



Decisions taken by the Executive on Wednesday 5 February 2025

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

A4	Corporate Performance Q3 2024/25	<p>ORDERED that Executive approve the proposed changes to the Executive actions, detailed at Appendix one of the report.</p> <p>AGREED that Executive:</p> <ol style="list-style-type: none"> 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 three, detailed at Appendix two of the report 3. Note the Strategic Risk Register, at Appendix three of the report.
A5	Linthorpe Road Cycleway	ORDERED That Executive approve removal the scheme.
A6	2024/25 Quarter 3 Revenue and Capital Monitoring and Forecast Outturn	<p>ORDERED that Executive approve:</p> <ol style="list-style-type: none"> 1. The proposed revenue budget virements over £250,000 as detailed in Appendix three of the report. 2. The inclusion of additional expenditure budgets to the Capital Programme totalling £0.430m for 2024/25 which were externally funded as detailed in Appendix eight of the report). This will increase the approved 2024/25 Capital

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		<p>Programme budget to £107.141m.</p> <p>3. The proposed virements over £250,000 between schemes in the 2024/25 Capital Programme approved by Council in March 2024 which are funded from within existing Council resources which were detailed in Appendix eight of the report.</p> <p>AGREED that Executive note:</p> <ol style="list-style-type: none"> 1. The forecast 2024/25 revenue outturn as at Quarter three of £143.184m against an approved budget of £143.190m. This was an underspend of £6,000 (£0.006m) (0.00%) as summarised below and detailed in Table one of the report. This was an improvement of (£1.388m) from the £1.382m forecast year-end overspend reported at Quarter Two. 2. The progress on savings delivery set out in Tables three and four of the report and Appendix four. 3. The Council was dependent upon Exceptional Financial Support (EFS) in setting the budget for 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 £4.7m, which related only to the element used to balance the budget detailed in paragraph 4.5 of the report. 4. It was essential that all available measures were taken by management to maintain revenue expenditure within the approved budget, given the marginal Quarter three forecast underspend. If an overspend occurred 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. Based upon the Quarter three forecast outturn, the forecast revenue balances at

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		<p>31 March 2025 would be £21.369m which was in line with that recommended in the approved Reserves Policy:</p> <ul style="list-style-type: none"> • General Fund Reserve of £11.100m (minimum recommended) • Council’s unrestricted usable earmarked reserves of £10.269m <p>6. The 2024/25 Capital Programme forecast year-end outturn of £65.158m at Quarter three was a reduction of £41.983m (39.18%) from the revised Quarter three budget of £107.141m comprising:</p> <ul style="list-style-type: none"> • An underspend on projects of £12.303m • Slippage on projects of £29.680m into 2025/26 and 2026/27 <p>7. The current forecast deficit of £6.400m for 2024/25 related to the High Needs Block with the Dedicated Schools Grant which increased the forecast cumulative deficit to £20.693m at 31 March 2025. If the statutory override was removed by Government on 31 March 2026 without a national funding solution in place for High Needs, then this presented a critical risk to the Council’s financial viability, given that it would significantly deplete the Council’s general fund reserves. The DSG recovery actions and risks to the Council’s financial resilience were set out in paragraph 4.38 and Appendix six of the report.</p> <p>8. The level of Middlesbrough’s share of Collection Fund and General Fund Debtors on 31 December 2024 was detailed in paragraphs 4.63 to 4.65 and Table 11 of the report.</p>
A7	2025/26 Revenue Budget, Medium Term Financial Plan, and Council Tax Setting	AGREED that Executive note the contents of the report and submit the following to Council for approval:

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		<ol style="list-style-type: none"> 1. Budget proposals for savings and income generation of £7.036m in 2025/26 rising to £8.686m in 2028/29, as set out in Appendix two (Annex one and two) of the report. 2. Budget growth of £2.521m in 2025/26 rising to £2.918m in 2026/27 for re-investment in services aligned to the Recover, Reset, and Deliver plan as set in Appendix two (Annex four) of the report. 3. Budget provision of £0.311m in 2025/26 and a further £0.100m in 2026/27 to address the removal of previously approved savings in line with the priorities outlined in the Council Plan and after listening to residents' views as set out in Appendix two (Annex three) of the report. 4. An increase in Council Tax of 4.99% resulting in a Council Tax level (Band D) of £2,074.35 excluding parish, Fire, and Police precepts in line with both the Government's referendum limits and the s151 Officer's advice (paragraphs 4.29 to 4.32 and detailed in Appendix seven of the report). 5. The proposed General Fund revenue budget for 2025/26 with a net budget requirement of £143.362m 6. The Financial Reserves Policy for 2025/26 (Appendix four of the report) including the proposed contributions to reserves to strengthen the Council's financial resilience, and which proposes: <ul style="list-style-type: none"> • a minimum General Fund Balance of least 7% of the Net Revenue budget over the MTFP period to 2028/29. In the 2025/26 proposed budget the level is 7.75% equivalent to £11.1m. • the building up of the Financial Resilience Reserve to at least £10m in 2025/26 and £20m by the end of 2028/29 to strengthen the Council's financial resilience 7. The proposed Fees & Charges Policy for 2025/26, and the schedule of fees and charges arising from the application of the approved policy for 2025/26 (Appendix five of the report).

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		<p>8. The Capital Strategy 2025/26 and the proposed 2025/26 to 2028/29 Capital Programme totalling £170.290m which included the addition of new Council funded schemes, and the associated financing statement (Appendix six of the report).</p> <p>AGREED that Executive note:</p> <ol style="list-style-type: none"> 1. The statutory s25 report of the Council’s Section 151 Officer in respect of the robustness of the estimates within the budget and the adequacy of reserves (Appendix one). 2. The updated financial planning assumptions in the Council’s Medium Term Financial Plan following the publication of the Provisional Local Government Finance Settlement (Appendix two), and that these will be updated further following publication of the Final Local Government Finance Settlement in early February 2025, with any changes being reported to the Council on 19 February 2025 as part of the budget setting report. 3. The creation of a Delivery Risk Budget of £2m on a one-off basis in 2025/26 only to protect against unplanned use of reserves (Appendix two). 4. The transfer of the estimated surplus on the Collection Fund for 2024/25 of £3.135m to a new Savings Delivery Risk Reserve to help provide against the risk of non-delivery or delay of savings and to rebuild reserves (Appendix two). 5. The creation of a Middlesbrough Priorities Fund totalling £4.367m for 2025/26 only, along with the process for use and governance of the Fund (Appendix two). 6. Whilst the budget was balanced for 2025/26 and 2026/27 there would still be a budget gap of £2.726m in 2027/28 rising to £5.170m by 2028/29. Further savings proposals arising from the Transformation Programme would be required as a minimum to meet those budget gaps (Appendix two). 7. The feedback of the budget consultation exercise (paragraphs 4.8 to 4.16 and

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		<p>Appendix three).</p> <p>8. The estimated balances on unrestricted usable revenue reserves as at 1 April 2025 of:</p> <ul style="list-style-type: none"> • General Fund balance - £11.100m • Usable Earmarked reserves – unrestricted £10.269m <p>9. The inclusion of transformation and redundancy expenditure which could be capitalised under the Flexible Use of Capital Receipts strategy (FUoCR) of £7.500m in 2025/26 (as part of planned £26.700m Transformation Programme from 2024/25 to 2028/29), and that the annual Flexible Use of Capital Receipts (FUoCR) Strategy would be presented to Council for consideration and approval in April 2025.</p> <p>10. The Council’s estimated revenue cost of borrowing for 2025/26 was £12.060m which was equivalent to 8.4% of the Net Revenue Budget and was approaching the maximum affordable level (currently set at 10% over the MTFP period), therefore future capital investment would need to rely more heavily on external funding and capital receipts in order to maintain borrowing at affordable levels.</p> <p>11. Details of the Dedicated Schools Grant (DSG) Grant for 2025/26 and the allocation to schools (detailed in Appendix eight)</p> <p>12. The forecast total cumulative DSG deficit of £20.693m on 31 March 2025, including £21.281m relating to the High Needs Block (Appendix eight).</p> <p>13. That a statutory override was in place which prevented the DSG deficit from being met from General Fund resources and the Government’s plan to deliver a funding solution was awaited. This presented a potential significant medium term financial risk to the Council in the event that the statutory override was removed without a suitable funding solution (Appendix eight).</p>
A8	Prudential Indicators and Treasury Management Strategy - 2025/26	AGREED that Executive note the contents of the report and submit the following to Council for approval:

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		<ol style="list-style-type: none"> 1. The Prudential Indicators and Limits for 2025/26 to 2028/29 relating to capital expenditure and treasury management activity set out in tables 1 to 10 of Appendix 1 of the report. 2. The Treasury Management Strategy for 2025/26, which included the Annual Investment Strategy for that financial year. 3. The Minimum Revenue Provision (MRP) Policy for the 2025/26 financial year. 4. An Authorised Limit for External Debt of £331 million for the 2025/26 financial year.
A9	Council Tax Reduction scheme 2025/2026	AGREED that Executive note the contents of the report and submit the proposed CTR scheme for 2025/26 to Council for approval.
A10	Customer Strategy	ORDERED that Executive approve: <ol style="list-style-type: none"> 1. The new Customer Strategy 2024-27. 2. The commitment of the estimated customer programme budget of £1.975m for inclusion within the 2025/26 to 2028/29 capital programme and Flexible Use of Capital Receipts strategy that would be incorporated into the 2025/26 Budget and MTFP report to be considered by Council on 19 February 2025.
A1		
A2		