report.

ORDERED that Executive:

- 1. Approve the Empty Property Strategy – Domestic.**
- 2. Delegate any future minor revisions/modifications to the Director of Finance and the Director of Regeneration following consultation with the Executive Member for Finance and the Executive Member for Development. The purpose of which was to maintain effective service delivery and reflect revisions brought about by regulatory and/or statutory guidance changes.**

OPTIONS

The Council did have the option to not implement a strategy and do nothing. However, substantial areas of the town had high residential voids, low sale values and high population churn, creating potential market failure.

Doing nothing with empty and problem properties may have created further social consequences and implications for Council resources and service delivery. This would be unsustainable and could have resulted in the need for significant invention.

Clusters of empty homes could be problematic, putting pressure on Council and partner services.

REASONS

The Empty Property Strategy for Domestic properties impacted all wards and required Executive approval.

The strategy provided best practice guidance to support landlords and property owners to bring empty properties into use by working with the property owner or landlord where possible, providing advice, assistance, and guidance.

The Council would access certain powers, where appropriate, working with landlords and owners wherever possible to bring properties back into use.

There were many reasons why properties became empty and/or fell into disrepair, these could also be linked to specific circumstances, such as the death of the homeowner, lack of funds needed to bring properties back into use etc.

It was important to gain full understanding of each individual situation and ensure that information held by the Council on those properties was complete and accurate.

The strategy was intended to strengthen existing arrangements and with the introduction of measures linked to the cross-directorate, multi-agency action plan, would further enhance these arrangements. A joined-up corporate approach was necessary to ensure positive steps were taken to stabilise and then reduce the number of empty homes and problem properties across the town.

The approval of the proposed approach would aid with several financial benefits associated with empty homes and bring them back into use.

Tackling empty properties and problem properties would assist in meeting local housing needs, improve housing conditions, assist in reducing crime and anti-social behaviour and maximise both physical and social regeneration outcomes within the town. The strategy would complement the Housing Supply Report, which was also

submitted for consideration at the meeting.

In addition to the Empty Property Strategy – Domestic, the Commercial Empty Property Strategy was due to be considered by Executive in February 2025.

24/56

2024/25 QUARTER TWO REVENUE AND CAPITAL MONITORING AND FORECAST OUTTURN

The Executive Member for Finance submitted a report for Executive's consideration. The purpose of the report discharges the responsibilities of the Executive to manage and control the revenue budget, capital programme and overall balance sheet position of the Council.

The Council's Scheme of Delegation gave Executive collective responsibility for corporate strategic performance and financial management, monitoring and control.

Standing Orders and Financial Procedures required 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.

The report enabled the Executive to discharge its financial management responsibilities by setting out the Council's position at Quarter Two.

Financial Procedure Rule 18.38.3 of the Council's constitution required Executive approval of revenue and capital programme budget virements over £250,000. Section 25 of the Local Government Act 2003 requires the Chief Finance officer to report on the robustness of the budget estimates and the adequacy of the financial reserves to Council in agreeing its annual budget and precept for the forthcoming financial year.

The Chief Finance Officer was as defined in S151 of the Local Government Act 1972 and was fulfilled by the Director of Finance.

The Director of Finance (S151 Officer) issued her Section 25 Report to Council Members in presenting the 2024/25 Revenue Budget, Medium Term Financial Plan, and Council Tax setting report approved by Council on 8 March 2024.

The report set out the basis upon which the revenue budget was considered to be robust and the basis upon which reserves were considered adequate, being dependent upon the approval of Exceptional Financial Support (EFS) by the Ministry of Housing, Communities and Local Government (MHCLG) (formerly DLUHC) as summarised in the table at paragraph 4.5 of the report.

Only up to £8.2m of this would potentially be required in 2024/25, comprising of those elements relating to balancing the 2024/25 budget (£4.7m) and the contingency for non-delivery of budgeted 2024/25 savings risk (£3.5m).

The Council's financial position remained fragile and its ability to control expenditure within the approved 2024/25 budget, whilst developing further savings and income generating opportunities through the Recover, Reset, Deliver Transformation Portfolio to balance the MTFP, would be crucial to stabilising the Council's financial position and rebuilding its financial resilience. This required the delivery of all approved £13.9m of 2024/25 savings plans in full.

The Mayor thanked all relevant officers and Members for their input into the report.

ORDERED that Executive:

- 1. Approve the proposed revenue budget virements over £250,000 as detailed in Appendix three of the report.**
- 2. Approve the inclusion of additional expenditure budgets to the Capital Programme totalling £0.523m for 2024/25 which were externally funded and detailed in Appendix Eight of the report. Subject to approval, this would increase the approved 2024/25 Capital Programme budget to £106.711m.**
- 3. Approve the proposed virements over £250,000 between schemes in the 2024/25 Capital Programme approved by Council in March 2024 which were funded from within existing Council resources which was detailed in Appendix**

Eight of the report.**AGREED that Executive:**

1. Note the forecast 2024/25 revenue outturn as at Quarter Two of £144.572m against an approved budget of £143.190m. This was an overspend of £1.382m (0.97%) as summarised below and detailed in Table one in the report. This was an improvement of £2.360m from the £3.742m forecast year-end overspend reported at Quarter One.
2. Note the progress on savings delivery set out in Tables three and four and Appendix four of the report.
3. Note that the Council was dependent upon Exceptional Financial Support (EFS) in 2024/25 approved in principle by the Ministry of Housing, Communities & Local Government (MHCLG) of up to £13.4m of one-off borrowing, the costs which were factored into the MTFP. Of this sum £4.7m had been utilised to achieve a balanced budget in 2024/25. The forecast use of EFS had been reduced to up to £8.2m, detailed in paragraph 4.5 of the report.
4. Note that it was essential that all available measures were taken by management to control revenue expenditure within the approved budget, given that the Quarter Two forecast overspend, if realised, would potentially require further £1.382m of EFS borrowing to fund slippage in savings delivery. If the overspend increased in the remainder of 2024/25 this would require further use of EFS or reserves. Both EFS and reserves could only be used once, and the financial pressure would remain in 2025/26 to be addressed.
5. Note that based upon the Quarter Two forecast outturn, the forecast revenue balances at 31 March 2025 would be at £18.914m which was in line with that recommended in the approved Reserves Policy:
 - General Fund Reserve of £11.1m (minimum recommended)
 - Council's unrestricted usable earmarked reserves of £7.814m
6. Note the 2024/25 Capital Programme forecast year end outturn of £72.546m at Quarter Two was a reduction of £34.165m (32.02%) from the revised Quarter One budget of £106.711m comprising:
 - An underspend on projects of £8.720m
 - Slippage on projects of £25.445m into 2025/26 and 2026/27
7. Note the current forecast deficit of £5.935m for 2024/25 relating to the High Needs Block with the Dedicated Schools Grant which increased the forecast cumulative deficit to £20.228m at 31 March 2025. If the statutory override was removed by Government on 31 March 2026 without national funding solution in place for High Needs, then this presented a critical risk to the Council's financial viability, given that it would wipe out the Council's general fund reserves. The DSG recovery actions and risks to the Council's financial resilience were set out in paragraph 4.39 and Appendix six of the report.
8. Note The level of Middlesbrough's share of Collection Fund and General Fund Debtors at 30 September 2024 was as follows and detailed in paragraphs 4.56 to 4.58 and Table 11 of the report:
 - Council Tax £34.713m
 - Business Rates £6.592m
 - Sundry Debt £14.299m
 - Housing Benefit Overpayments £6.196m

OPTIONS

No other options were put forward as part of the report.

REAONS

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

The Executive Member for Finance submitted a report for Executive's consideration. The purpose of the report was to provide an important update to Executive on performance relating to the Council's borrowing, investments, and cash-flow for the 2024/25 financial year

to meet the requirements of the CIPFA Treasury Management Code of Practice and the Local Government Act 2003.

Members were advised the report should be read in conjunction with the Council's revenue and capital quarter two budget monitoring report for 2024/25 to understand the full financial position of the Council.

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

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

The Council was a net borrower overall. The borrowing required to fund its capital programme was significantly higher than its normal cash balances that were available for operational purposes and investments. As a result, the timing of capital financing decisions has a significant impact on the overall treasury strategy within the Council, the total cost involved and how risk was managed.

AGREED that Executive:

- 1. Note the mid-year Prudential Indicator results for 2024/25 as the Council's current position in relation to capital finance activities and overall indebtedness which was detailed in table one to five in the report.**
- 2. Note the performance of the treasury management function against the Council's approved strategy for the 2024/25 financial year to date detailed in paragraphs 4.33 to 4.38 in the report.**

OPTIONS

No other options were put forward as part of the report.

REASONS

The recommendations above would fulfil the following for the local authority:

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

24/58

CALCULATION OF COUNCIL TAX BASE FOR 2025/26

The Executive Member for Finance submitted a report for Executive's consideration. The report was part of the process to set the council tax base for the financial year 2025/26 by the statutory deadline of 31 January 2025.

The Council had a legal obligation to calculate a council tax base each financial year. The calculation of the council tax base was part of the Council's budget strategy which formed part of the Council's Policy Framework.

The starting point for the calculation of the 2025/26 tax base was the number of dwellings on the Valuation List for Middlesbrough Council on 15 September 2024 provided by the Government's Valuation Office Agency (line one of Appendix One in the report). The figures were then adjusted for exempt and demolished dwellings as at 7 October 2024, and for dwellings subject to disabled relief reduction.

The number of chargeable dwellings in each band was further adjusted for discounts,

premiums, and local council tax support.

The resultant figure, found in line two of Appendix One of the report, was the total equivalent number of dwellings which were then converted using ratios, in line three of appendix one, into the number of Band D equivalents (line four), specified in the 1992 Act. For 2025/26, the equivalent number of Band D properties was calculated at 37,145.4.

The council tax base was finally determined by multiplying the sum of the Band D equivalents by the Authority's estimated collection rate, which had been assumed at 98.3% for 2025/26. This was the estimate of the percentage of the 2025/26 Council Tax set which would be collected in total, and not the expected in-year collection rate in 2025/26. The rate used was re-considered each year and the rate of 98.3% used for 2025/26 was higher than that used for 2024/25 of 97.4% due to a review of the bad debt provision. The resulting council tax base for 2025/26 for the whole of Middlesbrough (Appendix One) was 36,513.9 rounded to one decimal place.

The growth in the council tax base was estimated to have reduced the need for budget reductions by approximately £743,000 in 2025/26 and on an ongoing basis, based on the 2024/25 Basic Council Tax.

ORDERED that Executive:

1. **Approve the council tax base for 2025/26 as 36,513.9.**
2. **Approve 2,447.3 and 1,504.8 as council tax bases for the parishes of Nunthorpe and Stainton & Thornton respectively for 2025/26.**
3. **Approve to notify the Police and Crime Commissioner, the Cleveland Fire Authority, and the Parish Councils of the 2025/26 council tax base.**

AGREED that Executive note the content of the report.

OPTIONS

No other options were put forward as part of the report.

REASONS

The recommendations were supported for the following reasons: -

- a) **The Local Government Finance Act 1992 required a billing authority to calculate its council tax base for each financial year.**
- b) **The method of calculation was specified in the Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012, which required the calculation to be approved before 31st January in the year proceeding the relevant financial year.**

24/59

2025/26 DRAFT BUDGET AND MEDIUM TERM FINANCIAL PLAN 2025/26 AND 2028/29

The Mayor and the Executive Member for Finance submitted a report for Executive's consideration. The report was a key stage in the budget development process for 2025/26 and the Medium-Term Financial Plan (MTFP) for the four-year period to 2028/29. It presented budget and council tax proposals that would achieve a legally balanced budget for 2025/26; a balanced position for 2026/27 with a remaining budget gap in 2027/28 and 2028/29.

Subject to endorsement by the Executive, the draft budget would progress to the consultation phase of the budget development process during the period 5 December 2024 to 8 January 2025.

Further work would be required to assess the Council's financial position more fully once the detail of significant Government Budget announcement was made in the Provisional Local Government Finance Settlement on 19 December 2024.

The delivery of a balanced budget and rebuilding reserves during 2024/25 was a critical stage in the Council's financial recovery and was necessary to establish the foundations required to achieve financial sustainability over the medium term.

In setting the 2024/25 budget, the Council provided for £20.764m of growth to meet demand pressures in key statutory service areas. After approving £13.910m of savings, it needed to rely upon one off Exceptional Financial Support of £4.7m in the form of a capitalisation direction in order set a legally balanced budget. However, unanticipated additional pressures primarily in Children's Social Care have resulted in a forecast overspend early in the financial year.

The Quarter Two position now forecasted an overspend of £1.382m which was an improvement of £2.360m compared to the Quarter One position. This was being driven, primarily, by savings slippage and increased number and complexity of children in external residential care resulting in a forecast overspend of £3.687m in Children's Social Care, offset by underspending in other directorates and central budgets. It was essential that transformation measures to improve social care practice and cost efficiency within the directorate are successfully delivered at pace to stabilise the Council's financial position.

Financial recovery plans continued to be developed and implemented in order to mitigate this further, with current plans totalling £0.498m, bringing the overspend down to £0.884m if delivered. Corporate contingencies that were held for unforeseen events outside the Council's control, would be reviewed and revised in light of financial performance at Period nine (end of December 2024) to update the forecast outturn and preparation for final budget setting. Indications were that it was possible for the Council to deliver its financial outturn within the approved 2024/25 budget by 31 March 2025, providing that no material adverse events occur during the second half of the year.

The MTFP was based on a number of assumptions that were subject to change prior to final budget setting by the Council in February 2025. The report reflected some of the announcements made in the Chancellors Budget of 30 October 2024. However, as referenced in Table 5 of the report, there were a number of high-level announcements which, whilst they appeared favourable, were not possible to factor into the Council's MTFP model at this stage of the process.

The full extent of the impact upon the Council's finances would only become clearer after the Provisional Finance Settlement for Local Government is analysed following the expected announcement, on or around 19 December 2024.

Any change in assumptions following the settlement would be reflected and updated in the MTFP for presentation to the Executive on 5 February 2025 and would inform the final budget proposals at Full Council on 19 February 2025. The revenue element of the MTFP was detailed in the report.

The Executive Member for Finance thanked the Director of Finance for her work with the Council and to all staff in the Finance department for their work on the report.

The Mayor outlined the locations for Budget Consultation sessions across the town and confirmed that, if the budget was agreed, the events function would see additional staff recruited.

AGREED that Executive:

- 1. Note the update on the key budget assumptions upon which the 2025/26 budget and MTFP to 2028/29 was calculated and were detailed in paragraphs 4.62 to 4.67 in the report.**
- 2. Note the proposed draft budgets for 2025/26 and 2026/27 were balanced, with a gap of £2.686m in 2027/28 and rising to £5.150m in 2028/29 and were detailed in paragraphs 4.124 and 4.125 in the report.**
- 3. Note that further work was required to fully assess the Council's financial position once the detail of the Provisional Local Government Finance Settlement was published.**
- 4. Note that Transformation Programme business cases must be robust, and adequately assured to enable their inclusion in the proposed 2025/26 budget and MTFP. Work was continuing to develop detailed business cases within the Recover, Reset, Deliver Transformation Programme in relation to the cross-cutting Programmes: Target Operating Model including Customer Services, Neighbourhoods, IT and Digital. These programmes would fundamentally**

modernise and redesign the Council's service delivery models to achieve improved outcomes for the community from a lower cost base. It was intended that these would be brought forward to the 5 February 2025 Executive for incorporation into the overall budget to be considered by Council on 19 February 2025.

AGREED that Executive:

1. Endorse total proposals for savings and income growth of £7.036m in 2025/26 rising to £8.686m in 2028/29, of which £0.249m were deemed to involve policy change and/or impact service delivery levels and would be subject to public consultation and were detailed in Appendices one and two in the report.
2. Endorse total budget growth for re-investment in services aligned to the Recover, Reset, Deliver plan of £2.361m in 2025/26 rising to £2.558m in 2028/29 detailed in Appendix three of the report.
3. Endorse the proposed total Council Tax increase of 4.99% for 2025/26 comprising:
 - 2.99% increase in general Council Tax and
 - 2% Adult Social Care Precept.
4. Endorse the proposed arrangements to make financial provision against the risk of delivering the 2025/26 budget and MTFP which would enable the Council to set a robust budget without an application for reliance upon Exceptional Financial Support (EFS) from Government as detailed in paragraph 4.65 of the report.
5. Endorse that, where applicable, budget consultation would commence, on 5 December 2024 conclude on 8 January 2025 prior to finalising the proposed budget by Executive on 5 February 2025 for consideration and approval by Council on 19 February 2025

OPTIONS

The Council was required by law to set a balance budget and the report set out the development process and timeline for achieving that objective. Therefore, no other options were put forward as part of the report.

REASONS

The Council had a legal obligation to set a balanced budget by 11 March 2025 and a Best Value duty to demonstrate financial sustainability through a balanced Medium Term Financial Plan (MTFP). The setting of the budget was part of the budget and policy framework and therefore required Full Council approval.

The recommendations in the report enabled the Council to progress towards meeting its statutory responsibility to set a robust and balanced revenue budget in 2025/26 and a balanced position in 2026/27 working towards financial sustainability over the period of the MTFP.

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.

24/60

HIGHWAY INFRASTRUCTURE DELIVERY PLAN

The Executive Member for Environment and Sustainability submitted a report for Executive's consideration the purpose of which was to update the Highway Infrastructure Delivery Plan which had been aligned with updated traffic modelling, transport policy and government strategy.

The Plan would support the wider economic growth of Middlesbrough and the pursuit of external funding to enable timely delivery.

Transport modelling had been undertaken on the Council's Highway to identify current and predicted demand associated with housing and economic growth up to the year 2040. The

model had identified locations that required improvements to off-set the impact of increased demand.

Vehicular infrastructure improvements alone would not be sufficient to off-set the anticipated growth. Alternate modes of travel needed to be considered and provided for as part of a modal shift toward more sustainable transport (walking, cycling and public transport). This would be crucial in terms of re-addressing the imbalance and dominance of the private car as a mode of travel, supporting the green agenda, and improving physical activity.

The plan would allow the Council to seek funding from external sources to deliver the improvements.

A Member queried why motorcycles were not specifically mentioned in the plan. It was agreed the plan be amended to make specific reference to motorcycles where appropriate.

A Member asked why motorcycles were not specified as part of the Plan. The Mayor suggested that the Plan be amended to make references to motorcycles, where appropriate.

ORDERED that:

- 1. The Highway Infrastructure Delivery Plan be amended to include references to motorcycles where appropriate.**
- 2. Executive approve the updated Highway Infrastructure Delivery Plan and endorses seeking funding to expedite the requirements.**

OPTIONS

Do nothing. If the Council did not approve and endorse the updated plan, this would have resulted in a significant challenge to delivering future infrastructure projects or seeking required funding, due to an approved strategy not being in place.

Not having an approved strategy in place could indicate that the Council had not considered mitigation measures to support new transport and housing schemes across the town. This would result in a disjointed approach between local, regional and national approaches to facilitate economic growth; presenting a weaker methodology for seeking funding from future external funding sources.

REASONS

The approval would reference the required infrastructure changes to ensure the Council's transport network was fit for purpose, while acknowledging the anticipated demand placed upon it due to ambitious economic and housing growth of the town.

This would support the wider economic growth of Middlesbrough and the Tees Valley, with the pursuit of external funding to enable successful delivery.

24/61

LINTHORPE ROAD PHASE ONE CYCLEWAY DESIGN

The Executive Member for Environment and Sustainability submitted a report for Executive's consideration.

Removal of the cycle lane was identified as a political priority for the Council. Tees Valley Combined Authority commissioned WSP Engineering Consultants to produce a design that fits political aspirations of returning the corridor back to a pre-cycle lane scheme.

Middlesbrough Council had reviewed the design and the commissioned Road Safety Audit.

ORDERED that:

- 1. Executive accept the proposed design submitted by Tees Valley Combined Authority (TVCA) for the Linthorpe Road Cycle Lane detailed at appendix one in the report.**
- 2. Executive will receive a further report following a final funded proposal from TVCA.**

OPTIONS

The report dealt only with the design of the replacement of the Linthorpe Road Cycle Lane. Consideration around the funding and wider implications of its removal would be brought to a subsequent Executive meeting when the final proposals were received from TVCA.

REASONS

Removal of the scheme had become a political priority to support the local businesses along the cycle corridor, through the increase in the number of parking spaces located directly outside businesses affected by the creation of the cycle lane.

24/62

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

None.

All decisions will come into force after five working days following the day the decision(s) was published unless the decision becomes subject to the call in procedures.

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| MIDDLESBROUGH COUNCIL |  |
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| Report of: | Director of Environment and Communities |
| Relevant Executive Member: | Executive Member for Neighbourhoods |
| Submitted to: | Executive |
| Date: | 8 January 2025 |
| Title: | Community Recovery Fund |
| 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: | Placed on Forward Work Programme – Non urgent decision. |

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| Executive summary | |
| <p>This report requests that Executive approves the recommendation on how £655,000 from the Community Recovery Fund (CRF) provided by the Ministry of Housing, Communities and Local Government (MHCLG) is spent.</p> <p>The funding would be used to support the recovery from the riots that took place in Middlesbrough on Sunday 4th August 2024.</p> <p>A breakdown of the areas of spend is included in the report at section 4.7. The funding will be spent in line with the Council's procurement arrangements and the conditions of the grant.</p> <p>The proposed recommendation will ensure that the grant is spent and the projects delivered within the prescribed timeline and it will enable the Council to work with key partners to support community recovery from the events on 4th August 2024.</p> | |

1. Purpose

- 1.1 To ask Executive to approve the spend of £655,000 grant funding provided by MHCLG to support the recovery of the recent riots that took place in Middlesbrough on Sunday 4th August 2024.

2. Recommendations

- 2.1 That the Executive approves the spend outlined in the report below, on the £655,000 grant funding provided by MHCLG to support the recovery of the riots that took place in Middlesbrough on Sunday 4th August 2024.

3. Rationale for the recommended decision(s)

- 3.1 The Council and its partners established a multi-agency recovery structure with gold and silver recovery groups being set up to work on a plan to support residents and find a way of returning to a state of normality.

- 3.2 The constituents of the gold recovery group include senior representatives from the following organisations: Middlesbrough Council, Thirteen Group, Cleveland Police, Office for the Police and Crime Commissioner, Teesside University, Tees Esk and Wear Valley Mental Health Trust, Middlesbrough Voluntary Development Agency, Probation Service and Cleveland Fire Brigade. This group set the key objectives for silver group along with the 3 key areas of focus for grant funding:

1. Engagement
2. Events within neighbourhoods
3. Youth Provision

- 3.3 It is imperative that the council and its partners work 'with' the community and not do things 'to' them. Therefore, Gold group asked Silver to develop key areas of work that fit into the three key areas of focus for the grant funding. This resulted in the subgroups being established as set out in 3.4 below. Gold then approved the recommendations put forward from silver group as set out in 4.7 in this report. A proportion of the funding will be distributed in the form of grants, direct to community groups to allow them to lead on activities.

- 3.4 The constituents of the silver group include representatives from the following organisations; Cleveland Police, Middlesbrough Council, Office for the Police and Crime Commissioner, BME Network, Thirteen Group, Fire Brigade, Teesside University, Local Resilience Forum, Mayors Office, Exec member for Community Safety and the following voluntary and community organisations; MVDA, Streets Ahead, Amal Project, Investing in People and Cultures, Localmotion, Hindu Cultural Centre, Mosques, Caritas and Ubuntu. This group have established the following multi agency subgroups that have had an input into the proposals for spending the £655k grant funding:

- Communications Group
- Young People and engagement
- Community Conversations
- Hate Crime and Community Tensions
- Community Engagement and Participation
- Victims and Perpetrators

3.5 The proposals set out in 4.7 are in line with the conditions of the grant. These grants support a range of projects that will help the town in respect of increasing its level of resilience and community cohesion.

4. Background and relevant information

4.1 On Sunday 4th August 2024, Middlesbrough was the focus of a protest originally linked online to an incident in Southport. Protests were planned to take place in a number of other areas across the country. Approximately 400 people attended the protest and marched through the centre of Middlesbrough. The protest led to a riot occurring within the town that lasted late into the evening.

4.2 The riot caused significant damage to property and caused a high level of fear and alarm amongst many citizens who live and work in the affected areas. Over £300,000 of damage was caused to Teesside University buildings alone, multiple streets in the centre of Middlesbrough were targeted with houses and vehicles being damaged. Cars were set on fire and businesses looted. Some residents were at home during the riots with children and families were terrified by the damage to their homes and property. Many residents, particularly those from ethnic minority communities, remain distressed by the violent disorder they witnessed and the fear they experienced at the time.

4.3 The day after the riots Middlesbrough showed its true nature and over 300 volunteers turned up at the entrance to Albert Park to help clean up and show support for those impacted. Many had been out earlier that morning and began the clean up work and begin the repair of those communities that at suffered from the effects of the riot.

4.4 Later that week misinformation spread of a repeat of the riots and businesses, educational establishments and health providers closed their doors and the town emptied in fear. Thankfully this did not transpire.

4.5 MHCLG originally allocated £600,000 to Middlesbrough Council via the CRF. MHCLG said the funding should be used as areas best saw fit, in partnership with local communities. More recently MHCLG has provided an additional £55,000 in revenue funding, bringing the total grant to £655,000.

4.6 In guidance, MHCLG acknowledged that work was required to repair “fractured communities”. Examples of how the money could be spent included:

- To reduce the risk of further disorder in the future
- To rebuild social trust and promote cohesion between communities.

MHCLG also said that the funding could be used to empower communities to address the deeper roots of the unrest.

4.7 The CRF is allocative and is 85% revenue, and 15% Capital, to be spent before the end of financial year 2024-25.

4.8 The table below outlines the breakdown of funding.

| Activity | Grant |
|---|--------|
| | £ |
| <p>Develop a Community Forum bringing together all community representatives in Middlesbrough – self-sustaining Community Action Group - The group will consist of all key community representatives</p> <p>Allocated to Council Community Development Officers and managed via Council budget: to be spend by 31st March 2025</p> <p>Clear guidelines on what it will be allocated for i.e. room hire, food, tea, coffee, coms etc. Launch event. Funding to be directed under the direction of the engagement and participation group.</p> | 10,000 |
| <p>Voluntary and community sector opportunity to map existing assets - Establish current community offer throughout Middlesbrough, identify unmet needs and gaps in delivery. Working with the Neighbourhood Team.</p> <ul style="list-style-type: none"> • There needs to be some mapping of what is already being done by partners • Community Asset Mapping (LA GIS) • Participation/engagement • Person to map out <p>This will be allocated via grants to be spend by 31st March 2025. Delivery will be between February 2025 and March 2026 in line with conditions of the grant</p> | 30,000 |
| <p>Deliver joint engagement activities and events throughout Middlesbrough via the Neighbourhood model – Voluntary and community sector to be involved in delivering activities in the community.</p> <p>This will be allocated via grants to be committed by 31st March 2025. Delivery will be between February 2025 and March 2026 in line with conditions of the grant</p> | 75,000 |
| <p>Communications – Develop a process for statutory services to use 'trusted voices' within the VCS community to deliver regular clear joint messages to the wider community, promoting cohesion and working together narratives.</p> <p>Allocated to Head of Coms and spend by 31st March 2025</p> <p>Clear guidelines on what it will be allocated for i.e. promotion, publicity, feedback, engagement.</p> <p>Funding to be directed under the direction of the communications group.</p> | 20,000 |

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| <p>Youth related assertive outreach and centre based activities throughout Middlesbrough. Identify key areas of concern, and individuals, engage young people in the community, develop relationships and signpost young people to existing and new youth related activities. Work 121 with those most disengaged young people and existing initiatives to maximise resources.</p> <p>The £205,000 will be split £48,750 to each of existing providers. (3 via extension to existing contracts and one by exemption) £10,000 for small grants (all will be spent by 31st March 2025. £55,000 Community Cohesion and Resilience Programme Grant will partially fund this initiative. In line with the grant conditions, this resource must be fully spent by 31 March 2025, whilst the Community Recovery Fund can be carried over.</p> | <p>CRF 150,000 CCRP 55,000</p> |
| <p>Council to employ Community Development focussed posts to work across all services and projects supporting LA/Police/VCS services ensuring a fully joined up approach is embedded, and identify and develop sustainability community opportunities.</p> <p>2 x Community Development Officers to work across the town linking in with the sub groups. Officers also to spend some time with MVDA. This funding will be committed by 31st March 2025 and the post will be on a fixed term contract for 12 months. Delivery will be between February 2025 and March 2026 in line with conditions of the grant</p> | <p>80,000</p> |
| <p>Support for grassroot community groups, identify informal groups provide support and resources to develop, advertise and become constituted. Develop Social Action projects - Fund for community members to develop projects to solve problems and improve their local community.</p> <p>This will be allocated via the small grants process and committed by 31st March 2025. Delivery will be between February 2025 and March 2026 in line with conditions of the grant</p> | <p>30,000</p> |
| <p>Fund experienced specialist facilitators in Hate rhetoric to develop and deliver Community Conversations throughout Middlesbrough, linked to riots and Community Cohesion</p> <p>Contract – in line with the council’s procurement arrangements Delivery will be February 2025 – March 2025.</p> | <p>20,000</p> |
| <p>Building resilience in vulnerable communities and members to develop confidence and improve engagement in wider community activities.</p> <p>This will be allocated via grants to be committed by 31st March 2025. Delivery will be between February 2025 and March 2026 in line with conditions of the grant</p> | <p>50,000</p> |
| <p>Educational resources</p> <p>Contract – in line with the council’s procurement arrangements</p> <p>#wearemiddlesbrough</p> | <p>45,000</p> |
| <p>TOTAL REVENUE GRANT</p> | <p>565,000</p> |
| <p>Invest in environmental equipment to improve aesthetics, related to broken window theory.</p> | <p>40,000</p> |

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| This will be linked to the levelling up capital funding to maximise impact and contracts will be aligned where appropriate via the council’s procurement arrangements. Delivery will be between February 2025 and March 2026 in line with conditions of the grant. | |
| Target Hardening reconnaissance and works to the physical environment, design out crime, increase lighting, open up areas. This will be linked to the levelling up capital funding to maximise impact and contracts will be aligned where appropriate via the council’s procurement arrangements. Delivery will be between February 2025 and March 2026 in line with conditions of the grant | 50,000 |
| | |
| TOTAL CAPITAL GRANT | 90,000 |
| TOTAL REVENUE & CAPITAL GRANT | 655,000 |

4.9 As referenced in 4.3, in the immediate aftermath of the disorder in August, people united and showed that the shameful scenes didn’t represent ‘the real Middlesbrough’.

People from all backgrounds came together to support the clean-up effort and express their dismay at what had happened.



Insight from ethnic minority communities however tells us that emotions are still raw. People’s confidence was knocked and families who have lived here for generations have questioned their identity and whether they belong here.

Part of the communications approach as part of the CRF programme will be to use the *We are Middlesbrough* brand in a more consistent manner. The campaign was established in

2021 to change perceptions and celebrate everything positive about the town. Stories about our people and diverse communities have been central to the brand.

The funding will allow us to support and have a stronger connection with a wider range of organisations that bring together people of all backgrounds. Providing a more regular storytelling using an established brand can help us influence people and promote a wider sense of belonging.

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

5.1 The alternative is to not accept the grant funding, however this is not recommended as the impact is still evident and the grant funding will help key partners to respond to the riots and support the recovery.

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

| Topic | Impact |
|---|---|
| Financial (including procurement and Social Value) | £600,000 Community Recovery Fund has been received. £90,000 of this being capital and £510,000 revenue. The conditions do not stipulate a timescale for expenditure but MHCLG have provided confirmation by email that the funding can be carried over providing the expenditure has been committed. They have also stated that this grant will be subject to audit on completion. In addition, £55,000 revenue funding has been received from the Community Cohesion Resilience Programme. The conditions do state clearly that the expenditure must be incurred and has left the Council's bank account by 31 March 2025 |
| Legal | Legal serviced have been consulted in the development of this report. |
| Risk | The funding must be spent by the end of 2024/25. Plans have been developed to ensure this is met and the risk is mitigated. |
| Human Rights, Public Sector Equality Duty and Community Cohesion | This project will work with all sections of Middlesbrough including the victims, perpetrators and the wider community. |
| Climate Change / Environmental | The Council's policies will be taken into consideration in the development of the project |
| Children and Young People Cared for by the Authority and Care Leavers | This project will include a substantial element of youth related activity and the project will engage with children services department in the development of the project. |
| Data Protection | No personal data will be shared or obtained during this project. |

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

| Action | Responsible Officer | Deadline |
|---|-------------------------------|---------------|
| Delivery plan to be finalised relating to the | Neighbourhood Manager (South) | December 2024 |

| | | |
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| areas of spend with key timescales for start and ending | | |
| Procurement and commissioning team involved in the delivery of the project | Market Management Officer | March 2025 |

Appendices

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| 1 | |
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Background papers

| Body | Report title | Date |
|------|--------------|------|
| | | |

Contact: Marion Walker, Head of Neighbourhoods
Email: marion_walker@middlesbrough.gov.uk

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| MIDDLESBROUGH COUNCIL |  |
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| Report of: | Director of Regeneration |
| Relevant Executive Member: | Executive Member for Development |
| Submitted to: | Executive |
| Date: | 8 January 2025 |
| Title: | Publication Local Plan - Update |
| Report for: | Information |
| Status: | Public |
| Council Plan priority: | A successful and ambitious town |
| Key decision: | No |
| Why: | Not applicable |
| Subject to call in?: | Not applicable |
| Why: | Information Only |

Executive summary

This report provides an update on progress for preparing the Publication Local Plan, which will set out the Council's emerging planning policy framework that will guide development and decisions on planning applications during the period 2022 – 2041.

A new National Planning Policy Framework (NPPF) was published by the Government on 12th December 2024. In order to progress the Publication Local Plan, it is necessary to review both the emerging Plan and the evidence base to ensure it complies with the transitional arrangements set out in the NPPF. This must be done urgently to ensure the Publication Local Plan is agreed and published no later than 12th March 2025. It will also be necessary to update the Local Development Scheme to set out a new timetable for preparing the Local Plan.

The implications of the recommendations have been considered by the appropriate officers of the Council and are set out in the main body of the report.

1. Purpose

- 1.1 To update Executive on the new National Planning Policy Framework and the impact it has on the preparation of the Publication Local Plan.

2. Recommendations

- 2.1 That the Executive:

- Notes the issues arising from the new National Planning Policy Framework, and endorses the revised approach to preparing the Publication Local Plan as set out in this report.
- Notes that a new timetable for preparing the Local Plan will be set out in a revised Local Development Scheme.
- Notes the update regarding Teessaurus Park.

3. Rationale for the recommended decision(s)

- 3.1 It is a statutory requirement to prepare a Local Plan that identifies land for development and can be used as a basis for determining planning applications. The Local Plan is critical for delivering some of the Council's key strategic objectives, in particular population retention, increasing the housing supply and supporting economic growth. The development it will help secure will make a positive contribution to the financial sustainability of the Council.
- 3.2 Following earlier stages of plan preparation, including two separate periods of public consultation, the Local Plan is now being finalised for 'Publication' stage. This is a statutory stage, the purpose of which is to make the Local Plan available for inspection and invite formal representations upon it. It will provide the opportunity for interested parties and stakeholders to make formal representations, which must relate only to matters of soundness or legal compliance.
- 3.3 The Government published its revised National Planning Policy Framework (NPPF) on 12th December 2024. This sets out new planning policies that need to be taken into consideration when preparing Local Plans and making decisions on planning applications. Critically, it places new requirements on Council's regarding the level of housing they need to plan for in their areas.
- 3.4 In order to avoid returning to an earlier stage in the plan making process and accommodate the new national planning policies, it will be necessary to reach 'Publication' stage no later than 12th March 2025. This will allow the Plan to progress under transitional arrangements and be examined under the previous NPPF.

4. Background and relevant information

- 4.1 In January 2024, the Executive approved the Draft Local Plan. This was a non-statutory stage that enabled community engagement on the plan between 1st February and 15th March 2024. The Draft Local Plan was made available online and in various Council buildings and libraries, and there was a series of 17 drop in events held across Middlesbrough.
- 4.2 During the consultation, over 2,000 responses were received on the Draft Local Plan, along with 4 petition-style responses, all of which are being considered in preparing the Publication Local Plan. In order to address some of the issues raised and ensure a robust evidence base, further work has been completed in house or commissioned, including:
- Transport Assessment
 - Strategic Flood Risk Assessment
 - Viability Assessment
 - Gypsy & Traveller Site Assessment
 - Habitats Regulation Assessment
 - Heritage Impact Assessment
 - Infrastructure Delivery Plan
- 4.3 The Local Development Scheme, which sets out the timetable for preparing the Local Plan, indicated that the Publication Local Plan would be prepared for January 2024 and that is what the Council had been working towards.

Changes to the National Planning Policy Framework (NPPF), the Planning Policy for Gypsy and Traveller Sites and the Planning Practice Guidance

- 4.4 Following a consultation during summer 2024, the Government published the updated NPPF on 12th December 2024. The Council had been preparing the Publication Local Plan under the assumption that the NPPF would be published as per the draft version.
- 4.5 However, a number of significant changes have been made in finalising the NPPF which impact upon the ability to bring the Publication Local Plan forward under transitional arrangements. These key changes are:
- The transitional period for bringing forward the Local Plan has been extended to 3 months, meaning Publication needs to be reached no later than 12th March 2025;
 - The Local Housing Need (LHN) figure for Middlesbrough has been revised downwards from 589 to 522 dwellings per annum; and

- To enable the Local Plan to be taken forward under transitional arrangements it will be necessary for the Local Plan to identify a Housing Requirement of a minimum of 80% of the LHN.

- 4.6 To enable the Local Plan to progress under the transitional arrangements it is necessary to achieve the 80% mark. In order to do this, it will be necessary to lift the Local Plan housing requirement from 400 dwellings per annum proposed in the Draft Local Plan to 420 dwellings per annum. This equates to an additional 380 dwellings over the Plan period. Further work is required to identify how this can be met and delivered, although good recent delivery and the inclusion of a buffer in the Draft Local Plan will help limit the impact of this.
- 4.7 To achieve this, it is necessary to not only review the drafted Publication Local Plan but also the evidence base. It is anticipated that this work can be undertaken and completed and allow the Publication Local Plan to be brought before the Executive and Council meetings of 5th March 2025. This will still enable the Local Plan to progress under transitional arrangements.
- 4.8 An updated timetable for the preparation of the Local Plan will be set out in a revised Local Development Scheme (LDS). The Government has indicated that LDS updates need to be done within 12 weeks of the NPPF being published (i.e. 6th March 2025).
- 4.9 In addition to the NPPF, the Government also published an updated Planning Policy for Traveller Sites (PPTS) and parts of the Planning Practice Guidance (PPG). The Publication Local Plan will need to be considered against both the PPTS and the PPG before it is finalised.

Teessaurus Park

- 4.10 The Draft Local Plan proposed that land at Teessaurus Park be allocated for the future development of a Gypsy & Traveller site. This issue generated a significant amount of interest during the consultation, with many people and organisations raising concerns about the proposal.
- 4.11 In response, the Council commissioned consultants to undertake a more detailed Gypsy & Traveller Site Assessment to look at alternative site options. This work has concluded that Teessaurus Park is not the most appropriate option to meet future needs and recommended alternative locations. The Publication Local Plan will set out a revised policy based on these recommendations.

Next Steps

- 4.12 The emerging Publication Local Plan will be reviewed and finalised in accordance with the transitional arrangements set out in the NPPF. It will be brought to a future

meeting of Full Council for approval. An updated timetable will be published through a revised Local Development Scheme.

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

- 5.1 Not to progress the Publication Local Plan under transitional arrangements. This will mean that we will no longer progress the Local Plan as agreed previously by the Council and will retain existing out-of-date policies for longer. Work on the Local Plan would have to restart in order to meet the requirements of the new NPPF. This would involve updating the evidence base in full. It is anticipated that this would take approximately 2-3 years and come at significant financial cost to the Council.

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

| Topic | Impact | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--|--|--|--------------|--|--|--|---------------|---------------|----------|------|-------|-------|-------|--------------------|--|--|--|---------|-------|-------|-------|---------|-------|-------|-------|--------------------------------|--------------|--------------|--------------|------------------------------------|--------------|--------------|--------------|
| Financial (including procurement and Social Value) | <p>The costs associated with this and future stages of the Local Plan through to adoption are likely to be in the region of £0.200m. This comprises £0.135m associated with plan preparation and evidence base in 2024/25, with £0.065m of examination costs in 2025/26.</p> <p>The annual Planning Policy revenue budget includes £0.086m for professional and hired & contracted services. Additionally, the confirmed Council capital programme includes the Capitalisation of Planning Surveys scheme. The anticipated costs and available funding for the adoption of the Local Plan are stated within the table below. The costs will be attributed to each of the budgets available as applicable. The remaining available budgets will be utilised on other Planning Services initiatives.</p> <table border="1" data-bbox="571 1444 1428 1966"> <thead> <tr> <th colspan="4">Anticipated Costs/Funding for Adoption of Local Plan</th> </tr> <tr> <th></th> <th>2024/25 £m</th> <th>2025/26 £m</th> <th>Total £m</th> </tr> </thead> <tbody> <tr> <td>Cost</td> <td>0.135</td> <td>0.065</td> <td>0.200</td> </tr> <tr> <td>Available Budgets:</td> <td></td> <td></td> <td></td> </tr> <tr> <td>Capital</td> <td>0.084</td> <td>0.076</td> <td>0.160</td> </tr> <tr> <td>Revenue</td> <td>0.086</td> <td>0.086</td> <td>0.172</td> </tr> <tr> <td>Total Available Budgets</td> <td>0.170</td> <td>0.162</td> <td>0.332</td> </tr> <tr> <td>Remaining Available Budgets</td> <td>0.035</td> <td>0.097</td> <td>0.132</td> </tr> </tbody> </table> <p>The Local Plan will be critical in providing the certainty that investors require in making their decisions to invest in</p> | Anticipated Costs/Funding for Adoption of Local Plan | | | | | 2024/25 £m | 2025/26 £m | Total £m | Cost | 0.135 | 0.065 | 0.200 | Available Budgets: | | | | Capital | 0.084 | 0.076 | 0.160 | Revenue | 0.086 | 0.086 | 0.172 | Total Available Budgets | 0.170 | 0.162 | 0.332 | Remaining Available Budgets | 0.035 | 0.097 | 0.132 |
| Anticipated Costs/Funding for Adoption of Local Plan | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| | 2024/25 £m | 2025/26 £m | Total £m | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Cost | 0.135 | 0.065 | 0.200 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Available Budgets: | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Capital | 0.084 | 0.076 | 0.160 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Revenue | 0.086 | 0.086 | 0.172 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Total Available Budgets | 0.170 | 0.162 | 0.332 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| Remaining Available Budgets | 0.035 | 0.097 | 0.132 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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| | <p>Middlesbrough, and in achieving the quality of development to support the needs and aspirations of our population.</p> <p>Over the lifetime of the Local Plan, it is anticipated that it will help secure new housing development that will have the potential to substantially broaden the Council Tax base (both in terms of overall number of chargeable dwellings and the proportion of those dwellings at Band D and above) and support business rates growth. Subject to the continuation of the grant, which remains uncertain, increasing the net number of housing dwellings will attract additional funding via the New Homes Bonus. Increasing the Council Tax base will improve the financial sustainability of the Council given that it currently has a low taxbase with around 85% of households in Bands A to C.</p> <p>Housing growth may also increase the demand for Council services and potentially local infrastructure. The Local Plan will be accompanied by a Infrastructure Delivery Plan (IDP), which will set out the high level requirements and costs that are likely to support the development in the plan. Detailed costs can only be ascertained at the planning application stage. The costs associated with any increase in demand for Council services will be met through the uplift in Council Tax arising from the new homes.</p> |
| <p>Legal</p> | <p>There is a statutory duty to prepare a Local Plan in accordance with the Planning and Compulsory Purchase Act 2004. Failure to have an up-to-date Local Plan will result in the Council, as local planning authority, losing some control over the decision-making process for planning applications.</p> <p>The Publication Local Plan will cover the whole of the borough of Middlesbrough, including the part that is covered by the Middlesbrough Development Corporation (MDC). Whilst the MDC is the planning authority for making decisions on planning applications in that area of the town, Middlesbrough Council remains the plan-making authority. Once adopted, the Council and the MDC will both be required to make decisions in accordance with the Local Plan unless material considerations indicate otherwise.</p> <p>The Localism Act 2011 includes the ‘Duty to Cooperate’, which places a duty on the Council to cooperate with other, specified organisations to ensure strategic and cross-boundary issues are properly considered in the plan making process.</p> <p>The Local Planning Regulations 2012 set out, in further detail, the process that must be followed in preparing a Local Plan.</p> |

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| | <p>The Publication Local Plan is a statutory plan making stage. The consultation must, be undertaken in accordance with the Regulations and Council's adopted Statement of Community Involvement.</p> | | |
| <p>Risk</p> | <p>The following risks are affected by this report:</p> | | |
| <p>O8-055</p> | <p>If the Council doesn't respond effectively and efficiently to legislative changes it could be in breach of statutory duties in relation to service delivery and fail to make the most of opportunities.</p> | <p>The Draft Local Plan has been prepared in accordance the legislation and latest Government guidance. This will provide the opportunity to best ensure legislative requirements will be satisfied, so this will have a positive impact on this risk.</p> | |
| <p>O1-005</p> | <p>If poor economic growth occurs, then this will reduce public and private sector investment in the town, including town centre retail, housing development and business.</p> | <p>The development of a new local plan will support the revitalisation of the town with urban housing etc. so will have a positive impact on this risk.</p> | |
| <p>O1-051</p> | <p>A major downturn in housing growth that results in a significant decline in new housebuilding in Middlesbrough, resulting in lower house building rates lower Council Tax receipts and thereby increasing the risk of impact on successful delivery of the MTFP.</p> | <p>By producing a new local plan with revised base data this will ensure that the correct data is being utilised and that any links with the MTFP will be more accurate so this will have a positive impact on this risk.</p> | |
| <p>O1-052</p> | <p>Substantial areas of the town have high residential voids/low sales values and high population churn, effectively creating market failure resulting in significant social consequences which in turn have implications for Council resources and</p> | <p>By reviewing the local plan it will create a positive planning framework for areas across the Borough but with the new strategic direction this will look at the revitalisation of the town centre so this would have a positive impact on this risk.</p> | |

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| | | service delivery. Such an approach is unsustainable and will result in the need for significant market invention at great cost to the Council. | |
| Human Rights, Public Sector Equality Duty and Community Cohesion | An impact assessment will be completed for the Publication Local Plan. | | |
| Climate Change / Environmental | The Publication Local Plan will set out a policy framework to deliver sustainable development, including policies that will help minimise the impact of development on climate change, and help mitigate the impact of climate change on our communities. This includes specific policies on Climate Change and Flood Risk. | | |
| Children and Young People Cared for by the Authority and Care Leavers | This will be assessed when the Publication Local Plan is brought forward for approval. | | |
| Data Protection | The public engagement associated with the Publication Local Plan will involve the collection and processing of personal data, in accordance with the statutory requirements associated with plan preparation. Given this statutory basis, there are no concerns that the Publication Local Plan could impact adversely on data protection or GDPR. | | |

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

| Action | Responsible Officer | Deadline |
|--|---------------------|------------|
| Update the Local Development Scheme | Alex Conti | March 2025 |
| Seek Council approval for the Publication Local Plan | Alex Conti | March 2025 |

Appendices

There are no appendices associated with this report.

Background papers

| Body | Report title | Date |
|-----------------------|---------------------------|---------------|
| Middlesbrough Council | Local Plan Scoping Report | November 2022 |

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| Middlesbrough Council | Draft Local Plan | January 2024 |
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Contact: Alex Conti, Strategic Policy Manager

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