

## OVERVIEW AND SCRUTINY BOARD

<b>Date:</b> Wednesday 18th December, 2024
<b>Time:</b> 4.30 pm
<b>Venue:</b> Mandela Room (Municipal Buildings)

### AGENDA

1. Welcome and Fire Evacuation Procedure

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

Fire alarm tests take place in Municipal Buildings at 10.30am on Tuesday mornings. In the event the fire alarm sounds at this time for more than 10 seconds attendees will be advised to evacuate the building via the nearest fire exit and assemble at the Bottle of Notes opposite MIMA.

2. Apologies for Absence

3. Declarations of Interest

4. Minutes - Overview and Scrutiny Board - 20 November 2024 3 - 8

5. Corporate Performance: Quarter Two 2024/25 9 - 62

6. Executive Member Update - Finance

7. 2024/25 Quarter Two Revenue and Capital Monitoring and Forecast Outturn 63 - 134

8. 2025/26 Draft Budget and Medium Term Financial Plan 2025/26 and 2028/29 135 - 220

9. Executive Forward Work Programme 221 - 234

9.1 Forward Plan Information Updates

i) CAPEX – Municipal Buildings Roof Repair

10. Scrutiny Chairs Update

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

Charlotte Benjamin  
Director of Legal and Governance Services

Town Hall  
Middlesbrough  
Tuesday 10 December 2024

### MEMBERSHIP

Councillors I Blades (Chair), J Kabuye (Vice-Chair), J Banks, D Branson, E Clynch, D Coupe, J Ewan, B Hubbard, L Lewis, M McClintock, I Morrish, M Saunders, Z Uddin and G Wilson

### **Assistance in accessing information**

**Should you have any queries on accessing the Agenda and associated information please contact Scott Bonner/ Joanne Dixon, 01642 729708/ 01642 729713, [scott\\_bonner@middlesbrough.gov.uk](mailto:scott_bonner@middlesbrough.gov.uk)/ [joanne\\_dixon@middlesbrough.gov.uk](mailto:joanne_dixon@middlesbrough.gov.uk)**

**OVERVIEW AND SCRUTINY BOARD**

A meeting of the Overview and Scrutiny Board was held on Wednesday 20 November 2024.

**PRESENT:** Councillors I Blades (Chair), J Kabuye (Vice-Chair), J Banks, D Branson, E Clynch, J Ewan, L Lewis, M McClintock and I Morrish

**PRESENT BY INVITATION:** M Davis – Chief Executive Officer, Middlesbrough Voluntary Development Agency (MVDA)

**OFFICERS:** S Bonner and J Dixon

**PRESENT AS OBSERVERS:** Councillor Romaine  
D Hodgson – Local Democracy Reporter

**APOLOGIES FOR ABSENCE:** Councillors D Coupe, B Hubbard, M Saunders and G Wilson

24/37 **DECLARATIONS OF INTEREST**

There were no Declarations of Interest made by Members at this point in the meeting.

**WELCOME AND EVACUATION PROCEDURE**

The Chair welcomed those present and advised that as there were no scheduled tests, should the fire alarm sound, attendees should evacuate the building via the nearest fire exit and assemble at the Bottle of Notes opposite MIMA.

24/38 **MINUTES - OVERVIEW AND SCRUTINY BOARD - 23 OCTOBER 2024**

The Minutes of the previous meeting of the Overview and Scrutiny Board held on 23 October 2024 were submitted and approved as a correct record, subject to the following amendments:-

- Page 4 – Captain ‘Cook’ not ‘Book’.
- Page 6 – Make reference to Teesside University in the discussion around eligibility from VAT exemptions.

24/39 **MVDA OVERVIEW**

The Chair introduced Mark Davis, Chief Executive of the Middlesbrough Voluntary Development Agency (MVDA), who had been invited to the meeting to provide the Board with an overview of the organisation’s work.

The Chief Executive of MVDA advised that he had worked in his current role for approximately eight years and had previously worked for Middlesbrough Council in various roles. He provided the Board with background information in relation to the MVDA and stated that he had previously enjoyed a close working relationship with the Council and had attended many scrutiny panels with colleagues from the voluntary sector and hoped to rebuild that connection to support the work being undertaken by the Council to promote improvement across the town.

The Board heard that MVDA was a local infrastructure organisation for Middlesbrough, but also worked across the South Tees. It was established in 2002 by the local authority and voluntary sector organisations.

Its four broad functions were:-

- Leadership and advocacy
- Partnerships and collaboration
- Capacity building
- Volunteering

The MVDA helped to ensure local communities were active, strong and engaged and helped VCOs make a difference for local people and where they lived.

The local voluntary sector was diverse and was made up of general charities and community groups, charitable incorporated organisations (CIOs), community interest companies (CICs), sports and social clubs, campaign groups, co-operatives and housing associations and registered social landlords (RSLs).

The defining qualities of the sector were that groups and organisations were independent, for the benefit of the public, not for individual gain and accountable to its members and governed by a constitution or rules.

The voluntary sector was flexible and responsive to activities and services, for example, there had been a great response following the riots in August where organisations and the community had supported those directly affected and undertaken a town clean up operation. It had been similar during Covid with the sector supporting people during times of need such as providing meals and delivery services. Organisations were best placed to obtain local intelligence on need and demand and what worked, providing practical solutions to local issues. The sector also provided a safety net to try and catch people who would otherwise fall through the gaps in provision, for example, due to increased thresholds for services. The sector also benefitted from having experts by experience – people who could lead on issues as they lived in a particular area or community or first-hand experience of the issues.

Locally, there were around 800 VCOs registered with MVDA, with approximately 600 of those being particularly active in Middlesbrough (the other 200, for example, might be national charities with a helpline that, whilst accessible at a local level were national based. There were around 1,000 VCOs registered with MVDA across the South Tees.

New groups were constantly emerging, generally in response to specific issues, such as Covid, or establishing activity groups for children, or supporting climate change activities etc.

97% of those VCOs had volunteers with 18% having 50 or more volunteers. Around half of the VCOs that employed staff, employed between 1 and 10 part-time staff.

In addition, VCOs reported an increased focus on mental health support with more than 50% stating that mental health support was their core purpose or part of their wider work.

A survey of all VCOs registered with MVDA across the South Tees was undertaken and the findings, specific to those operating in Middlesbrough, were reported to the Board as follows:-

- 92% expected demand on their service to increase.
- 85% expected the level of need of service users to rise.
- 20% believed their ability to attract funding would decrease.
- 68% saw public sector changes as a major challenge for their organisation.
- 87% agreed that it was very important to work together.
- 58% recognised the need for support and development, with fundraising and income generation being very important.
- 54% would benefit from support to influence funders and attract investment.

A discussion ensued and the following issues were raised:-

- The Chair asked the Chief Executive whether he could provide an example of activity that the Council previously carried out with MVDA that no longer happened. The Chief Executive responded that he had been heavily involved with the Adult Social Care Scrutiny Panel's work during 2017 and 2018 when scrutinising the Care Act and the Council's duties and how to provide a joint response to people's needs. It had examined how to identify people to prevent them falling through the gaps and how they could be linked up with appropriate charities. The Panel's recommendations had included establishing a new service with a co-ordinated offer linked with the Council and MVDA, however, this service had since been cut in terms of funding. 92% of people that had used that service had not returned to Adult Social Care.
- The Chief Executive was asked how the Council might be able to assist with the MVDA's work. He responded that he was involved in stakeholder meetings and recruitment of the new Chief Executive and would like to build relationships to work more collaboratively with



- the Council and believed the Council and MVDA complimented each other.
- It was queried how volunteers were thanked and recognised for the work that they did. The Chief Executive stated he was not aware of any recognition programmes provided by the Council, however, the MVDA made annual nominations for the Kings Award for Volunteering. Recognition and reward was something that could potentially be explored.
  - In response to a query, the Chief Executive advised that he would be happy to attend local Parish or Community Councils to provide further information about MVDA and to provide advice on connecting groups and volunteers.
  - In response to a query in relation to MVDA having more than 800 groups registered to them, it was clarified that there was no legal requirement to register, however, doing so ensured that MVDA was able to provide groups with information on, and opportunities to, recruit volunteers. It was highlighted that MVDA was the Council's strategic partner and worked constantly to add more organisations to its database.
  - When asked what the benefits of registering with MVDA were, the Board heard that MVDA provided expertise and the Chief Executive advised that he sat on the Council's grants panel as an adviser so the Council's Grants Officer would encourage any new groups to register with MVDA.
  - A Board Member asked how locality working might work to provide support to those who needed it more quickly. The Chief Executive advised that he had good links with the Council's Neighbourhood Managers and that a small grants programme was set to be launched in conjunction with MVDA and the locality managers. MVDA needed to engage with the Council on its current operating model in neighbourhoods as it was more difficult for those operating on a town-wide basis to engage in four conversations across each of the neighbourhood teams.
  - In response to a question as to how to ensure people were provided with the support they needed, the Board heard that MVDA brought together charities and community groups that sometimes worked with the Council or other statutory bodies. By working together, collective groups could examine whether new pathways needed to be in place, if appropriate, or to signpost individuals to relevant Council departments or other bodies. In general, joint working was good but there was room for improvement and charities were always looking to improve ways of working.
  - Reference was made to MVDA being the Council's 'strategic partner' and it was queried whether the Council could do more to improve collaborative working. The Board heard that MVDA fully appreciated the Council's current financial situation but that this had impacted on some collaborative working arrangements. The Chief Executive hoped that the working relationships could be rebuilt and strengthened with the Council's senior leaders.
  - In response to a query regarding funding, the Board was advised that the MVDA was initially established by the Council and received a small core grant from the Council. MVDA applied for grants to host projects and worked to a three-year funding profile.

The Chair thanked the Chief Executive of the MVDA for his attendance and the information provided. He added that the Mayor was keen for the Council to work more closely with the voluntary sector and hoped that the Chief Executive would attend future scrutiny meetings, where appropriate.

**AGREED** as follows:-

1. That the information provided be noted.
2. That contact details for the MVDA be circulated to Members of OSB.
3. That the presentation slides be circulated to Members of OSB.

24/40

#### **TASK AND FINISH GROUP - COMMUNITY COHESION - UPDATE**

Councillor Branson provided the Board with an update in relation to the Task and Finish Group established to look at Community Cohesion. A briefing note was circulated to the Board prior to the meeting setting out the aims of the group's investigation, terms of reference, key lines of enquiry and desired outcomes.

It was highlighted that the Group had identified the following Terms of Reference:-

1. To identify what measures had been taken so far to promote community cohesion and integration.
2. To identify where there were significant gaps in the provision of such measures.

3. To assess the extent to which the measures implemented had been effective or otherwise.
4. To identify what statistical information existed to inform us of the nature of the issues involved.

The Task and Finish Group had met with the Head of Neighbourhoods and the Strategic Cohesion and Migration Manager and found that a Community Cohesion Strategy had yet to be developed. The Group found that work to help asylum seekers obtain access to basic services in the area was largely reactive and, at present, only four staff worked directly in this area. The majority of this work was now delegated to the local Neighbourhood Action Partnership groups which dealt with a wider remit of crime and social issues.

Efforts to improve community relations, including sponsoring intercommunal activities such as the Middlesbrough MELA and Diwali festivals, continued, however, there was little evidence of monitoring communities for information about community tensions or a system to challenge misinformation on social media.

The Task and Finish Group planned to meet with the MP for Middlesbrough and the Cleveland Police and Crime Commissioner and would formally update the Board at its January meeting. In the meantime, should any significant findings arise, a written update would be provided to Members of OSB via email.

**AGREED** that the information provided be noted.

24/41

#### **EXECUTIVE FORWARD WORK PROGRAMME**

The Chair introduced the item for the Board's consideration. A copy of the Work Programme was attached at Appendix A and Members were asked to raise any issues they had in relation to any of the items listed.

Reference was made to the item on Nutrient Neutrality (Page 6) which showed it would be submitted to Executive on 8 January 2025, however, a Member of the Board commented that the Board had been advised that the item was no longer going to be considered by the Executive, following the submissions made by him. The Democratic Services Officer agreed to clarify this with the Director.

Reference was made to the item on Capex Municipal Buildings and Town Hall Roof (Page 7) and it was noted that this item had been ongoing for some time, with its submission to the Executive being pushed back several times. It was queried whether an update could be provided. The Democratic Services Officer agreed to seek clarification.

Reference was made to items which had a submission date to Executive of 4 September, which had now passed. Following discussion, it was confirmed that future reports to the Board would only include items scheduled for submission to the Executive in the future and it was highlighted that Members were able to view the Executive Forward Work Programme at any time on the Council's website.

**AGREED** as follows:-

1. That the report be noted.
2. That clarification be sought in relation to the status of the item on Nutrient Neutrality.
3. That clarification be sought in relation to the status of the item on Capex Municipal/Town Hall roofs.

24/42

#### **SCRUTINY CHAIRS UPDATE**

##### People Scrutiny Panel

The Chair of the People Scrutiny Panel updated the Board that the Panel had met on 11 November 2024. The Panel had received the annual update from the South Tees Safeguarding Children Partnership (STSCP) and received further evidence in relation to its current review, 'Children Missing from Education' from the EMAT Team.

The Panel's next meeting was scheduled for 16 December and would receive an annual

update from the Adult Safeguarding Board and information from schools and the virtual school.

#### Place Scrutiny Panel

The Chair of the Place Scrutiny Panel updated the Board that the Panel met on 4 November 2024 and had received a presentation from Ethical Housing in relation to its scrutiny topic of 'Empty Properties'. The Panel also received evidence from the Head of Service in relation to Home to School Transport and agreed the Terms of Reference for the review.

Two task and finish groups had been established by the Panel for each of the current scrutiny topics. The Task and Finish Group for Empty Properties had drafted terms of reference for the review to be considered at the Scrutiny Panel's next meeting.

The Task and Finish Group for Home to School Transport was tasked with obtaining evidence from relevant schools to find out how they felt the home to school transport system was operating and to speak to service users.

**AGREED** that the information provided be noted.

24/43

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

#### Chief Officer Appointments Committee

The Chair wished to highlight that the Chief Officer Appointments Committee had agreed the appointments of a new Chief Executive and Director of Finance. The appointments were subject to approval at the forthcoming meeting of Full Council (27 November 2024).

The Chair proposed to invite both the successful candidates, individually, to future meetings of the Overview and Scrutiny Board, to discuss their priorities for their new roles.

**NOTED**

#### Consideration of the Executive Forward Work Programme by OSB

A Board Member suggested that, where Members had requested further information in relation to an item on the Executive Forward Work Programme, an agenda item could be added to provide an update on progress/outcomes of previous information requests.

**AGREED** that the Democratic Services Officer would discuss further with the Chair to implement.

#### Review of Community Councils

A Board Member raised the issue of the Review of Community Councils. It was highlighted that this had originally been part of the Community Governance Review undertaken in 2021 but was deferred, at that time, to be reviewed separately by the relevant Service Area. The Member expressed concern that the review remained outstanding and the completion date had now been delayed from November 2024 to February 2025, and queried how it could be ensured that OSB had the opportunity to have input into the review and obtain information as to what the review would entail.

The Chair highlighted that the Board had been advised of the delay and the reasons for it and that all Councillors had been issued with a survey from Community Safety, who were undertaking the review, and had the opportunity to respond accordingly. This would provide Members with the opportunity to provide input into the review.

The Chair suggested that the Board Member make further enquiries, if he so wished, with the Head of Neighbourhoods and that he could provide feedback to the Board.

**AGREED** that further enquiries be made by Councillor McClintock, with the Head of Neighbourhoods, in relation to the review of Community Councils, and feedback be provided to the Board.



<b>MIDDLESBROUGH COUNCIL</b>	
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<b>Report of:</b>	Chief Executive
<b>Relevant Executive Member:</b>	The Mayor
<b>Submitted to:</b>	Overview and Scrutiny Board
<b>Date:</b>	18 December 2024
<b>Title:</b>	Corporate Performance: Quarter Two 2024/25
<b>Report for:</b>	Discussion
<b>Status:</b>	Public
<b>Council Plan priority:</b>	Delivering Best Value
<b>Key decision:</b>	Not applicable
<b>Why:</b>	Report is for information only
<b>Subject to call in?:</b>	Not applicable
<b>Why:</b>	Non-Executive report

### Executive summary

The attached report was considered by Executive on 4 December 2024. The report advised the Executive of progress against corporate performance at Quarter Two 2024-27, providing the necessary information to enable the Executive to discharge its performance management responsibilities against the following performance disciplines:

- Actions pertaining to decisions approved via Executive reports;
- Delivery of the Council Plan 2024-27 and associated outcome measures;
- Strategic Risk Register performance;
- Programme and Project management performance;
- Transformation progress and performance; and
- Other matters of compliance.

Where appropriate, the report sought approval of any changes or amendments, where those were within the authority of the Executive.

**1. Purpose**

1.1 To inform Overview and Scrutiny Board of the Council’s performance at Quarter Two 2024/25.

**2. Recommendations**

2.1 That the Overview and Scrutiny Board

- Note the contents of the report.

**3. Rationale for the recommended decision(s)**

3.1 To advise Scrutiny of the Council’s Performance at Quarter Two 2024/25.

**4. Background and relevant information**

4.1 Relevant background and other information is contained in the Executive report at Appendix 1.

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

5.1 No other options are submitted as part of the report.

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

<b>Topic</b>	<b>Impact</b>
Financial (including procurement and Social Value)	The report is for discussion only and as such there are financial impacts.
Legal	The report is for discussion only and as such there are Legal impacts.
Risk	The report is for discussion only and as such there are Risk impacts.
Human Rights, Public Sector Equality Duty and Community Cohesion	The report is for discussion only and as such there are no Human Rights, Public Sector Equality Duty and Community Cohesion impacts.
Climate Change / Environmental	The report is for discussion only and as such there are no Climate Change / Environmental impacts.
Children and Young People Cared for by the Authority and Care Leavers	The report is for discussion only and as such there are no Children and Young People Cared for by the Authority and Care Leavers impacts.
Data Protection	The report is for discussion only and as such there are no Data Protection impacts.

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

Action	Responsible Officer	Deadline
N/A		

**Appendices**

1	Executive Report (Corporate Performance: Quarter Two 2024/2025)
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**Background papers**

Body	Report title	Date

**Contact:** Gemma Cooper

**Email:** [gemma\\_cooper@middlesbrough.gov.uk](mailto:gemma_cooper@middlesbrough.gov.uk)

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<b>Report of:</b>	Chief Executive
<b>Relevant Executive Member:</b>	The Mayor
<b>Submitted to:</b>	Executive
<b>Date:</b>	4 December 2024
<b>Title:</b>	Corporate Performance: Quarter Two 2024/2025
<b>Report for:</b>	Decision
<b>Status:</b>	Public
<b>Council Plan priority:</b>	All
<b>Key decision:</b>	No
<b>Why:</b>	Decision does not reach the threshold to be a key decision
<b>Subject to call in:</b>	Yes
<b>Why:</b>	All Executive decisions that are non-urgent are subject to call in.

**Proposed decision(s)**

That at Quarter Two of 2024-27, the Executive:

- approves the proposed changes to the Executive actions, detailed at Appendix 1
- agrees the additional metrics to assess incremental impact of Council Plan outcomes, at Appendix 4
- notes the progress and position of the corporate performance disciplines, including the Transformation Portfolio
- notes delivery status of the Council Plan 2024-27 supporting workplan at Quarter Two, detailed at Appendix 2
- notes the Strategic Risk Register, at Appendix 3

## **Executive summary**

This report advises the Executive of progress against corporate performance at Quarter Two 2024-27, providing the necessary information to enable the Executive to discharge its performance management responsibilities against the following performance disciplines:

- Actions pertaining to decisions approved via Executive reports;
- Delivery of the Council Plan 2024-27 and associated outcome measures;
- Strategic Risk Register performance;
- Programme and Project management performance;
- Transformation progress and performance; and
- Other matters of compliance.

Where appropriate, this report seeks approval of any changes or amendments, where these lie within the authority of the Executive.

### **Purpose**

1. This report advises the Executive of corporate performance at the end of Quarter Two 2024/2025, and where appropriate seeks approval of any changes, where these lie within the authority of the Executive.

### **Recommendations**

2. That the Executive:

That at Quarter Two of 2024-27, the Executive:

- approves the proposed changes to the Executive actions, detailed at Appendix 1
- agrees the additional metrics to assess incremental impact of Council Plan outcomes, at Appendix 4
- notes the progress and position of the corporate performance disciplines, including the Transformation Portfolio
- notes delivery status of the Council Plan 2024-27 supporting workplan at Quarter Two, detailed at Appendix 2
- notes the Strategic Risk Register, at Appendix 3

### **Rationale for the recommended decision(s)**

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

### **Background and relevant information**

4. The Council's Scheme of Delegation gives the Executive collective responsibility for corporate strategic performance, together with associated action.
5. This report provides the necessary information to enable the 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.

6. The projected financial outturn at Quarter Two and 2024/2025, is presented separately to this meeting of the Executive, and so not repeated here. There are plans in development to integrate performance, risk and financial reporting for future financial years.
7. As part of continuous improvement in performance and risk management, the Council's Leadership Management Team (LMT) has implemented monthly reviews of corporate performance utilising a Directorate Performance dashboard, drawing data from a range of performance feeder systems.
8. The output from these sessions is reflected through quarterly updates to the Executive and covering in addition, progress in delivering actions agreed by the Executive, key Directorate performance issues and other performance-related matters.

### **Overall progress at Quarter Two 2024/25**

9. The Council's performance overall 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

<b>Performance discipline</b>	<b>Q2 2024/25</b>	<b>Q1 2024/25</b>	<b>Expected standard</b>	<b>Standard achieved</b>	<b>Trend</b>
Executive actions	<b>67% (36/54)</b>	68% (30/44)	90%	No	↓
Council Plan outcomes	<b>13% (5/39)</b>	13% (5/39)	90%	No	↔
Council Plan workplan	<b>98% (55/56)</b>	98% (55/56)	90%	Yes	↔
Strategic Risk Register	<b>91%</b>	94%	90%	Yes	↓
Programme and Project Management	<b>100% (15/15)</b>	100% (18/18)	90%	Yes	↔

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

### ***Progress in delivering Executive actions***

11. Actions agreed by the Executive to deliver approved decisions are tracked by LMT, each month. If following Executive approval, any action is found to be no longer feasible, appropriate, or cannot be delivered within the approved timescales, this report will be used to advise the Executive as such, and to seek approval of alternative actions or amended timescales.
12. At Quarter Two 2024/25, 36 of 54 live actions (67%) were reported as on target to be delivered by the agreed timescales; a slight dip from the 68% reported at Quarter One 2024/25, though continuing to remain below the 90% expected standard of achievement of actions.
13. There are seven proposed amendments to Executive actions presented for approval at Quarter Two as detailed in Appendix One. It is assumed that the remainder of Executive actions will be achieved within originally approved timescales and a further update on progress against plans, will be provided at Quarter Three 2024/25.
14. Of those seven amendments detailed in Appendix 1, the reasons for the proposed amendments are as follows:

- The *Dental Health and impact of COVID-19* report has three related actions requesting extensions to due dates, as a result of:
  - 1) delayed information from external partners; extending end date from 30/09/2024 to 31/03/2025 to enable the development of a locally tailored oral health strategy;
  - 2) a delayed meeting between the ICB and Teesside University from 31/07/2024 to 31/12/2024, to progress the feasibility of having an outreach dental service in the Live Well Centre; and
  - 3) confirmation of the dates of the Scrutiny Overview to enable an update to be submitted to Health Scrutiny Panel, in respect of North East and North Cumbria, delayed from 29/02/2024 to 30/11/2024.
- The *Newham Hall Disposal Options* report has an action relating to the submission of a hybrid planning application for the road and the housing, delayed from 31/08/2024 to 31/01/2025 due to pressing timescales of the LUF2 defrayal dates.
- The *Disposal of Land at Hemlington Grange West* report had an action relating to POS and Land Appropriation, delayed from 30/08/2024 to 31/10/2024, due to competing priorities within the service, resulting in a change to the project milestones.
- The *Developing a New Nunthorpe Community Facility* report has two related actions relating to the submission of a planning application and the completion of full construction designs and site investigations, delayed from 15/09/2024 to 30/11/2024 due to competing priorities within the service, resulting in a change to the project milestones.

### **Progress in delivering the Council Plan 2024-27**

15. The Council Plan is the Council's overarching business plan for the medium-term and sets out the priorities of the Elected Mayor of Middlesbrough and the ambitions for our communities and the ways in which we seek to achieve them.
16. The Leadership Team worked collaboratively with the Mayor and the Executive to develop and shape the Mayor's priorities for the town, to inform the Council Plan 2024-27.
17. The Council Plan articulates the four priorities of the Mayor and outlines the approach that will be taken to addressing those priorities:

<b>Mayor's Priority</b>	<b>Description</b>
A successful and ambitious town	Maximising economic growth, employment, and prosperity, in an inclusive and environmentally sustainable way.
A healthy place/	Helping our residents to live longer and healthier lives, improving life chances and opportunities to thrive.
Safe and resilient communities	Creating a safer environment, where residents can live more independent lives.
Delivering best value	Changing how we operate, to deliver the best outcomes for residents and businesses.

18. Supporting initiatives and workplans to support delivery of the Council Plan 2024-27 ambitions and measures of success and the proposed performance and governance arrangements were approved at a meeting of the Executive on 10 April 2024, to demonstrate a robust approach to the delivery of key priority activities across Council services.

### **Council Plan 2024-27: outcomes**

19. Progress of delivery of the Council Plan 2024-27, is monitored via detailed milestone plans which support each initiative under the four priorities and will include the success measures determining the impact upon:
- the types of businesses being established in Middlesbrough, to ensure that we attract those which will give residents access to well-paid and rewarding careers,
  - healthy life expectancy of residents of Middlesbrough, who currently experience ill-health much earlier than wealthy areas across the UK,
  - community safety, as part of our plans to reduce crime and make residents and communities feel safer,
  - progress against the Council's governance improvement journey, to provide assurance to members of the public and our partners, that the services we are providing are value for money.
20. Performance management and monitoring of the Council Plan adheres to the corporate programme and project management framework where applicable and is reported to all senior managers and Members as part of this quarterly corporate performance results report, presented to Executive for noting and decision, where applicable.
21. Performance overall against the Council Plan 2024-27 outcome measures at Quarter Two 2024/25, is reported as 5 of 39 (13%) improving or static, against the 90% performance standard. The starting position for reporting outcome measures will always be 0%, with the expectation that over time and the duration of the Council Plan, 90% of the outcome measures will be achieved, as these are outcome measures predicted over the period of the Council Plan, 2024-27.

Outcome Status	Q2 2024/25	Q1 2024/25	Expected standard	Standard achieved	Trend
Number (%age) GREEN	<b>4 / 39 (10%)</b>	4 / 39 (10%)	90%	No	↔
Number (%age) AMBER	<b>1 / 39 (3%)</b>	1 / 39 (3%)	n/a	n/a	↔
Number (%age) RED	<b>34 / 39 (87%)</b>	34 / 39 (87%)	n/a	n/a	↔

22. In the Quarter One 2024/25 report, a commitment was made to develop a set of proxy measures that could be updated on a more frequent basis to demonstrate incremental progress. Analysis of the current measures was undertaken during the quarter to identify internal data sources for the current measures. This draft list is appended to this report as Appendix 4, with the intention that progress will be reported against the April 2024 baseline on a quarterly basis, from the Quarter Three 2024/25 report onwards.

### **Council Plan 2024-27: workplan**

23. At Quarter Two 2024/25, performance against the Council Plan workplan is above the corporate standard of 90%, with 98% of all initiatives on target to be achieved in full within approved timescales.

Status	Q2 2023/24 position	Q1 2023/24 position	Expected standard	Standard achieved	Trend
COMPLETED	<b>5% (3 / 56)</b>	2% (1 / 56)	90%	Yes	↓

GREEN	<b>93%</b> <b>(52 / 56)</b>	98% (55 / 56)			
AMBER	<b>0%</b> <b>(0 / 56)</b>	0% (0 / 56)	n/a	n/a	↔
RED	<b>2%</b> <b>(1 / 56)</b>	0% (0 / 56)	n/a	n/a	↓

24. One Council Plan initiative is reporting as off-track, regarding the refresh of the Information Strategy which has linked dependencies with the development of the organisational Target Operating Model (TOM), with further detail is provided at Appendix 2.

### ***Strategic Risk Register (SRR)***

25. The Strategic Risk Register (SRR) sets out the key risks, which if they occurred, could stop the Council achieving its objectives, as set out in the Council Plan.

26. The Register also sets out control measures in place to reduce the impact and / or likelihood of a risk occurring, as well as further planned actions to manage the risk. Risks in the SRR are identified and managed by the Council's Leadership Management Team in line with the Risk and Opportunity Management Policy, agreed by Executive in 2023. Progress in managing these risks is reported to the Leadership Management Team on a monthly basis, with a full review of the SRR conducted on a quarterly basis. It is the role of the Executive to ensure that this occurs.

27. The more volatile the risk, the more closely it must be monitored and managed. Managers are responsible for identifying and recording the countermeasures / actions required to address risks and opportunities and maintaining those details within the Council's risk management solution. Countermeasures to risk will include actions to terminate, transfer, treat or tolerate the risk. Actions in relation to opportunity will include exploitation (fully or partially) or avoidance.

28. The Strategic Risk Register contained 15 risks at the end of Quarter Two 2024/25, following review of the SRR against the Council Plan's objectives, which is an increase of one additional risk, as set out below:

- *SR-15: Threats to Social Cohesion and Democratic Resilience.* If Communities feel disconnected and that they do not live in a safe and resilient environment that promotes the best outcomes for citizens of the town, this could lead to local flashpoints which would be damaging to community relations, the reputation and image of a multi-cultural Middlesbrough.

29. The following actions were identified to manage this risk:

- SR-15a: Promote social cohesion through a dedicated local government effort, amplifying and reinforcing democratic freedoms and norms; and supporting evidence-based local cohesion initiatives.
- SR-15: Build resilience in local communities against extremist ideologies and narratives, including conspiracy theories and disinformation (PREVENT).
- SR-15c: Engage people utilising the neighbourhood model, tying in with partnership organisations, VCS, local community groups and elected members. We will work to find solutions with communities and not to them.
- SR-15d: Develop an early tension warning system that monitors and alerts the local authority and other key local partners about growing tensions.
- SR-15e: Marginalise and isolate extremist and other malign actors to prevent the mainstreaming of extremist ideologies and dangerous conspiracy theories which are causing severe harm and disruption in local areas (PREVENT).
- SR-15f: Respond quickly and effectively to flashpoint incidents and triggers.
- SR-15g: Repair relationships and engagement between local communities where they have broken down following serious conflict and flashpoint incidents.

30. During Quarter Two the following action was completed to manage existing risks within the Strategic Risk Register:

- The Council completed an externally hosted exercise by the Local Government Association to assess its cyber security arrangements which supports its work to manage risk SR08; fail to ensure an approach to cyber security that meets good practice requirements.

31. Risks within the SRR are scored three times, using the following table: the first score assesses the likelihood and impact of the risk occurring without any control measures in place; the second assesses the impact of the control measures currently in place; and the third sets a target for the management of the risk.

<b>Likelihood (Probability)</b>	Almost Certain >80%	5	Low (5)	Medium (10)	High (15)	High (25)	High (35)
	Likely 51% - 80%	4	Low (4)	Medium (8)	High (12)	High (20)	High (28)
	Possible 21% - 50%	3	Low (3)	Medium (6)	Medium (9)	High (15)	High (21)
	Unlikely 6- 20%	2	Low (2)	Low (4)	Medium (6)	Medium (10)	High (14)
	Rare <6%	1	Low (1)	Low (2)	Low (3)	Low (5)	Medium (7)
			1 Insignificant	2 Minor	3 Moderate	5 Major	7 Extreme
			<b>Impact</b>				

### **Directorate Risk Registers**

32. The Strategic Risk Register has a supporting suite of Directorate Risk Registers. Escalations and de-escalations of risk are agreed by the Council's Leadership team. In addition, directorate management teams review their risks, monthly. This and other measures ensure the Council has a grip on its risk management approach. Below is a summary position of actions taken during Quarter Two to manage held at the directorate level:

Directorate Risk Register	Regeneration	Adults	Public Health	Children's Services	Environment	Finance	Legal and Governance Services
<b>New Risks</b>	0	4	4	4	3	0	0
<b>New Actions</b>	2	8	8	16	11	0	9
<b>New Assessments</b>	9	2	1	1	5	2	1
<b>Deactivated Risks</b>	3	2	0	3	3	3	0

### **Progress in delivering Programmes and Projects**

33. The Council maintains a portfolio of programmes and projects in support of achievement of the Council's strategic priorities. At Quarter Two 2024/25, 100% (15 of 15) of the programmes / projects within the portfolio, remained on-track to deliver against project time, cost, scope and benefits, remaining above the expected combined standard of 90%.

Status	Q1 2024/25 position	Q1 2024/25 position	Expected standard	Standard achieved	Trend
GREEN	100% (15 / 15)	100% (18 / 18)	90%	Yes	↔
AMBER	0% (0 / 15)	0% (0 / 18)			
RED	0% (0 / 15)	0% (0 / 18)	N/A	N/A	↔

### **Transformation progress and performance**

34. The Council has established Transformation Programme; *Recover, Reset, Deliver*, which is designed to align with the vision and ambitions of the Council Plan, and aims to deliver tangible outcomes that benefit the people of Middlesbrough whilst delivering value for money and a financially sustainable organisation.
35. The ‘*Approach to Transformation of Middlesbrough Council*’ report to full Council on 27 March 2024 outlined the contents of the Transformation Portfolio, which is structured around six themed programmes. These programmes encompass a range of activities, key business changes, and complex projects aimed at addressing the emerging challenges and opportunities.



36. The scope of the Transformation Programme and its associated investment provides assurance on and aims to secure the delivery of all the savings of £21.028m approved by Council at its budget meeting on 8 March 2024. Investment in the resource required to physically deliver, such as programme management, finance expertise and subject matter experts, will support the Council in delivering all approved savings.
37. To ensure the success of the now established governance framework and board structure, key roles and responsibilities have been designated at each layer, with the Executive being the ultimate accountable body for successful delivery of the transformation portfolio, in its entirety.
38. This Executive-approved governance structure ensures that projects and programmes are scrutinised in a uniform way, with exceptions escalated to senior responsible officers to ensure action is taken to bring the portfolio, programmes and projects back on-track, where required and / or necessary.
39. At Quarter Two 2024/25, the position of savings within the transformation portfolio were reported to the Leadership Team and through the Transformation Portfolio governance and performance management reporting cycle arrangements, and split by RAG rating, as follows:



RAG	Savings	24/25 (£m)		25/26 (£m)		26/27 (£m)		Total (£m)		Total (%)
	Approved Budget	(15.302)		(5.151)		(1.967)		(22.420)		
Blue	Benefits and / or saving(s) realised, with evidence provided.	(1.212)	↔	0.000		0.000		(1.212)	↔	5%
Green	Benefits and / or saving delivery on-track, with assured plans in place.	(9.263)	↑	(2.930)	↓	(0.240)	↓	(12.433)	↓	55%
Amber	Medium-risk to benefits and / or saving(s) delivery. Mitigation in-play, or in development.	(2.719)	↓	(0.756)	↓	(0.162)	↓	(3.637)	↓	16%
Red	High-risk to benefits and / or saving(s) delivery. Limited scope for mitigation.	(1.864)	↑	(1.465)	↑	(1.565)	↑	(4.894)	↑	22%
Purple	Benefits and / or saving(s) are undeliverable. Alternative required, for Executive approval.	(0.244)	↑	0.000		0.000		(0.244)	↑	1%
	<b>Total Savings</b>	<b>(15.302)</b>		<b>(5.151)</b>		<b>(1.967)</b>		<b>(22.420)</b>		<b>100%</b>

40. Alternatively, they can be presented via Thematic Programme for Quarter Two, 2024-27:

	Benefits and / or saving(s) realised, with evidence provided.		Benefits and / or saving delivery on-track, with assured plans in place.		Medium-risk to benefits and / or saving(s) delivery. Mitigation in-play, or in development.		High-risk to benefits and / or saving(s) delivery. Limited scope for mitigation.		Benefits and / or saving(s) are undeliverable. Alternative plan / saving required, for Executive approval.		Total No. Of Projects 2024/25	
Directorate	Blue		Green		Amber		Red		Purple		TOTAL (No.)	TOTAL (%)
Adults	6	38%	8	50%	1	6%	1	6%	0	0%	16	22%
Children's	2	13%	6	40%	4	27%	3	20%	0	0%	15	21%
Property	0	0%	0	0%	1	50%	1	50%	0	0%	2	3%
Customer	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Place Based Services	1	5%	14	70%	3	15%	2	10%	0	0%	20	27%
Target Operating Model	1	5%	12	60%	3	15%	3	15%	1	0%	20	27%
<b>TOTAL</b>	<b>10</b>	<b>14%</b>	<b>40</b>	<b>55%</b>	<b>12</b>	<b>16%</b>	<b>10</b>	<b>14%</b>	<b>1</b>	<b>0%</b>	<b>73</b>	<b>100%</b>

41. Delegated decision-making powers relating to any required approvals for proposed changes to time, scope, cost and benefit of individual projects programmes, enabling them to be brought back within agreed tolerances are as set out in the Programme and Project Management Framework (PPMF). This is with the exception where such changes are a key or urgent decisions and would require Executive approval through an additional report.

42. During Quarter Two 2024/25 a number of project gateways were approved. Gateway approvals are required project lifecycle stages, which ensure appropriate and robust assurance and challenge has been applied to the scoping, planning and development of the necessary project documentation and delivery plans, which are then monitored through the transformation governance arrangements. The gateway approvals for Quarter Two 2024/27, are summarised below:

Thematic Programme	Project	Gateway approval type
Property	Property Rationalisation	Project on a Page
Property	Property Rationalisation	Change Control
Place-Based Services	ECS03: 'Junk Job' charging	Project Brief
Place-Based Services	ESC08: Resident Parking permits charge	Project Brief
Place-Based Services	ESC08: Resident Parking permits charge	Business Case
Customer	Customer Programme	Programme Definition Document

## Progress in other corporate performance matters

Status	Q2 2024/25 position	Q1 2024/25 position	Expected standard	Standard achieved	Trend
P 1 / 2 audit actions in time	100%	100%	90%	Yes	↑
FOI / EIR responded to <20 days	61%	58%	90%	No	↑
% live SARs overdue	6%	6%	90%	No	↓
Information security incidents	34	26	N/A	N/A	↑
Incidents reported to the ICO	1	0	N/A	N/A	↑
% complaints closed in time	82%	87%	90%	No	↓

*\* Measure reflects actions agreed to be delivered in 2024/25*

43. In addition to the above performance and risk issues, the Leadership and Management Team review a range of other performance measures on a monthly basis, including compliance with agreed actions from internal audits, responsiveness to statutory information requests, information security incidents and complaints.

44. At the end of Quarter Two 2024/25, the key points of note in matters of compliance, are:

- Internal Audit have changed their performance reporting during Quarter Two – future reports on this metric will transition from Priority 1 and 2 actions to new categories called ‘critical’ and ‘significant’.
- There has been an improved level of compliance with statutory timescales for FOI and EIRs, however performance continues to remain below acceptable levels. Capacity in services to respond to these statutory requests continues to be impacted by the volume of requests they are also dealing with through the new Members Enquiries system in some areas.
- Compliance with the legal timescales in relation to Subject Access Requests (SARs) relates to a very small number of complex SARs (two). Both requesters are receiving information from their requests as it has been prepared and the Council is in ongoing communication with them.

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

45. The council is required to operate a performance management framework in order 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.

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

#### *Financial (including procurement and Social Value)*

46. There are no direct financial implications rising from the recommendations set out in this report.

#### *Legal*

47. There are no legal impacts of the proposed decisions or recommendations, and they are consistent with and will promote the achievement of the Council’s legal duty to achieve Best Value.

**Risk**

48. The proposed recommendations are key to and consistent with supporting delivery of the Council’s strategic priorities and risks, as set out in the Council Plan.

**Human Rights, Public Sector Equality Duty and Community Cohesion**

49. The ambitions of the Council Plan set out how the Council will improve outcomes for all its residents and highlight where additional activity is required to address inequalities in outcomes that exist across groups and individuals. This approach was impact assessed as part of the development of the 2024-2027 Council Plan, which found that the plan would have a positive impact by addressing inequalities.

**Climate Change / Environmental**

50. The ambitions of the Council Plan set out how the Council will protect and improve our environment, as part of the “A healthy place” priority which focuses on improving levels of recycling, protecting and improving parks and open spaces, and improving environment standards of the town. There are no direct impacts on this theme as a result of this and performance to date is reflected in Appendix 2: Council Plan workplan; progress at Quarter Two 2024/25. Where impact on climate change and environment is considered as part of wider programmes, projects or Executive reports, these will be referenced within the detail of the report.

**Children and Young People Cared for by the Authority and Care Leavers**

51. The ambitions of the Council Plan set out how the Council will respond and react to Children and Young People cared for by the authority and care leavers, across the “A successful and ambitious town” , “A healthy place”, and “Safe and Resilient Communities” priorities. There are no direct impacts on this theme as a result of this and performance to date is reflected in Appendix 2: Council Plan workplan; progress at Quarter Two 2024/25. Where impact on Children and Young People cared for by the authority and care leavers is considered as part of wider programmes, projects or Executive reports, these will be referenced within the detail of the report.

**Data Protection / GDPR**

52. Whenever the council delivers activities and uses data to assess impact, it takes the necessary steps to ensure it complies with the requirements of GDPR In any use of personal data that is undertaken within that work.

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

Action	Responsible Officer	Deadline
Performance management feeder systems to be updated according to approval from Executive.	J Chapman	30/11/24

## Appendices

1	Executive Actions: proposed amendments at Quarter Two 2024/25
2	Council Plan Workplan: progress at Quarter Two 2024/25
3	Strategic Risk Register
4	Proposed KPIs to assess incremental progress against the Council Plan 2024-27

## Background papers

Body	Report title	Date
Council	The Council Plan 2024-27	08/03/24
Council	Approach to Transformation of Middlesbrough Council	27/03/24
Council	Transformation of Middlesbrough Council	24/04/24
Executive	Quarter One Corporate Performance Report	04/09/24

**Contact:** Gemma Cooper, Head of Strategy, Business and Customer  
**Email:** [gemma\\_cooper@middlesbrough.gov.uk](mailto:gemma_cooper@middlesbrough.gov.uk)

## Appendix 2: Council Plan workplan; progress at Quarter Two 2024/25

<b>We will attract and grow businesses to increase employment opportunities</b>	<b>Q1 2024/25 position</b>	<b>Q2 2024/25 position</b>
Implementation of an Economic Growth Strategy and Masterplan for the town, articulating both the aspirations of the Council and key partners and the key future investment priorities.	G	G
Expand the towns cultural offer through creation of a Cultural Masterplan, alongside exploration of external investment to ensure long term sustainability.	G	G
Increase the local economic impact of new job creation in key sectors.	G	G
Improve the range of health and employment related services offered to the public through successful delivery of the Levelling Up Partnership funds.	G	G

<b>We will improve attainment in education and skills</b>	<b>Q1 2024/25 position</b>	<b>Q2 2024/25 position</b>
Transform Middlesbrough's approach to delivery of learning through implementation of the Council's Education and Skills Strategy.	G	G
Improve outcomes through delivery of the Priority Education Area action plan at key stages 1, 2 and 4.	G	G
Increase parental understanding of the importance of literacy for under 5's through a programme of learning	G	G
Improve life chances by increasing children's and young people's access to high quality education through delivery of the Learning and Education Strategy.	G	G
Develop and deliver a programme of qualifications and learning to support people into / back into employment through Middlesbrough Community Learning.	G	G

<b>We will ensure housing provision meets local demands</b>	<b>Q1 2024/25 position</b>	<b>Q2 2024/25 position</b>
Develop and progress a new Local Plan for Middlesbrough which balances growth aspirations with the longer-term needs of the Middlesbrough community.	G	G
Continue to grow housing sites and opportunities in Middlesbrough, to enable the development of 450 units of new housing per year.	G	G
Establish a strategic leadership role for the provision of housing to ensure that the provision aligns with needs.	G	G
Increase pathways offer for homeless households that embody choice; safety and dignity and provide routes into sustainable, long-term accommodation.	G	G

<b>We will improve life chances of our residents by responding to health inequalities</b>	<b>Q1 2024/25 position</b>	<b>Q2 2024/25 position</b>
Boost recruitment and retention of practitioners through delivery of the childcare expansion in Early Years	G	G
Roll-out the extended childcare entitlement to increased number of children from 9months+, who have access to Early Years provision	G	G
Increase outcomes for under 5's through successful delivery of the Best Start Pathway.	G	G
Develop research architecture and attract funding, to support development of our local understanding of key issues affecting health inequalities.	G	G

Reduce health inequalities caused by excess weight, through implementation of the core Healthy Weight Declaration commitments.	G	G
Improve wellbeing in Middlesbrough through embedding a 'health in all' policies approach in all planning and transport decision-making.	G	G
Improve health literacy through delivery of a Healthy Start pilot model for prevention of ill-health in schools.	G	G
Reduce inequalities through improvements to cancer screening programmes uptake	G	G
Improve prevention services delivered in primary and secondary care to increase uptake	G	G

<b>We will protect and improve our environment</b>	<b>Q1 2024/25 position</b>	<b>Q2 2024/25 position</b>
Increase the levels of recycling in Middlesbrough from 30% to 38%.	G	G
Protect and improve our parks and open spaces through retention of Green Flag Status	G	G
Improve environmental standards of the town, through increased levels of environmental enforcement.	G	G

<b>We will promote inclusivity for all</b>	<b>Q1 2024/25 position</b>	<b>Q2 2024/25 position</b>
Strengthen our approach to supporting dementia friendly communities programme through increasing voluntary and community sector capacity	G	G
Prevent and / or delay the need for formal service provision through improved access to reliable and timely advice and information, to support independent and healthy living	C	C
Develop and implement a pilot approach to housing and support, for inclusion health groups ensure this is reflected in the Supported Housing Strategy	C	C

<b>We will reduce poverty</b>	<b>Q1 2024/25 position</b>	<b>Q2 2024/25 position</b>
Relaunch Welfare Strategy to support Middlesbrough's vulnerable residents who need financial assistance, advice and support	G	G

<b>We will provide support for adults to be independent for longer</b>	<b>Q1 2024/25 position</b>	<b>Q2 2024/25 position</b>
Increase the effectiveness of prevention through the development of more signposting and a consistent strengths-based approach to the promotion of independence at the "front door" of Adult Social Care	G	G
Increase the amount of reablement provided to reduce the need for on-going care	G	G
Develop an enhanced range of accommodation and support options for adults with a learning disability to promote independence and reduce the reliance on residential care provision	G	G
Reduce the need for on-going care through the expanded use of the Connect Service, assistive technology and digital solutions	G	G
Re-locate and expand our specialist autism Day Care service	G	G
Develop a Community Capacity Building Strategy with focus on social capital and community wealth building	G	G

<b>We will Improve transport and digital connectivity</b>	<b>Q1 2024/25 position</b>	<b>Q2 2024/25 position</b>
Implementation of a transformed customer model to achieve improved customer access, outcomes and savings	G	G
Improve public highways and infrastructure to support connectivity across Middlesbrough and the Tees Valley	G	G

<b>We will promote new ideas and community initiatives</b>	<b>Q1 2024/25 position</b>	<b>Q2 2024/25 position</b>
Introduce a neighbourhood working model to ensure Council services are more closely aligned to community needs	G	G

<b>We will reduce crime and antisocial behaviour</b>	<b>Q1 2024/25 position</b>	<b>Q2 2024/25 position</b>
Reduce Crime and Anti-Social behaviours across Middlesbrough through the continued working with the Community Safety Partnership	G	G
Improve the safety and health of the public and the environments in which they live and work through review of public protection policies and interventions	G	G
Implement a multidisciplinary approach (SHIFT ) to increase prevention opportunities through early intervention	G	C
Work with partners to ensure safe and effective systems and processes are in place for the protection of victims of domestic abuse and their children	G	G
Revise and implement an Empty Homes strategy to support the Councils wider approach to tackling crime and ASB	G	G

<b>We will ensure robust and effective corporate governance</b>	<b>Q1 2024/25 position</b>	<b>Q2 2024/25 position</b>
Implement and embed a Member Development Strategy and Programme to extend learning and development opportunities	G	G
Develop and implement approach to achieve organisational change through implementation of transformation portfolio of programme and projects and associated governance structure	C	C
Refresh the Information Strategy to ensure legal compliance in regard to information governance	A	R




<b>We will set a balanced revenue budget and Medium-Term Financial Plan to restore financial resilience and sustainability</b>	<b>Q1 2024/25 position</b>	<b>Q2 2024/25 position</b>
Increase internal residential capacity through the purchase of suitable properties	G	G
Improve recruitment and retention of social worker related posts through more targeted and effective marketing	G	G
Maximise grant opportunities to support service delivery	G	G
Implementation of a People Strategy to underpin the Council's cultural transformation ambitions and financial stability	G	C

Increase sales and maximise rental income of the Council's asset portfolio to ensure financial sustainability and promote economic growth	G	G
Remodel the Council's Planning Service to reflect increasing demand and complexity, address recruitment and retention difficulties, and deliver improved customer service	G	G
Complete new delivery model for Procurement and Contract Management across Council services	G	G
Increase level of grant income to support development of new service delivery initiatives	G	G
Retender pensions administration service, to ensure value for money for fund and scheme members	G	G
Implementation and review effectiveness of demand and cost modelling forecast, for high-spend areas to feed into MTFP assumptions	G	C
Review of Children's and Young People placements, including processes and procedures to ensure robust decision-making and allocation	G	G
Increase internal residential capacity through the purchase of suitable properties	G	G







<b>Key:</b>	
C	Complete
G	On-track
A	Some slippage
R	High risk of deliverability
U	Undeliverable















**Appendix 3: Strategic Risk register at the end of Quarter Two 2024/25**

Code	Risk Description	Original Score	Current Score	Target Score	Managed By
SR-01	<p><b>Failure to Maintain a balanced budget and MTFP</b></p> <p><b>Failure to set a legal and balanced annual budget and to maintain a sustainable Medium Term Financial Plan (MTFP)</b>                      The Council is required to set a legally balanced revenue budget by 11 March in advance of each forthcoming financial year. Failure to achieve this objective will require the s151 Officer to issue a statutory s114 Notice to the Council.                      The Council has a best value duty to set and maintain a sustainable and balanced Medium Term Financial Plan including maintenance of its reserves position to demonstrate financial resilience to be able to respond to unforeseen and complex financial challenges presented by the wider economic environment.</p>	 <p>35</p>	 <p>35</p>	 <p>21</p>	Director of Finance
Current Mitigation		Future Mitigation	Responsible Officer	Director	Target Date
<ul style="list-style-type: none"> <li>Responsibility and Accountability for Financial Management reinforced by Accountability Agreements for all Directors</li> <li>Monthly budget monitoring, forecasting, and tracking of savings delivery by Directors with accountability to the Interim CEO through LMT and development and delivery of financial recovery plans to control within approved budget</li> <li>Monthly budget challenge sessions chaired by Director of Finance for all Directorates to enable development of insight, understanding and wider collaboration of colleagues in order to address significant financial risks.</li> <li>Timely briefing of Mayor and Executive Members on significant financial challenges with agreement for action.</li> <li>Quarterly budget challenge sessions chaired by the Executive Member for Finance &amp; Governance to engage Executive Members.</li> </ul>		Development of balanced 2024/25 Budget and MTFP to 2026/27	Director of Finance	✓	11-Mar-2024
		Refresh of the 2025-26 MTPS process	Andrew Humble	✓	28-Jul-2024
		Failure of the Recover, Reset, Deliver Transformation Portfolio	Chief Executive	▶	31-Mar-2025
		Failure of the Recover, Reset, Deliver Transformation Portfolio to identify further savings	Chief Executive	▶	31-Mar-2025
		Monthly budget monitoring to be put in place	Director of Adult Social Care and Health Integration; Director of Children's Care; Director of Children's Services	✓	31-Mar-2024
		Monthly budget monitoring to be put in place	Director of Adult Social Care and Health Integration; Director of Children's Care	✓	31-Mar-2024

<ul style="list-style-type: none"> <li>• Monthly monitoring of income budgets, council tax and business rates collection rates and debt levels.</li> <li>• Update MTFP ahead of Council Planning and budget setting process for 2024/25.</li> <li>• Implementation of budget management Power BI dashboard over Business World financial management system in order to improve accessibility of financial information for Directors, Heads of Service and Budget Manager.</li> <li>• Implementation and expansion of purchase to pay compliance dashboards for use by Directors, Heads of Service and Budget Managers to drive increase in compliant procurement in relation to retrospective ordering, on vs off contract spend and use of purchase cards</li> </ul>				
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Code	Risk Description		Original Score	Current Score	Target Score	Managed By
SR-02	Volatility in the demand, complexity and cost of children's social care.	The risk that <b>demand and cost of and children's social care</b> continues to escalate on the scale experienced in 2022/23, is the single biggest risk to the Councils financial viability. More financially sustainable solutions for meeting social care needs of children need to be secured with urgency to ensure delivery within the approved budget for 2023/23.	 35	 28	 21	Director of Children's Care; Director of Children's Services
Current Mitigation		Future Mitigation	Responsible Officer	Director	Target Date	
<b>Children's input</b> <ul style="list-style-type: none"> <li>• Weekly activity data through Chat reports/ data</li> <li>• Moving to monthly financial monitoring</li> <li>• Development of demand model</li> </ul>		Weekly placements panel to be put place for high cost placements	Director of Adult Social Care and Health Integration; Director of Children's Care 	Director of Children's Care; Director of Children's Services; Director of Education and Partnerships	30-Jun-2023	
		Review Placements Manager post	Claire Walker 		29-Feb-2024	
		Monthly budget monitoring to be put in place	Director of Adult Social Care and Health Integration; Director of Children's Care; Director of Children's Services 		31-Mar-2024	

Code	Risk Description	Original Score	Current Score	Target Score	Managed By
SR-03	<p>Volatility in the demand and cost of adult's social care</p> <p>The potential for underlying <b>demand and cost pressures to arise in adult social care</b> presents a significant risk to the Council's overall financial viability and measures must be put in place to manage within approved budget.</p>	 35	 15	 9	Director of Adult Social Care and Health Integration
Current Mitigation		Future Mitigation	Responsible Officer	Director	Target Date
Local Government settlement Budget Management process Contract management processes Savings programme in place Demand model in place Monthly demand reported to DMT - activity not just finance		Monthly budget monitoring to be put in place	Director of Adult Social Care and Health Integration; Director of Children's Care 	Director of Adult Social Care and Health Integration; Adult Social Care and Public Health Senior Managers	31-Mar-2024
		Develop a demand model, that monitors performance across activity demand and unit costing, to understand 'current state'.	Director of Adult Social Care and Health Integration 		30-Sep-2024
		Develop a forecast model, that uses the 'current state' model, to predict activity demand and financials across Adults Social Care in the next 1/2/5 years.	Samantha Stuart 		30-Nov-2024




Code	Risk Description	Original Score	Current Score	Target Score	Managed By
SR-04	<p>Unlawful decision by the Council</p> <p>If the Council took a decision that was unlawful then there is a risk of legal challenge or regulatory action that could damage its reputation and its financial position.</p>	 35	 10	 6	Director of Legal and Governance
Current Mitigation		Future Mitigation	Responsible Officer	Director	Target Date
Council constitution and supporting policy framework Corporate policies and procedures Compliance checks across key areas including HSE, Risk etc, covering the corporate governance framework Standard report formats Statutory officer posts to oversee governance		Refresh the committee report format	Ann-Marie Johnstone 	Director of Legal and Governance	31-Jul-2023
		Review the report development process	Ann-Marie Johnstone 		31-Jul-2023
		Complete delivery of the Corporate Governance Improvement Plan	Ann-Marie Johnstone 		31-Dec-2024

Annual Governance Statement assessment process Internal and external audit processes Refreshed whistleblowing policy Legal and finance report clearance process Regular review of the Council Constitution.	Complete delivery of the Section 24 Action plan	Ann-Marie Johnstone			31-Mar-2025
	Progress report on improvement against the Best Value Notice by the independent Board considered by Council	Ann-Marie Johnstone			31-Mar-2024
	Progress report on improvement against BV notice considered by Executive	Ann-Marie Johnstone			30-Sep-2024










Code	Risk Description		Original Score	Current Score	Target Score	Managed By
SR-05	Serious accident or death occurred as a result of failure to comply with Health and safety legislation and regulations	If a serious accident or death occurred as a result of failure to comply with Health and safety legislation and regulations then this could result in financial and reputational damage and individual prosecutions of staff.	35	15	10	Chief Executive
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>		<b>Director</b>	<b>Target Date</b>
Comprehensive suite of Health and Safety policies and procedures. Mandatory and complimentary Health and safety training for all Council staff. Dedicated HSE Advisor team Incident investigation system (My Compliance) to learn from incidents. HSE intranet page with important HSE information Audit schedule HSE steering group Fire Management System implemented across Council premises.		Fire Safety Management Policy Statement	Director of Regeneration; Gary Welch		Chief Executive; Director of Legal and Governance; Director of Regeneration	31-Jul-2023
		CEO to produce H&S Statement of Intent for the Council.	Chief Executive; Gary Welch			31-Jul-2023
		Risk from reinforced autoclaved aerated concrete (RAAC) collapsing in maintained schools or other Council assets	Director of Regeneration; Richard Horniman		30-Aug-2024	
		Implementation of service area audits by the health and safety unit to give further assurance of sound HSMS within directorates.	Gary Welch		31-Mar-2025	




Code	Risk Description		Original Score	Current Score	Target Score	Managed By
SR-07	Unable to recruit and retain key staff	If the Council is <b>unable to recruit and retain key staff in Leadership Positions</b> , then this could impact on their ability to	15	9	3	Director of Legal and Governance

	provide effective leadership, deliver critical services which could cause harm to people and could result in government intervention.				
Current Mitigation		Future Mitigation	Responsible Officer	Director	Target Date
<p>Benchmarking salaries against other local authorities and similar roles in other disciplines to remain competitive. Work/life balance system such as agile working, 9 day fortnight, collaboration areas etc.. Advertising roles on multiple platforms such as LinkedIn and other social networking sites with the aim of reaching target audience.</p>		Benchmark grades and salaries against NE local authorities	Kerry Rowe	✓	31-Jul-2023
		Review recruitment process	Nicola Finnegan	✓	31-Oct-2023
		Create new people and cultural transformation strategy	Nicola Finnegan	✓	31-Oct-2023
		review the people strategy after the first year of implementation	Nicola Finnegan	▶	31-Mar-2025
		Recruitment of Chief Executive and S151 Officer	Director of Legal and Governance	▶	31-Mar-2025
		Track delivery of first quarterly report to LMT on delivery against People Strategy	Nicola Finnegan	⛔	31-Jul-2024

Code	Risk Description		Original Score	Current Score	Target Score	Managed By
SR-08	Fail to ensure an approach to cyber security that meets good practice standards as set out by the National Cyber Security Centre and other bodies	If the Council <b>fails to ensure a sound approach to cyber security</b> (technology, processes and awareness), then this could result in a cyber-attack which disrupts service delivery, increases risks to service users and incurs significant financial costs to respond to and recover from an attack.	 35	 14	 10	Director of Legal and Governance; Stephanie Bradley; Gemma Cooper; Ben Knudsen
Current Mitigation		Future Mitigation	Responsible Officer	Director	Target Date	
<p>* Annual ICT healthchecks (Internal and external penetration testing).            * Compliance with PSN and PCI standards.            * Internal scanning as new systems go live.            * Robust defence systems including firewalls, content filtering and endpoint protection.            * Robust 60 day patching and maintenance cycle.            * Test complete and continue to test.            * Healthcheck recommendations reviewed and implemented.</p>		Review Cyber Security Training Strategy	Stephanie Bradley; Ben Knudsen	⛔	30-Sep-2024	
		Benchmark against Cyber Assessment Framework	Stephanie Bradley; Ben Knudsen	▶	01-Dec-2024	
		Complete LGA Test and Exercise	Stephanie Bradley; Gemma Cooper; Ben Knudsen	✓	31-Aug-2024	








* Membership of North East WARP and CiSP. * Use of Protective DNS. * Robust backup regime, including off-line tape backups to ensure recovery				
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





Code	Risk Description	Original Score	Current Score	Target Score	Managed By	
SR-09	Corporate Governance arrangement not fit for purpose  If the Council's <b>Corporate Governance arrangements are not fit for purpose and appropriate action is not taken to rectify this at pace</b> , this could result, censure from the Council's auditors within a public interest report that would damage the Council's reputation and/or in government formal intervention including removal of powers from officers and members and direction of council spend.	 15	 28	 9	Director of Legal and Governance	
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>	<b>Director</b>	<b>Target Date</b>	
External reports commissioned on Corporate governance and findings reflected within a Corporate Governance Improvement Plan Improvement Board in place Detailed improvement plan in place that has delivered a range of changes to corporate governance processes Annual Governance Statement process and supporting action plan. Draft AGSs in place for both 2021/22 and 2022/23 Regular reports to Audit Committee on aspects of corporate governance to provide assurance		Complete delivery of the Section 24 Action plan	Ann-Marie Johnstone		Director of Legal and Governance	31-Mar-2025
		Refreshed approach to corporate governance agreed by council	Ann-Marie Johnstone			31-Jul-2023
		Corporate peer review held to assess process	Ann-Marie Johnstone			31-Jan-2025
		Develop the detailed delivery plan	Gemma Cooper			30-Sep-2023
		Progress report from MIIAB to Council by end March 2024	Ann-Marie Johnstone			31-Mar-2024
		Progress report from MIIAB to Executive by end July 2024	Ann-Marie Johnstone			31-Jul-2024

Code	Risk Description	Original Score	Current Score	Target Score	Managed By
SR-10	Negative Impact of Mayoral Development Corporation  If the Council's ambitions for town centre regeneration or the wider financial sustainability of the organisation are negatively impacted by the establishment of a Mayoral Development	 10	 15	 3	Director of Regeneration

	Corporation that would take over some of the Council's existing statutory roles. This could potentially result in a lack of investment in the town, reduction in the Council's business rates income, loss of commercial income and reduction in asset holdings affecting the Council's financial viability. Reputational damage is also possible through the incorrect discharge of responsibilities such as town planning or business rate relief.				
Current Mitigation		Future Mitigation	Responsible Officer	Director	Target Date
Council representation on the board of the MDC Pushing for no detriment clauses in the MDC constitution Engagement with TVCA on the development of future MDC projects	Heads of Terms agreed on individual asset transfers	Director of Regeneration		Director of Regeneration	31-Jul-2025
	Delivery of planning functions until robust alternative is in place	Director of Regeneration			31-Dec-2023
	Agree robust business rates protocols	Sue Blakey; Janette Savage			31-Oct-2024

Code	Risk Description	Original Score	Current Score	Target Score	Managed By
SR-11	Failed Partnerships  If the <b>Council and its partners do not have the collective capacity to deliver system wide change to key issues</b> such as public health, crime and safeguarding, then this could result in the population's health, wellbeing and safety declining.	35	21	10	Chief Executive
Current Mitigation		Future Mitigation	Responsible Officer	Director	Target Date
Partnership governance register in place. Partnership governance annual assurance report and supporting register in place to assess the health of key partnerships. <b>Children's Controls</b> All partnerships contain TOR - Partners contribute. External scrutiny of partnerships. New Mayor to chair Corporate Parenting Board. Formal reporting process in place - record of discussion and decision making. <b>Adults Controls</b> Victim support for those within ASC who require it. Additional resources as required,		Refresh of the Partnership Governance register	Ann-Marie Johnstone	Chief Executive	31-Dec-2023
		Community Cohesion	Marion Walker		19-Jul-2024

Code	Risk Description	Original Score	Current Score	Target Score	Managed By
SR-12	Fail to deliver quality practice within children's safeguarding services If the Council <b>fail to deliver quality practice within children's safeguarding services</b> then this may result in further government intervention, serious harm to individuals and loss of financial control.	 35	 21	 10	Director of Children's Care; Director of Children's Services
Current Mitigation		Future Mitigation	Responsible Officer	Director	Target Date
Delivered Children's services improvement plan Improvement board in place External oversight of progress from DFE Monthly performance monitoring reports		Implementation of post ILACs improvement plan	Director of Adult Social Care and Health Integration; Director of Children's Care 	Director of Children's Care; Director of Children's Services	31-Jan-2024
		Creation and recruitment to the head of Quality Principal Social Work Learning and Review	Director of Adult Social Care and Health Integration; Director of Children's Care 		30-Sep-2023
		Review progress in delivery of the ILACS improvement plan to assess progress and impact of actions	Director of Adult Social Care and Health Integration; Director of Children's Care; Director of Children's Services 		30-Apr-2024
		Complete delivery of the ILACs improvement	Director of Adult Social Care and Health Integration; Director of Children's Care; Director of Children's Services 		31-Jan-2025







Code	Risk Description	Original Score	Current Score	Target Score	Managed By
SR-13	Failure to deliver transformation successfully If the Council fails to transform its service delivery model to a model that can deliver outcomes for residents at a reduced cost base, then the Council's financial position will become untenable and may result in the issuing of a S114 Notice.	 35	 10	 5	Chief Executive; Gemma Cooper
Current Mitigation		Future Mitigation	Responsible Officer	Director	Target Date
- PPMF in place - Transformation governance arrangements and reporting cycle agreed - Funding of £4.827m agreed by Council to fund transformation work		Failure of the Recover, Reset, Deliver Transformation Portfolio	Chief Executive 	Chief Executive	31-Mar-2025
		Failure of the Recover, Reset, Deliver Transformation Portfolio to identify further savings	Chief Executive 		31-Mar-2025
		Agree the content and approach of the transformation portfolio	Chief Executive 		30-Apr-2024



	First cycle of Transformation governance arrangements scheduled	Gemma Cooper			30-Apr-2024
	Develop specification for transformation resourcing	Gemma Cooper			30-Apr-2024

Code	Risk Description	Original Score	Current Score	Target Score	Managed By
SR-14	Failure to ensure effective governance of the Middlesbrough Development Corporation If the Middlesbrough Development Corporation fails to reflect the relevant findings from the review of Teesworks governance in its structures, then there is a risk that it could fail to ensure value for money or good governance in its decision making, which will have an adverse impact on the economic vitality of the Town Centre.	35	10	10	Director of Regeneration
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>	<b>Director</b>	<b>Target Date</b>
<ul style="list-style-type: none"> <li>- Teesworks report and commitment from TVCA to reflect findings in the governance arrangements of the MDC</li> <li>- Council representatives on the MDC Board</li> </ul>		Refresh the Local Plan	Paul Clarke	Director of Regeneration	31-Mar-2025

Code	Risk Description	Original Score	Current Score	Target Score	Managed By
SR-15	Threats to Social Cohesion and Democratic Resilience If Communities feel disconnected and that they do not live in a safe and resilient environment that promotes the best outcomes for citizens of the town. This could lead to local flashpoints which would be damaging to community relations, the reputation and image of a multi-cultural Middlesbrough.	35	21	14	Marion Walker
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>	<b>Director</b>	<b>Target Date</b>
<b>Internal Controls (Current Mitigations in place):</b> <ul style="list-style-type: none"> <li>. Community tension monitoring undertaken.</li> <li>. Community engagement undertaken.</li> <li>. Neighbourhood safety liaison in place.</li> <li>. Prevent operational group risk plans in place</li> </ul>		Promote social cohesion through a dedicated local government effort, amplifying and reinforcing democratic freedoms and norms; and supporting evidence-based local cohesion initiatives.	Marion Walker	Director of Environment & Community Services	30-Aug-2025

<ul style="list-style-type: none"> <li>. Liaison with policing partners to verify validity of possible demonstrations.</li> <li>. Initial credibility verification through visual audits using CCTV operations and open sources.</li> <li>. Gatekeeping protocols with marketing and communications for potentially controversial communications</li> <li>. Ongoing promotion of education around disinformation and building of media literacy by partners within the local authority and via social media</li> <li>. Monthly meetings held with senior leadership.</li> <li>. Gold and Silver recovery group meetings with senior leadership teams across the organisation and partners.</li> <li>. Action plan developed by silver group to be reported to gold with escalations.</li> <li>. Community safety partnership reconstituted to provide greater strategic oversight.</li> <li>. MBC have secured £600k to be spent in response to community tensions as a further control.</li> </ul>	Build resilience in local communities against extremist ideologies and narratives, including conspiracy theories and disinformation (PREVENT).	Marion Walker			30-Aug-2025
	Engage people utilising the neighbourhood model, tying in with partnership organisations, VCS, local community groups and elected members. We will work to find solutions with communities and not to them.	Marion Walker			30-Aug-2025
	Develop an early tension warning system that monitors and alerts the local authority and other key local partners about growing tensions.	Marion Walker			30-Aug-2025
	Marginalise and isolate extremist and other malign actors to prevent the mainstreaming of extremist ideologies and dangerous conspiracy theories which are causing severe harm and disruption in local areas (PREVENT).	Marion Walker			30-Aug-2025
	Respond quickly and effectively to flashpoint incidents and triggers.	Marion Walker			30-Aug-2025
	Repair relationships and engagement between local communities where they have broken down following serious conflict and flashpoint incidents.	Marion Walker			30-Aug-2025

**Appendix 4:** Proposed KPIs to demonstrate incremental progress against the Council Plan 2024-27

Directorate	Ambition	Key Performance Indicator	New Freq	Internal v Published
Regeneration	A successful and ambitious town	Employment Rate (16-64 years) %	already Quarterly	Published
Regeneration	A successful and ambitious town	Rate of births of new enterprises per 10,000 resident population aged 16 and above	Quarterly	ONS internal
Education & Partnerships	A successful and ambitious town	Number of pupils in local authority funded alternative provision	Quarterly	internal
Adult Social Care & Health Integration	A successful and ambitious town	Households owed a duty under the Homelessness Reduction Act	Quarterly	published
Regeneration	A successful and ambitious town	Number of completed affordable homes delivered (gross)	Quarterly	Internal
Regeneration	A successful and ambitious town	New Homes: Started	Quarterly	Internal
Regeneration	A successful and ambitious town	New Homes: Completed	Quarterly	Internal
Public Health	A healthy place	Cancer Screening coverage: Breast Cancer	Quarterly	Internal
Public Health	A healthy place	Cancer Screening Coverage: Cervical Cancer (aged 25 to 49 years old)	Quarterly	Internal
Public Health	A healthy place	Cancer Screening Coverage: Cervical Cancer (aged 50 to 64 years old)	Quarterly	Internal
Environment & Community Services	A healthy place	Household waste sent for reuse, recycling and composting	Quarterly	Internal
Environment & Community Services	A healthy place	Residual household waste per household	Quarterly	Internal

Directorate	Ambition	Key Performance Indicator	New Freq	Internal v Published
Multiple	A healthy place	Index of Multiple Deprivation Decile	Quarterly	Published
Adult Social Care & Health Integration	Safe and resilient communities	The number of adults aged 18 to 64 whose long-term support needs are met by admission to residential and nursing care homes (per 100,000 population)	Quarterly	Internal
Adult Social Care & Health Integration	Safe and resilient communities	The number of adults aged 65 and over whose long-term support needs are met by admission to residential and nursing care homes (per 100,000 population)	Quarterly	Internal
Adult Social Care & Health Integration	Safe and resilient communities	The proportion of older people (aged 65 and over) who received reablement/rehabilitation services after discharge from hospital	Quarterly	Internal
Environment & Community Services	Safe and resilient communities	Bus Patronage	Quarterly	Published
Environment & Community Services	Safe and resilient communities	Number of publicly accessible Electric Vehicle charging points	Quarterly	Internal
Environment & Community Services	Safe and resilient communities	Total Middlesbrough Council website page views	Quarterly	Internal
Environment & Community Services	Safe and resilient communities	Total MyMiddlesbrough user accounts	Quarterly	Internal
Legal and Governance Services	Safe and resilient communities	Satisfaction with the local area as a place to live	every 5+ years	Internal
Environment & Community Services	Safe and resilient communities	Anti-Social Behaviour Rate per 1,000	Quarterly	Internal
Multiple	Safe and resilient communities	Domestic abuse rate per 1,000 population	Quarterly	Internal
Multiple	Safe and resilient communities	First time entrants into the Criminal Justice System	Quarterly	Internal
Environment & Community Services	Safe and resilient communities	Crime rate per 1,000	Quarterly	Internal
Children's Services	Delivering best value	CLA placed out of area	Quarterly	Internal

Directorate	Ambition	Key Performance Indicator	New Freq	Internal v Published
Legal & Governance Services	Delivering best value	Number of member-to-member complaints	Quarterly	Internal
Legal & Governance Services	Delivering best value	GDPR Mandatory Training Completion %	Quarterly	Internal
Environment & Community Services	A healthy place	400m walk of a commercial daytime bus service	Quarterly	Provided by TVCA

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**Appendix 1: Executive Actions: proposed amendments at Quarter Two 2024/25**

<b>Executive of</b>	<b>Report</b>	<b>Action</b>	<b>Owner</b>	<b>Agreed Due Date</b>	<b>Proposed Revised Due Date</b>
<b>13/03/2024</b>	Dental Health and the impact of COVID-19	That a locally tailored oral health strategy is developed, which is based on an oral health needs assessment	PH	30/09/2024	31/03/2025
<b>13/03/2024</b>	Dental Health and the impact of COVID-19	To explore the feasibility of having an outreach dental service in the LWC (Live Well Centre) with the ICB and Teesside University	PH	31/07/2024	31/12/2024
<b>13/03/2024</b>	Dental Health and the impact of COVID-19	Update to be submitted to Health Scrutiny Panel in 6mths, in respect of Northeast and North Cumbria.	PH	29/02/2024	30/11/2024
<b>14/02/2024</b>	Newham Hall - Disposal Options Update	Hybrid Planning Application will be submitted for the road and the housing	REG	31/08/2024	31/01/2025
<b>24/07/2024</b>	The disposal of land at Hemlington Grange West	POS & Land Appropriation	REG	30/08/2024	30/11/2024
<b>22/05/2024</b>	Developing a New Nunthorpe Community Facility	Submit Planning Application	REG	15/09/2024	30/11/2024
<b>22/05/2024</b>	Developing a New Nunthorpe Community Facility	Complete full construction designs and Site Investigations	REG	08/09/2024	30/11/2024

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## Appendix 2: Council Plan workplan; progress at Quarter Two 2024/25

<b>We will attract and grow businesses to increase employment opportunities</b>	<b>Q1 2024/25 position</b>	<b>Q2 2024/25 position</b>
Implementation of an Economic Growth Strategy and Masterplan for the town, articulating both the aspirations of the Council and key partners and the key future investment priorities.	G	G
Expand the towns cultural offer through creation of a Cultural Masterplan, alongside exploration of external investment to ensure long term sustainability.	G	G
Increase the local economic impact of new job creation in key sectors.	G	G
Improve the range of health and employment related services offered to the public through successful delivery of the Levelling Up Partnership funds.	G	G

<b>We will improve attainment in education and skills</b>	<b>Q1 2024/25 position</b>	<b>Q2 2024/25 position</b>
Transform Middlesbrough's approach to delivery of learning through implementation of the Council's Education and Skills Strategy.	G	G
Improve outcomes through delivery of the Priority Education Area action plan at key stages 1, 2 and 4.	G	G
Increase parental understanding of the importance of literacy for under 5's through a programme of learning	G	G
Improve life chances by increasing children's and young people's access to high quality education through delivery of the Learning and Education Strategy.	G	G
Develop and deliver a programme of qualifications and learning to support people into / back into employment through Middlesbrough Community Learning.	G	G

<b>We will ensure housing provision meets local demands</b>	<b>Q1 2024/25 position</b>	<b>Q2 2024/25 position</b>
Develop and progress a new Local Plan for Middlesbrough which balances growth aspirations with the longer-term needs of the Middlesbrough community.	G	G
Continue to grow housing sites and opportunities in Middlesbrough, to enable the development of 450 units of new housing per year.	G	G
Establish a strategic leadership role for the provision of housing to ensure that the provision aligns with needs.	G	G
Increase pathways offer for homeless households that embody choice; safety and dignity and provide routes into sustainable, long-term accommodation.	G	G

<b>We will improve life chances of our residents by responding to health inequalities</b>	<b>Q1 2024/25 position</b>	<b>Q2 2024/25 position</b>
Boost recruitment and retention of practitioners through delivery of the childcare expansion in Early Years	G	G
Roll-out the extended childcare entitlement to increased number of children from 9months+, who have access to Early Years provision	G	G
Increase outcomes for under 5's through successful delivery of the Best Start Pathway.	G	G
Develop research architecture and attract funding, to support development of our local understanding of key issues affecting health inequalities.	G	G

Reduce health inequalities caused by excess weight, through implementation of the core Healthy Weight Declaration commitments.	G	G
Improve wellbeing in Middlesbrough through embedding a 'health in all' policies approach in all planning and transport decision-making.	G	G
Improve health literacy through delivery of a Healthy Start pilot model for prevention of ill-health in schools.	G	G
Reduce inequalities through improvements to cancer screening programmes uptake	G	G
Improve prevention services delivered in primary and secondary care to increase uptake	G	G

<b>We will protect and improve our environment</b>	<b>Q1 2024/25 position</b>	<b>Q2 2024/25 position</b>
Increase the levels of recycling in Middlesbrough from 30% to 38%.	G	G
Protect and improve our parks and open spaces through retention of Green Flag Status	G	G
Improve environmental standards of the town, through increased levels of environmental enforcement.	G	G

<b>We will promote inclusivity for all</b>	<b>Q1 2024/25 position</b>	<b>Q2 2024/25 position</b>
Strengthen our approach to supporting dementia friendly communities programme through increasing voluntary and community sector capacity	G	G
Prevent and / or delay the need for formal service provision through improved access to reliable and timely advice and information, to support independent and healthy living	C	C
Develop and implement a pilot approach to housing and support, for inclusion health groups ensure this is reflected in the Supported Housing Strategy	C	C

<b>We will reduce poverty</b>	<b>Q1 2024/25 position</b>	<b>Q2 2024/25 position</b>
Relaunch Welfare Strategy to support Middlesbrough's vulnerable residents who need financial assistance, advice and support	G	G

<b>We will provide support for adults to be independent for longer</b>	<b>Q1 2024/25 position</b>	<b>Q2 2024/25 position</b>
Increase the effectiveness of prevention through the development of more signposting and a consistent strengths-based approach to the promotion of independence at the "front door" of Adult Social Care	G	G
Increase the amount of reablement provided to reduce the need for on-going care	G	G
Develop an enhanced range of accommodation and support options for adults with a learning disability to promote independence and reduce the reliance on residential care provision	G	G
Reduce the need for on-going care through the expanded use of the Connect Service, assistive technology and digital solutions	G	G
Re-locate and expand our specialist autism Day Care service	G	G
Develop a Community Capacity Building Strategy with focus on social capital and community wealth building	G	G

<b>We will Improve transport and digital connectivity</b>	<b>Q1 2024/25 position</b>	<b>Q2 2024/25 position</b>
Implementation of a transformed customer model to achieve improved customer access, outcomes and savings	G	G
Improve public highways and infrastructure to support connectivity across Middlesbrough and the Tees Valley	G	G

<b>We will promote new ideas and community initiatives</b>	<b>Q1 2024/25 position</b>	<b>Q2 2024/25 position</b>
Introduce a neighbourhood working model to ensure Council services are more closely aligned to community needs	G	G

<b>We will reduce crime and antisocial behaviour</b>	<b>Q1 2024/25 position</b>	<b>Q2 2024/25 position</b>
Reduce Crime and Anti-Social behaviours across Middlesbrough through the continued working with the Community Safety Partnership	G	G
Improve the safety and health of the public and the environments in which they live and work through review of public protection policies and interventions	G	G
Implement a multidisciplinary approach (SHIFT ) to increase prevention opportunities through early intervention	G	C
Work with partners to ensure safe and effective systems and processes are in place for the protection of victims of domestic abuse and their children	G	G
Revise and implement an Empty Homes strategy to support the Councils wider approach to tackling crime and ASB	G	G










<b>We will ensure robust and effective corporate governance</b>	<b>Q1 2024/25 position</b>	<b>Q2 2024/25 position</b>
Implement and embed a Member Development Strategy and Programme to extend learning and development opportunities	G	G
Develop and implement approach to achieve organisational change through implementation of transformation portfolio of programme and projects and associated governance structure	C	C
Refresh the Information Strategy to ensure legal compliance in regard to information governance	A	R

<b>We will set a balanced revenue budget and Medium-Term Financial Plan to restore financial resilience and sustainability</b>	<b>Q1 2024/25 position</b>	<b>Q2 2024/25 position</b>
Increase internal residential capacity through the purchase of suitable properties	G	G
Improve recruitment and retention of social worker related posts through more targeted and effective marketing	G	G
Maximise grant opportunities to support service delivery	G	G
Implementation of a People Strategy to underpin the Council's cultural transformation ambitions and financial stability	G	C







Increase sales and maximise rental income of the Council's asset portfolio to ensure financial sustainability and promote economic growth	G	G
Remodel the Council's Planning Service to reflect increasing demand and complexity, address recruitment and retention difficulties, and deliver improved customer service	G	G
Complete new delivery model for Procurement and Contract Management across Council services	G	G
Increase level of grant income to support development of new service delivery initiatives	G	G
Retender pensions administration service, to ensure value for money for fund and scheme members	G	G
Implementation and review effectiveness of demand and cost modelling forecast, for high-spend areas to feed into MTFP assumptions	G	C
Review of Children's and Young People placements, including processes and procedures to ensure robust decision-making and allocation	G	G
Increase internal residential capacity through the purchase of suitable properties	G	G







<b>Key:</b>	
C	Complete
G	On-track
A	Some slippage
R	High risk of deliverability
U	Undeliverable







**Appendix 3: Strategic Risk register at the end of Quarter Two 2024/25**

Code	Risk Description	Original Score	Current Score	Target Score	Managed By	
SR-01	<p><b>Failure to Maintain a balanced budget and MTFP</b></p> <p><b>Failure to set a legal and balanced annual budget and to maintain a sustainable Medium Term Financial Plan (MTFP)</b>                      The Council is required to set a legally balanced revenue budget by 11 March in advance of each forthcoming financial year. Failure to achieve this objective will require the s151 Officer to issue a statutory s114 Notice to the Council.                      The Council has a best value duty to set and maintain a sustainable and balanced Medium Term Financial Plan including maintenance of its reserves position to demonstrate financial resilience to be able to respond to unforeseen and complex financial challenges presented by the wider economic environment.</p>	 <p>35</p>	 <p>35</p>	 <p>21</p>	Director of Finance	
Current Mitigation		Future Mitigation	Responsible Officer	Director	Target Date	
<ul style="list-style-type: none"> <li>Responsibility and Accountability for Financial Management reinforced by Accountability Agreements for all Directors</li> <li>Monthly budget monitoring, forecasting, and tracking of savings delivery by Directors with accountability to the Interim CEO through LMT and development and delivery of financial recovery plans to control within approved budget</li> <li>Monthly budget challenge sessions chaired by Director of Finance for all Directorates to enable development of insight, understanding and wider collaboration of colleagues in order to address significant financial risks.</li> <li>Timely briefing of Mayor and Executive Members on significant financial challenges with agreement for action.</li> <li>Quarterly budget challenge sessions chaired by the Executive Member for Finance &amp; Governance to engage Executive Members.</li> </ul>		Development of balanced 2024/25 Budget and MTFP to 2026/27	Director of Finance		Director of Finance	11-Mar-2024
		Refresh of the 2025-26 MTPS process	Andrew Humble			28-Jul-2024
		Failure of the Recover, Reset, Deliver Transformation Portfolio	Chief Executive			31-Mar-2025
		Failure of the Recover, Reset, Deliver Transformation Portfolio to identify further savings	Chief Executive			31-Mar-2025
		Monthly budget monitoring to be put in place	Director of Adult Social Care and Health Integration; Director of Children's Care; Director of Children's Services			31-Mar-2024
		Monthly budget monitoring to be put in place	Director of Adult Social Care and Health Integration; Director of Children's Care			31-Mar-2024

<ul style="list-style-type: none"> <li>• Monthly monitoring of income budgets, council tax and business rates collection rates and debt levels.</li> <li>• Update MTFP ahead of Council Planning and budget setting process for 2024/25.</li> <li>• Implementation of budget management Power BI dashboard over Business World financial management system in order to improve accessibility of financial information for Directors, Heads of Service and Budget Manager.</li> <li>• Implementation and expansion of purchase to pay compliance dashboards for use by Directors, Heads of Service and Budget Managers to drive increase in compliant procurement in relation to retrospective ordering, on vs off contract spend and use of purchase cards</li> </ul>				
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Code	Risk Description		Original Score	Current Score	Target Score	Managed By
SR-02	Volatility in the demand, complexity and cost of children's social care.	The risk that <b>demand and cost of and children's social care</b> continues to escalate on the scale experienced in 2022/23, is the single biggest risk to the Councils financial viability. More financially sustainable solutions for meeting social care needs of children need to be secured with urgency to ensure delivery within the approved budget for 2023/23.	 35	 28	 21	Director of Children's Care; Director of Children's Services
Current Mitigation		Future Mitigation	Responsible Officer	Director	Target Date	
<b>Children's input</b> <ul style="list-style-type: none"> <li>• Weekly activity data through Chat reports/ data</li> <li>• Moving to monthly financial monitoring</li> <li>• Development of demand model</li> </ul>		Weekly placements panel to be put place for high cost placements	Director of Adult Social Care and Health Integration; Director of Children's Care 	Director of Children's Care; Director of Children's Services; Director of Education and Partnerships	30-Jun-2023	
		Review Placements Manager post	Claire Walker 		29-Feb-2024	
		Monthly budget monitoring to be put in place	Director of Adult Social Care and Health Integration; Director of Children's Care; Director of Children's Services 		31-Mar-2024	

Code	Risk Description	Original Score	Current Score	Target Score	Managed By
SR-03	Volatility in the demand and cost of adult's social care The potential for underlying <b>demand and cost pressures to arise in adult social care</b> presents a significant risk to the Council's overall financial viability and measures must be put in place to manage within approved budget.	 35	 15	 9	Director of Adult Social Care and Health Integration
Current Mitigation		Future Mitigation	Responsible Officer	Director	Target Date
Local Government settlement Budget Management process Contract management processes Savings programme in place Demand model in place Monthly demand reported to DMT - activity not just finance		Monthly budget monitoring to be put in place	Director of Adult Social Care and Health Integration; Director of Children's Care 	Director of Adult Social Care and Health Integration; Adult Social Care and Public Health Senior Managers	31-Mar-2024
		Develop a demand model, that monitors performance across activity demand and unit costing, to understand 'current state'.	Director of Adult Social Care and Health Integration 		30-Sep-2024
		Develop a forecast model, that uses the 'current state' model, to predict activity demand and financials across Adults Social Care in the next 1/2/5 years.	Samantha Stuart 		30-Nov-2024

Code	Risk Description	Original Score	Current Score	Target Score	Managed By
SR-04	Unlawful decision by the Council If the Council took a decision that was unlawful then there is a risk of legal challenge or regulatory action that could damage its reputation and its financial position.	 35	 10	 6	Director of Legal and Governance
Current Mitigation		Future Mitigation	Responsible Officer	Director	Target Date
Council constitution and supporting policy framework Corporate policies and procedures Compliance checks across key areas including HSE, Risk etc, covering the corporate governance framework Standard report formats Statutory officer posts to oversee governance		Refresh the committee report format	Ann-Marie Johnstone 	Director of Legal and Governance	31-Jul-2023
		Review the report development process	Ann-Marie Johnstone 		31-Jul-2023
		Complete delivery of the Corporate Governance Improvement Plan	Ann-Marie Johnstone 		31-Dec-2024




Annual Governance Statement assessment process Internal and external audit processes Refreshed whistleblowing policy Legal and finance report clearance process Regular review of the Council Constitution.	Complete delivery of the Section 24 Action plan	Ann-Marie Johnstone			31-Mar-2025
	Progress report on improvement against the Best Value Notice by the independent Board considered by Council	Ann-Marie Johnstone			31-Mar-2024
	Progress report on improvement against BV notice considered by Executive	Ann-Marie Johnstone			30-Sep-2024

Code	Risk Description		Original Score	Current Score	Target Score	Managed By
SR-05	Serious accident or death occurred as a result of failure to comply with Health and safety legislation and regulations	If a serious accident or death occurred as a result of failure to comply with Health and safety legislation and regulations then this could result in financial and reputational damage and individual prosecutions of staff.	35	15	10	Chief Executive
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>		<b>Director</b>	<b>Target Date</b>
Comprehensive suite of Health and Safety policies and procedures. Mandatory and complimentary Health and safety training for all Council staff. Dedicated HSE Advisor team Incident investigation system (My Compliance) to learn from incidents. HSE intranet page with important HSE information Audit schedule HSE steering group Fire Management System implemented across Council premises.		Fire Safety Management Policy Statement	Director of Regeneration; Gary Welch		Chief Executive; Director of Legal and Governance; Director of Regeneration	31-Jul-2023
		CEO to produce H&S Statement of Intent for the Council.	Chief Executive; Gary Welch			31-Jul-2023
		Risk from reinforced autoclaved aerated concrete (RAAC) collapsing in maintained schools or other Council assets	Director of Regeneration; Richard Horniman			30-Aug-2024
		Implementation of service area audits by the health and safety unit to give further assurance of sound HSMS within directorates.	Gary Welch			31-Mar-2025










Code	Risk Description		Original Score	Current Score	Target Score	Managed By
SR-07	Unable to recruit and retain key staff	If the Council is <b>unable to recruit and retain key staff in Leadership Positions</b> , then this could impact on their ability to	15	9	3	Director of Legal and Governance






	provide effective leadership, deliver critical services which could cause harm to people and could result in government intervention.				
Current Mitigation		Future Mitigation	Responsible Officer	Director	Target Date
<p>Benchmarking salaries against other local authorities and similar roles in other disciplines to remain competitive. Work/life balance system such as agile working, 9 day fortnight, collaboration areas etc.. Advertising roles on multiple platforms such as LinkedIn and other social networking sites with the aim of reaching target audience.</p>		Benchmark grades and salaries against NE local authorities	Kerry Rowe	✓	31-Jul-2023
		Review recruitment process	Nicola Finnegan	✓	31-Oct-2023
		Create new people and cultural transformation strategy	Nicola Finnegan	✓	31-Oct-2023
		review the people strategy after the first year of implementation	Nicola Finnegan	▶	31-Mar-2025
		Recruitment of Chief Executive and S151 Officer	Director of Legal and Governance	▶	31-Mar-2025
		Track delivery of first quarterly report to LMT on delivery against People Strategy	Nicola Finnegan	⛔	31-Jul-2024




Code	Risk Description		Original Score	Current Score	Target Score	Managed By
SR-08	Fail to ensure an approach to cyber security that meets good practice standards as set out by the National Cyber Security Centre and other bodies	If the Council <b>fails to ensure a sound approach to cyber security</b> (technology, processes and awareness), then this could result in a cyber-attack which disrupts service delivery, increases risks to service users and incurs significant financial costs to respond to and recover from an attack.	 35	 14	 10	Director of Legal and Governance; Stephanie Bradley; Gemma Cooper; Ben Knudsen
Current Mitigation		Future Mitigation	Responsible Officer	Director	Target Date	
<p>* Annual ICT healthchecks (Internal and external penetration testing).            * Compliance with PSN and PCI standards.            * Internal scanning as new systems go live.            * Robust defence systems including firewalls, content filtering and endpoint protection.            * Robust 60 day patching and maintenance cycle.            * Test complete and continue to test.            * Healthcheck recommendations reviewed and implemented.</p>		Review Cyber Security Training Strategy	Stephanie Bradley; Ben Knudsen	⛔	30-Sep-2024	Director of Legal and Governance
		Benchmark against Cyber Assessment Framework	Stephanie Bradley; Ben Knudsen	▶	01-Dec-2024	
		Complete LGA Test and Exercise	Stephanie Bradley; Gemma Cooper; Ben Knudsen	✓	31-Aug-2024	








* Membership of North East WARP and CiSP. * Use of Protective DNS. * Robust backup regime, including off-line tape backups to ensure recovery				
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





Code	Risk Description		Original Score	Current Score	Target Score	Managed By
SR-09	Corporate Governance arrangement not fit for purpose	If the Council's <b>Corporate Governance arrangements are not fit for purpose and appropriate action is not taken to rectify this at pace</b> , this could result, censure from the Council's auditors within a public interest report that would damage the Council's reputation and/or in government formal intervention including removal of powers from officers and members and direction of council spend.	 15	 28	 9	Director of Legal and Governance
<b>Current Mitigation</b>		<b>Future Mitigation</b>	<b>Responsible Officer</b>		<b>Director</b>	<b>Target Date</b>
External reports commissioned on Corporate governance and findings reflected within a Corporate Governance Improvement Plan Improvement Board in place Detailed improvement plan in place that has delivered a range of changes to corporate governance processes Annual Governance Statement process and supporting action plan. Draft AGSs in place for both 2021/22 and 2022/23 Regular reports to Audit Committee on aspects of corporate governance to provide assurance		Complete delivery of the Section 24 Action plan	Ann-Marie Johnstone		Director of Legal and Governance	31-Mar-2025
		Refreshed approach to corporate governance agreed by council	Ann-Marie Johnstone			31-Jul-2023
		Corporate peer review held to assess process	Ann-Marie Johnstone			31-Jan-2025
		Develop the detailed delivery plan	Gemma Cooper			30-Sep-2023
		Progress report from MIIAB to Council by end March 2024	Ann-Marie Johnstone			31-Mar-2024
		Progress report from MIIAB to Executive by end July 2024	Ann-Marie Johnstone			31-Jul-2024

Code	Risk Description		Original Score	Current Score	Target Score	Managed By
SR-10	Negative Impact of Mayoral Development Corporation	If the Council's ambitions for town centre regeneration or the wider financial sustainability of the organisation are negatively impacted by the establishment of a Mayoral Development	 10	 15	 3	Director of Regeneration

	Corporation that would take over some of the Council's existing statutory roles. This could potentially result in a lack of investment in the town, reduction in the Council's business rates income, loss of commercial income and reduction in asset holdings affecting the Council's financial viability. Reputational damage is also possible through the incorrect discharge of responsibilities such as town planning or business rate relief.				
Current Mitigation		Future Mitigation	Responsible Officer	Director	Target Date
Council representation on the board of the MDC Pushing for no detriment clauses in the MDC constitution Engagement with TVCA on the development of future MDC projects		Heads of Terms agreed on individual asset transfers	Director of Regeneration	Director of Regeneration	31-Jul-2025
		Delivery of planning functions until robust alternative is in place	Director of Regeneration		31-Dec-2023
		Agree robust business rates protocols	Sue Blakey; Janette Savage		31-Oct-2024

Code	Risk Description	Original Score	Current Score	Target Score	Managed By
SR-11	Failed Partnerships  If the <b>Council and its partners do not have the collective capacity to deliver system wide change to key issues</b> such as public health, crime and safeguarding, then this could result in the population's health, wellbeing and safety declining.	 35	 21	 10	Chief Executive
Current Mitigation		Future Mitigation	Responsible Officer	Director	Target Date
Partnership governance register in place. Partnership governance annual assurance report and supporting register in place to assess the health of key partnerships. <b>Children's Controls</b> All partnerships contain TOR - Partners contribute. External scrutiny of partnerships. New Mayor to chair Corporate Parenting Board. Formal reporting process in place - record of discussion and decision making. <b>Adults Controls</b> Victim support for those within ASC who require it. Additional resources as required,		Refresh of the Partnership Governance register	Ann-Marie Johnstone	Chief Executive	31-Dec-2023
		Community Cohesion	Marion Walker		19-Jul-2024







Code	Risk Description	Original Score	Current Score	Target Score	Managed By
SR-12	Fail to deliver quality practice within children's safeguarding services If the Council <b>fail to deliver quality practice within children's safeguarding services</b> then this may result in further government intervention, serious harm to individuals and loss of financial control.	 35	 21	 10	Director of Children's Care; Director of Children's Services
Current Mitigation		Future Mitigation	Responsible Officer	Director	Target Date
Delivered Children's services improvement plan Improvement board in place External oversight of progress from DFE Monthly performance monitoring reports		Implementation of post ILACs improvement plan	Director of Adult Social Care and Health Integration; Director of Children's Care 	Director of Children's Care; Director of Children's Services	31-Jan-2024
		Creation and recruitment to the head of Quality Principal Social Work Learning and Review	Director of Adult Social Care and Health Integration; Director of Children's Care 		30-Sep-2023
		Review progress in delivery of the ILACS improvement plan to assess progress and impact of actions	Director of Adult Social Care and Health Integration; Director of Children's Care; Director of Children's Services 		30-Apr-2024
		Complete delivery of the ILACs improvement	Director of Adult Social Care and Health Integration; Director of Children's Care; Director of Children's Services 		31-Jan-2025

Code	Risk Description	Original Score	Current Score	Target Score	Managed By
SR-13	Failure to deliver transformation successfully If the Council fails to transform its service delivery model to a model that can deliver outcomes for residents at a reduced cost base, then the Council's financial position will become untenable and may result in the issuing of a S114 Notice.	 35	 10	 5	Chief Executive; Gemma Cooper
Current Mitigation		Future Mitigation	Responsible Officer	Director	Target Date
<ul style="list-style-type: none"> <li>- PPMF in place</li> <li>- Transformation governance arrangements and reporting cycle agreed</li> <li>- Funding of £4.827m agreed by Council to fund transformation work</li> </ul>		Failure of the Recover, Reset, Deliver Transformation Portfolio	Chief Executive 	Chief Executive	31-Mar-2025
		Failure of the Recover, Reset, Deliver Transformation Portfolio to identify further savings	Chief Executive 		31-Mar-2025
		Agree the content and approach of the transformation portfolio	Chief Executive 		30-Apr-2024

	First cycle of Transformation governance arrangements scheduled	Gemma Cooper			30-Apr-2024
	Develop specification for transformation resourcing	Gemma Cooper			30-Apr-2024

Code	Risk Description		Original Score	Current Score	Target Score	Managed By
SR-14	Failure to ensure effective governance of the Middlesbrough Development Corporation	If the Middlesbrough Development Corporation fails to reflect the relevant findings from the review of Teesworks governance in its structures, then there is a risk that it could fail to ensure value for money or good governance in its decision making, which will have an adverse impact on the economic vitality of the Town Centre.	35	10	10	Director of Regeneration
<b>Current Mitigation</b>			<b>Future Mitigation</b>	<b>Responsible Officer</b>	<b>Director</b>	<b>Target Date</b>
<ul style="list-style-type: none"> <li>- Teesworks report and commitment from TVCA to reflect findings in the governance arrangements of the MDC</li> <li>- Council representatives on the MDC Board</li> </ul>			Refresh the Local Plan	Paul Clarke	Director of Regeneration	31-Mar-2025

Code	Risk Description		Original Score	Current Score	Target Score	Managed By
SR-15	Threats to Social Cohesion and Democratic Resilience	If Communities feel disconnected and that they do not live in a safe and resilient environment that promotes the best outcomes for citizens of the town. This could lead to local flashpoints which would be damaging to community relations, the reputation and image of a multi-cultural Middlesbrough.	35	21	14	Marion Walker
<b>Current Mitigation</b>			<b>Future Mitigation</b>	<b>Responsible Officer</b>	<b>Director</b>	<b>Target Date</b>
<b>Internal Controls (Current Mitigations in place):</b> <ul style="list-style-type: none"> <li>. Community tension monitoring undertaken.</li> <li>. Community engagement undertaken.</li> <li>. Neighbourhood safety liaison in place.</li> <li>. Prevent operational group risk plans in place</li> </ul>			Promote social cohesion through a dedicated local government effort, amplifying and reinforcing democratic freedoms and norms; and supporting evidence-based local cohesion initiatives.	Marion Walker	Director of Environment & Community Services	30-Aug-2025

<ul style="list-style-type: none"> <li>. Liaison with policing partners to verify validity of possible demonstrations.</li> <li>. Initial credibility verification through visual audits using CCTV operations and open sources.</li> <li>. Gatekeeping protocols with marketing and communications for potentially controversial communications</li> <li>. Ongoing promotion of education around disinformation and building of media literacy by partners within the local authority and via social media</li> <li>. Monthly meetings held with senior leadership.</li> <li>. Gold and Silver recovery group meetings with senior leadership teams across the organisation and partners.</li> <li>. Action plan developed by silver group to be reported to gold with escalations.</li> <li>. Community safety partnership reconstituted to provide greater strategic oversight.</li> <li>. MBC have secured £600k to be spent in response to community tensions as a further control.</li> </ul>	Build resilience in local communities against extremist ideologies and narratives, including conspiracy theories and disinformation (PREVENT).	Marion Walker		30-Aug-2025
	Engage people utilising the neighbourhood model, tying in with partnership organisations, VCS, local community groups and elected members. We will work to find solutions with communities and not to them.	Marion Walker		30-Aug-2025
	Develop an early tension warning system that monitors and alerts the local authority and other key local partners about growing tensions.	Marion Walker		30-Aug-2025
	Marginalise and isolate extremist and other malign actors to prevent the mainstreaming of extremist ideologies and dangerous conspiracy theories which are causing severe harm and disruption in local areas (PREVENT).	Marion Walker		30-Aug-2025
	Respond quickly and effectively to flashpoint incidents and triggers.	Marion Walker		30-Aug-2025
	Repair relationships and engagement between local communities where they have broken down following serious conflict and flashpoint incidents.	Marion Walker		30-Aug-2025

**Appendix 4:** Proposed KPIs to demonstrate incremental progress against the Council Plan 2024-27

Directorate	Ambition	Key Performance Indicator	New Freq	Internal v Published
Regeneration	A successful and ambitious town	Employment Rate (16-64 years) %	already Quarterly	Published
Regeneration	A successful and ambitious town	Rate of births of new enterprises per 10,000 resident population aged 16 and above	Quarterly	ONS internal
Education & Partnerships	A successful and ambitious town	Number of pupils in local authority funded alternative provision	Quarterly	internal
Adult Social Care & Health Integration	A successful and ambitious town	Households owed a duty under the Homelessness Reduction Act	Quarterly	published
Regeneration	A successful and ambitious town	Number of completed affordable homes delivered (gross)	Quarterly	Internal
Regeneration	A successful and ambitious town	New Homes: Started	Quarterly	Internal
Regeneration	A successful and ambitious town	New Homes: Completed	Quarterly	Internal
Public Health	A healthy place	Cancer Screening coverage: Breast Cancer	Quarterly	Internal
Public Health	A healthy place	Cancer Screening Coverage: Cervical Cancer (aged 25 to 49 years old)	Quarterly	Internal
Public Health	A healthy place	Cancer Screening Coverage: Cervical Cancer (aged 50 to 64 years old)	Quarterly	Internal
Environment & Community Services	A healthy place	Household waste sent for reuse, recycling and composting	Quarterly	Internal
Environment & Community Services	A healthy place	Residual household waste per household	Quarterly	Internal

Directorate	Ambition	Key Performance Indicator	New Freq	Internal v Published
Multiple	A healthy place	Index of Multiple Deprivation Decile	Quarterly	Published
Adult Social Care & Health Integration	Safe and resilient communities	The number of adults aged 18 to 64 whose long-term support needs are met by admission to residential and nursing care homes (per 100,000 population)	Quarterly	Internal
Adult Social Care & Health Integration	Safe and resilient communities	The number of adults aged 65 and over whose long-term support needs are met by admission to residential and nursing care homes (per 100,000 population)	Quarterly	Internal
Adult Social Care & Health Integration	Safe and resilient communities	The proportion of older people (aged 65 and over) who received reablement/rehabilitation services after discharge from hospital	Quarterly	Internal
Environment & Community Services	Safe and resilient communities	Bus Patronage	Quarterly	Published
Environment & Community Services	Safe and resilient communities	Number of publicly accessible Electric Vehicle charging points	Quarterly	Internal
Environment & Community Services	Safe and resilient communities	Total Middlesbrough Council website page views	Quarterly	Internal
Environment & Community Services	Safe and resilient communities	Total MyMiddlesbrough user accounts	Quarterly	Internal
Legal and Governance Services	Safe and resilient communities	Satisfaction with the local area as a place to live	every 5+ years	Internal
Environment & Community Services	Safe and resilient communities	Anti-Social Behaviour Rate per 1,000	Quarterly	Internal
Multiple	Safe and resilient communities	Domestic abuse rate per 1,000 population	Quarterly	Internal
Multiple	Safe and resilient communities	First time entrants into the Criminal Justice System	Quarterly	Internal
Environment & Community Services	Safe and resilient communities	Crime rate per 1,000	Quarterly	Internal
Children's Services	Delivering best value	CLA placed out of area	Quarterly	Internal



Directorate	Ambition	Key Performance Indicator	New Freq	Internal v Published
Legal & Governance Services	Delivering best value	Number of member-to-member complaints	Quarterly	Internal
Legal & Governance Services	Delivering best value	GDPR Mandatory Training Completion %	Quarterly	Internal
Environment & Community Services	A healthy place	400m walk of a commercial daytime bus service	Quarterly	Provided by TVCA

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<b>MIDDLESBROUGH COUNCIL</b>	
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<b>Report of:</b>	Director of Finance
<b>Relevant Executive Member:</b>	The Mayor Executive Member for Finance
<b>Submitted to:</b>	Overview and Scrutiny Board
<b>Date:</b>	18 December 2024
<b>Title:</b>	2024/25 Quarter Two Revenue and Capital Monitoring and Forecast Outturn
<b>Report for:</b>	Discussion
<b>Status:</b>	Public
<b>Council Plan priority:</b>	Delivering Best Value
<b>Key decision:</b>	Not applicable
<b>Why:</b>	Report is for information only
<b>Subject to call in?:</b>	Not applicable
<b>Why:</b>	Non-Executive report

#### **Executive summary**

The attached report was considered by Executive on 4 December 2024. This report advised the Executive of the Council's forecast year-end financial outturn as at Quarter Two 2024/25, and sought approval of budget virements within the revenue budget and revisions to the capital programme in relation to activity in Quarter Two.

The report is submitted to the Overview and Scrutiny Board for their comment.

## 1. Purpose

1.1 To inform Overview and Scrutiny Board of the Council's Revenue and Capital Budget position at Quarter Two 2024/25

## 2. Recommendations

2.1 That the Overview and Scrutiny Board

- Note the contents of the report.
- Provide comments back to the Executive as appropriate

## 3. Rationale for the recommended decision(s)

3.1 To advise Scrutiny on the Council's financial position at Quarter Two 2024/25.

## 4. Background and relevant information

4.1 Relevant background and other information is contained in the Executive report at Appendix 1.

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

5.1 No other options are submitted as part of the report.

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

Topic	Impact
Financial (including procurement and Social Value)	The report is for discussion only and as such there are financial impacts.
Legal	The report is for discussion only and as such there are Legal impacts.
Risk	The report is for discussion only and as such there are Risk impacts.
Human Rights, Public Sector Equality Duty and Community Cohesion	The report is for discussion only and as such there are no Human Rights, Public Sector Equality Duty and Community Cohesion impacts.
Climate Change / Environmental	The report is for discussion only and as such there are no Climate Change / Environmental impacts.
Children and Young People Cared for by the Authority and Care Leavers	The report is for discussion only and as such there are no Children and Young People Cared for by the Authority and Care Leavers impacts.
Data Protection	The report is for discussion only and as such there are no Data Protection impacts.

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

Action	Responsible Officer	Deadline
N/A		

**Appendices**

1	Executive Report (Revenue and Capital Budget – Forecast Year-end Outturn position at Quarter Two 2024/25)
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**Background papers**

Body	Report title	Date

**Contact:** Andrew Humble

**Email:** Andrew\_humble@middlesbrough.gov.uk

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<b>Report of:</b>	Director of Finance (s151 Officer)
<b>Relevant Executive Member:</b>	Executive Member for Finance
<b>Submitted to:</b>	Executive
<b>Date:</b>	4 December 2024
<b>Title:</b>	Revenue and Capital Budget – Forecast Year-end Outturn position at Quarter Two 2024/25
<b>Report for:</b>	Decision
<b>Status:</b>	Public
<b>Strategic priority:</b>	All
<b>Key decision:</b>	Yes
<b>Why:</b>	Decision(s) will incur expenditure or savings above £250,000 and have a significant impact in two or more wards
<b>Subject to call in :</b>	Yes
<b>Why:</b>	

**Proposed decision(s)**

That the Executive approves budget virements within the revenue budget (Appendix 3), and revisions to the capital programme in relation to activity in Quarter Two (Appendix 8 and paragraphs 4.41 and 4.42) as set out in recommendations 2.1.1 to 2.1.3

That the Executive notes the key issues impacting the Council's financial performance as set out in recommendation 2.2.1 to 2.2.8.

## Executive summary

This report advises the Executive of the Council's forecast year-end financial outturn as at Quarter Two 2024/25, and seeks approval of budget virements within the revenue budget and revisions to the capital programme in relation to activity in Quarter Two.

The report enables the Executive to discharge its financial management responsibilities by setting out the following position at Quarter Two (30 September 2024):

- General Fund Revenue Budget forecast outturn;
- Statement of the Council's reserves and provisions;
- Capital Programme forecast outturn;
- statement of the Council's borrowing and prudential indicators;
- statement of the level of debt owed to and to be recovered by the Council;
- actions that have been taken and are planned to be taken in order address the issues identified.

The main highlights of the report are :

- the forecast 2024/25 revenue outturn as at Quarter Two is a year-end overspend of £1.382m (0.97%), and whilst this is an improvement from the £3.742m reported at Quarter One there is a need to take further management action in consultation with Executive Members to control expenditure within the approved budget of £143.190m. Any underspend against the approved budget will reduce the Council's need to draw down Exceptional Financial Support (EFS) and avoid associated capital financing costs of borrowing.
- Financial Recovery Plan savings of £0.498m have currently been identified which if fully delivered could reduce the forecast year-end overspend to £0.884m
- the forecast year-end overspend of £1.382m currently includes £2.481m of net savings where there is a high risk that they will not be deliverable in 2024/25, which are offset by £1.099m of operational underspends.
- If these savings remain unachievable at year end, a proportion of the £3.5m Exceptional Financial Support (EFS) agreed in-principle for this purpose would be utilised to cover these unachieved savings up to a maximum of the total overspend at 31 March 2024. The cost of borrowing for this purpose is factored into the MTFP.
- If an element of any overspend at 31 March 2024 is not linked to savings delivery, this would fall to be met from revenue reserves.
- Based upon the Quarter Two forecast, the General Fund Balance is forecast to be £11.100m whilst the balance on usable unrestricted reserves is forecast to be £7.814m at 31 March 2025. This would be in line with that recommended by the Director of Finance in the Reserves Policy approved by Council on 8 March 2024 to rebuild the Council's financial resilience.
- The 2024/25 Capital Programme forecast year-end outturn of £72.546m at Quarter Two is a reduction of £34.165m from the revised £106.711m budget.
- This is largely due to slippage of planned expenditure from 2024/25 into 2025/26 and 2026/27. The Executive agreed measures to improve capital programme management and forecasting at its meeting on 13 November 2024.



## 1. Purpose

- 1.1 This report discharges the responsibilities of the Executive to manage and control the revenue budget, capital programme and overall balance sheet position of the Council.

## 2. Recommendations

- 2.1 The Executive is requested to **approve** recommendations **2.1.1 to 2.1.3** below:

- 2.1.1 The proposed revenue budget virements over £250,000 as detailed in Appendix 3.
- 2.1.2 The inclusion of additional expenditure budgets to the Capital Programme totalling £0.523m for 2024/25 which are externally funded (detailed in Appendix 8). Subject to approval this will increase the approved 2024/25 Capital Programme budget to £106.711m.
- 2.1.3 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 (detailed in Appendix 8).

- 2.2 The Executive is requested to **note** the key issues impacting the Council's financial performance in 2024/25 set out at **2.2.1 to 2.2.8** below:

- 2.2.1 The forecast 2024/25 revenue outturn as at Quarter Two of £144.572m against an approved budget of £143.190m. This is an overspend of £1.382m (0.97%) as summarised below and detailed in Table 1. This is an improvement of £2.360m from the £3.742m forecast year-end overspend reported at Quarter One.

	<b>£m</b>
Adult Social Care – unachieved savings	0.417
Adult Social Care – other - mainly by maximising a one-off grant	(0.362)
Children’s Social Care – increased numbers and complexity of external residential placements	1.957
Children’s Social Care –unachieved savings	1.730
Other variances (ECS, Education & Partnerships, Regeneration, Legal and Governance, Finance, and Central)	(2.360)
<b>Total</b>	<b>1.382</b>

- 2.2.2 The progress on savings delivery set out in Tables 3 and 4 and Appendix 4.

- 2.2.3 The Council is 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 are factored into the MTFP. Of this sum £4.7m has been utilised to

achieve a balanced budget in 2024/25. The forecast use of EFS has been reduced to up to £8.2m (paragraph 4.5).

- 2.2.3 it is essential that all available measures are taken by management to control revenue expenditure within the approved budget, given that the Quarter Two forecast overspend, if realised will potentially require further £1.382m of EFS borrowing to fund slippage in savings delivery. if the overspend increases in the remainder of 2024/25 this will require further use of EFS or reserves. Both EFS and reserves can only be used once, and the financial pressure will remain in 2025/26 to be addressed.
- 2.2.4 based upon the Quarter Two forecast outturn, the forecast revenue balances at 31 March 2025 would at £18.914m which is 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
- 2.2.5 The 2024/25 Capital Programme forecast year end outturn of £72.546m at Quarter Two is 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
- 2.2.6 The current forecast deficit of £5.935m for 2024/25 relating to the High Needs Block with the Dedicated Schools Grant which increases the forecast cumulative deficit to £20.228m at 31 March 2025. If the statutory override is removed by Government on 31 March 2026 without national funding solution in place for High Needs, then this presents a critical risk to the Council's financial viability, given that it will wipe out the Council's general fund reserves. The DSG recovery actions and risks to the Council's financial resilience are set out in paragraph 4.39 and Appendix 6.
- 2.2.7 The level of Middlesbrough's share of Collection Fund and General Fund Debtors at 30 September 2024 is as follows (paragraphs 4.56 to 4.58 and Table 11):
- |                                |          |
|--------------------------------|----------|
| - Council Tax                  | £34.713m |
| - Business Rates               | £6.592m  |
| - Sundry Debt                  | £14.299m |
| - Housing Benefit Overpayments | £6.196m  |
- 2.2.8 This report should be read together with the separate half yearly Treasury Management report elsewhere on this Executive agenda, in order to fully consider the Council's overall financial position.

### 3. Rationale for the recommended decision (s)

- 3.1 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.

### 4. Background and relevant information

- 4.1 The Council's Scheme of Delegation gives the Executive collective responsibility for corporate strategic performance and financial management, monitoring and control. Standing Orders and Financial Procedures require the Executive's approval for major virements between revenue budgets, and in-year changes to the Council's Capital Programme within approved Council resources within the approved policy framework.
- 4.2 This report enables the Executive to discharge its financial management responsibilities by setting out the Council's position at Quarter Two.
- 4.3 Financial Procedure Rule 18.38.3 of the Council's constitution requires the Executive's approval of revenue and capital programme budget virements over £250,000.

#### **Revenue Budget**

- 4.4 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 is as defined in S151 of the Local Government Act 1972 and is fulfilled by the Director of Finance.
- 4.5 The Director of Finance (S151 Officer) issued her Section 25 Report 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 below:

#### ***Exceptional Financial Support 2024/25***

Directorate	2024/25 £m
Required to balance 2024/25 budget	4.700
Contingency for non-delivery of budgeted 2024/25 savings risk	3.500
Contingency for capital receipts delivery risk	4.600
General contingency	0.600
<b>TOTAL</b>	<b>13.400</b>

Only up to £8.2m of this will 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).

- 4.6 The Council's financial position remains 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 in order to balance the MTFP will be crucial to stabilising the Council's financial position and rebuilding its financial resilience. This requires the delivery of all approved £13.9m of 2024/25 savings plans in full.

- 4.7 The Council has achieved significant improvement in its financial position from that which existed at the start of the 2023/24 financial year. However, it continues to spend above its available annual income sources as reflected by the forecast year end overspend of £1.382m for 2024/25, after using £4.7m of EFS to balance the budget which is £6m above annual revenue income streams.
- 4.8 The further challenges of delivering a balanced budget in 2025/26 to 2028/29 were initially set out in the Medium-Term Financial Plan (MTFP) report to Executive on 4 September 2024 agenda. The latest update is set out in the 2025/26 Draft Budget and Medium Term Financial Plan 2025/26 to 2028/29 report elsewhere on this agenda. Both reports should be read together to fully understand the context within which the Council is operating and the financial challenges that it faces.
- 4.9 The 2024/25 forecast year end outturn at 30 September 2024 (Quarter Two) is an overspend of £1.382m (0.97%) against the approved budget of £143.190m and is summarised by Directorate in Table 1. A summary of the key issues and variances is included in Appendix 1a with details of Directorate variances in Appendix 1b. Table 1 includes any potential non-delivery of required budget savings as detailed in paragraphs 4.19 to 4.25 and Appendix 4.

**Table 1 - Summary of Revenue Budget Forecast Outturn 2024/25 at Quarter Two**

All Directorates	Original Budget Full Year	Current Budget Full Year	Forecast Outturn	Forecast Variance	Movement from last quarter (Forecast Variance before Financial Recovery Plan)	MEMO FORECAST VARIANCE SPLIT					
						Financial Recovery Plan		Savings Delivery Variance		Other variances	
						£m	£m	£m	£m	£m	£m
				Adv/(Fav)	Adv/(Fav)	Adv/(Fav)	Adv/(Fav)	Adv/(Fav)	Adv/(Fav)		
Adult Social Care	52.075	52.481	52.536	0.055	(0.375)	(0.234)	(0.179)	0.417	(0.362)		
Public Health	0.006	0.006	0.006	0.000	0.000	0.000	0.000	0.000	0.000		
Children's Care	54.038	54.685	58.372	3.687	(0.065)	(0.264)	3.423	1.730	1.957		
Education & Partnerships	7.992	7.221	6.373	(0.848)	(0.116)	0.000	(0.848)	0.000	(0.848)		
Regeneration	2.023	2.037	1.471	(0.566)	(0.285)	0.000	(0.566)	0.080	(0.646)		
Environment & Communities	20.176	19.027	19.676	0.649	0.566	0.000	0.649	(0.336)	0.985		
Legal & Governance	10.387	10.755	10.724	(0.031)	(0.275)	0.000	(0.031)	0.148	(0.179)		
Finance	3.121	3.767	3.767	0.000	(0.000)	0.000	0.000	0.198	(0.198)		
Chief Executive	0.242	0.241	0.241	0.000	0.000	0.000	0.000	0.000	0.000		
<b>Total Directorates</b>	<b>150.060</b>	<b>150.220</b>	<b>153.166</b>	<b>2.946</b>	<b>(0.552)</b>	<b>(0.498)</b>	<b>2.449</b>	<b>2.237</b>	<b>0.709</b>		
Central Budgets	(6.870)	(7.029)	(8.593)	(1.564)	(1.808)	0.000	(1.564)	0.244	(1.808)		
<b>Total Budget</b>	<b>143.190</b>	<b>143.190</b>	<b>144.572</b>	<b>1.382</b>	<b>(2.360)</b>	<b>(0.498)</b>	<b>0.884</b>	<b>2.481</b>	<b>(1.099)</b>		

NOTE – In Quarter One growth provided for 24/25 but unused was included within the outturn projections for the relevant Directorate lines – namely £0.673m unused growth in ECS relating to Waste Disposal, £0.414m unused growth in ECS for Concessionary Fares, and £0.732m unused growth in Education & Partnerships relating to ITU. As approved at Quarter One this unused growth has since been vired and is now held centrally, and is reflected in the outturn projection for Central Budgets from P5.

*NOTE – Environment & Communities includes an overachievement of £0.515m against the savings for the implementation of Green Waste charging, and Adult Social Care includes an overachievement of £0.172m against the Fairer Funding saving. This reduces the savings delivery variance from £3.168m to £2.481m.*

- 4.10 The forecast overspend of £1.382m comprises potential overspends due to delayed or undeliverable savings of £2.481m and other variances of (£1.099m). Further analysis of progress on savings delivery that is being managed through the Transformation Portfolio is set out at Tables 3 and 4 and Appendix 4.
- 4.11 Directorates have identified £0.498m of Financial Recovery Plans (see Appendix 2). These will require further Director and Finance assurance to confirm deliverability together with the identification of further mitigations to deliver the financial outturn within the approved budget by the year end. Subject to satisfactory assurance the recovery plans will be factored into the year-end forecast.
- 4.12 Containing expenditure within the approved budget remains a priority for the Leadership Management Team and the Executive for the remainder of the financial year in order to protect critically low reserves and provide an opportunity to start to rebuild them over the period of the MTFP as set out in the approved Reserves Policy.
- 4.13 £20.764m of budgetary growth was provided in setting the 2024/25 budget to Directorates presenting forecast demand pressures primarily in Adults, Children's Integrated Transport Unit, and Waste Disposal. Upon reviewing the 2023/24 financial outturn and performance during 2024/25, the requirement for this growth has been reviewed.
- 4.14 In the Quarter One report to Executive on 4 September 2024 the Director of Finance proposed and Executive agreed that where it is determined that the allocated growth was not required in full (and underspending within Directorates is arising directly from a surplus of budgetary growth provided) that the surplus budget is transferred (vired) from Directorates in 2024/25 to be held centrally. The Director of Finance will then assess how this budgetary provision can be applied to best effect in order to offset the financial pressures arising elsewhere in the Council to meet forecast pressures. The review will be undertaken quarterly throughout the year as refinements to demand and cost modelling are progressed. In the Quarter One report the following virements summarised below were approved to be transferred to central budgets and the Directorate budgets in Table 1 reflect these virements:
- Concessionary Fares £0.414m
  - Waste Disposal £0.673m
  - Integrated Transport Unit £0.732m

The above were actioned for 2024/25 only with any ongoing adjustments being included in the 2025/26 MTFP report to the Executive on 4 September 2024 and these will be reviewed in the 2025/26 Budget and MTFP report to Executive elsewhere on this agenda. Further virements will be considered at Quarter Three reporting.

- 4.15 As part of the approved 2024/25 budget a budget of £1.550m was provided to cover the effects of contractual inflation on a number of services and this was held centrally. A review of the requirements against this budget has been undertaken during Quarter Two and technical adjustments have been made to allocate this to Directorate

budgets as shown in Table 2, and Executive are requested to formally approve these virements as detailed in Appendix 3:

**Table 2 - Allocation of central contractual inflation budget 2024/25**

		<u>£m</u>	<u>£m</u>
<b>AMOUNT AVAILABLE</b>			<b>1.550</b>
Adult Social Care	Care Packages	0.440	
Childrens Care	External Residential Placements	0.274	
	Independent Fostering Agency	0.234	
	Internal Fostering allowances	0.116	
	Family & Friends allowances	<u>0.292</u>	
		0.916	
Legal & Governance	Mail and print	0.113	
<b>Allocated to date</b>			<b>1.469</b>
<b>BALANCE REMAINING</b>			<b>0.081</b>

- 4.16 Note that contractual inflation has only been provided where there is a contractually binding requirement for contract price increases and will not be provided for general inflation relating to supplies and services.
- 4.17 The local government pay award for 2024/25 was agreed between national employers and trade unions on 23 October 2024. It is initially estimated that this will create a saving of approximately £0.2m against the budget provided for this. This saving is included in the forecast outturn for Central Budgets in Table 1.
- 4.18 Adjustments for the pay award are included in Appendix 3 as virements which require Executive approval under Financial Procedure Rule 18.38.3. Directorate budgets will be revised in the Quarter Three budget monitoring report to account for this, subject to approval of the recommendations in the report. Any further adjustments to the budget virements for this will be included in future quarterly budget monitoring reports.

### **Budget savings delivery**

- 4.19 The approved revenue budget includes savings totalling £15.302m in 2024/25, a further £5.151m in 2025/26 and a further £1.967m in 2026/27 arising from the 2023/24 and 2024/25 approved budgets. The savings tracker included in Table 3 summarises performance in 2024/25 and the impact upon delivery for 2024/25, categorising the current expected achievability of the savings. Table 4 shows performance for each Directorate against the 2024/25 approved savings. Savings delivery plans are monitored via the Thematic and Corporate Transformation Boards.
- 4.20 Table 4 shows that £2.964m (19%) of savings for 2024/25 categorised as “Red” within the savings tracker. There are also £0.244m (2%) of savings categorised as “Purple” within the savings tracker which have been deemed unachievable and require alternative proposals to be put forward. Those categorised as “Amber” £1.619m (11%) are not factored into the forecast overspend. They have mitigation in play, or in development and are being monitored through the Programme Management Office to get delivery back on track (“Green”).

- 4.21 Those categorised as “Green” £9.263m (60%) and considered to be on track are being further challenged to ensure delivery. £1.212m (8%) have been delivered and classed as ‘Blue’.
- 4.22 If the savings rated “Red” and “Purple”, where there is currently a high risk that they will not be deliverable in 2024/25, remain unachievable, they will contribute to an overspend unless fully mitigated by other underspends in “Business as Usual” operations. Up to £3.5m EFS is agreed in-principle to cover any final overspend driven by non-delivery of savings in order to protect critically low revenue reserves. There is a long-term cost of borrowing associated with use of EFS which is factored into the MTFP.
- 4.23 Directors are required to develop mitigation plans for those savings which are categorised as “Red” and “Purple” where there is significant risk to delivery, and “Amber” where there is medium risk to delivery. Also, there is a need to ensure full achievement of savings categorised as “Green”.

**Table 3 – Savings Programme Assurance Summary**

RAG	Savings	24/25 (£m)	25/26 (£m)	26/27 (£m)	Total (£m)	Total (%)
	Approved Budget	(15.302)	(5.151)	(1.967)	(22.420)	
Blue	Benefits and / or saving(s) realised, with evidence provided.*	(1.212)	0.000	0.000	(1.212)	5%
Green	Benefits and / or saving delivery on-track, with assured plans in place.	(9.263)	(2.930)	(0.240)	(12.433)	55%
Amber	Medium-risk to benefits and / or saving(s) delivery. Mitigation in-play, or in development.	(1.619)	(0.756)	(0.162)	(2.537)	11%
Red	High-risk to benefits and / or saving(s) delivery. Limited scope for mitigation.	(2.964)	(1.465)	(1.565)	(5.994)	27%
Purple	Benefits and / or saving(s) are undeliverable. Alternative plan / saving required, for Executive approval.	(0.244)	0.000	0.000	(0.244)	1%
	<b>Total Savings</b>	<b>(15.302)</b>	<b>(5.151)</b>	<b>(1.967)</b>	<b>(22.420)</b>	<b>100%</b>

**Table 4 – Savings Programme Assurance for 2024/25 by Directorate**

		Benefits and / or saving(s) realised, with evidence provided.	Benefits and / or saving delivery on-track, with assured plans in place.	Medium-risk to benefits and / or saving(s) delivery. Mitigation in-play, or in development	High-risk to benefits and / or saving(s) delivery. Limited scope for mitigation.	Benefits and / or saving(s) are undeliverable. Alternative plan / saving required, for Executive approval.
		£m	£m	£m	£m	£m
Directorate	Approved Budget	Blue	Green	Amber	Red	Purple
Adult Social Care	(5.757)	(0.902)	(3.260)	(0.924)	(0.671)	0.000
Children's Care	(5.080)	(0.067)	(2.722)	(0.591)	(1.700)	0.000
Education and Partnerships	(0.285)	0.000	(0.285)	0.000	0.000	0.000
Environment and Community Services	(1.522)	(0.105)	(1.196)	(0.042)	(0.179)	0.000
Regeneration	(0.607)	0.000	(0.527)	0.000	(0.080)	0.000
Finance	(1.379)	(0.138)	(0.993)	(0.050)	(0.198)	0.000
Legal and Governance	(0.672)	0.000	(0.280)	(0.012)	(0.136)	(0.244)
<b>TOTAL (£m)</b>	<b>(15.302)</b>	<b>(1.212)</b>	<b>(9.263)</b>	<b>(1.619)</b>	<b>(2.964)</b>	<b>(0.244)</b>
<b>Overall Percentages</b>		8%	60%	11%	19%	2%

NOTE – Tables 3 and 4 above do not include overachievement of savings whereas Table 1 includes a reduction in the savings delivery variance due to the fact that Environment & Communities has an overachievement of £0.515m against the savings for the implementation of Green Waste charging, and Adult Social Care has an overachievement of £0.172m against the Fairer Funding saving.



- 4.24 A detailed savings tracker of savings categorised as “Red” and “Purple” by Directorate is attached at Appendix 4. “Red” and “Purple” savings are factored into the forecast year-end overspend for the year together with any in-year mitigations to offset the resultant overspend.
- 4.25 A number of savings initiatives required the removal of posts and therefore a budget is in place to cover any redundancy costs that may have to be incurred. The capital budget for redundancy costs was estimated at £6.5m covering £2.9m for a planned Management Review (estimated 60.8 FTE) and £3.6m for approved 2024/25 Savings Initiatives (75.4 FTE). The Management Review has been rephased into 2025/26, and therefore the allocation of £2.9m remains unspent. The Savings Initiatives have progressed whereby 52.4 FTE are concluded with the removal of posts through vacant posts and redeployment to other posts within the Council. A further 7 posts incurred redundancy and pension costs of £0.492m, and the remaining balance of £3.097m (16 FTE) are in the progress of restructure and reorganisation.

**Table 5 – Redundancy costs budget**

<b>Estimated Redundancy Costs</b>	<b>Planned Management Review</b>	<b>2024/25 Savings initiatives</b>	<b>Total</b>
Budget £m	£2.894m	£3.589m	£6.483m
Budget FTE	60.8 FTE	75.4 FTE	136.2 FTE
Posts Closed FTE	0	52.4 FTE	52.4 FTE
Redundancy incurred £m	0	£0.492m	£0.492m
Redundancy incurred FTE	0	7 FTE	7 FTE
Budget provision £m	£2.894m	£3.097m	£5.991m
Post Remaining FTE	60.8 FTE	16 FTE	76.8 FTE

### **Quarter Two Budget challenge agreed actions**

- 4.26 During Budget Challenge Sessions held up to the end of Quarter Two, it was agreed that a number of fundamental reviews be required in order to develop plans to address forecast financial pressures and control expenditure within the approved budget.
- Children’s Social Care (see summary of progress at 4.27 to 4.30)
  - Adult’s Social Care – Develop and assure financial recovery plan (see Appendix 2)
  - Crematorium - Reduced income due to falling demand for service, to consider options for reducing operational costs to align to reduced activity and to assess the business case for replacement cremators which are approaching the end of their useful life. (outstanding)
  - Waste Services - zero based budget to be prepared reflecting the change in service operations following implementation of fortnightly collection. (outstanding)
  - Fleet Services - review of strategic options for sustainable service delivery arising from operation due to recruitment and retention issues and other financial pressures. (outstanding)



- Integrated Transport Unit / Special Educational Needs & Disabilities (SEND) transport – completed baseline budget and development of MTFP forecast to assess demand and unit cost modelled using Special Educational Needs (SEN) data – this work has been updated to reflect the start of the new academic year in September 2024

4.27 The Children’s Services budget challenge meetings have reviewed, analysed and challenged financial performance with a particular focus upon the identified cost pressures in external residential care placements budget. The service faces a significant challenge in year which is summarised as follows

- The approved saving **CC02 ‘ Review of Placements’** is required to deliver £1.1m budget reduction in 2024/25. This plan was based upon a net reduction in the number of children in high-cost placements of 11 (from 66 to 55).
- The work programme to achieve the saving, involves the operation of regular care placement panels which are being successful in transferring existing children in placements from high-cost external residential care into more suitable placements to meet their needs. This work aims to improve the outcomes for those children and can be delivered at lower cost for the Council. It is proving successful with 16 children so far this year being transferred from high cost external residential placements into more suitable care settings (called ‘step down’) to meet their needs, avoiding cost of approximately £2.4m to date.
- However, the cost reductions achieved through placement panels are being more than offset by increased expenditure due to an additional 28 children being assessed as requiring external residential care provision.
- Therefore, the financial benefits of current activity in CC02, are exceeded by the additional cost of new placements, resulting in an overspend against the budget of £2.7m and an assessment as red in terms of delivering the financial objective.
- Table 6 below summarises the number and forecast cost of children in different types of external residential care to the year end, based upon activity to 30 September. The forecast outturn is for a total spend on residential care of £17.776m for 78 children across different care categories representing an average of £0.228m per child. However, there are significant variations in cost, with the three highest cost placements totalling £2.596m in 2024/25 and a £3.145m full year effect.

**Table 6 – Children’s Care External Residential Budget 2024/25 Q2 Forecast**

Detail	Budget		Forecast		Pressure /
	£m	Numbers	£m	Numbers	(saving) £m
<b>External</b>	6.453	13	9.162	23	2.710
<b>Supported</b>	0.817	5	2.219	15	1.402
<b>Semi-support</b>	0.317	8	0.627	16	0.310
<b>Mother &amp; baby</b>	0.000	0	0.117	0	0.117
<b>Block</b>	2.688	12	2.688	12	0.000
<b>School Residential</b>	3.262	7	1.785	4	(1.476)
<b>Secure</b>	0.480	1	0.635	2	0.155
<b>Contingency/Growth</b>	0.784	9	0.544	6	(0.240)
<b>Inflation (Q2)</b>	0.274				(0.274)
<b>Total</b>	<b>15.074</b>	<b>55</b>	<b>17.776</b>	<b>78</b>	<b>2.702</b>

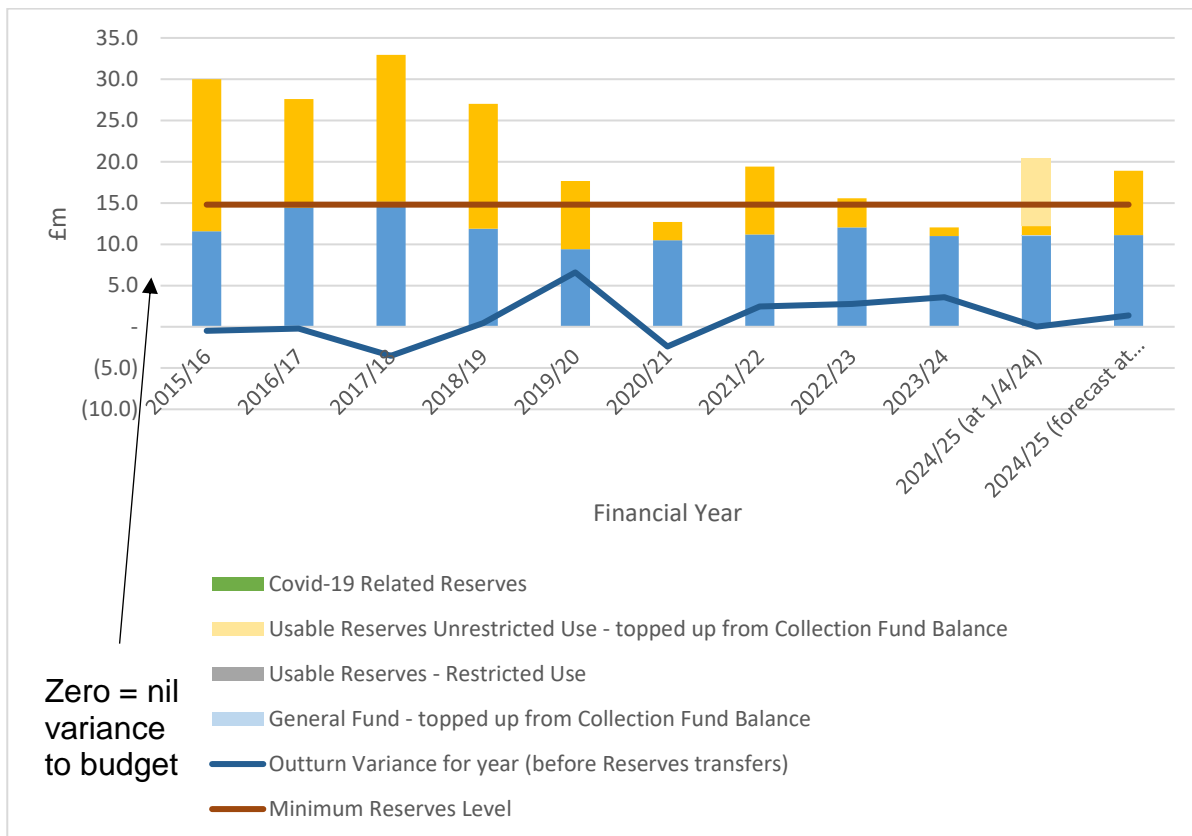
- 4.28 The plan for CC02 needs to be revised in order to deliver the planned net reduction in the number of children in external residential care and/or a reduction in the cost of placements. Additional measures are required which deliver improved social care practice in order to prevent children escalating through the social care system to require external residential care. In addition, more appropriate (and lower cost) categories of care should be used wherever possible.
- 4.29 Whilst existing measures have reduced the level of forecast overspending compared to no management action being taken, the planned savings delivery for CC02 is at high risk of not delivering the required saving against the budget within 2024/25. Additional measures to address social care practice to prevent the need for residential care are required, but this will take time and will more likely take effect in financial terms in 2025.
- 4.30 The Service is putting additional measures in place to address these pressures which will be incorporated into the Transformation Portfolio as appropriate:
- Development of a business case to increase Edge of Care provision to prevent more children from needing to be brought into care
  - Development of a business case to extend the reunification pilot project which is funded via the Department for Education (DfE) which will support children to return to their family members which is likely to reduce the number and cost of children in care.
  - Ongoing recruitment of permanent staff is taking place to replace agency staff by using specialist recruiting agencies and some agency staff have committed to convert to permanent posts.
  - Reviewing the plans for internal residential provision to ensure that these are utilised effectively to meet the needs of children within Middlesbrough.
  - Development of a business case around fostering arrangements to increase internal capacity to support children to live locally at a reduced cost compared to other Children's Care placements.
  - Potential expansion of the SHIFT project

### **Council Reserves and Provisions**

- 4.31 It is essential for the Council's financial recovery that expenditure is contained in 2024/25 within the approved budget of £143.190m and that there is no unplanned drawdown upon critically low revenue reserves to meet overspending. It is essential that the Council's financial position is stabilised and reserves are protected and rebuilt over the course of the MTFP. The Reserves Policy was approved by Council on 8 March 2024 and set out the plan to recover the reserves position.
- 4.32 At Quarter Two the General Fund Balance is forecast to be £11.100m whilst the balance on usable unrestricted reserves is forecast to be £7.814m at 31 March 2025. This gives a forecast total on unrestricted usable revenue reserves of £18.914m at 31 March 2025 which is in line with the planned recovery. Appendix 5 provides an analysis of restricted and unrestricted reserves together with General Fund Provisions. It should be noted that reserves could potentially be reduced if the overspend increases in the remainder of 2024/25.

4.33 Figure 1 below shows the trajectory of Middlesbrough’s unrestricted usable Reserves from 2015/16 through to 2024/25 forecast closing balance against both the recommended minimum reserves level and the reported outturn position.

**Figure 1 - Middlesbrough Council - Unrestricted Reserves Balances from closing balance 2015/16 through to forecast closing balance 2024/25 and reported outturn variance per year**



### Contingency Budget and Change Fund

4.34 Table 7 summarises the 2024/25 budget and commitments against the central budgets controlled under the delegated powers of the s151 Officer (and deputy s151 Officers) in relation to the Contingency Budget and the Change Fund Reserve at 30 September 2024. A summary of the expenditure approved for utilisation of these budgets is set out at Appendix 7.

**Table 7 – Summary of 2024/25 budget and commitments against central budgets**

	Corporate Contingency	Corporate Contingency - unused growth	Change Fund Reserve
	£m		£m
<b>Starting Budget 2024/25</b>	<b>1,422</b>		<b>1,053</b>
Budgeted contribution 2024/25	-		0.730
Additional contributions in year	-		1.000
Permanent adjustment to Regeneration budget (New Homes Bonus grant adjustment)	(0.081)		-
Permanent adjustment to LGS (previous years' savings adjustment)	(0.014)		-
Temporary adjustment from ECS - growth not required in 2024/25 (Waste Disposal)		0.673	-
Temporary adjustment from Education & Partnerships - growth not required in 2024/25 (Integrated Transport Unit)		0.732	-
<b>Available for use</b>	<b>1,327</b>	<b>1,405</b>	<b>2,783</b>
Approved use to date	(0.655)	(0.147)	(0.017)
Declared as saving against 24/25 outturn - net savings remaining at Q2 from Waste Disposal and Integrated Transport Unit		(1.258)	-
<b>Allocated/committed to date</b>	<b>(0.655)</b>	<b>(1.405)</b>	<b>(0.017)</b>
<b>BALANCE REMAINING UNCOMMITTED</b>	<b>0.672</b>	<b>-</b>	<b>2,766</b>

### **Dedicated Schools Grant (DSG)**

4.35 Local authorities receive a ring-fenced grant from central government each year, which can only be used to fund education – Dedicated Schools Grant (DSG). The DSG budget is accounted for separately to the main Revenue Budget. The Council's allocation in July 2024 is to receive £197.453m (before deductions and recoupment) of Dedicated Schools Grant (DSG) for 2024/25. The funding comprises of a number of blocks:

- Schools Block
- Central School Services Block
- High Needs Block
- Early Years Block

A large proportion of the Schools Block is passported directly to academies (known as recoupment). Alongside this, agreed place funding for academies and FE colleges is also deducted from the High Needs block for specialist places. Currently after deductions and recoupment the Council will receive DSG of £63.776m in 2024/25 including an agreed disapplication of £0.699m transfer from Schools Block to High Needs Block.

4.36 The forecast expenditure of £69.711m is a year-end overspend of £5.935m on DSG within 2024/25 as summarised in Table 8.

**Table 8 - Dedicated Schools Grant (DSG) after recoupment and deductions**

	<b>2024/25 Forecast Income</b>	<b>2024/25 Forecast Expenditure</b>	<b>2024/25 Forecast Year-end Overspend</b>	<b>Balance as at 31/03/2024</b>	<b>Forecast Cumulative DSG Deficit as at 31/03/2025</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Early years	17.692	17.692	(0.000)	(0.467)	(0.467)
Schools Block	14.387	14.387	(0.000)	(0.298)	(0.298)
High Needs	30.651	36.586	5.935	15.079	21.014
Central school services block	1.046	1.046	0.000	(0.021)	(0.021)
<b>TOTAL</b>	<b>63.776</b>	<b>69.711</b>	<b>5.935</b>	<b>14.293</b>	<b>20.228</b>

*(\*\* July 2024 issued allocations for 2024-25 –note these figures can change post these allocations)*

4.37 There was a £14.293m total cumulative deficit on the DSG reserve at the end of 2023/24, which included £15.079m attributed to the High Needs Block. The DSG deficit is forecast to increase during 2024/25 and there is a forecast cumulative DSG deficit of £20.228m at 31 March 2025. This includes £21.014m relating to the High Needs Block which is partly offset by £0.786m of surpluses across the other blocks.

4.38 The DSG is subject to a statutory override by central Government which instructs Councils to account for the DSG deficits and resulting negative balance in a separate reserve and not to fund it by using its General Fund resources. This is planned to end on 31 March 2026 whilst measures to resolve the national issues with expenditure and funding were implanted. There is limited impact of measures taken to date and if the statutory override is removed without a government led solution in 2025, this presents a significant risk to the Council's financial position. The size of the forecast DSG deficit at 31 March 2025, £20.288m, exceeds the total forecast usable revenue reserves £18.914m. Like many local authorities, this could result in the Council being subject to a s114 Notice.

4.39 The position that the new Government plans to takes on this national issue which presents significant financial risks for many local authorities needs to be made clear, and it is essential that a solution is provided early in 2025. This risk will be added to the Strategic Risk Register and will be reflected in the Annual Governance Statement for 2024/25. Further information relating to DSG and the work being undertaken by the Council with the DfE is set out in Appendix 6.

## **2024/25 Capital Programme Forecast Outturn as at Quarter Two**

- 4.40 On 8 March 2024 Council approved a capital programme for 2024/25 of £88.549m (the original 2024/25 capital budget). This was revised to £97.215m as approved by Executive within the 2023/24 Revenue and Capital Outturn and Development of MTFP report of 26 June 2024 to take account of 2023/24 programme slippage and some new externally funded schemes. The budget was further revised at Quarter One by the addition of a total of £8.973m in 2024/25 in order to add new externally funded schemes / additional external funding to existing schemes
- 4.41 The budget has been further revised at Quarter Two by the addition of a total of £0.523m in 2024/25 in order to add new externally funded schemes / additional external funding to existing schemes (detailed in Appendix 8). Subject to Executive approval of incorporating these within the Capital Programme, the revised budget for 2024/25 is £106.711m as summarised in Table 9.
- 4.42 There are also some virements requested for approval by Executive between schemes in the 2024/25 Capital Programme approved by Council in March 2024 which are funded from within existing Council resources and where there is no increase in planned expenditure above that approved by Council for funding by capital receipts and borrowing (details are provided in Appendix 8). For information, virements that are fully grant funded are also included within Appendix 8.
- 4.43 The 2024/25 projected outturn on capital expenditure is £72.546m at Quarter Two, the revised projection includes new and additions to existing schemes, reductions in existing schemes and programme slippage.
- 4.44 The £72.546m of planned expenditure is expected to be funded by:
- £40.108m (55%) grants and external funding
  - £12.544m (17%) capital receipts
  - £19.894m (28%) borrowing
- 4.45 Table 9 summarises the capital programme approved budget, outturn, and variance for 2024/25.

**Table 9 - Summary of capital programme approved budget, outturn, and variance for 2024/25**

Directorate	2024/25	2024/25	2024/25	2024/25	2024/25	2024/25	2024/25	MEMO Explanation of Forecast Outturn Variance	
	Capital Programme Budget (as approved by Council 8/3/24)	Revised Capital Programme Budget (as per Execuitve report 26/6/24)	Revised Capital Programme Budget (as at Quarter One)	Revised Capital Programme Budget (as at Quarter Two)	Forecast Outturn	Forecast Outturn Variance	Forecast Outturn Variance % Against Budget		
	£m	£m	£m	£m	£m	£m	%		
Regeneration	21.582	27.428	29.578	29.578	22.623	(6.955)	(23.51)	Slippage £m	Underspend £m
Environment and Community Services	17.396	17.294	21.297	21.637	16.102	(5.535)	(25.58)	(6.943)	(0.012)
Public Health	0.043	0.519	0.689	0.689	0.689	-	-	(5.504)	(0.031)
Education and Partnerships	12.040	13.912	14.036	14.159	10.045	(4.114)	(29.06)	-	-
Children's Care	2.035	2.026	2.026	2.026	0.584	(1.442)	(71.17)	(3.939)	(0.175)
Adult Social Care	1.213	1.351	3.877	3.937	3.616	(0.321)	(8.15)	(1.440)	(0.002)
Legal and Governance Services	2.350	2.795	2.795	2.795	3.333	0.538	(19.25)	(0.321)	-
Finance	4.790	4.790	4.790	4.790	0.810	(3.980)	(83.09)	0.538	-
Transformation Programme	13.700	13.700	13.700	13.700	6.544	(7.156)	(52.23)	(0.680)	(3.300)
Exceptional Financial Support	13.400	13.400	13.400	13.400	8.200	(5.200)	(38.81)	(7.156)	-
<b>Total</b>	<b>88.549</b>	<b>97.215</b>	<b>106.188</b>	<b>106.711</b>	<b>72.546</b>	<b>(34.165)</b>	<b>(32.02)</b>	<b>(25.445)</b>	<b>(8.720)</b>

- 4.46 Capital slippage results from a delay in delivery of projects compared to the planned delivery. Whilst expenditure remains within the approved project budget, this results in an in year underspend which is required to be carried forward to the new financial year. This is called slippage. The amount of slippage (currently forecast at £25.445m) is reprofiled and carried forward to 2025/26 and 2026/27 to reflect revisions to the expected delivery and expenditure timescale. £22.178m of the stated £25.445m slippage has been identified following reviews of the status of the projects within the capital programme during Quarter Two. Details of capital slippage for 2024/25 as at Quarter Two are shown in Appendix 9.
- 4.47 The major reasons for the forecast underspend of £8.720m is that there is a reduction of £5.2m relating to Exceptional Financial Support which was planned to be funded from borrowing. These funds were set aside as contingency for capital receipts delivery risk (£4.6m) which is not required as sufficient planned capital receipts have been realised to fund the forecast transformation expenditure in the year, and the general contingency (£0.600m) will not be required based upon the revenue outturn forecast. Also, as outlined in the Quarter One report there was an underspend of £3.100m of Council resources due to the Capitalisation of Property Finance Lease Arrangements scheme.
- 4.48 Table 10 summarises and Appendix 10 details updated forecast expenditure for the period 2024/25 to 2026/27 split over the various schemes and the proposed funding. Since the Capital Programme for the period 2024/25 to 2026/27 was approved by

Council on 8 March 2024, there has been forecast slippage from 2024/25 and increased externally funded schemes as detailed above, and there is therefore a need to revise the forecasts for the period 2024/25 to 2026/27. Any changes to the budgets approved by Council in March 2024 for 2025/26 and future years, will be formally approved by Council as part of 2025/26 budget setting in February 2025.

**Table 10 – Summary of Forecast Capital Programme 2024/25 to 2026/27**

Directorate	2024/25 Forecast £m	2025/26 Forecast £m	2026/27 Forecast £m	TOTAL £m
Regeneration	22.623	48.233	7.785	78.641
Environment and Community Services	16.102	21.426	8.172	45.700
Public Health	0.689	-	-	0.689
Education and Partnerships	10.045	7.765	0.996	18.806
Children's Care	0.584	1.200	2.603	4.387
Adult Social Care	3.616	0.981	0.660	5.257
Legal and Governance Services	3.333	1.647	2.185	7.165
Finance	0.810	0.430	0.150	1.390
Transformation Programme	6.544	14.856	5.300	26.700
Exceptional Financial Support	8.200	-	-	8.200
<b>Total EXPENDITURE</b>	<b>72.546</b>	<b>96.538</b>	<b>27.851</b>	<b>196.935</b>
<b>Funded by</b>				
Borrowing	11.694	28.803	8.282	48.779
EFS Borrowing	8.200	-	-	8.200
Capital Receipts	6.000	6.000	6.000	18.000
Flexible Use of Capital Receipts	6.544	14.856	5.300	26.700
Grants	38.813	44.241	3.404	86.458
Contributions	1.295	2.638	4.865	8.798
<b>Total FUNDING</b>	<b>72.546</b>	<b>96.538</b>	<b>27.851</b>	<b>196.935</b>

4.49 The Director of Finance has led the development of strengthened governance and reporting arrangements during 2024/25. These were detailed in the Capital Programme Governance Improvement report which was approved by Executive on 13 November 2024. The revised arrangements for capital governance, management and reporting will be implemented by the newly appointed Director of Finance and Transformation and Director of Regeneration as soon as possible. The Corporate Capital Board and Strategic Capital Board will be created and operational for Quarter Three monitoring and to develop the 2025/26 capital programme.

### **Treasury Management - Borrowing & Prudential Indicators**

4.50 The Council's investment and borrowing activity is managed in accordance with the Treasury Management Strategy (TMS) which is a key element of the MTFP alongside the annual revenue budget and capital programme which are approved by Council annually before the start of the financial year.

4.51 Treasury Management activity is governed by the Prudential Indicators which are set within the TMS. The Council uses external expert treasury advisers (Arlingclose) to



inform the development of its strategy and operational in year decisions. A half yearly review of the Council's TMS and prudential indicators has taken place at Quarter Two and a specific report is submitted to Executive elsewhere on this agenda.

- 4.52 The half yearly review of the Council's TMS shows that the forecast capital financing cost in 2024/25 is £11.154m, which is in line with the budget set.

### **Collection Fund - Council Tax and Business Rates income**

- 4.53 Income received from Council Tax and Business Rates (NNDR) is a major source of revenue income for the Council and funds around 62% of its annual net budget in delivering all Council services. It is accounted for separately from the General Fund in the Collection Fund which is heavily regulated by Government. Due to the prescribed mechanisms for operating the Collection Fund, the financial impact of any 2024/25 income collection variances do not immediately affect the General Fund position. By illustration, the impact of any estimated surplus or deficit variance on the Collection Fund for 2024/25 is fed into the development of the 2025/26 budget and MTFP and any cost / benefit does not impact the 2024/25 financial year.
- 4.54 There is currently an estimated forecast surplus on the Collection Fund for 2024/25. This will be subject to further assurance work before the figure is confirmed and this will be reported as part of the Budget report in February 2025. The estimated surplus is unavailable in 2024/25, but becomes available to support the development of the 2025/26 budget, and currently it is estimated that potentially £2m of this will be available to support the 2025/26 budget.
- 4.55 Paragraph 4.65 of the 2025/26 Draft Budget and Medium Term Financial Plan 2025/26 to 2028/29 report to this Executive details the proposed use of the estimated Collection Fund surplus for 2024/25 in the 2025/26 budget setting.

### **Debt Recovery Performance**

- 4.56 A key workstream within the plans to recover the Council's financial position is the renewed focus upon recovering monies owed to the Council from the following sources
- Council Tax
  - Business Rates
  - Sundry (general) debt
  - Housing Benefit Overpayments
- 4.57 The Council's approach to improving debt recovery performance whilst maintaining appropriate support to residents and businesses who are entitled to available help, advice and support, is set out in Appendix 11. Progress will be incorporated into quarterly monitoring reports throughout 2024/25, with the position at Quarter Two 2024/25 (30 September 2024) shown in Table 11 in paragraph 4.58. An exercise to review uncollectable debt for write off will be completed during Quarter Four.
- 4.58 The debt collection performance for 2024/25 together with the movement in debt balances between 31 March 2024 to 30 September 2024 is summarised below:

**Table 11 – Debt Collection Performance Quarter Two 2024/25 (as at 30 September 2024)**

<b>Category of Collectable Debt</b>	<b>Balance at 1/4/24 (£m)</b>	<b>Movement in-year (£m)</b>	<b>Balance at 30/9/24 (£m)</b>
Council Tax	36.773	(2.060)	34.713
Business Rates	8.391	(1.799)	6.592
Sundry Debt	15.516	(1.217)	14.299
Housing Benefits Overpayments	6.535	(0.339)	6.196
<b>Total</b>	<b>67.215</b>	<b>(5.415)</b>	<b>61.800</b>

Note that the figures for Council Tax and Business Rates are Middlesbrough’s share of the Collection Fund debt (Council Tax 83% and Business Rates 49%).

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

5.1 Not applicable.

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

**6.1 Financial (including procurement And Social Value)**

6.1.1 This report sets out the implications associated with the financial performance of the Council in managing its revenue, grant and capital resources for the financial year 2024/25 and the financial implications are incorporated throughout. The report should be read in conjunction with the Treasury Management Half Year Review report elsewhere on this agenda to fully understand the financial position of the Council.

**6.2 Legal**

6.2.1 The proposed recommendations are consistent with and will promote the achievement of the Council’s general legal duty to achieve Best Value in accordance with Section 3 of the Local Government Act 1999 (as amended by s137 of the Local Government & Public Involvement in Health Act 2007).

**6.3 Risks**

6.3.1 In line with the Council’s Risk Management Policy, the corporate Strategic Risk Register will be reported to this Executive as part of the Corporate Performance Update: Quarter Two 2024/25 report.

**6.4 Human Rights, Equality and Data Protection**

6.4.1 The complete overall impact assessment included in Appendix 3 of the budget report to Council on 8 March 2024 , along with all the individual impact assessments found that there was a justified adverse impact from these proposals in order to ensure the Council is able to maintain a balanced budget and continue to meet its statutory obligations.

**6.5 Climate Change / Environmental**

Not applicable

## 6.6 Children and Young People Cared for by the Authority and Care Leavers

Not applicable

## 6.7 Data Protection / GDPR

Not applicable

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

Action	Responsible Officer	Deadline
Corporate revenue budget spending controls set out in the main body of the report will continue to be applied to Directorates as stated.	Director of Finance	31/3/25
Service Reviews to be undertaken in following areas as detailed in para. 4.26 to 4.30 <ul style="list-style-type: none"> <li>Children's Care</li> <li>Adults Social Care</li> <li>Crematorium</li> <li>Waste Services</li> <li>Fleet Services</li> <li>Integrated Transport Unit / SEND transport</li> </ul>	Director of Childrens Services Director of Adult Social Care Director of Environment & Community Services Director of Environment & Community Services Director of Environment & Community Services Director of Education & Partnerships	31/12/24
Revenue budget virements detailed in Appendix 3 to be actioned, subject to approval	Head of Financial Planning & Support	31/12/24
Review Debt for potential write off	Head of Resident & Business Support Director of Finance	31/3/25
Amendments to the capital programme for 2024/25 to be actioned, subject to approval	Head of Financial Planning & Support	31/12/24

## Appendices

1a	Summary of key variances and financial recovery plans Quarter Two 2024/25
1b	Details of Directorate variances Quarter Two 2024/25
2	Directorate Financial Recovery Plan Savings Quarter Two 2024/25
3	Proposed revenue budget virements above £250,000 at Quarter Two 2024/25
4	Detailed savings tracker of savings categorised as "Red" and "Purple" by Directorate at Quarter Two 2024/25
5	Reserves and Provisions
6	Summary of projects approved for utilisation of Contingency Budgets and Change Fund at Quarter Two 2024/25
7	Dedicated Schools Grant
8	Capital Programme Quarter Two 2024/25 - additional external funded schemes / additional external funding to existing schemes, and transfers between schemes
9	Capital Programme Quarter Two 2024/25– details of capital slippage

<b>10</b>	Revised Capital Programme Forecasts 2024/25 to 2026/27
<b>11</b>	Council's approach to debt recovery

## Background papers

<b>Body</b>	<b>Report title</b>	<b>Date</b>
Executive	2024-25 Budget and MTFP – Application for Exceptional Financial Support	17/1/24
Executive	Middlesbrough Independent Improvement Advisory Board: First Update Report	17/1/24
Council	Corporate Governance Improvement Plan and Section 24 Action Plan progress report	17/1/24
Council	Flexible Use of Capital Receipts Policy	17/1/24
Executive	2024/25 Revenue Budget, Medium Term Financial Plan, and Council Tax setting	28/2/24
Executive	Prudential Indicators and Treasury Management Strategy Report – 2024/25	28/2/24
Council	2024/25 Revenue Budget, Medium Term Financial Plan, and Council Tax setting, and Treasury Management Strategy 2024/25	8/3/24
Executive	2025/26 Budget and MTFP Approach and Timetable	22/5/24
Executive	2023/24 Revenue and Capital Outturn and development of MTFP	26/6/24
Executive	2025/26 Medium Term Financial Plan	4/9/24
Executive	Revenue and Capital Budget – Forecast Year-end Outturn position at Quarter One 2024/25	4/9/24
Executive	Capital Programme Governance Improvement	13/11/24
Executive	2025/26 Draft Budget and Medium Term Financial Plan 2025/26 to 2028/29	4/12/24
Executive	Treasury Management Mid-Year review – 2024/25	4/12/24

**Contact:** **Andrew Humble, Head of Financial Planning & Support (deputy s151 Officer)**  
**Email:** [andrew\\_humble@middlesbrough.gov.uk](mailto:andrew_humble@middlesbrough.gov.uk)

## Summary of Key variances and financial recovery plans

The most significant directorate variances and financial recovery plans are summarised in below, with further detail for each Directorate being included in Appendices 1b and 2.

It should be noted that the measures taken to control expenditure in year are a combination of 'one off mitigations' that have a favourable impact only in 2024/25 and plans that deliver 'ongoing' cost reductions or income generation that will have a favourable impact upon the calculated budget gap for 2025/26.

The ongoing pressures that remain as a result of the following will impact upon the 2025/26 budget model:

- Partial or Non-delivery of approved planned savings (RAG Red and Purple)
- Demand and other financial pressures for which a one-off mitigation has been delivered

Directorate	Service Area	Summary of Variances over £250,000	2024/25 Forecast Overspend/ (underspend) £m	Financial Recovery Plan Key Actions	Value of Recovery Plan 2024/25 £m
Adults Social Care	Prevention, Provider & Support Services	Levick Court £0.514m - 2024/25 budget saving currently rated as "RED" : ASC11 Re-provision use of Levick Court £0.311m due to further consideration of alternative options regarding the unit's future cost plus cost of re-provisioned care to the independent sector £0.165m. Partly offset by carers underspend.	0.718		
	Purchasing - savings	£0.278m of 2024/25 budget saving ASC12 Adult Social Care Services transformation currently rated "RED"	0.278	Additional Transformation resources have been approved to undertake care package reviews where Assistive Technology can be implemented as an alternative	(0.150)
	Purchasing - Personal Care	Maximise use of the Discharge grant funding (one-off for 24/25)	(0.306)		
	Purchasing - other	Additional fairer charging income in excess of budget (£0.409m), and additional direct payment surplus in excess of budget	(0.688)		
	Temporary Accommodation	Combination of increased demand and delays in Move On work due to sickness and vacancies in key roles.	0.372		
	Across Directorate	Pay related savings across the Directorate due to new vacancies and delayed/difficulties in recruitment	(0.407)	Additional pay related savings across the Directorate due to new vacancies and delayed/difficulties in recruitment	(0.084)
	Across Directorate	Other variances below £250,000	0.088		
Children's Care	External Residential	Increased numbers of children in external residential placements above budgeted level. Includes 2024/25 budget saving currently rated as "RED" : CC02 Review of Placements £1.1m and CC06 Shift Programme £0.400m	2.702	Placement reviews - based on 9 changes in placements that if successful, reduces forecast outturn based on planned placement moves.	(0.264)
	External Residential	Health contributions (forecast £0.117m saving) and Education contributions (£0.257m pressure) against placements	0.140	Review of contributions	TBC
	Internal Residential	Agency staff covering significant absences and staff pressures.	0.636	Project team to continue to look at sourcing properties to deliver Internal Residential Services to Young people currently placed in External provision for future savings. Permanent recruitment to posts, including marketing campaign and review of recruitment and retention packages.	TBC
	Fostering & Adoption	Increases in internal fostering provision (increase of 10%) changes in policy to be fully implemented across service	0.154	Recruitment of internal foster carers to reduce reliance on Independent Fostering Agencies and higher cost placements	TBC
	Corporate Parenting	Forecast pressure in Children Looked After & Pathways and Children with Disabilities services due to agency posts across the service along with edge of care placements.	0.432	To investigate looking at reducing number of Social worker/Resource worker posts as part of consultant structure plan	TBC
	Management	Forecast pressure from agency costs and posts in both Heads Of Service (3) and Service Manager (4) posts offset by saving in Admin.	0.437	Adverts to go out shortly for vacant senior posts.	TBC

	Across Service Teams	Staff savings from vacant posts held across service teams	(1.044)	To investigate increasing savings on vacant posts to cover overspend in Directorate. Also Children's Services structure review.	TBC
	Across Directorate	Other budget savings for Children's Care (excluding CC02) currently rated "Red" (as detailed in Appendix 4).	0.230	Review of savings required in order to meet existing savings targets , and continue to look at other savings opportunities across the Directorate.	TBC
Education & Partnerships	Integrated Transport Unit	Following a reassessment of demand from start of academic year in September 2024 there is an additional forecast saving of £0.848m for 2024/25. This is in addition to the £0.732m transferred to Central Budgets at Quarter One.	(0.848)	Continue with efficiency of service delivery and routes	TBC
Regeneration	Investment Properties	Income below budget set at Cleveland Centre offset by increased income above budget at Teesside Advanced Manufacturing Park (TAMP) where the sale concluded later than originally expected which provided additional rent to the Council whilst in it's ownership.	0.311		
	Property Services	Savings of £0.608m on the running costs budgets - this includes a one-off rates refund of (£0.195m) relating to the Crematorium	(0.705)		
	Commercial	Saving against the Valuation & Estates budget, this is mainly due to increased income as a result of sales associated with the asset review programme, and leases.	(0.202)		
	Regeneration Management	Saving currently rated "Red" re. improved housing co-ordination and provision (REG07)	0.080		
	Across Directorate	Other variances below £250,000	(0.050)		
Environment & Communities	Bereavement Services	Reduced income due to falling demand for service of £0.428m, and £0.071m due to increased costs relating to equipment and materials to enable burials at cemeteries. This is partially offset by staff savings due to posts being held vacant	0.499	Service review to be undertaken to consider options for reducing operational costs to align to reduced activity and to assess the business case for replacement cremators which are approaching the end of their useful life.	TBC
	Waste Collection	Overachievement of income from implementation of charging for Green Waste Collection Service (£0.515m) partially offset by the junk job saving shortfall £0.054m and other income shortfall £0.078m. Also additional one-off set up costs of £0.316m to deliver Fortnightly Collection and Garden Waste Service.	(0.067)	Service review to be undertaken including zero based budget to be prepared reflecting the change in service operations following implementation of fortnightly collection	TBC
	Fleet Management	Increased staff costs and vehicle hires due to recruitment issues	0.495	Review to be undertaken. Market supplements are being made to solve recruitment issues and avoid greater overspend due to outsourcing work to external supplier.	TBC
	Highways Maintenance	Increased use of internal staff for grant funded projects	(0.151)		
	Street Lighting	Energy costs above budget	0.157	Review to determine whether this will continue or reduce.	TBC
	Car Parking	Residents Permits Charge unlikely to be implemented until 2025 due to software issue creating forecast pressure of £0.125m.	(0.125)		
	Supported Communities	Addition unringfenced grants received that can be used to cover work previously budgeted	(0.778)		
	Across Directorate	Other variances below £250,000	0.619		
Legal and Governance	Across Directorate	Other variances below £250,000	(0.031)		
Central Budgets	Pay and Prices Contingencies	Projected saving on Pay & Prices Pay Award contingency following 24/25 pay award agreement being reached	(0.200)		
	Inflation Held Centrally	Funding set aside centrally to cover income shortfalls within Bereavement Services. Saving reported within Central budgets offsets pressure on Bereavement Services reported under ECS	(0.350)		
	Contingency for Future Uncertainty	Net savings from growth awarded in 24/25 but not yet required, (previously reported within individual Directorates), returned centrally for 24/25. (Waste Disposal - ECS and Integrated Transport Unit - Education & Partnerships)	(1.258)		
	Senior Management Review	Budget saving currently rated as "RED" : CEN02 23/24 Senior Management Review £0.244m.	0.244		
<b>Total Variance</b>			<b>1.382</b>		<b>(0.498)</b>

07) Appendix 1b - Detailed Directorate Revenue Budget Forecast Outturn Quarter Two 2024-25

**Adult Social Care Summary**

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Adult Social Care	Original Budget Full Year	Current Budget Full Year	Forecast Outturn	Forecast Variance
	£m	£m	£m	£m
Service Strategy	0.740	0.726	0.802	0.076
NHS Support/MSIF grant	(9.615)	(9.615)	(9.615)	0.000
Prevention, Provider & Support Service	2.834	2.758	3.476	0.718
Better Care Fund (including Improved BCF grant)	(8.618)	(8.618)	(8.618)	0.000
Specialist & Lifelong Learning	3.144	3.197	3.159	(0.038)
Access & Safeguarding	6.040	6.236	5.833	(0.403)
A&S : Temporary Accommodation only	0.165	0.228	0.600	0.372
Purchasing - Residential	26.527	27.506	27.493	(0.013)
Purchasing - Direct Payments	7.578	7.770	7.817	0.047
Purchasing - Supported Tenancies	10.866	11.401	11.425	0.024
Purchasing - Enablement & Support	2.906	2.775	2.765	(0.010)
Purchasing - Day Care	1.668	1.805	1.803	(0.002)
Purchasing - Personal Care	10.472	10.577	10.271	(0.306)
Purchasing - Other	(3.997)	(3.911)	(4.599)	(0.688)
Purchasing - Savings / Growth / Inflation	1.365	(0.354)	(0.076)	0.278
ASC recovery plan	0.000	0.000	0.000	0.000

**MEMO FORECAST VARIANCE SPLIT**

Financial Recovery Plan	Forecast Outturn Variance	Savings Delivery Variance	Other variances	Issues Ref. No.
£m	£m	£m	£m	
	Adv /(Fav)	Adv /(Fav)	Adv /(Fav)	
	0.076		0.076	
	0.000		0.000	
	0.718	0.311	0.407	1
	0.000		0.000	
	(0.038)		(0.038)	
	(0.403)		(0.403)	2
	0.372		0.372	3
	(0.013)		(0.013)	
	0.047		0.047	
	0.024		0.024	
	(0.010)		(0.010)	
	(0.002)		(0.002)	
	(0.306)		(0.306)	4
	(0.688)	(0.172)	(0.516)	5
(0.150)	0.128	0.278	0.000	6
(0.084)	(0.084)		0.000	7

07) Appendix 1b - Detailed Directorate Revenue Budget Forecast Outturn Quarter Two 2024-25

Total Directorate	52.075	52.481	52.536	0.055	(0.234)	(0.179)	0.417	(0.362)	
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## 07) Appendix 1b - Detailed Directorate Revenue Budget Forecast Outturn Quarter Two 2024-25

### ISSUES

<u>Ref. No.</u>	<u>Service Area</u>	** <u>Forecast Variance</u> <u>£m</u>	<u>Issue</u>
1	Prevention, Provider & Support Service	0.718	Levick Court £0.514m : Savings not yet achieved £0.311m due to further consideration of alternative options regarding the unit's future plus cost of re-provisioned care to the independent sector £0.165m. Partly offset by carers underspend
2	Access & Safeguarding	(0.403)	Underspend on pay due to difficulties in recruitment -£0.407m
3	Temporary Accommodation	0.372	Combination of increased demand and delays in Move On work due to sickness and vacancies in key roles.
4	Purchasing - Personal Care	(0.306)	Maximise the Discharge grant re. the additional pressures contract (one-off for 24/25)
5	Purchasing - Other	(0.688)	Additional fairer charging income in excess of budget (YTD -£0.137m, FYE - £0.409m); additional direct payment surplus in excess of budget
6	Purchasing - Savings/Growth/Inflation	0.278	Current shortfall in ASC12 savings re. Adults transformation
7	Other Variance < £250k	0.084	
		<u><u>0.055</u></u>	

07) Appendix 1b - Detailed Directorate Revenue Budget Forecast Outturn Quarter Two 2024-25

**Public Health Summary**

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Public Health	Original Budget Full Year	Current Budget Full Year	Forecast Outturn	Forecast Variance
	£m	£m	£m	£m
Substance Misuse	3.908	3.908	3.368	(0.540)
Misc Public Health	(9.195)	(9.195)	(9.119)	0.076
Best Start In Life	3.549	3.549	3.617	0.068
Health Protection	1.092	1.092	1.138	0.046
Healthy Environments	0.147	0.147	0.147	0.000
Health Prevention	0.376	0.376	0.434	0.058
Public Mental Health	0.129	0.129	0.170	0.041
<b>Total Before Movement to Reserves</b>	<b>0.006</b>	<b>0.006</b>	<b>(0.245)</b>	<b>(0.251)</b>
Transfer surplus to PH reserve	0.000	0.000	0.251	0.251
<b>Total Directorate</b>	<b>0.006</b>	<b>0.006</b>	<b>0.006</b>	<b>0.000</b>

**MEMO FORECAST  
VARIANCE SPLIT**

Financial Recovery Plan	Forecast Outturn Variance	Savings Delivery Variance	Other variances	Issues Ref. No.
£m	£m	£m	£m	
	Adv /(Fav)	Adv /(Fav)	Adv /(Fav)	
0.000	(0.540)	0.000	(0.540)	1
0.000	0.076	0.000	0.076	2
0.000	0.068	0.000	0.068	3
0.000	0.046	0.000	0.046	
0.000	0.000	0.000	0.000	
0.000	0.058	0.000	0.058	
0.000	0.041	0.000	0.041	
<b>0.000</b>	<b>(0.251)</b>	<b>0.000</b>	<b>(0.251)</b>	
0.000	0.251	0.000	0.000	4
<b>0.000</b>	<b>(0.251)</b>	<b>0.000</b>	<b>(0.502)</b>	

## 07) Appendix 1b - Detailed Directorate Revenue Budget Forecast Outturn Quarter Two 2024-25

### ISSUES

<u>Ref. No.</u>	<u>Service Area</u>	** <u>Forecast Variance</u> <u>£m</u>	<u>Issue</u>
1	Substance Misuse	(0.540)	£0.120m relates to savings on vacant posts, the remainder is a contract saving from bringing the prescribing service in house. The core substance misuse budget has to remain at this level in order to achieve the conditions within the other substance misuse grants. A plan will be put in to place to utilise this saving within the substance misuse team.
2	Misc Public Health	0.076	£11k is one off costs in relation to licences at venues. £17k maternity payments that the HDRC grant won't cover and £44k is an overspend on the shared service mainly relating to the need for a pitch/building strategy.
3	Best Start In Life	0.068	£48k relates to the HDFT contract, negotiations around prior years pay award resulted in this one off payment being agreed on top of the current budget. £20k is the introduction of a new fluoride scheme in oral health.
4	PH Reserve	0.251	It is proposed to transfer any underspend within the PH budget to reserve, per the grant guidance/conditions
	Other Minor Variances	0.145	
		<u><u>0.000</u></u>	

07) Appendix 1b - Detailed Directorate Revenue Budget Forecast Outturn Quarter Two 2024-25

**Children's Care Summary**

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**MEMO FORECAST  
VARIANCE SPLIT**

Children's Care	Original Budget Full Year	Current Budget Full Year	Forecast Outturn	Forecast Variance	Financial Recovery Plan	Forecast Outturn Variance	MEMO FORECAST VARIANCE SPLIT		Issues Ref. No.
	£m	£m	£m	£m			Adv /(Fav)	Adv /(Fav)	
				Adv /(Fav)		Adv /(Fav)	Adv /(Fav)	Adv /(Fav)	
Assessments & Safeguarding Care Planning	8.333	8.459	8.290	(0.170)	0.000	(0.170)	0.200	(0.370)	1
Children Looked after, Corporate Parenting and Children with Disabilities	3.291	3.291	3.753	0.462	0.000	0.462	0.030	0.432	2
Fostering, Adoption and Connected Carers	16.399	17.041	17.195	0.154	0.000	0.154	0.000	0.153	3
External Residential Expenditure	14.800	15.074	17.776	2.702	(0.264)	2.438	1.500	1.202	4
External Residential contributions	(2.155)	(2.155)	(2.015)	0.140	0.000	0.140	0.000	0.140	4
Internal Residential services	3.789	3.827	4.462	0.636	0.000	0.636	0.000	0.636	5
Other Services	5.999	6.049	5.375	(0.674)	0.000	(0.674)	0.000	(0.674)	6
Management, Business Development & Admin	3.581	3.099	3.536	0.437	0.000	0.437	0.000	0.437	7
<b>Total Directorate</b>	<b>54.038</b>	<b>54.685</b>	<b>58.372</b>	<b>3.687</b>	<b>(0.264)</b>	<b>3.423</b>	<b>1.730</b>	<b>1.958</b>	

## 07) Appendix 1b - Detailed Directorate Revenue Budget Forecast Outturn Quarter Two 2024-25

### ISSUES

<u>Ref. No.</u>	<u>Service Area</u>	** <u>Forecast Variance</u> <u>£m</u>	<u>Issue</u>
1	Assessments & Safeguarding	(0.170)	£370k Savings due to vacant posts across service due to reductions in Assessments and Child in Need numbers, offset by unachieved saving £200k grants maximisation saving.
2	Corporate Parenting	0.462	£462k Forecast pressure in Children Looked After & Pathways and Children with Disabilities services due to agency posts across the service along with edge of care placements (£30k of this is due to unachieved saving re. Short Breaks)
3	Fostering & Adoption	0.154	£154k forecast pressure, due to increases in internal fostering provision (increase of 10%) changes in policy to be fully implemented across service and effect of inflation on Fostering and carer payments.
4	External Residential	2.702	£2.702m forecast pressure due to External Residential numbers being higher than budget (currently 78 against budget of 55). This is due to market sufficiency. Also includes unachievable savings - CC02 Review of Placements £1.1m and CC06 SHIFT programme £0.4m. The service has a recovery plan of £264k (based on 9 changes in placements) that if successful, reduces forecast outturn based on planned placement moves.
4	External Residential	0.140	Forecast pressure from combination of Health contributions (£117k saving) and Education contributions (£257k pressure) to placements
5	Internal Residential	0.636	Forecast £636k over spend due to agency staff required covering significant absences across the service area.
6	Other Services	(0.674)	£674k forecast savings due to vacant posts held across resource teams along with projected savings in Prevention service.
7	Management	0.437	£437k forecast pressure from agency costs and posts in both Heads Of Service (3) and Service Manager (4) posts offset by saving in Admin.
		<u><b>3.687</b></u>	

07) Appendix 1b - Detailed Directorate Revenue Budget Forecast Outturn Quarter Two 2024-25

**Education & Partnerships Summary**

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Education & Partnerships	Original Budget Full Year	Current Budget Full Year	Forecast Outturn	Forecast Variance
	£m	£m	£m	£m
				Adv / (Fav)
Management Budgets	(0.880)	0.043	0.043	0.000
Dedicated Schools Grant	0.000	(0.962)	(0.962)	0.000
Achievement	0.730	0.730	0.730	0.000
SEN & Vulnerable Learners	0.896	0.896	0.896	0.000
Access to Education (Excl ITU)	0.104	0.104	0.104	0.000
Partnerships	0.495	0.495	0.495	0.000
Integrated Transport Unit	6.648	5.916	5.068	(0.848)
Non DSG - Early Years	0.000	0.000	0.000	0.000
De-delegation / Buy back Services	0.000	0.000	0.000	0.000
<b>Total Directorate</b>	<b>7.992</b>	<b>7.221</b>	<b>6.373</b>	<b>(0.848)</b>

**MEMO FORECAST  
VARIANCE SPLIT**

Financial Recovery Plan	Forecast Outturn Variance
£m	£m
	Adv / (Fav)
0.000	0.000
0.000	0.000
0.000	0.000
0.000	0.000
0.000	0.000
0.000	0.000
0.000	(0.848)
0.000	0.000
0.000	0.000
<b>0.000</b>	<b>(0.848)</b>

Savings Delivery Variance	Other variances
£m	£m
Adv / (Fav)	Adv / (Fav)
0.000	0.000
0.000	0.000
0.000	0.000
0.000	0.000
0.000	0.000
0.000	0.000
0.000	(0.848)
0.000	0.000
0.000	0.000
<b>0.000</b>	<b>(0.848)</b>

Issues Ref. No.
1

07) Appendix 1b - Detailed Directorate Revenue Budget Forecast Outturn Quarter Two 2024-25

ISSUES

<u>Ref. No.</u>	<u>Service Area</u>	<u>Forecast Variance £m</u>	<u>Issue</u>
1	Integrated Transport Unit	(0.848)	£848k forecast saving against budget due to improved efficiencies of routes. Variance from Q1 is due to reassessment of demand from start of academic year in September alongside new route plans. Assessment of growth funding provided required to inform MTFP development.
		<u>(0.848)</u>	

## Regeneration Summary

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Regeneration	Original Budget Full Year	Current Budget Full Year	Forecast Outturn	Forecast Variance
	£m	£m	£m	£m
Regeneration Management	0.065	0.067	0.140	0.073
Economic Growth	(0.812)	(0.730)	(0.600)	0.130
Investment Properties	(1.463)	(1.463)	(1.152)	0.311
Planning Services	0.172	0.169	0.164	(0.005)
Property Services	5.757	5.690	4.985	(0.705)
Commercial	(1.960)	(1.960)	(2.229)	(0.269)
Cultural Services	0.416	0.416	0.333	(0.083)
Marketing & Comms	0.399	0.399	0.381	(0.018)
Community Learning	(0.551)	(0.551)	(0.551)	0.000
<b>Total Directorate</b>	<b>2.023</b>	<b>2.037</b>	<b>1.471</b>	<b>(0.566)</b>

### MEMO FORECAST VARIANCE SPLIT

Financial Recovery Plan	Forecast Outturn Variance	Savings Delivery Variance	Other variances	Issues Ref. No.
£m	£m	£m	£m	
	Adv /(Fav)	Adv /(Fav)	Adv /(Fav)	
0.000	0.073	0.080	(0.007)	1
0.000	0.130	0.000	0.130	
0.000	0.311	0.000	0.311	2
0.000	(0.005)	0.000	(0.005)	
0.000	(0.705)	0.000	(0.705)	3
0.000	(0.269)	0.000	(0.269)	4
0.000	(0.083)	0.000	(0.083)	
0.000	(0.018)	0.000	(0.018)	
0.000	0.000	0.000	0.000	
<b>0.000</b>	<b>(0.566)</b>	<b>0.080</b>	<b>(0.646)</b>	



07) Appendix 1b - Detailed Directorate Revenue Budget Forecast Outturn Quarter Two 2024-25

ISSUES

<u>Ref. No.</u>	<u>Service Area</u>	** <u>Forecast Variance</u> <u>£m</u>	<u>Issue</u>
1	Regeneration Management	0.073	An officer from Thirteen Group is seconded in to the Council in part to identify necessary savings, whilst initiatives have been identified the savings are yet to come to fruition.
2	Investment Properties	0.311	The current projections for the Investment Properties are as follows, £0.542m Cleveland Centre, £0.079m Captain Cook Shopping Precinct, (£0.235m) Teesside Advanced Manufacturing Park (TAMP), (£0.075m) Centre Square 1 and 2. The position is similar to that reported at quarter 1 with the exception of TAMP, where the sale concluded later than originally expected which provided additional rent to the Council whilst in it's ownership. This does assume though that the new owner collects all outstanding rent owed to the Council on it's behalf.
3	Property Services	(0.705)	The running costs budget is expected to under spend by (£0.608m), this includes a one off rates refund of (£0.195m) relating to the Crematorium.
4	Commercial	(0.269)	The forecast variance is primarily due to a saving of (£0.202m) against the Valuation & Estates budget, this is mainly due to increased income as a result of sales associated with the asset review programme, and leases.
	Other Variances +/- £0.250m	<u>0.024</u> <u>(0.566)</u>	

### Environment & Community Services Summary

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Environment & Community Services	Original Budget Full Year £m	Current Budget Full Year £m	Forecast Outturn £m	Forecast Variance £m
Strategic Asset Management	0.121	0.121	0.135	0.014
Property & Commercial	(0.862)	(0.862)	(0.542)	0.320
Environment Services	11.671	10.907	11.039	0.132
Fleet & Highways	3.171	3.171	3.755	0.584
Transport	1.973	1.559	1.606	0.047
EPCS General	0.083	0.273	(0.075)	(0.348)
Supporting Communities	2.647	2.486	2.084	(0.402)
North East Migration P'ship	0.000	0.000	0.000	0.000
Public Protection	1.366	1.366	1.464	0.098
Parks & Farms	0.006	0.006	0.210	0.204
<b>Total Directorate</b>	<b>20.176</b>	<b>19.027</b>	<b>19.676</b>	<b>0.649</b>

MEMO

Financial Recovery Plan £m	Forecast Outturn Variance £m	Savings Delivery Variance £m	Other variances £m	Issues Ref. No.
	Adv /(Fav)	Adv /(Fav)	Adv /(Fav)	
	0.014		0.014	
	0.320		0.320	1
	0.132	(0.461)	0.593	2
	0.584		0.584	3
	0.047	0.125	(0.078)	
	(0.348)		(0.348)	4
	(0.402)		(0.402)	5
	0.000		0.000	
	0.098		0.098	
	0.204		0.204	6
<b>0.000</b>	<b>0.649</b>	<b>(0.336)</b>	<b>0.985</b>	

07) Appendix 1b - Detailed Directorate Revenue Budget Forecast Outturn Quarter Two 2024-25

ISSUES

<u>Ref. No.</u>	<u>Service Area</u>	** <u>Forecast Variance</u> <u>£m</u>	<u>Issue</u>
1	Property & Commercial - Bereavement Services-Income Shortfall	0.428	The number of cremations is less than budgeted resulting in a shortfall against the income target.
1	Property & Commercial - Bereavement Services-Overspend	0.071	Equipment and Materials to enable burials at cemeteries has created an overspend. This is partially offset by staff savings due to posts being held vacant
1	Property & Commercial - Building Cleaning	(0.178)	A high staff turnover and issues with recruiting to vacant posts has resulted in a projected underspend on salaries. This is partially offset by a reduction in income due to ceased contracts. Unbudgeted expenditure due to the need to carry out essential health and safety work to trees have resulted in a projected overspend.
2	Environment Services-Area Care	0.114	
2	Environment Services - Waste Collection-Income	(0.383)	The Garden Waste saving overachievement (£0.515m) is partially offset by the junk job saving shortfall £0.054m and other income shortfall £0.078m
2	Environment Services - Waste Collection-Savings Implementation Expenditure	0.316	Additional expenditure has been incurred in order to deliver Fortnightly Collection and Garden Waste savings
2	Environment Services-Catering	0.084	There is an expected £0.146m shortfall on school meal sales in addition to a £0.149m overspend on food due to increase in prices. This is partially offset by (£0.211m) saving on staffing costs.
3	Fleet & Highways-Fleet Management	0.495	Market Supplement payments are being made to solve recruitment issues and avoid greater overspend due to outsourcing work to external supplier. Vehicle hires due to number of essential vehicles awaiting repair - also due to recruitment issues are expecting to result in an overall pressure Energy costs have not reduced as much as anticipated.
3	Fleet & Highways-Street Lighting	0.157	
3	Fleet & Highways-Highways Maintenance	(0.151)	Additional capital grant has been received. Associated work is to be carried out by internal operatives
3	Fleet & Highways -Streetworks	0.084	There is an expected shortfall against the Income target for Street/Highways Permits.

**07) Appendix 1b - Detailed Directorate Revenue Budget Forecast Outturn Quarter Two 2024-25**

4	ECS General	(0.345)	Notification has been received of unringfenced grant in relation to supporting refugees/asylum seekers (£0.245m) additional grant received that can be used to cover work previously budgeted in core. In addition (£0.188m) expected salary savings due to staff turnover and recruitment issues
5	Supported Communities- Neighbourhood Safety	(0.433)	
6	Parks & Farm Other Variances across the Directorate	0.204	The footfall at Newham Grange Leisure Farm over the summer income was lower than expected. Additional expenditure has been incurred due to health and safety issues
		0.186	
		<b>0.649</b>	

07) Appendix 1b - Detailed Directorate Revenue Budget Forecast Outturn Quarter Two 2024-25

## Legal & Governance Services Summary

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### MEMO FORECAST VARIANCE SPLIT

Legal & Governance Services	Original Budget Full Year	Current Budget Full Year	Forecast Outturn	Forecast Variance	Financial Recovery Plan	Forecast Outturn Variance	Savings Delivery Variance	Other variances	Issues Ref. No.
	£m	£m	£m	£m					
						Adv / (Fav)	Adv / (Fav)	Adv / (Fav)	
Legal & Governance Services Management	0.153	0.156	0.156	0.000	0.000	0.000	0.000	0.000	
Coroners	0.487	0.487	0.543	0.056	0.000	0.056	0.000	0.056	
Cross Cutting Admin Saving	(0.136)	(0.136)	(0.085)	0.051	0.000	0.051	0.136	(0.085)	1
Legal Services	1.456	1.451	1.389	(0.062)	0.000	(0.062)	0.000	(0.062)	
Legal Childcare	0.671	0.671	0.800	0.129	0.000	0.129	0.000	0.129	2
Democratic Services	1.379	1.388	1.304	(0.084)	0.000	(0.084)	0.000	(0.084)	
Human Resources	1.508	1.767	1.716	(0.051)	0.000	(0.051)	0.012	(0.063)	
Strategy, Information & Governance Service	0.985	0.980	1.004	0.024	0.000	0.024	0.000	0.024	
ICT Service	2.545	2.539	2.454	(0.085)	0.000	(0.085)	0.000	(0.085)	
Customer Centre / Mail & Print	1.339	1.452	1.443	(0.009)	0.000	(0.009)	0.000	(0.009)	3
<b>Total Directorate</b>	<b>10.387</b>	<b>10.755</b>	<b>10.724</b>	<b>(0.031)</b>	<b>0.000</b>	<b>(0.031)</b>	<b>0.148</b>	<b>(0.179)</b>	

## 07) Appendix 1b - Detailed Directorate Revenue Budget Forecast Outturn Quarter Two 2024-25

### ISSUES

<u>Ref. No.</u>	<u>Service Area</u>	** <u>Forecast Variance</u> <u>£m</u>	<u>Issue</u>
1	Cross Cutting Admin Saving	0.136	Savings will be achieved through pausing recruitment throughout the directorates. The savings will therefore be contained within other Directorate outturn projections.
2	Legal Childcare	0.129	Currently assuming the same level as spend as 2023/24. To demonstrate the potential pressure on this budget an impending court case has been costed at £0.120m
3	Customer Centre / Mail & Print	(0.132)	The variance from that reported at quarter 1 is due to budget being provided from Contractual Inflation to acknowledge the significant rise in postage charges.
	Other Variances +/- £0.250m	<u>(0.164)</u>	
		<u><b>(0.031)</b></u>	

07) Appendix 1b - Detailed Directorate Revenue Budget Forecast Outturn Quarter Two 2024-25

**Finance Summary**

\*\*

Finance	Original Budget Full Year	Current Budget Full Year	Forecast Outturn	Forecast Variance
	£m	£m	£m	£m
Strategic Finance	0.156	0.262	0.262	(0.000)
Financial Planning & Support	0.724	0.810	0.810	0.000
Central Support Services & Overheads to Grants	(2.483)	(2.483)	(2.483)	0.000
Cross Cutting Savings	(0.888)	(0.538)	(0.538)	0.000
Finance & Investments	2.276	2.459	2.459	0.000
Pensions Governance & Investments	0.602	0.602	0.602	0.000
Resident & Business Support Housing Benefits Subsidy	1.020	1.087	1.087	0.000
Resident & Business Support - Operational / Non-Housing Benefits Subsidy	0.266	0.058	0.168	0.110
Strategic Commissioning & Procurement	1.449	1.510	1.400	(0.110)
<b>Total Directorate</b>	<b>3.121</b>	<b>3.767</b>	<b>3.767</b>	<b>(0.000)</b>

**MEMO FORECAST  
VARIANCE SPLIT**

Financial Recovery Plan	Forecast Outturn Variance	Savings Delivery Variance	Other variances	Issues Ref. No.
£m	£m	£m	£m	
	Adv /(Fav)	Adv /(Fav)	Adv /(Fav)	
	(0.000)		(0.000)	
	0.000		0.000	
	0.000		0.000	
	0.000		0.000	
	0.000		0.000	
	0.000		0.000	
	0.000		0.000	
	0.110	0.198	(0.088)	1
	(0.110)		(0.110)	2
<b>0.000</b>	<b>(0.000)</b>	<b>0.198</b>	<b>(0.198)</b>	

## 07) Appendix 1b - Detailed Directorate Revenue Budget Forecast Outturn Quarter Two 2024-25

### ISSUES

<u>Ref. No.</u>	<u>Service Area</u>	** <u>Forecast Variance</u> <u>£m</u>	<u>Issue</u>
1	Resident & Business Support - Operational / Non-Housing Benefits Subsidy	0.110	Although budgeted saving FIN02 (Review of Council Tax Single Persons Discount) will be achieved in year as planned, the financial benefit from this is not achievable in the General Fund in 24/25. This is due to a timing issue, as it will be reflected in the Collection Fund in 24/25, and Collection Fund adjustments are not able to be realised in the General Fund until the following year. The shortfall on the financial element of the saving in the General Fund in 24/25 will be covered by other savings within the Finance Directorate.
2	Strategic Commissioning & Procurement	(0.110)	Savings on staffing, due to vacancies and reduced hours and on the central stationery budget. Additionally, there is a saving on Community grants due to the repayment of some grants previously awarded, as the associated projects have not been delivered. Overachievement of SIP (Supplier Incentive Payments) Rebates - Budget was set at a conservative estimate for prudence, but forecast outturn has been revised based on actual activity to date. Note that SIP Rebates, were previously reported under a separate line at Q1, but are now included within the Strategic Commissioning & Procurement total.
		<u>0.000</u>	



07) Appendix 1b - Detailed Directorate Revenue Budget Forecast Outturn Quarter Two 2024-25

**Chief Executive Summary**

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Chief Executive	Original Budget Full Year	Current Budget Full Year	Forecast Outturn	Forecast Variance
	£m	£m	£m	£m
Chief Executive	0.242	0.241	0.241	0.000
<b>Total Directorate</b>	<b>0.242</b>	<b>0.241</b>	<b>0.241</b>	<b>0.000</b>

**MEMO FORECAST  
VARIANCE SPLIT**

Financial Recovery Plan	Forecast Outturn Variance
£m	£m
	Adv / (Fav)
	0.000
<b>0.000</b>	<b>0.000</b>

Savings Delivery Variance	Other variances
£m	£m
Adv / (Fav)	Adv / (Fav)
	0.000
<b>0.000</b>	<b>0.000</b>

Issues Ref. No.

07) Appendix 1b - Detailed Directorate Revenue Budget Forecast Outturn Quarter Two 2024-25

**Central Budgets Summary**

\*\*

General Fund & Centrally Held Budgets	Original Budget Full Year	Current Budget Full Year	Forecast Outturn	Forecast Variance
	£m	£m	£m	£m
General Fund	(0.204)	0.165	0.165	0.000
Capital Financing	11.154	11.154	11.154	0.000
Added Years Pensions	1.216	1.216	1.216	0.000
Change Fund	0.730	0.730	0.730	0.000
Pay & Prices Contingencies	4.754	4.734	4.534	(0.200)
Inflation Held Centrally	2.900	1.431	1.081	(0.350)
Centrally Held Grants	(33.105)	(33.105)	(33.105)	0.000
Senior Management Review	(0.244)	(0.244)	0.000	0.244
Exceptional Financial Support	(4.700)	(4.700)	(4.700)	0.000
Contingency for Future Uncertainty	1.422	2.383	1.125	(1.258)
Contributions to/from Reserves	8.825	8.825	8.825	0.000
External Audit	0.382	0.382	0.382	0.000
<b>Total Directorate</b>	<b>(6.870)</b>	<b>(7.029)</b>	<b>(8.593)</b>	<b>(1.564)</b>

**MEMO FORECAST  
VARIANCE SPLIT**

Financial Recovery Plan	Forecast Outturn Variance	Savings Delivery Variance	Other variances	Issues Ref. No.
£m	£m	£m	£m	
	Adv /(Fav)	Adv /(Fav)	Adv /(Fav)	
	0.000		0.000	
	0.000		0.000	
	0.000		0.000	
	0.000		0.000	
	(0.200)		(0.200)	1
	(0.350)		(0.350)	2
	0.000		0.000	
	0.244	0.244	0.000	3
	0.000		0.000	
	(1.258)		(1.258)	4
	0.000		0.000	
	0.000		0.000	
<b>0.000</b>	<b>(1.564)</b>	<b>0.244</b>	<b>(1.808)</b>	

## 07) Appendix 1b - Detailed Directorate Revenue Budget Forecast Outturn Quarter Two 2024-25

### ISSUES

<u>Ref. No.</u>	<u>Service Area</u>	** <u>Forecast Variance</u> <u>£m</u>	<u>Issue</u>
1	Pay & Prices Contingencies	(0.200)	Projected saving on Pay & Prices Pay Award contingency following 24/25 pay award agreement being reached
2	Inflation Held Centrally	(0.350)	Funding set aside centrally to cover income shortfalls within Bereavement Services. Saving reported within Central budgets offsets pressure on Bereavement Services reported under ECS
3	Senior Management Review	0.244	Senior Management Review budgeted saving unlikely to be achieved in 24/25
4	Contingency for Future Uncertainty	(1.258)	Net savings from growth awarded in 24/25 but not yet required, (previously reported within individual Directorates), returned centrally for 24/25. (Waste Disposal - ECS and Integrated Transport Unit - Education & Partnerships)
		<u>(1.564)</u>	

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## 07) Appendix 2 - Directorate Financial Recovery Plan Savings Quarter Two 2024-25

### Adult Social Care Recovery Plan

Adult Social Care	Budget issue	Financial Recovery Plan £m	Description of Proposed Management Recovery Plan
Across directorate	Need to provide additional pay related savings across the directorate due to new vacancies and delayed/difficulties in recruitment	(0.084)	Additional pay related savings across Directorate due to new vacancies and delayed/difficulties in recruitment. At P5/6 £416,000 built into forecast outturn, therefore reduced recovery by this amount
ASC Transformation	ASC Transformation : Digital	(0.150)	Additional Transformation resources has been approved to undertake care package reviews where Assistive Technology can be implemented as an alternative
<b>Total Directorate</b>		<b>(0.234)</b>	

## Children's Care Recovery Plan

Children's Care	Budget issue	Financial Recovery Plan £m	Description of Proposed Management Recovery Plan
Assessments & Safeguarding Care Planning	Freeze of 1 Team posts to Contribute saving to overall Children's Care overspend	TBC	To investigate increasing savings on vacant posts for social workers to cover other overspend in Directorate aligned with consultant structure plan
Children Looked after, Corporate Parenting and Children with Disabilities	Contribution to overall Children's Care overspend	TBC	To investigate looking at reducing number of Social worker/Resource worker posts as part of consultant structure plan
Fostering, Adoption and Connected Carers	Recruitment of Internal carers will reduce future impact on IFA	TBC	Increasing internal fostering capacity. ASF assessments and process (linked to therapeutic support)
External Residential	High number of placements (69 paid placements) well above average of 55 average number budget set upon	(0.264)	Review of all Young people placed in external & internal to plan around any opportunities to support to improve placements for young people and potentially also bring forecast over spend down.
Placement Contributions	Not achieving budgeted contributions for placements	TBC	Review of Health and Education contributions.
Internal Residential services	Agency staff covering significant staff absences and staff pressures	TBC	Project team to continue to look at sourcing properties to deliver Internal Residential Services to Young people currently placed in External provision for future savings. Permanent recruitment to posts, including marketing campaign and review of recruitment and retention packages.
Other Services	Forecast savings against vacant posts across resource teams	TBC	Continue to look at savings opportunities across service areas whilst meeting existing savings targets
Management, Business Development & Admin	Agency staff filling majority of senior roles (HOS)	TBC	Adverts to go out ASAP for senior posts vacant
<b>Total Directorate</b>		<b>(0.264)</b>	

**Appendix 3 : Proposed revenue budget virements above £250,000 at Quarter Two 2024/25**  
*(under Financial Procedure Rule 18.38.3)*

<i>Proposed Virement Request</i>	<b>Regeneration</b>	<b>Environment &amp; Community Services</b>	<b>Public Health</b>	<b>Education &amp; Partnerships</b>	<b>Children's Care</b>	<b>Adult Social Care</b>	<b>Legal &amp; Governance Services</b>	<b>Chief Executive</b>	<b>Finance</b>	<b>Central Budgets</b>
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
<b><i>Permanent</i></b>										
Contractual Inflation					0.916	0.440	0.113			(1.469)
<b><i>Temporary</i></b>										
2024/25 pay award	0.202	0.972		0.247	0.678	0.544	0.292		0.309	(3.244)
<b>Total Virement</b>	<b>0.202</b>	<b>0.972</b>	<b>0.000</b>	<b>0.247</b>	<b>1.594</b>	<b>0.984</b>	<b>0.405</b>	<b>0.000</b>	<b>0.309</b>	<b>(4.713)</b>
									<b>Total:</b>	<b>0.000</b>

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## Appendix 4

### Detailed savings tracker of savings categorised as “Red” and “Purple” by Directorate at Quarter Two 2024/25

Directorate	Ref:	Categorisation	Budget savings proposal	Approved 24/25 (£m)	Benefits and / or saving(s) realised, with evidence provided.					Forecast 24/25 (£m)
					Blue	Green	Amber	Red	PURPLE	
Adult Social Care	ASC11	T	Re-provision use of Levick Court	(0.311)		(0.095)		(0.216)		(0.311)
Adult Social Care	ASC12	T	Transformation of Adult Social Care Services	(1.900)	0.000	(0.541)	(0.904)	(0.455)		(1.900)
Children's Care	CC02	E	Review of Placements (including Processes and Procedures).	(1.100)				(1.100)		(1.100)
Children's Care	CC05	E	Other savings - Maximising grants	(0.454)		(0.104)	(0.150)	(0.200)		(0.454)
Children's Care	CC06	T	SHIFT Project, a multidisciplinary approach in prevention.	(0.400)				(0.400)		(0.400)
Environment & Communities	ECS03	I	Junk' Job collection will be chargeable.	(0.092)		(0.038)		(0.054)		(0.092)
Environment & Communities	ECS08	I	Resident Parking Permits Charge	(0.125)				(0.125)		(0.125)
Regeneration	REG07	T	Investing in better co-ordination of the way the Council provides housing to reduce the overall spend on emergency, temporary and short term accommodation for people.	(0.080)				(0.080)		(0.080)
Finance	FIN02	I	Review of Single Person Discounts and Student Exemption for Council Tax.	(0.198)				(0.198)		(0.198)
Legal & Governance	LGS03	E	A Cross-Council review of administrative roles and functions.	(0.136)				(0.136)		(0.136)
Legal & Governance	CEN02 - 23-24		Senior Management Review	(0.244)					(0.244)	(0.244)
<b>TOTAL</b>				<b>(5.040)</b>	<b>0.000</b>	<b>(0.778)</b>	<b>(1.054)</b>	<b>(2.964)</b>	<b>(0.244)</b>	<b>(5.040)</b>

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## Analysis of unrestricted and restricted reserves and provisions, and impact of the forecast year-end overspend on the level of reserves

	<u>ORIGINAL</u> <u>Closing Balance</u> <u>31/03/24 / Opening</u> <u>Balance 01/04/24</u>	<u>Amendments to</u> <u>Opening Balance</u> <u>from Collection</u> <u>Fund Surplus</u>	<u>REVISED</u> <u>Opening</u> <u>Balance</u> <u>01/04/24</u>	<u>Forecast Use in</u> <u>Year</u>	<u>Additional</u> <u>Contributions</u>	<u>Transfers between</u> <u>Reserves</u>	<u>Use for forecast</u> <u>year-end 2024/25</u> <u>overspend</u>	<u>Forecast</u> <u>Balance at</u> <u>year-end</u> <u>2024/25</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>	<u>£m</u>
<b>GENERAL FUND RESERVE</b>	<b>10.986</b>	<b>0.114</b>	<b>11.100</b>					<b>11.100</b>
<b>USABLE EARMARKED RESERVES</b>								
<i>Restricted Use</i>								
Public Health	1.172		1.172		0.251			1.423
Insurance Fund	-		-	-	0.500	0.118		0.618
Better Care Fund	0.590		0.590					0.590
Marton Library S106	0.025		0.025			(0.025)		-
Housing Rental Sinking Fund	0.093		0.093			(0.093)		-
	1.880	-	1.880	-	0.751	-	-	2.631
<i>Unrestricted Use</i>								
Financial Resilience Reserve	-	6.211	6.211		0.500			6.711
Legacy Accounts Reserve	-	1.000	1.000					1.000
Change Fund	1.036	1.000	2.036	(2.766)	0.730			-
Elections Costs	0.033		0.033		0.070			0.103
	1.069	8.211	9.280	(2.766)	1.300	-	-	7.814
	2.949	8.211	11.160	(2.766)	2.051	-	-	10.445
<b>UNUSABLE EARMARKED RESERVES</b>								
Revenue Grants Unapplied (Technical Reserve)	5.408		5.408					5.408
Dedicated Schools Grant Adjustment Account	(14.293)		(14.293)	(5.935)				(20.228)
	(8.885)	-	(8.885)	(5.935)	-	-	-	(14.820)
<b>SCHOOL BALANCES</b>	<b>4.599</b>	<b>-</b>	<b>4.599</b>					<b>4.599</b>
<b>PROVISIONS</b>								
Business Rates Appeals	1.339		1.339					1.339
Insurance	3.007		3.007					3.007
Other	0.184		0.184	(0.017)				0.167
	4.530	-	4.530	(0.017)	-	-	-	4.513
	14.179	8.325	22.504	(8.718)	2.051	-	-	15.837
<b>NOTE</b>	<p>The year-end balances may be subject to further change due to further technical adjustments which may be required as part of the external audit of the Council's accounts for 2023/24. These will be mainly relating to the closure of the Collection Fund accounts, DSG, school balances, and Insurance Fund. There may also be potential changes required as part of the external audit of the Council's accounts for 2021/22 and 2022/23 which still remain subject to external audit. The level of reserves will be updated as far as is possible as part of the quarterly budget monitoring reports throughout the financial year, and the final year-end balances will be reported in the Council's Statement of Accounts for 2024/25.</p>							

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### Dedicated Schools Grant

1. The DSG conditions of grant require that any local authority with an overall deficit on its DSG account at the end of financial year 2021/22, or who's DSG surplus had substantially reduced, present a plan to the DfE for managing its DSG spend in 2022/23 and future years and commit to reducing the deficit. There is also a requirement to provide information as and when requested by the DfE about pressures and potential savings on its High Needs budget.
2. The Council complete regular DSG management recovery plans to outline forecasts over the next 5 years. The Council is also working with the DfE and has received a Stage 1 grant of £45,000 and a Stage 2 grant of £1m has been approved for the "Delivering Better Value" (DBV) programme that is supporting work to reduce the ongoing pressures within the High Needs Block using best practice and benchmarking across the country. Within this programme it has been identified that to be successful schools will need to be more inclusive. DBV is a long-term programme and 55 other local authorities as well as Middlesbrough Council are participating in the DBV programme. It should be noted that Middlesbrough Council is not involved in the "Safety Valve" programme, which is support for those local authorities with the greatest DSG deficits.
3. DfE also expect that schools be regularly updated via the Schools Management Forum about the authority's DSG account and plans for handling it, including high needs pressures and potential savings.
4. The DBV programme (which commenced in September 2023) highlighted there were risks to the programme outcomes without significant change, in particular regarding inclusion in mainstream schools. Inclusion within mainstream has remained a challenge, which has resulted in continued increased demand for specialist provision for children with an Education, Health and Care Plan (EHCP) and alternative provision for those children and young people who are permanently excluded. This has resulted in over commissioned places which subsequently comes in financial pressure to provide place funding as well as banding funding to support needs. Alongside this, there has also been an increase in rates from specialist providers across the board and significant increased pressure from rising permanent exclusions.
5. A range of management actions are being taken alongside the DBV programme these include initiatives such as :
  - Launch of SEND and Inclusion clinics in all schools to review how they are using their notional SEND budget as well as identifying training and support required within the setting.
  - Work with health colleagues to identify health contributions where relevant
  - On-going reviews of Education, Health, and Care Plans (EHCPs)

- Dedicated training for school staff to ensure they are increasing inclusive practice
  - On going work with school to support reintegration of excluded pupils into mainstream school where possible
  - Review of funding provided to schools including special schools
  - Continued work with schools to reduce exclusions
  - Review of maintained schools reserves and updated policy for challenging the use of those reserves
  - New Free School to be built by September 2026 which will support more children access local provision.
  - Ongoing development of local provision to meet needs and reduce the number of out of area placements
  - Greater support during transitions
6. Regular meetings take place with the DfE and the DBV lead to monitor the actions within our DBV plan. During these meetings the pressures on the High Needs Block are discussed to ensure the DfE are fully aware of the ongoing pressures within Middlesbrough.
7. The increasing pressure in DSG and in particular the High Needs Block is due to the fact that alongside social care, the Service has seen, and is predicting, an increase in more complex placements with a forecast increase in Education, Health, and Care plans (EHCPs) in the future. In Middlesbrough, the number of EHCPs have increased from 1,659 in 2022 and 1,804 in 2023 to a current level of 1,877 in June 2024, a 13.1% increase from 2022 to 2024, and this is predicted to increase further in the future (see Table 1). It should be noted that the number of children with and EHCP is a key cost driver in relation to home to school transport costs that are met by the General Fund through the Integrated Transport Unit. Some children in Alternative Provision are also a factor in relation to home to school transport costs. In 2022 132 children accessed Alternative Provision and in 2023 the figure was 175, and this figure has currently risen to 252. This is a national issue affecting a large number of local authorities and presents a growing and significant financial risk to the Council. The Government have partly recognised this by an increase in funding allocated in the finance settlements in recent years for both Schools and High Needs Blocks. However, no specific funding has been provided in recognition of the adverse impact upon the General Fund cost of home to school transport.
8. Table 1 below shows the actual and forecast Education, Health, and Care plans (EHCPs), and is periodically being updated and used to calculate the forecasted increase in required demand on alternative provision services and also the Council’s SEND transport requirements.

**Table 1 – Actual and forecast Education, Health, and Care plans (EHCPs)**

<b>Year</b>	<b>2022</b>	<b>2023</b>	<b>2024</b>	<b>2025</b>	<b>2026</b>	<b>2027</b>
Number of EHCP – actual and forecast	1,659	1,804	1,877	2,076	2,302	2,462

## Summary of projects approved for utilisation of Contingency Budgets and Change Fund as at Quarter Two 2024/25

	<u>Corporate Contingency</u>	<u>Corporate Contingency - unused growth</u>	<u>Change Fund Reserve</u>
	£m	£m	£m
<b>Starting Budget 2024/25</b>	<b>1.422</b>	<b>-</b>	
<b>Change Fund - Reserve Opening Balance @ 01/04/24</b>			<b>1.036</b>
<b>Change Fund - Provision Opening Balance @ 01/04/24</b>			<b>0.017</b>
Budgeted contribution 2024/25			<b>0.730</b>
Additional contributions in year			<b>1.000</b>
Permanent adjustment - amendment to 24/25 budget for New Homes Bonus grant funding adjustment (Regeneration)	<b>(0.081)</b>		
Permanent adjustment - amendment to 24/25 budget for previous years' savings removal (LGS)	<b>(0.014)</b>		
Temporary adjustment - unused growth not required for 2024/25 - from Environment & Community Services (Waste Disposal)		<b>0.673</b>	
Temporary adjustment - unused growth not required for 2024/25 - from Education & Partnerships (Integrated Transport Unit)		<b>0.732</b>	
<b>Available for use</b>	<b>1.327</b>	<b>1.405</b>	<b>2.783</b>
<b><u>Approved use to date</u></b>			
Children's Social Care Case Review	(0.170)		
Chief Executive - 1 month handover with Interim/permanent postholders	(0.017)		
Middlesbrough Independent Improvement Advisory Board costs 2024/25	(0.030)		
Interim Finance consultant - Infrastructure, assets and leasing	(0.013)		
Financial improvement - Interim finance lead - accounts closure and audit, financial reporting, systems, and control	(0.139)		
Director of Finance costs above budget for permanent Director of Finance post	(0.106)		
Director of Finance - 1 month handover with interim/permanent postholders	(0.012)		
CIPFA FM Model costs	(0.037)		
Mayoral Assistant - 3 week handover of existing / new postholder	(0.003)		
Recruitment costs for Chief Executive/Director of Finance/Head of ICT	(0.036)		
HR - Organisational Development staff to support transformation		(0.147)	
Contribution to Lord Lieutenant of North Yorkshire	(0.004)		
Contribution to Multibank Initiative	(0.025)		
Capital Governance Improvement interim support	(0.063)		
Flexible Retirement Exit costs agreed in 23/24, but commencing in 24/25			(0.017)
<b>Approved use to date</b>	<b>(0.655)</b>	<b>(0.147)</b>	<b>(0.017)</b>
Declared as saving against 24/25 outturn at Q2 - net savings remaining at Q2 from Waste Disposal and Integrated Transport Unit		(1.258)	-
<b>BALANCE REMAINING UNCOMMITTED</b>	<b>0.672</b>	<b>-</b>	<b>2.766</b>

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**Appendix 8 : Capital Programme Quarter Two 2024/25 - new externally funded schemes / additional external funding to existing schemes , and transfers between Council funded schemes**

Directorate	Scheme	Total Value 2024/25 £m	Total Value Future Years £m	Reason	Change To Capital Programme	External Funding £m	Council Funding £m
Environment and Community Services	Traffic Signals Obsolescence Grant	0.156	-	Additional funding has been received from the Department for Transport, Redcar and Cleveland Council, Stockton Council and Darlington Council for the replacement of obsolescent traffic signals.	Addition to current	0.156	-
Environment and Community Services	Marton West Beck Flood Prevention	0.094	-	The Council has received Section 106 developer contributions to be used for flood prevention measures at Marton West Beck.	New Scheme	0.094	-
Environment and Community Services	Community Recovery Fund	0.090	-	The Ministry of Housing, Communities and Local Government has awarded the Council £0.090m of capital grant for improvements within the community following the civil unrest experienced in August 2024	New Scheme	0.090	-
	<b>Total Environment And Community Services</b>	<b>0.340</b>	<b>-</b>			<b>0.340</b>	<b>0.000</b>
Education and Partnerships	Additional small scale	0.123	0.042		Addition to current	0.165	-
	<b>Total Education</b>	<b>0.123</b>	<b>0.042</b>			<b>0.165</b>	<b>-</b>
Adult Social Care	Additional small scale	0.060	-		Addition to current	0.060	-
	<b>Total Adult Social Care</b>	<b>0.060</b>	<b>-</b>			<b>0.060</b>	<b>-</b>
	<b>Total All Directorates</b>	<b>0.523</b>	<b>0.042</b>			<b>0.565</b>	<b>0.000</b>

**Virements Within Directorates**

Directorate	Scheme	Total Value 2024/25 £m	Total Value Future Years £m	Reason	Change To Capital Programme	External Funding £m	Council Funding £m
Regeneration	Boho X	-	-4.300	Tees Valley Combined Authority have signed a project adjustment request from the Council to transfer the remaining grant originally set aside for Boho	Virement within directorate	-4.300	
Regeneration	Indigenous Grant Fund - Captain Cook Square	-	4.300	10 to Captain Cook Square for the continuation of the transformation of the shopping precinct into a leisure destination.	Virement within directorate	4.300	
Regeneration	Cleveland Centre		0.360	£0.360m of funding is required to undertake asbestos clearance / encapsulation works within the Cleveland Centre. Of this £0.207m sits within the Acquisition Of Town Centre Properties scheme, these funds were provided for the Cleveland Centre as per the Executive report of 9 November 2021. The additional funds are required from the Property Investment Programme block budget due to the sprinkler works within the precinct being	Virement within directorate		0.360
Regeneration	Acquisition Of Town Centre Properties		-0.207		Virement within directorate		-0.207
Regeneration	Property Investment Programme Block Budget		-0.153		Virement within directorate		-0.153
	<b>Total Regeneration</b>	<b>-</b>	<b>-</b>			<b>-</b>	<b>-</b>
Environment and Community Services	Traffic Signals Replacement - Non Tees Valley Combined Authority	-0.580	-	The Traffic Signals Replacement - Non Tees Valley Combined Authority allocation has been reviewed and reduced in order to fund the acquisition of additional wheeled vehicles and provide additional resources for essential works on the Council's bridges and structures.	Virement within directorate		-0.580
Environment and Community Services	Wheeled Bins as part of the Waste Strategy Review	0.040	-		Virement within directorate		0.040
Environment and Community Services	Bridges & Structures	0.530	-		Virement within directorate		0.530
Environment and Community Services	Transporter Bridge	0.010	-		Virement within directorate		0.010
	<b>Total Environment And Community Services</b>	<b>-</b>	<b>-</b>			<b>-</b>	<b>-</b>
	<b>Total All Directorates</b>	<b>-</b>	<b>-</b>			<b>-</b>	<b>-</b>

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## Appendix 9 : Capital Programme Quarter Two 2024/25 – Details of capital slippage

Capital slippage is a way of reprofiling capital budgets between financial years to match forecast timing of expenditure, whilst staying within the approved project budget.

The following details the slippage during Quarter Two. Details of the slippage at Quarter One of £3.267m were shown in Appendix 10 of the Quarter One budget monitoring report. These added together total the £25.445m total slippage for 2024/25 as at the end of Quarter Two.

Directorate	Scheme	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	Funding Source	Slippage Explanation
Regeneration	Housing Growth	(0.258)	0.258	-	-	Borrowing/Grant	Re-profiled following updated design schemes which reduce spend within the current year.
Regeneration	LUF - South Middlesbrough Accessibility	(0.414)	0.414	-	-	Grant	Re-profiled following updated design schemes which reduce spend within the current year.
Regeneration	Middlesbrough Development Company	(2.346)	2.346	-	-	Borrowing/Grant	Funds are in relation to a disputed claim from the main contractor. The claim is likely to go to arbitration which is anticipated to be during 2025-26. If the claim is resolved some funds may be required to be brought back to 2024/25
Regeneration	LUP	(1.229)	1.229	-	-	Grant	(£0.600m) is in relation to Live Well East, feasibility studies are still being undertaken, upon completion tender documents need to be issued with physical works now expected to commence in 2025/26. £1.000m has been brought forward from within the Cultural allocation for the acquisition of properties led by the Cultural Partnership. (£0.700m) of re-profiling in relation to property acquisitions in respect of the increase in temporary accommodation for homelessness., (£1.000m) has been re-profiled into 2025/26 relating to the Junction project due to delays in a Government decision relating to match funding for the project.
Regeneration	IGF Funding - Captain Cook Square	1.350	(1.350)	-	-		Funds have been brought forward for the landlord works associated with the new cinema tenancy
Regeneration	Other Small Scale Slippage Across The Directorate	0.054	(0.054)	-	-		
	<b>Regeneration Total</b>	<b>(2.843)</b>	<b>2.843</b>	-	-		
Environment and Community Services	Purchase of Vehicles	(0.877)	0.877	-	-	Borrowing	2 Gritters and a refuse wagon will not be delivered until 2025/26
Environment and Community Services	Local Transport Plan -Highways Maintenance	(0.300)	0.300	-	-	Grant	It is expected that due to the need to review the procurement arrangements, the purchase of the replacement Street Lighting columns will be delayed until 2025/26. Also, the re-surfacing schedule is likely to be affected by adverse weather conditions over the winter months which will result in some of the work not completing until early 2025/26.
Environment and Community Services	Bridges & Structures	(1.440)	1.440	-	-	Borrowing	Delays have been experienced in respect of the contract for works regarding the A174 bridge. The contract is now signed but the majority of the physical works on the bridge are now anticipated to be undertaken during 2025/26
Environment and Community Services	Highways Infrastructure	(1.300)	1.300	-	-	Borrowing	Due to delays with finalising contract specifications and procurement (tender) issues, some of the major re-surfacing schemes are not now anticipated to complete until early 2025/26.
Environment and Community Services	Linthorpe Road Cycleway	(0.414)	0.414	-	-	Grant	The planned second phase is currently on hold until a decision has been reached with regard to the future of the completed first phase.
Environment and Community Services	Traffic Signals Obsolescence Grant	(0.250)	0.250	-	-	Grant	The final specifications and plan have now been agreed. A small number of the replacements / upgrades have now been pushed back into 2025/26
Environment and Community Services	Fusion Traffic Light System	(0.319)	0.319	-	-	Grant	The detailed schedule of works has now been finalised which shows that the final stage will not be completed until 2025/26
Environment and Community Services	Food Waste Collection	(0.576)	0.576	-	-	Grant	Due to high demand across the country, it is expected that the specialist vehicles and receptacles will not be available for delivery until 2025/26.
Environment and Community Services	DLUC Levelling Up Neighbourhood Safety	(0.550)	0.550	-	-	Grant	There are still a number of financial and legal factors to be considered before the Vehicle Compound Scheme can be commenced. In addition, a location for the CCTV control room is still to be determined. Previous options have now been judged as not feasible.
Environment and Community Services	Local Transport Plan - Incentive Funding	(0.254)	0.254	-	-	Grant	It is still to be decided the exact locations of some of the Highways Incentive schemes. Therefore, it is likely that an allocation of the block budget funding will not be expended until 2025/26.
Environment and Community Services	Other Small Scale Slippage Across The Directorate	(0.379)	0.379	-	-	Borrowing/Grant	
	<b>Environment and Community Services Total</b>	<b>(6.659)</b>	<b>6.659</b>	-	-		

Directorate	Scheme	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	Funding Source	Slippage Explanation
Education and Partnerships	Education block budgets	(3.253)	3.253	-	-	Grant	The 2024/25 improvement programme of works has not been finalised, the residual available block budgets are deemed unrequired in-year and have been re-profiled to fund works within the 2025/26 programme when identified.
Education and Partnerships	Macmillan extension SEND classrooms	(0.300)	0.300	-	-		There have been delays associated with the design of the extension, resulting in funds being transferred into 2025/26.
Education and Partnerships	Other Small Scale Slippage Across The Directorate	(0.386)	0.261	0.125	-		
	<b>Education and Partnerships Services Total</b>	<b>(3.939)</b>	<b>3.814</b>	<b>0.125</b>	<b>-</b>		
Children's Care	Children's Services Financial Improvement Plan	(1.500)	0.600	0.900	-	Council	A review is currently being undertaken in respect of the property acquisition strategy to ensure the most appropriate use of resources. It is assumed that no properties will be acquired within this financial year.
	<b>Children's Care Total</b>	<b>(1.500)</b>	<b>0.600</b>	<b>0.900</b>	<b>-</b>		
Adult Social Care and Health Integration	Other Small Scale Slippage Across The Directorate	(0.271)	0.271	-	-	Grant/Contributions	
	<b>Adult Social Care and Health Integration Total</b>	<b>(0.271)</b>	<b>0.271</b>	<b>-</b>	<b>-</b>		
Legal and Governance Services	IT Refresh - Network Refresh	0.441	(0.441)	-	-	Council	Funds required for the replacement of essential VSAN hardware, licenses and Nexus switches to the Council's IT infrastructure.
Legal and Governance Services	Other Small Scale Slippage Across The Directorate	0.029	(0.029)	-	-	Council	
	<b>Legal and Governance Services Total</b>	<b>0.470</b>	<b>(0.470)</b>	<b>-</b>	<b>-</b>		
Finance	Former Partnership Investment (ICT Infrastructure Revenues & Benefits)	(0.264)	0.264	-	-	Council	No planned spend in 24/25 - future years plans and expected spend to be fully reviewed and forecast requirement will be updated accordingly in due course
Finance	Other Small Scale Slippage Across The Directorate	(0.016)	0.016	-	-	Council	
	<b>Finance Total</b>	<b>(0.280)</b>	<b>0.280</b>	<b>-</b>	<b>-</b>		
Transformation Programme	Transformation / Subject Matter Expertise	(0.463)	0.463	-	-	Council	There have been various delays in respect of appointments, resulting in the need for re-profiling.
Transformation Programme	Redundancy	(6.000)	6.000	-	-	Council	There have been considerably less in-year redundancies than originally anticipated.
Transformation Programme	Contingency	(0.693)	0.693	-	-	Council	Upon review of the wider transformation programme the contingency will not be required in its entirety.
	<b>Transformation Total</b>	<b>(7.156)</b>	<b>7.156</b>	<b>-</b>	<b>-</b>		
	<b>TOTAL</b>	<b>(22.178)</b>	<b>21.153</b>	<b>1.025</b>	<b>-</b>		

**Appendix 10 : Revised Capital Programme Forecasts 2024/25 to 2026/27 as at Quarter Two 2024/25**

	Forecast Expenditure				Council Funding	External Funding
	2024/25	2025/26	2026/27	TOTAL		
	£m	£m	£m	£m	£m	£m
<b>Regeneration</b>						
Town Centre Related Projects	0.028	0.084	-	0.112	0.112	-
Middlehaven Related Projects	0.480	0.226	-	0.706	0.506	0.200
Housing Growth	0.753	9.578	3.935	14.266	4.769	9.497
BOHO X	0.547	0.120	-	0.667	0.058	0.609
Indigenous Growth Fund - Captain Cook Square	1.350	2.950	-	4.300	-	4.300
Towns Fund	0.450	7.377	-	7.827	0.100	7.727
Towns Fund - East Middlesbrough Community Hub	0.295	3.218	-	3.513	1.200	2.313
Future High Streets Fund	3.237	-	-	3.237	-	3.237
Acquisition of Town Centre Properties	-	1.000	-	1.000	1.000	-
Acquisition of The Crown	0.050	-	-	0.050	0.050	-
Levelling Up Partnership	6.114	8.055	-	14.169	0.043	14.126
New Civic Centre Campus	-	0.237	-	0.237	0.237	0.000
Middlesbrough Development Company	0.243	2.346	-	2.589	2.014	0.575
Capitalisation of Major Schemes Salaries	0.530	0.530	0.530	1.590	1.590	-
Capitalisation of Planning Services Surveys	0.084	0.076	0.040	0.200	0.200	-
Affordable Housing Via Section 106	-	1.495	-	1.495	0.302	1.193
Highways Infrastructure Development Section 106	-	0.142	0.580	0.722	0.142	0.580
Lingfield Education Units	0.006	-	-	0.006	0.006	-
Levelling Up Fund - South Middlesbrough Accessibility	1.602	3.210	-	4.812	-	4.812
Derisking Sites	-	0.625	0.500	1.125	1.125	-
Property Services Building Investment	0.340	0.340	0.340	1.020	1.020	-
Property Asset Investment Programme	0.920	1.198	1.800	3.918	3.918	-
Town Hall Roof	0.020	2.936	-	2.956	2.956	-
Municipal Buildings Refurbishment	0.156	1.014	-	1.170	1.170	-
Resolution House	0.020	0.492	-	0.512	0.512	-
Cleveland Centre	1.159	0.722	-	1.881	1.881	-
Members Small Schemes	-	0.210	0.060	0.270	0.270	-
Theatre Bar Refurbishment	-	0.007	-	0.007	0.007	-
Leisure Trust Investment - Equipment	-	0.002	-	0.002	0.002	-
Stewart Park Section 106	0.002	0.032	-	0.034	-	0.034
Investment In Parks	-	0.011	-	0.011	0.011	-
Cultural Development Fund - Enhancements to Central Library & Partner organisations	4.189	-	-	4.189	0.087	4.102
Museum Estate and Development Fund	0.048	-	-	0.048	0.020	0.028
	-	-	-	-	-	-
<b>Total Regeneration</b>	<b>22.623</b>	<b>48.233</b>	<b>7.785</b>	<b>78.641</b>	<b>25.308</b>	<b>53.333</b>

	Forecast Expenditure				Council Funding	External Funding
	2024/25	2025/26	2026/27	TOTAL		
	£m	£m	£m	£m	£m	£m
<b>Environment and Community Services</b>						
Purchase of New Vehicles	2.032	3.606	1.200	6.838	6.838	-
Capitalisation of Wheeled Bin Replacement	0.100	0.100	0.100	0.300	0.300	-
Replacement Wheeled Bins as part of Waste Strategy Review	0.480	-	-	0.480	0.480	-
Capitalisation of Street Furniture / Dog Fouling & Litter Bins	0.055	0.055	0.055	0.165	0.165	-
Capitalisation of Highways Maintenance	0.575	0.575	0.575	1.725	1.725	-
Local Transport Plan -Highways Maintenance	2.744	2.639	2.339	7.722	-	7.722
Local Transport Plan - Incentive Funding	1.403	1.319	1.065	3.787	-	3.787
Street Lighting-Maintenance	0.468	0.568	0.468	1.504	1.504	-
Urban Traffic Management Control 1	0.043	-	-	0.043	-	0.043
Section 106 Ormesby Beck	0.015	-	-	0.015	-	0.015
Bridges & Structures (non Local Transport Plan)	2.032	3.310	1.870	7.212	7.212	-
Transporter Bridge	0.108	-	-	0.108	0.050	0.058
Newport Bridge	1.124	1.171	0.500	2.795	2.795	-
Henry Street	0.001	0.038	-	0.039	-	0.039
CCTV	0.034	-	-	0.034	0.034	-
Cargo Fleet Nature Reserve	0.014	-	-	0.014	-	0.014
Towns Fund Initiatives	0.081	-	-	0.081	-	0.081
Traffic Signals -Tees Valley Combined Authority	0.019	0.010	-	0.029	-	0.029
Highways Infrastructure	0.869	2.300	-	3.169	3.169	-
Libraries Improvement Fund	0.057	-	-	0.057	-	0.057
Urban Traffic Management Control 2	0.670	0.233	-	0.903	-	0.903
Traffic Signals Non Tees Valley Combined Authority	0.186	0.480	-	0.666	0.590	0.076
Traffic Signals Obsolescence Grant	1.156	1.500	-	2.656	-	2.656
Fusion	0.431	0.319	-	0.750	-	0.750
Food Waste Collection	-	1.076	-	1.076	-	1.076
Street Lighting Column Replacement	0.309	0.600	-	0.909	0.909	-
Linthorpe Rd Cycleway	-	0.414	-	0.414	-	0.414
Levelling Up Partnership - Neighbourhood Safety	0.850	1.050	-	1.900	-	1.900
Section 106 Marton West Beck	0.094	-	-	0.094	-	0.094
Community Reaction Fund	0.090	-	-	0.090	-	0.090
Parks Playzones	0.062	0.063	-	0.125	-	0.125
	-	-	-	-	-	-
<b>Total Environment and Community Services</b>	<b>16.102</b>	<b>21.426</b>	<b>8.172</b>	<b>45.700</b>	<b>25.771</b>	<b>19.929</b>

	Forecast Expenditure				Council Funding	External Funding
	2024/25	2025/26	2026/27	TOTAL		
	£m	£m	£m	£m	£m	£m
<b>Public Health</b>						
Relocation of the Safe Haven to Middlesbrough Bus station	0.008	-	-	0.008	0.008	-
Live Well East – Internal Alterations & Improvements	0.052	-	-	0.052	-	0.052
Swimming Pool Support Fund	0.459	-	-	0.459	-	0.459
Middlesbrough Sports Village Pitches	0.170	-	-	0.170	0.040	0.130

<b>Total Public Health</b>	<b>0.689</b>	-	-	<b>0.689</b>
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<b>0.048</b>	<b>0.641</b>
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	Forecast Expenditure			
	2024/25	2025/26	2026/27	TOTAL
	£m	£m	£m	£m
<b>Education and Partnerships</b>				
Block Budget - Family Hubs	-	0.005	-	0.005
Block Budget - Devolved Formula Capital (DFC) - All Schools	-	0.224	-	0.224
Block Budget - School Condition Allocation (SCA)	-	0.434	-	0.434
Block Budget - Basic Need	-	2.665	-	2.665
Block Budget - High Needs Provision Capital Allocation (HNCPA)	-	1.468	-	1.468
Block Budget - Childcare Expansion	-	0.231	-	0.231
Block Budget - Early Years 2 years old entitlement	-	0.001	-	0.001
Section 106 - Lowgill	-	0.035	-	0.035
Contingency Funding Reserve	-	0.105	-	0.105
Building Condition Improvements - Primary School	0.798	0.238	-	1.036
Building Condition Improvements - Special Schools	0.071	0.005	-	0.076
School led Capital schemes - all maintained schools	0.172	0.015	-	0.187
Sufficiency Schemes - Primary	-	0.250	0.250	0.500
Sufficiency Schemes - Secondary	1.475	1.308	0.746	3.529
Sufficiency Schemes - SEND and Alternative Education	7.064	0.781	-	7.845
SEN Small Capital Grant Schemes	0.318	-	-	0.318
Family Hubs and Early Years	0.032	-	-	0.032
Capitalisation of Salary Costs	0.115	-	-	0.115
<b>Total Education and Partnerships</b>	<b>10.045</b>	<b>7.765</b>	<b>0.996</b>	<b>18.806</b>

Council Funding	External Funding
£m	£m
-	0.005
-	0.224
-	0.434
-	2.665
-	1.468
-	0.231
-	0.001
-	0.035
-	0.105
-	1.036
-	0.076
-	0.187
-	0.500
0.646	2.883
-	7.845
-	0.318
-	0.032
-	0.115
<b>0.646</b>	<b>18.160</b>

	Forecast Expenditure			
	2024/25	2025/26	2026/27	TOTAL
	£m	£m	£m	£m
<b>Children's Care</b>				
Gleneagles Refurbishment	0.050	-	-	0.050
Children's Services Financial Improvement Plan	0.525	1.200	2.603	4.328
Fir Tree Ground Floor and Attic Refurbishment Works	0.009	-	-	0.009
<b>Total Children's Care</b>	<b>0.584</b>	<b>1.200</b>	<b>2.603</b>	<b>4.387</b>

Council Funding	External Funding
£m	£m
0.050	-
4.328	-
0.009	-
<b>4.387</b>	<b>-</b>

	Forecast Expenditure			
	2024/25	2025/26	2026/27	TOTAL
	£m	£m	£m	£m
<b>Adult Social Care and Health Integration</b>				
Chronically Sick & Disabled Persons Act - All schemes	0.923	0.610	0.610	2.143
Disabled Facilities Grant - All schemes	2.579	0.250	-	2.829
Capitalisation of Staying Put Salaries	0.050	0.050	0.050	0.150
Home Loans Partnership (Formerly 5 Lamps)	0.015	0.071	-	0.086
Small Schemes	0.049	-	-	0.049
<b>Total Adult Social Care and Health Integration</b>	<b>3.616</b>	<b>0.981</b>	<b>0.660</b>	<b>5.257</b>

Council Funding	External Funding
£m	£m
1.914	0.229
-	2.829
0.150	-
-	0.086
-	0.049
<b>2.064</b>	<b>3.193</b>

	Forecast Expenditure			
	2024/25	2025/26	2026/27	TOTAL
	£m	£m	£m	£m
<b>Legal and Governance Services</b>				
Desktop Strategy / Device Refresh	0.123	-	-	0.123
Enterprise Agreements	0.850	-	-	0.850
IT Refresh - Network Refresh	1.312	-	-	1.312
IT Refresh - Lights On	0.286	-	-	0.286
ICT Essential Refresh & Licensing	0.427	1.647	2.185	4.259
Sharepoint	0.240	-	-	0.240
HR Recruitment	0.016	-	-	0.016
IKEN	0.042	-	-	0.042
HR Pay	0.037	-	-	0.037
<b>Total Legal &amp; Governance Services</b>	<b>3.333</b>	<b>1.647</b>	<b>2.185</b>	<b>7.165</b>

Council Funding	External Funding
£m	£m
0.123	-
0.850	-
1.312	-
0.286	-
4.259	-
0.240	-
0.016	-
0.042	-
0.037	-
<b>7.165</b>	<b>-</b>

	Budgeted Expenditure			
	2024/25	2025/26	2026/27	TOTAL
	£m	£m	£m	£m
<b>Finance</b>				
Former Partnership Investment (ICT Infrastructure Revenues & Benefits)	-	0.264	-	0.264
Business World Upgrade	0.010	0.016	-	0.026
Capitalisation of Property Finance Lease Arrangements	0.800	0.150	0.150	1.100
<b>Total Finance</b>	<b>0.810</b>	<b>0.430</b>	<b>0.150</b>	<b>1.390</b>

Council Funding	External Funding
£m	£m
0.264	-
0.026	-
1.100	-
<b>1.390</b>	<b>-</b>

	Forecast Expenditure			
	2024/25	2025/26	2026/27	TOTAL
	£m	£m	£m	£m
<b>Transformation Programme</b>				

Council Funding	External Funding
£m	£m

Transformation	5.037	0.263	2.300	7.600
Subject Matter Expertise	-	5.000	1.000	6.000
Redundancy	0.500	6.000	-	6.500
Contingency	1.007	3.593	2.000	6.600
<b>Total Transformation</b>	<b>6.544</b>	<b>14.856</b>	<b>5.300</b>	<b>26.700</b>

7.600	-
6.000	-
6.500	-
6.600	-
<b>26.700</b>	<b>-</b>

	Forecast Expenditure			
	2024/25	2025/26	2026/27	TOTAL
	£m	£m	£m	£m
<b>Exceptional Financial Support</b>				
Revenue Budget Deficit	4.700	-	-	4.700
Contingency For Savings Programme Delivery Risk	3.500	-	-	3.500
<b>Total Exceptional Financial Support</b>	<b>8.200</b>	<b>-</b>	<b>-</b>	<b>8.200</b>

Council Funding	External Funding
£m	£m
4.700	-
3.500	-
<b>8.200</b>	<b>-</b>

	Forecast Expenditure			
	2024/25	2025/26	2026/27	TOTAL
	£m	£m	£m	£m
<b>ALL DIRECTORATES</b>				
<b>Total ALL DIRECTORATES</b>	<b>72.546</b>	<b>96.538</b>	<b>27.851</b>	<b>196.935</b>

Council Funding	External Funding
£m	£m
<b>101.679</b>	<b>95.256</b>

	Forecast Funding			
	2024/25	2025/26	2026/27	TOTAL
	£m	£m	£m	£m
<b>FUNDED BY:</b>				
Borrowing	11.694	28.803	8.282	48.779
EFS Borrowing	8.200	-	-	8.200
Capital Receipts	6.000	6.000	6.000	18.000
Flexible Use of Capital Receipts	6.544	14.856	5.300	26.700
Grants	38.813	44.241	3.404	86.458
Contributions	1.295	2.638	4.865	8.798
<b>Total FUNDING</b>	<b>72.546</b>	<b>96.538</b>	<b>27.851</b>	<b>196.935</b>

Council Funding	External Funding
£m	£m
48.779	-
8.200	-
18.000	-
26.700	-
-	86.458
-	8.798
<b>101.679</b>	<b>95.256</b>

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### Council's approach to Debt Recovery

1. With high levels of deprivation, a proportionately high benefit caseload, alongside low levels of income, Council Tax collection across the town will remain a challenge. Council Tax Reduction is provided to around 18,300 households, with the maximum award of 90% to some of the town's most financially vulnerable. There is a steady migration to Universal Credit and as such the amount of Housing Benefits Overpayments created is a diminishing return with the debt becoming significantly more difficult to collect as the ability to deduct from ongoing benefit lessons.
2. Business Rates and Sundry Debt collection is considered less of a challenge provided that the debt is collected in-year. The likelihood of collecting aged debt is problematic, businesses can cease trading, wind up, become bankrupt, leaving the Council with very little recovery options and a strong likelihood that the debt will be written off.
3. Whilst overall collection rates over a period of time are respectable, a stronger focus on in-year debt and aged debt is fundamental in ensuring the council optimises cash collection thus further supporting the reduction in the provision which is assigned to bad debt.
4. Through a comprehensive collection strategy, underpinned by the Council's Welfare Strategy for both business and residents, the Council will effectively pursue debt in a firm but fair way. Residents and businesses will be offered a range of support to resolve debt problems, such as maximising benefit, welfare advice and support, debt management, crisis support all of which form part of the support on offer.
5. Where payment is not forthcoming the Council will exercise its powers provided under the relevant legislation to enforce the debt. Some of these powers are significant and can lead to serious consequences such as attachment to earnings, removal of goods, forcing the sale of a property or even commitment to prison all of which are powers enshrined in law.
6. To support the increased focus, additional resource has been placed in all of the four areas above and will mean thousands more cases, where debt remains being actively progressed. The increased activity will likely lead to many difficult conversations with Residents and Businesses some of which may result in member engagement, complaints, disputes and even the possibility of alleged fraud where residents and business have failed to report changes. This is anticipated/expected due to the increased focus and the thousands more cases that will be managed. Over more recent months, a number of aged debt business rates cases have been pursued, most gaining press coverage as the Council gives a strong message that outstanding debt will be collected.

7. Of the debt remaining, it is anticipated that some debt will not be enforceable and as such irrecoverable. Financial provision has been set aside to respond to this on the basis that where the propensity to pay is low and unlikely to be recovered, the Council has the ability to write debt off. Write offs should be routinely undertaken as part of good debt management allowing for a more accurate bad debt provision and greater financial management of debts owed to the Council.
  
8. The Council's approach to improving its debt position will be based on the following principles:
  - Resolve Debt Problems –By providing Welfare Advice and Support
  - Where Debt Remains a Problem - Exercise the powers provided in law.
  - Where Debt is Irrecoverable – Write the debt off.

<b>MIDDLESBROUGH COUNCIL</b>	
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<b>Report of:</b>	Director of Finance
<b>Relevant Executive Member:</b>	The Mayor Executive Member for Finance
<b>Submitted to:</b>	Overview and Scrutiny Board
<b>Date:</b>	18 December 2024
<b>Title:</b>	2025/26 Draft Budget and Medium Term Financial Plan 2025/26 and 2028/29
<b>Report for:</b>	Discussion
<b>Status:</b>	Public
<b>Council Plan priority:</b>	Delivering Best Value
<b>Key decision:</b>	Not applicable
<b>Why:</b>	Report is for information only
<b>Subject to call in?:</b>	Not applicable
<b>Why:</b>	Non-Executive report

#### **Executive summary**

The attached report was considered by Executive on 4 December 2024. On 4 September 2024, the Executive received an update on the Medium-Term Financial Plan for 2025/26 to 2028/29 which set out the challenging financial and economic environment with the Council, like many local authorities, is operating within. The report set out the key assumptions upon which the budget and MTFP were calculated based upon the best information available at that time, which remained subject to review throughout the budget development and setting period as new information was available.

This report provided a further update on the financial and economic environment and set out draft budget and associated proposals that presented a legally balanced budget for 2025/26 and 2026/27. Sufficient savings and income proposals were made by officers to enable the Mayor and Executive to have options, including the ability to reinvest in some direct services to the community and reinvestment in the resilience of enabling services. These were proposed to meet the Mayor's priorities to deliver against his pledge of 'Recover, Reset, Deliver' for Middlesbrough.

## 1. Purpose

1.1 To inform Overview and Scrutiny Board of the Council's 2025/26 Draft Budget and Medium-Term Financial Plan 2025/26 and 2028/29.

## 2. Recommendations

2.1 That the Overview and Scrutiny Board

- Note the contents of the report.
- Provide feedback to the Executive in relation to the proposals before the end of the consultation period on 8 January 2025.

## 3. Rationale for the recommended decision(s)

3.1 To advise Scrutiny on the Council's 2025/26 Draft Budget and Medium-Term Financial Plan 2025/26 and 2028/29.

## 4. Background and relevant information

4.1 Relevant background and other information is contained in the Executive report at Appendix 1.

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

5.1 No other options are submitted as part of the report.

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

Topic	Impact
Financial (including procurement and Social Value)	The report is for discussion only and as such there are financial impacts. Final proposals will be considered and approved by Council on 19 February 2025.
Legal	The report is for discussion only and as such there are Legal impacts.
Risk	The report is for discussion only and as such there are Risk impacts.
Human Rights, Public Sector Equality Duty and Community Cohesion	The report is for discussion only and as such there are no Human Rights, Public Sector Equality Duty and Community Cohesion impacts.
Climate Change / Environmental	The report is for discussion only and as such there are no Climate Change / Environmental impacts.
Children and Young People Cared for by the Authority and Care Leavers	The report is for discussion only and as such there are no Children and Young People Cared for by the Authority and Care Leavers impacts.
Data Protection	The report is for discussion only and as such there are no Data Protection impacts.

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

Action	Responsible Officer	Deadline
N/A		

**Appendices**

1	Executive Report (2025/26 Draft Budget and Medium-Term Financial Plan 2025/26 and 2028/29.)
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**Background papers**

Body	Report title	Date

**Contact:** Andrew Humble

**Email:** Andrew\_humble@middlesbrough.gov.uk

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<b>MIDDLESBROUGH COUNCIL</b>	
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<b>Report of:</b>	Director of Finance (s151 Officer)
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<b>Relevant Executive Member:</b>	Elected Mayor of Middlesbrough Executive Member for Finance
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<b>Submitted to:</b>	Executive
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<b>Date:</b>	4 December 2024
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<b>Title:</b>	2025/26 Draft Budget and Medium Term Financial Plan 2025/26 to 2028/29
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<b>Report for:</b>	Decision
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<b>Status:</b>	Public
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<b>Council Plan priority:</b>	All
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<b>Key decision:</b>	Not applicable
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<b>Why:</b>	The decisions in this report present a draft budget for consultation as part of the budget development process. Final decisions on the 2025/26 budget and MTFP will be taken by Council in February 2025.
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<b>Subject to call in?:</b>	No
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<b>Why:</b>	The decisions in this report present a draft budget for consultation as part of the budget development process. The Executive will subsequently agree a proposed 2025/26 budget and MTFP to 2028/29 that will be presented to Council for approval in February 2025.
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<b>Proposed decision(s)</b>
<p>The report provides an update to the Executive on the budget and Medium Term Financial Plan (MTFP) development process for 2025/26 to 2028/29 that will conclude with consideration and approval of the budget by Council in February 2025. The recommendations in this report are for formal noting and endorsing by Executive of a range of budget proposals aimed to balance the budget to go out to public consultation. These are detailed in paragraph 2.</p>

## Executive summary

On 4 September 2024, the Executive received an update on the Medium Term Financial Plan for 2025/26 to 2028/29 which set out the challenging financial and economic environment with the Council, like many local authorities, is operating within. The report set out the key assumptions upon which the budget and MTFP are calculated based upon the best information available at that time, which remain subject to review throughout the budget development and setting period as new information is available.

This report provides a further update on the financial and economic environment and sets out draft budget and associated proposals that present a legally balanced budget for 2025/26 and 2026/27. Sufficient savings and income proposals were made by officers to enable the Mayor and Executive to have options, including the ability to reinvest in some direct services to the community and reinvestment in the resilience of enabling services. These are proposed to meet the Mayor's priorities to deliver against his pledge of 'Recover, Reset, Deliver' for Middlesbrough.

There is a remaining budget gap over the period of the MTFP of £2.686m in 2027/28 and rising to £5.150m by 2028/29 based upon current modelling assumptions that will be revisited upon receipt of the Provisional Settlement on 19 December 2024. (paragraphs 4.124 and 4.125)

The Chancellor announced the Government's Budget on 30 October 2024 which contained a range of measures to support the local government sector in recognition of the critical state of local authority finances. Whilst the headline messages within Budget are welcomed by Middlesbrough and across the local government sector, there is currently insufficient information upon which to fully assess the implications for individual local authorities. This draft budget for Middlesbrough therefore adopts a broadly financially neutral assessment of the Government's announcements made to date. Further work will be required to fully assess the implications upon the Council's financial position once details are published in the Provisional Local Government Finance Settlement that will be made on the 19 December 2024. (paragraphs 4.43 to 4.50)

It is crucially important that members appreciate that the 2025/26 Local Government Finance Settlement is a one year only settlement and that a Government Spending Review will be announced in the Spring 2025, followed by a three-year Settlement for 2026/27 to 2028/29 which will be significantly tighter for the local government sector based upon published data. The Government's Budget provides a one-off 'front loading' of funding in 2025/26 combined with the continuation of the Exceptional Financial Support mechanism for those authorities facing a s114 scenario.

This will provide short term relief for authorities facing the most acute financial difficulty and buys time to develop the 2025 Spending Review, putting in place a three year settlement, combined with a fundamental review of the methodology for distributing government funding to local authorities (Funding Formula). This will take place in 2025 and will be subject to widespread consultation with the local government sector. (paragraph 4.47)

The current Funding Formula is widely recognised as being not fit for purpose and it is



expected that the review will result in significant redistribution of resources between local authorities with effect from the 2026/27 financial year. It is too soon to assess the impact for Middlesbrough, although the Government has recognised the significant financial challenges for areas like Middlesbrough which are subject to high levels of multiple deprivation and low council tax raising abilities to fund disproportionate costs.

No announcement has been made by Government at this stage in relation to the level of Council Tax referendum limits or the continuation of the Adult Social Care Precept beyond 2025/26. There is also no indication of any plan to review the Council Tax system which is widely recognised as being out of date and has resulted in significant anomalies in the level of council tax paid by residents in different areas of the country. Similarly, no announcement has been made in relation to intentions to reform the Business Rates system. These represent the largest proportion of the Council's income streams as a result of declining government grants over the last decade and therefore present significant uncertainty for budget setting in 2025/26 and over the MTFP period. (paragraphs 4.47 and 4.72 to 4.74)

The Council's financial position remains fragile given its low level of reserves resulting from historical spending in excess of annual income streams. It is essential that there is continued focus upon cost reduction and growth of income streams in the short term underpinned by a resolve to protect and rebuild revenue reserves in line with the Reserves Policy approved by Council on 8 March 2024.

The Council must continue to drive forward its plans for service transformation and redesign in order to achieve the Council Plan priorities:

- A successful and ambitious town
- A healthy place
- Safe and resilient communities
- Delivering best value

whilst operating within its financial means over the medium to long term.

Key to the Council's future success will be its commitment to underpin the delivery of its service transformation programme with a step change in its approach to integrated strategic financial and performance management to ensure financially sustainable service delivery. (paragraphs 4.127 to 4.129)

The Council's financial position is still fragile and there is uncertainty over medium term future funding levels which will not become clear until the announcement of a three year settlement following the Spring 2025 spending review and reform of the grant distribution methodology. Therefore, the Director of Finance advises the Executive to propose a Core Council Tax at the referendum limit notified by Government of 2.99% plus 2% for the Adult Social Care Precept in 2025/26. (paragraph 4.72)

This report sets out the draft 2025/26 budget and MTFP to 2028/29 to be endorsed by the Executive to progress to consultation and includes the following key updates:

- an update on the national and local context in which the Council is developing its Council Plan and MTFP (paragraphs 4.1 to 4.28)
- a summary of the headline announcements made in the Chancellor's Autumn Budget

on 30 October 2024 (paragraphs 4.49 and 4.50 and Table 5)

- The Council's financial performance at Quarter Two to 30 September 2024. (paragraphs 4.29 to 4.32)
- Financial planning assumptions based upon the best information available at the time of writing. (paragraphs 4.62 to 4.67)

The report recommends that Executive formally note key information and assumptions used in developing the draft budget and that Executive endorse a range of budget proposals including the proposed total council tax increase in order to progress to the next stage of the budget development process, including public consultation where appropriate.

The final draft MTFP report will be considered by the Executive on 5 February 2025 and recommended to Council for consideration and approval on 19 February 2025. This will also include an updated position for the Capital Programme, Capital Strategy, Treasury Management Strategy, and Flexible Use of Capital Receipts Strategy.

The Council's Director of Finance (Section 151 Officer) has a statutory duty to assess the robustness of the budget estimates and the adequacy of reserves in the form of a report under s25 of the Local Government Act 2003. This formal assessment will be provided in the MTFP report to the Executive and Council in February 2025.

## 1. Purpose

- 1.1 This report is a key stage in the budget development process for 2025/26 and the MTFP for the four year period to 2028/29. It presents budget and council tax proposals that will 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 will progress to the consultation phase of the budget development process during the period 5 December 2024 to 8 January 2025.
- 1.2 Further work will be required to assess the Council's financial position more fully once the detail of significant Government Budget announcement is made in the Provisional Local Government Finance Settlement on 19 December 2024.

## 2. Recommendations

That the Executive **Notes** the key issues set out in paragraphs 2.1 to 2.4:

- 2.1 The update on the key budget assumptions upon which the 2025/26 budget and MTFP to 2028/29 is calculated. (paragraphs 4.62 to 4.67)
- 2.2 The proposed draft budgets for 2025/26 and 2026/27 are balanced, with a gap of £2.686m in 2027/28 and rising to £5.150m in 2028/29. (paragraphs 4.124 and 4.125)
- 2.3 Further work is required to fully assess the Council's financial position once the detail of the Provisional Local Government Finance Settlement is published.
- 2.4 Transformation Programme business cases must be robust, and adequately

assured to enable their inclusion in the proposed 2025/26 budget and MTFP. Work is 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 will fundamentally modernise and redesign the Council's service delivery models to achieve improved outcomes for the community from a lower cost base. It is intended that these will be brought forward to the 5 February 2025 Executive for incorporation into the overall budget to be considered by Council on 19 February 2025.

That the Executive **Endorses** recommendations 2.5 to 2.9 as follows:

- 2.5 Total proposals for savings and income growth of £7.036m in 2025/26 rising to £8.686m in 2028/29, of which £0.249m are deemed to involve policy change and/or impact service delivery levels and will be subject to public consultation (Appendices 1 and 2).
- 2.6 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 (Appendix 3)
- 2.7 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,
- 2.8 The proposed arrangements to make financial provision against the risk of delivering the 2025/26 budget and MTFP which will enable the Council to set a robust budget without an application for reliance upon Exceptional Financial Support (EFS) from Government. (paragraph 4.65)
- 2.9 That where applicable, budget consultation will commence, on 5 December 2024 and 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.

### **3. Rationale for the recommended decision(s)**

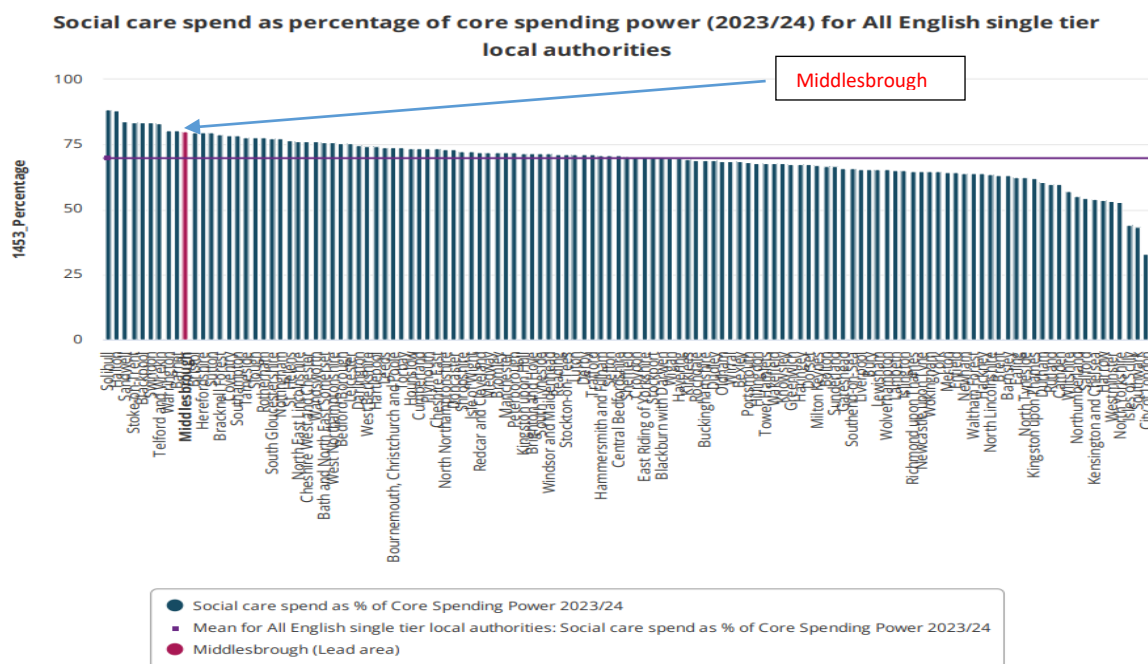
- 3.1 The Council has a legal obligation to set a balanced budget by 11 March 2025 and a Best Value duty to demonstrate financial sustainability through a balanced Medium Term Financial Plan (MTFP). The setting of the budget is part of the budget and policy framework and therefore requires Full Council approval.
- 3.2 The recommendations in this report enable 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.
- 3.3 The Council is 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.

## 4. Background and relevant information

### Middlesbrough Context

- 4.1 Middlesbrough is the business, culture, and education capital of the Tees Valley. Our location in the North East of England gives us access to stunning countryside, unrivalled coastline and the beautiful North York Moors. It is home to thriving companies who compete on the world stage and award-winning education institutions including Teesside University. With a population of 143,900 (as per the Census 2021) living across an area of around 7 miles by 5 miles, Middlesbrough is one of the most densely populated and diverse towns in the Northeast. Approximately 18% of the town's population are from an ethnic minority background whilst a significant minority of Middlesbrough's total population (12.29%) were born outside of the UK.
- 4.2 Employment and Skills are long outstanding challenges, Middlesbrough is younger on average than the regional and national average, which means that there is a large proportion of the population (62.4%) in education or at working age (higher than the North East at 61.9%), which presents opportunities to shape the future workforce, to meet the needs of the town. However, one of our key challenges is ensuring that the current and future workforce have the skills to attract business to the town, for example, 23.9% of residents have no qualifications, compared with 18.1% nationally.
- 4.3 Middlesbrough ranks as the 5th most deprived area in England and 40% of wards are ranked as amongst the top 3% most deprived areas (as per the Index of Multiple Deprivation 2019). Local people face significant health inequalities, with men and women in some of our poorest areas are likely to live for 4 years and 3 years respectively less on average than those regionally and nationally.
- 4.4 Whilst living in Middlesbrough can be challenging, there is a real sense of community, and the town has been incredibly welcoming to new arrivals, based on the Council's Resident Surveys completed in 2017 and 2023 and has shown real community spirit to recover from the riots that occurred in the summer of 2024.
- 4.5 These characteristics represent long term challenges to the prosperity and wellbeing of Middlesbrough as a town and to the Council in meeting the needs of the community. There is significant and increasing demand for services for which the authority is required to meet its statutory responsibilities, such as adults and children's social care, which in 2024/25 account for 79% of the net revenue budget, a reduction of 4% from 2023/24 as a result of transformation and budget savings implemented in 2024/25.
- 4.6 The graph below shows that Middlesbrough spends 80% of its Core Spending Power on social care in 2023/24 and was the tenth highest of all single tier authorities in England.

**Figure 1: Social Care spend as a % of Core Spending Power 2023/24 for all English single tier local authorities**



Source: Ministry of Housing, Communities and Local Government

4.7 The high proportion of expenditure directed towards meeting the Council’s statutory responsibilities for social care, significantly limits the Council’s ability to invest in the provision and improvement of other services and particularly discretionary place based services that are highly valued by the wider community. The Council is pursuing strategies to deliver more cost-effective social care provision as part of its transformation and savings plans in order to be able to meet its statutory responsibilities and continue to provide valued discretionary services within its financial means.

### Middlesbrough Council Plan

4.8 The Council Plan 2024-27 is the Council’s overarching business plan for the medium-term. It sets out the ambitions and priorities of the Elected Mayor of Middlesbrough and the wider corporate priorities that the Council is required to deliver.

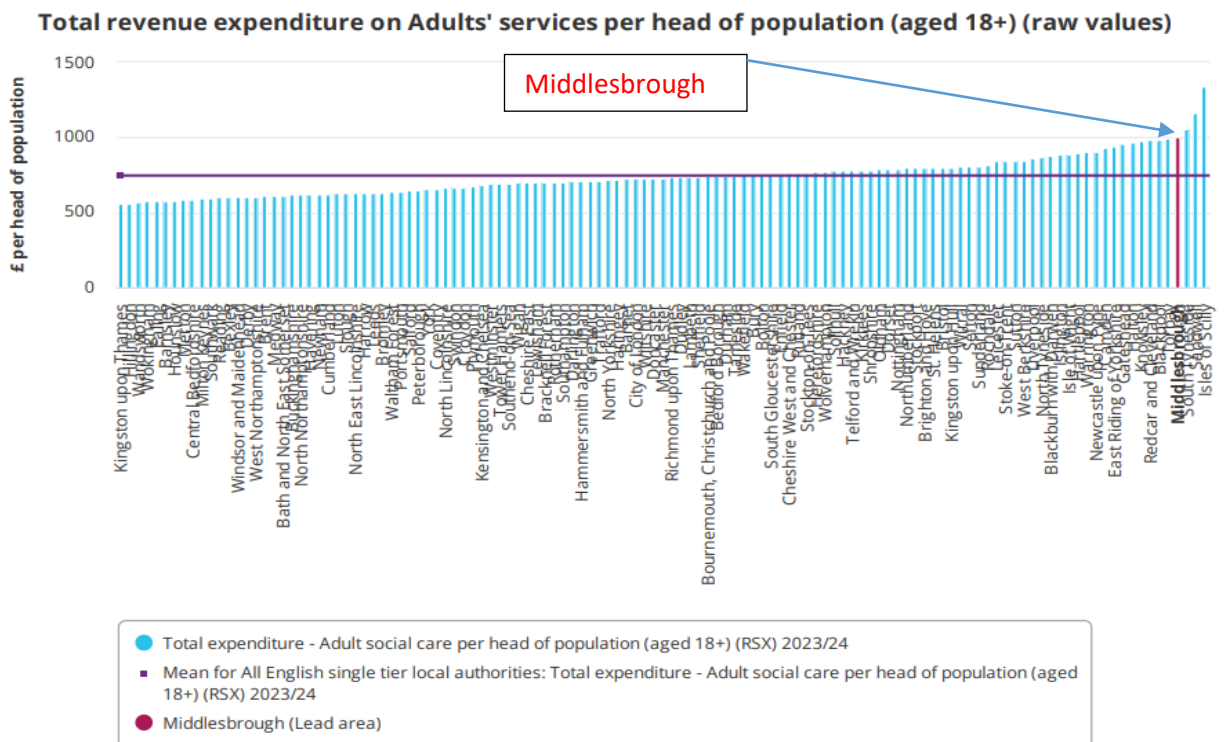
4.9 The MTFP is a financial interpretation of the Council Plan and incorporates the annual revenue and capital spending plans which aim to align to deliver the Council’s ambitions.

4.10 The remainder of this section provides a summary of the local context for high spending areas which present significant financial pressures and upon which the Council’s focus from transformation and efficiency is required.

## Adult Social Care

- 4.11 Gross expenditure on Adult Social Care in 2024/25 is £121.7m which is the largest spending area of the Council. After taking account of grants and contributions from the NHS, clients and other third parties, the net budget is £52.075m (39%).
- 4.12 National comparative data for 2023/24 shows that Middlesbrough spent £1,006 per head of the population on Adults Services, which was the fourth highest of all English unitary authorities as shown in the graph below.

**Figure 2: Total revenue expenditure on Adult Social Care per head of population (aged 18+) 2023/24 for all English single tier local authorities**



Source:  
Total revenue expenditure on Adults' services per head of population (aged 18+)

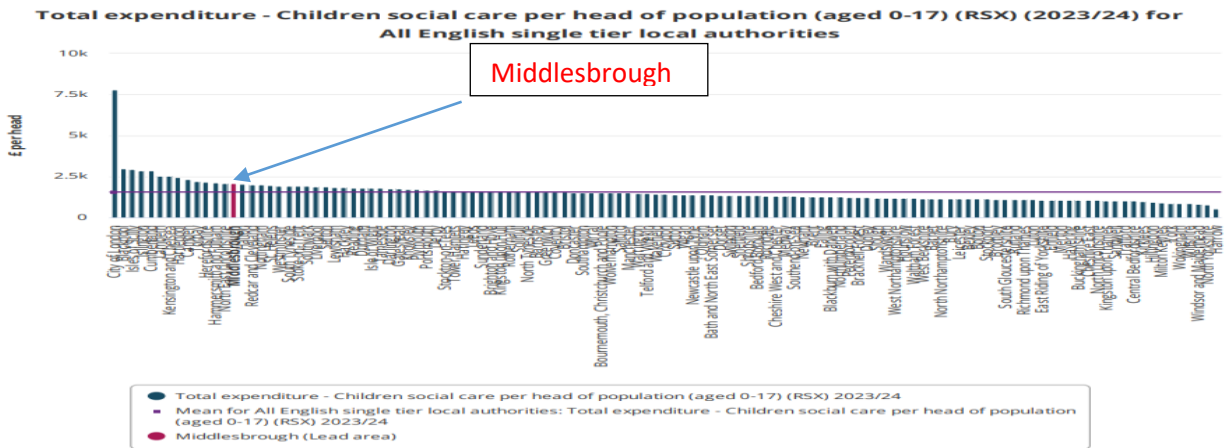
[lginform.local.gov.uk](http://lginform.local.gov.uk)

- 4.13 The measures being taken through the Council's Adults Transformation and savings programme seek to modernise social care through the development of "strengths based practice"; this will promote independence and support social care staff in meeting the assessed needs of individuals through a broader range of support mechanisms with less reliance on expensive commissioned care services. Additionally, the service will increase the use of digital technology to increase choice for service users in how their needs will be met and reduce the cost of care provision.

## Childrens Social Care

4.14 Childrens Social Care is the largest area of net expenditure for the Council at £54.038m (40% of the Council's total net revenue budget) for 2024/25. National comparative data shows that the Council spent £2,083 per head of the population on Children's Social Care in 2023/24. This is the fourteenth highest of all English single tier authorities.

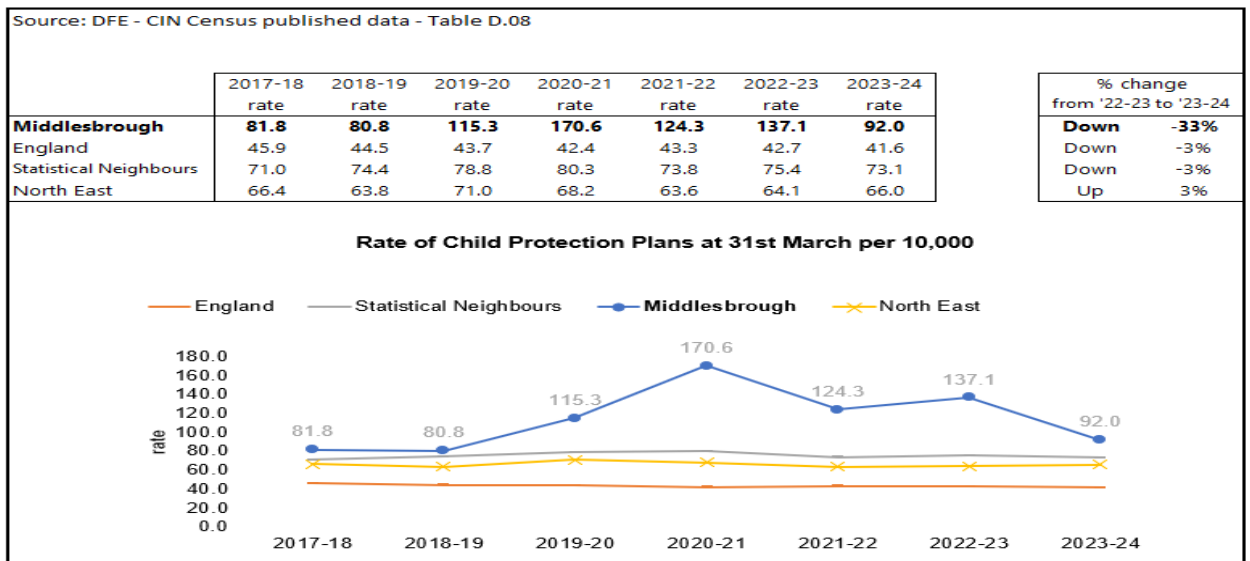
**Figure 3: Total revenue expenditure on Children Social Care per head of population (aged 0-17) 2023/24 for all English single tier local authorities**



Source: Ministry of Housing, Communities and Local Government  
[loginform.local.gov.uk](http://loginform.local.gov.uk)

4.15 The number of Children aged 0-15 in absolute low income families was 31.8% compared to the England average of 15.3% (as per Department for Work and Pensions data). The number of young people, and those living in poverty directly impacts on the number of children requiring support from Children's Services. The level of demand is demonstrated in Figure 4 below, showing that for Child Protection plans in place for Middlesbrough there are 92.0 per 10,000 children whilst the England average was 41.6 in 2023/24.

**Figure 4: Child Protection plan numbers for 2017/18 to 2023/24**



4.16 The measures delivered during 2024/25 through the Children's Social Care Transformation and savings programme of £5.080m aims to create a stable and renewed workforce through its review of all Services across Children's Social Care which has identified a reduction of posts as part of its establishment review. The Children's programme aims to deliver best value through its reviews of Children in Care who are in high-cost external residential placements looking to step them down in to more appropriate and less expensive settings where safe to do so, also through its review of Children who have Special Guardianship Orders in place. The review ensured there was no duplication of support or overpayments that were made and that the right level of support was given to families. The transformation programme aims to carry out workforce development to reduce the number and reliance of interim and agency Social Workers. The project will ensure a sustainable and highly skilled workforce of permanent social workers being recruited is in place.

The further proposed projects in 2025/26 will look to create an Edge of Care Service which will support children to remain at home or at a family network, which otherwise without the service would come into our care. The Programme will transform and modernise the Fostering Service which is looking to increase the number of foster carers through a marketing campaign and creation of a Kinship Team which will provide training and intervention and support to carers to prevent placement breakdown and children re-entering care. Proposed savings arising in these areas are detailed in Appendix 1.

### **Waste Management**

4.17 The 2024/25 net budget for Waste Collection is £2.210m. Waste disposal is a significant cost to the Council with a 2024/25 budget of £5.134m. In the medium to long term, the Council expects that the cost of disposing of residual waste will increase substantially. This is due to existing long term waste disposal contracts expiring and the new regional Energy from Waste Site and contract, which is in the process of procurement and is planned to become operational in 2029. It is important that the Council works with residents now in order to achieve improved rates of recycling to avoid significant future costs of disposal.

4.18 The Council implemented a new alternate fortnightly collection service for residual and recycled waste in 2024/25 as part of its transformation and savings programme, which aims to improve household recycling rates and reducing the amount of residual waste that is disposed of through the Energy from Waste facilities. The Council is actively working to enhance recycling efforts and address contamination issues to ensure waste management efficiency and environmental sustainability. Regular visits to the recycling facilities are conducted to inspect for contamination, identifying items that do not belong in the recycling stream. Through these visits, tailored feedback is provided to residents via the Council's social media teams, educating them on proper recycling practices to reduce contamination rates. Additionally in promoting good recycling the team carries out visits to schools, delivers roadshows, covering all areas of the town, linking with community groups, housing association and other council departments.

4.19 As well as contributing to the Council's environmental objectives, the cost of disposing of recycled waste (average disposal rate is £50.01 per tonne) is much



lower than the cost of residual waste (disposal rate is £75.01 per tonne). Further, it is important to note that there is a significant cost to disposing of waste incorrectly. Residual waste that is put in the recycling bin causes contamination to the recycled waste stream and is rejected by waste operators and diverted to the residual waste stream for which the Council has to pay to process twice (average residual waste disposal rate of £202.58 per tonne).

4.20 Table 1 below, summarises the percentage of household waste rejected from recycling streams due to contamination over the period 2018/19 to 2022/23 which is the latest available data. In 2022/23, Middlesbrough had 21.18% rejected, the third highest of all English single tier local authorities as shown in Figure 5. Improving household recycling behaviour is important for the environment and is capable of delivering significant savings.

**Table 1: Percentage of household waste contaminated/rejected from 2022/19 to 2022/23 for Middlesbrough**

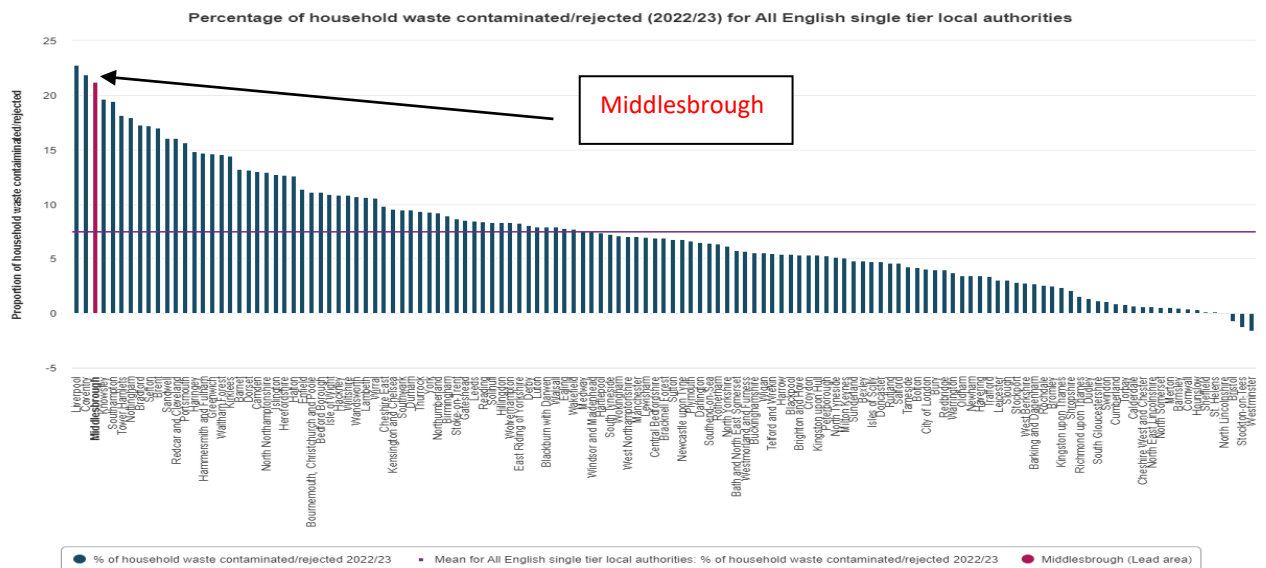
☰☱☲

Percentage of household waste contaminated/rejected (from 2018/19 to 2022/23) for Middlesbrough

Period	% of household waste contaminated/rejected			
	Middlesbrough	Minimum for All English single tier local authorities	Mean for All English single tier local authorities	Maximum for All English single tier local authorities
2018/19	7.66	-2.72	5.95	17.38
2019/20	9.15	-1.88	5.93	17.37
2020/21	15.73	-2.50	7.12	18.49
2021/22	16.38	-2.54	6.99	22.36
2022/23	21.18	-1.64	7.47	22.79

Source:  
Department for Environment, Food and Rural Affairs  
[ginform.local.gov.uk](http://ginform.local.gov.uk)

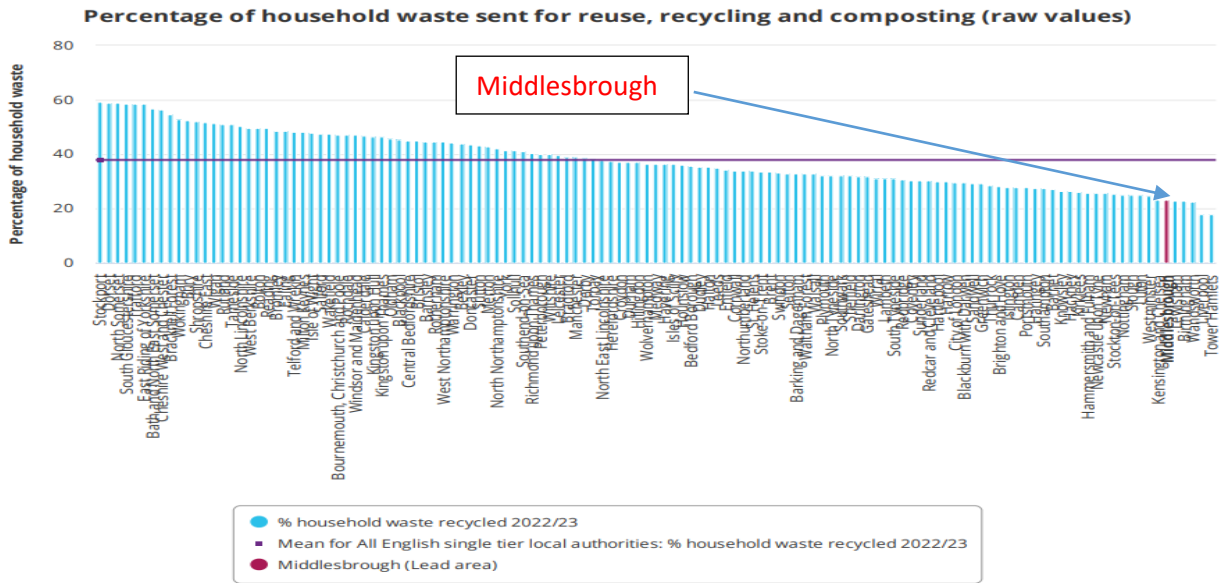
**Figure 5: Percentage of household waste contaminated/rejected from 2022/19 to 2022/23 for All English single tier local authorities**



Source:  
Department for Environment, Food and Rural Affairs  
[ginform.local.gov.uk](http://ginform.local.gov.uk)

4.21 National comparative data shows that in 2022/23 Middlesbrough had one of the lowest recycling rates of all single tier authorities at 23%, a reduction of 6.8% compared to 2021/22 and compared to a mean for all authorities of 38%.

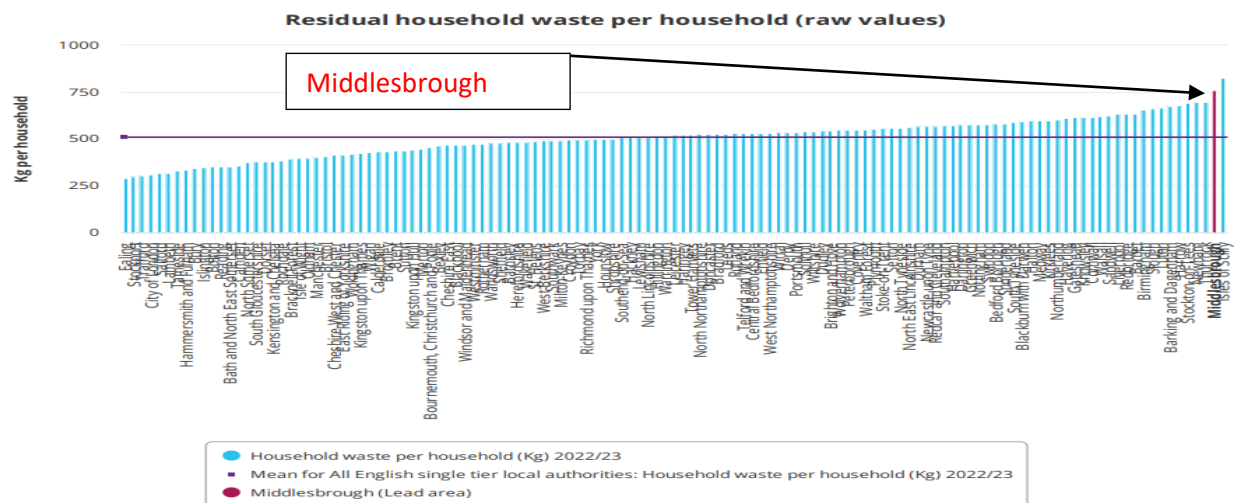
**Figure 6: Percentage of household waste sent for reuse, recycling and composting 2022/23**



**Source:**  
Percentage of household waste sent for reuse, recycling and composting  
[lginform.local.gov.uk](http://lginform.local.gov.uk)

4.22 In 2022/23, the amount of residual waste was the second highest of all single tier authorities at 759kg per household, increased by 8.2% from 701kg per household compared in 2021/22.

**Figure 7: Residual household waste per household 2022/23**



**Source:**  
Residual household waste per household  
[lginform.local.gov.uk](http://lginform.local.gov.uk)

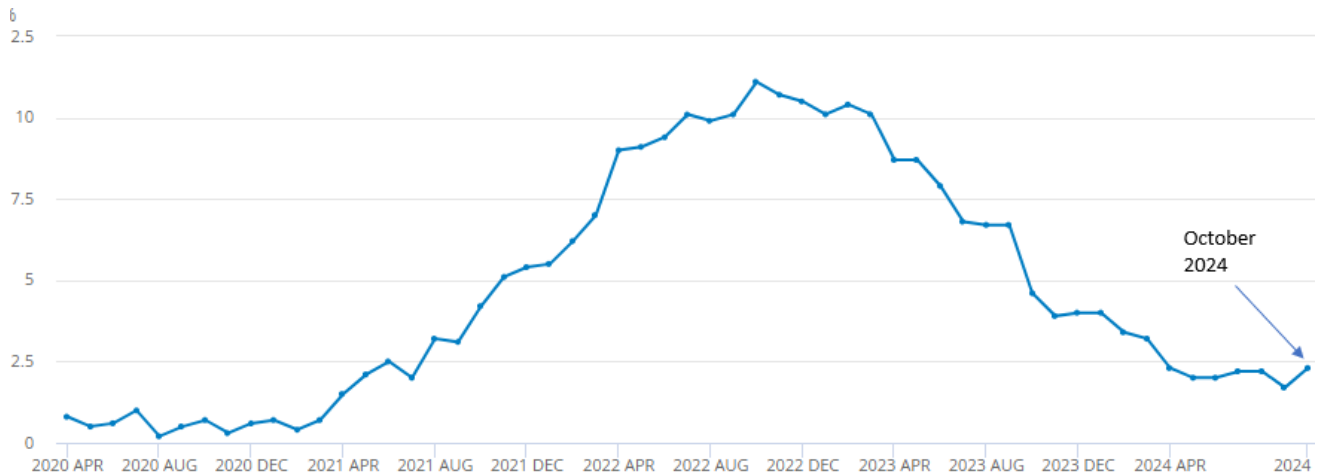
## **Corporate Governance Improvement Programme (CGIP) & s24 Recommendations**

- 4.23 The Council was issued with a Best Value Notice by DLUHC in February 2023 which was subsequently extended in January 2024. In August 2023 it received 11 statutory recommendations relating to the need to improve its Best Value arrangements by the External Auditor Ernst & Young (LLP) (EY). By October 2024, the Council had successfully delivered:
- 91% of its planned CGIP actions with 8% on track by October 2024,
  - 98% of its s24 recommendations with the remaining 2% on track.
- 4.24 The Ministry for Housing Communities and Local Government (MHCLG) (formerly DLUHC) did not renew the Best Value Notice following its review of the Council's progress in September 2024, recognising the significant improvements made, but noting the significant risks remaining in relation to the Council's financial resilience.
- 4.25 EY ceased to be the Council's appointed external auditor with effect from the 2022/23 financial year ending 31 March 2023, but continues to report to the Audit Committee in relation to the conclusion of the financial statements for 2021/22 and 2022/23, which is expected by the 30 November 2024. EY issued its final VFM report to the Audit Committee in August 2024, in which it advised that under the Code of Audit Practice, it was not able to undertake audit work during 2023/24 and 2024/25 to form an opinion on the Council's progress in addressing the s24 recommendations as it was no longer the appointed auditor. It therefore provided no assessment of the Council's progress in addressing the 11 statutory recommendations.
- 4.26 Forvis Mazars LLP was independently appointed as the Council's auditor with effect from 1 April 2023 for the 2023/24 financial year onwards and is due to issue its Value For Money report for 2023/24 to the Audit Committee early in 2025. The findings will also subsequently be reported to Council given the criticality of this report in the context of the Council's improvement journey.

## **National Economic Context**

- 4.27 Inflation as measured by the CPI (Consumer Prices Index) has fallen to over the twelve months to 2.3% at 31 October 2024. The CPI reached a 40 year high at 11.1% in October 2022. The rate of inflation measures the annual increase in prices and therefore the exceptionally high rate in 2022 effectively locked in higher prices that are paid for the Council's supplies of goods, works and services. Local authorities previously received no government support to meet the cost of inflationary pressures in the 2023/24 or 2024/25 finance settlements. The CPI rate between April 2024 and October 2024 is illustrated below:

**Chart 1: CPI Monthly increase between April 2020 and October 2024**



Source: Office for National Statistics Data Tables

4.28 The last Office for Budget Responsibility (OBR) prediction in May 2024 is for CPI to fall over the course of 2024 to 2.2% on average and reach 1.1% by Q1 of 2025. The latest forecast provided by the Council’s Treasury Management Advisers, Arlingclose indicates that this will not happen as quickly as forecast by the OBR. They state that inflation remains a key concern; CPI is projected to rise to approximately 2.75% by the end of 2024, as the previous year’s energy price reductions fall out of annual comparisons, revealing the underlying persistence of domestic inflationary pressures. Inflation is then expected to fall to the Bank of England’s target of 2% by the end of 2027. The Arlingclose forecast is demonstrated in Chart 2 below :

**Chart 2 : Arlingclose outlook for UK CPI inflation**



## 2024/25 Financial Performance

- 4.29 The delivery of a balanced budget and rebuilding reserves during 2024/25 is a critical stage in the Council's financial recovery and is necessary to establish the foundations required to achieve financial sustainability over the medium term.
- 4.30 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.
- 4.31 The Quarter Two position now forecasts an overspend of £1.382m which is an improvement of £2.360m compared to the Quarter One position. This is 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 is 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.
- 4.32 Financial recovery plans continue 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 are held for unforeseen events outside the Council's control, will be reviewed and revised in light of financial performance at Period 9 (end of December 2024) to update the forecast outturn and preparation for final budget setting. Indications are that it is 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.

**Table 2 - Summary of Revenue Budget Forecast Outturn 2024/25 at Quarter Two**

MEMO FORECAST  
VARIANCE SPLIT

All Directorates	Original Budget Full Year	Current Budget Full Year	Forecast Outturn	Forecast Variance	Movement from last quarter (Forecast Variance before Financial Recovery Plan)	Financial Recovery Plan	Forecast Outturn Variance (If Financial Recovery Plan Assured)	Savings Delivery Variance	Other variances
	£m	£m	£m	£m	£m	£m	£m	£m	£m
				Adv / (Fav)	Adv / (Fav)	Adv / (Fav)	Adv / (Fav)	Adv / (Fav)	Adv / (Fav)
Adult Social Care	52.075	52.481	52.536	0.055	(0.375)	(0.234)	(0.179)	0.417	(0.362)
Public Health	0.006	0.006	0.006	0.000	0.000	0.000	0.000	0.000	0.000
Children's Care	54.038	54.685	58.372	3.687	(0.065)	(0.264)	3.423	1.730	1.957
Education & Partnerships	7.992	7.221	6.373	(0.848)	(0.116)	0.000	(0.848)	0.000	(0.848)
Regeneration	2.023	2.037	1.471	(0.566)	(0.285)	0.000	(0.566)	0.080	(0.646)
Environment & Communities	20.176	19.027	19.676	0.649	0.566	0.000	0.649	(0.336)	0.985
Legal & Governance	10.387	10.755	10.724	(0.031)	(0.275)	0.000	(0.031)	0.148	(0.179)
Finance	3.121	3.767	3.767	0.000	(0.000)	0.000	0.000	0.198	(0.198)
Chief Executive	0.242	0.241	0.241	0.000	0.000	0.000	0.000	0.000	0.000
<b>Total Directorates</b>	<b>150.060</b>	<b>150.220</b>	<b>153.166</b>	<b>2.946</b>	<b>(0.552)</b>	<b>(0.498)</b>	<b>2.449</b>	<b>2.237</b>	<b>0.709</b>
Central Budgets	(6.870)	(7.029)	(8.593)	(1.564)	(1.808)	0.000	(1.564)	0.244	(1.808)
<b>Total Budget</b>	<b>143.190</b>	<b>143.190</b>	<b>144.572</b>	<b>1.382</b>	<b>(2.360)</b>	<b>(0.498)</b>	<b>0.884</b>	<b>2.481</b>	<b>(1.099)</b>

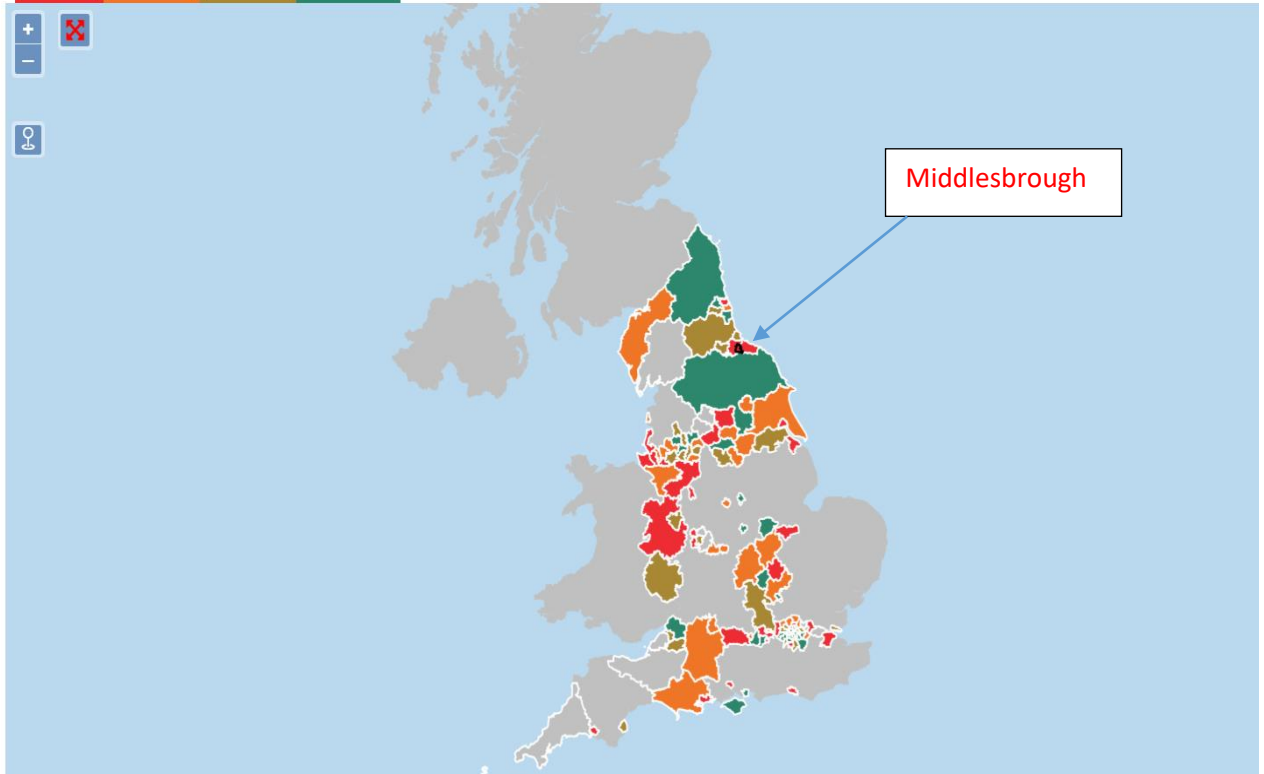
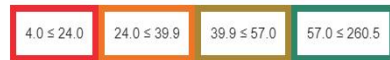




**Figure 9: Reserves as a percentage of Net Revenue Expenditure for All English single tier local authorities 2023/24 - quartiles**

Reserves as a percentage of Net Revenue Expenditure (2023/24) for All English single tier local authorities

Quartiles for All English single tier local authorities



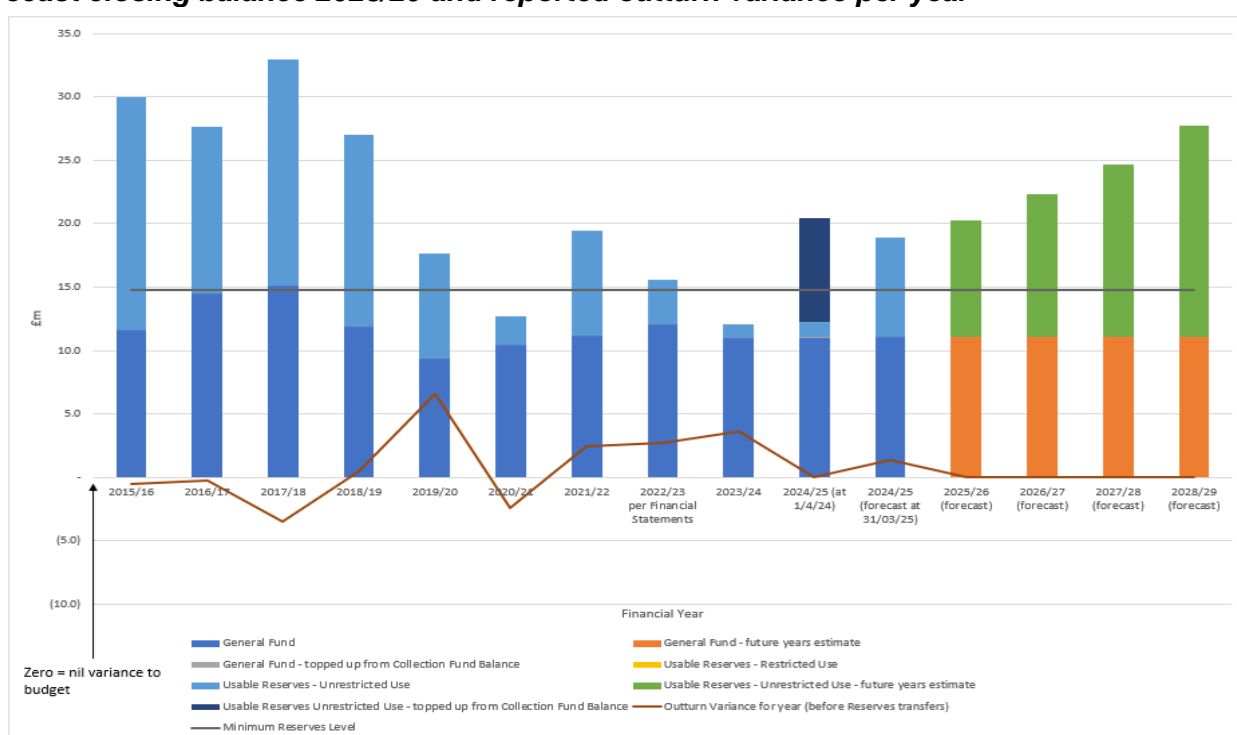
4.36 The level of usable revenue reserves forecast at Quarter Two 2024/25 is summarised below. It is essential that expenditure is contained within the approved budget to avoid a drawdown on reserves at the year end and to deliver in accordance with the approved policy and strategy.

**Table 3: Unrestricted Usable Revenue Reserves**

Unrestricted Usable Revenue Reserves				
Directorate	Closing Balance at 31/3/24 / Opening Balance at 1/4/24	Use of 23/24 Collection Fund Surplus	Revised Opening Balance 1/4/24	Q2 Forecast Balance at 31/03/25
	£m	£m		£m
General Fund Reserve	10.986	0.114	11.100	11.100
Unrestricted Usable Reserves	1.069	8.211	9.280	7.814
<b>Total Unrestricted Usable Reserves</b>	<b>12.055</b>	<b>8.325</b>	<b>20.380</b>	<b>18.914</b>
<b>% of Net Revenue Budget</b>				
General Fund Reserve	7.7%		7.8%	7.8%
Unrestricted Usable Reserves	0.7%		6.5%	5.5%
Overall	8.4%		14.2%	13.3%
Approved Net Revenue Budget 2024/25	143.190		143.190	
Estimated Net Revenue Budget 2025/26				142.301

4.37 The Reserves Policy approved by Council on 8 March 2024 set out the plan to protect and rebuild usable revenue reserves over the period of the MTFP. As shown in Table 3 above this included an immediate replenishment of reserves on 1 April 2024 utilising the 2023/24 estimated Collection Fund Surplus following a fundamental review of the balance sheet in 2023/24. This included a review of accounting arrangements for the Collection Fund and in particular the methodology for assessing the required Bad Debt provision on the Fund which was revised to comply with IAS37 (international accounting standard). Figure 10 summarises the reserves position and revenue outturn variances over the period from 2015/16 and the forecast to 2028/29 of £27.6m. This illustrates the plan to recover the reserves position over the period of the MTFP and return the Council to a financially sustainable position.

**Figure 10 - Unrestricted Reserves Balances from closing balance 2015/16 through to forecast closing balance 2028/29 and reported outturn variance per year**



Projected Year End balances On General Fund & Unrestricted Reserves per year and Reserves as % of Projected Net Revenue Budget					
	2024/25*	2025/26	2026/27	2027/28	2028/29
	£m	£m	£m	£m	£m
Projected Reserves Level (General Fund & Unrestricted Reserves)	18.914	20.234	22.304	24.561	27.631
Projected Net Revenue Budget	142.301	144.432	151.359	155.488	155.488
<b>Reserves as % of Net Revenue Budget</b>	<b>13.3%</b>	<b>14.0%</b>	<b>14.7%</b>	<b>15.8%</b>	<b>17.8%</b>

\* based on Q2 24/25 reporting

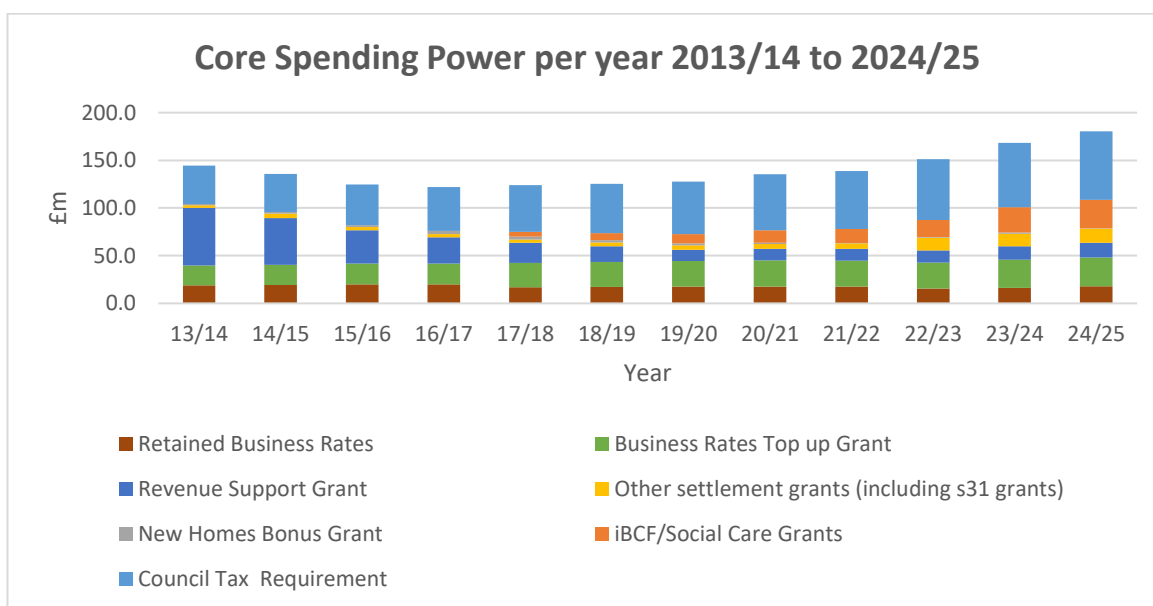
Based on LG Inform Data, the mean % of Reserves as a % of Net Revenue Budget for English single tier authorities is 47%. This means that Middlesbrough reserves would need to be increased to approx. £73m to be in line with the mean. This is deemed to be unachievable in the medium term given the financial challenges faced by the Council and the need to restore levels of service provision. However, the Council should aim to achieve minimum reserves of around £40m (representing approx. 26% of the Net Revenue Budget), and the opportunity to achieve this should be examined on analysing the LGFS. This level of reserves will provide some resilience to be able to respond more effectively to unforeseen financial pressures.



## Sources of Revenue Income

4.38 The source of local authority funding has altered in recent years with a greater proportion of overall funding coming from Council Tax and less from Revenue Support Grant (RSG). Figure 11 below shows the Council's Core Spending Power for 2013/14 to 2024/25, with Table 4 showing the absolute figures used for the chart to provide detail on the individual components. This shows a change in the mix of funding over the years including increasing percentage of overall funding from Council Tax and a reducing percentage from RSG.

**Figure 11: Core Spending Power per year 2013/14 to 2024/25**



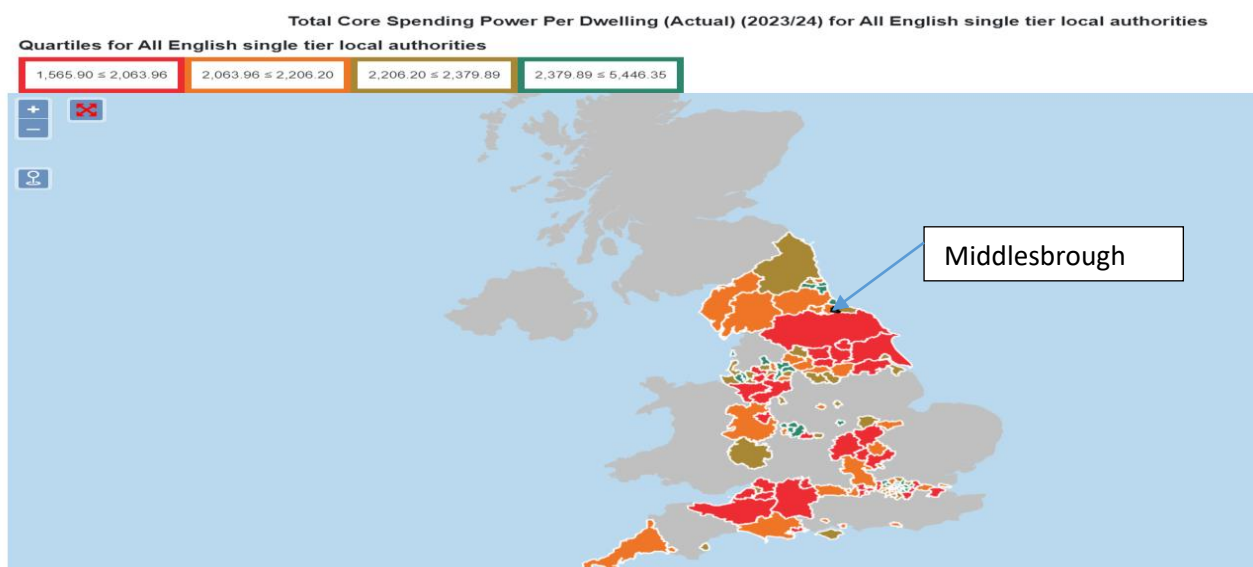
**Table 4: Core Spending Power per year 2013/14 to 2024/25**

	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Council Tax Requirement	40.2	40.0	42.6	46.2	49.1	51.9	55.3	58.7	60.6	63.8	67.3	71.7
iBCF/Social Care Grants	0.0	0.0	0.0	0.0	5.1	7.3	9.7	13.2	14.7	17.7	26.7	29.8
New Homes Bonus Grant	1.6	1.7	2.1	3.3	3.0	2.3	2.0	1.3	0.2	0.9	1.1	0.5
Other settlement grants (including s31 grant)	2.5	4.6	3.6	3.3	3.3	4.1	4.6	5.0	6.0	13.6	13.2	14.9
Revenue Support Grant	60.4	49.1	34.9	27.6	21.1	16.5	12.0	12.2	12.2	12.6	14.2	15.1
Business Rates Top up Grant	20.8	21.2	21.6	21.8	25.7	26.0	26.9	27.3	27.3	27.3	29.3	30.5
Retained Business Rates	18.9	19.1	20.0	19.9	16.9	17.4	17.5	17.7	17.6	15.5	16.4	17.8
<b>Core Spending Power</b>	<b>144.5</b>	<b>135.7</b>	<b>124.8</b>	<b>122.1</b>	<b>124.1</b>	<b>125.5</b>	<b>127.8</b>	<b>135.4</b>	<b>138.6</b>	<b>151.2</b>	<b>168.1</b>	<b>180.3</b>
<b>% Annual change</b>		<b>-6.1%</b>	<b>-8.0%</b>	<b>-2.1%</b>	<b>1.6%</b>	<b>1.1%</b>	<b>1.8%</b>	<b>6.0%</b>	<b>2.4%</b>	<b>9.1%</b>	<b>11.2%</b>	<b>7.2%</b>

4.39 It is important to note that the Government's calculation of Core Spending Power assumes that the local authority increases the Council Tax by the maximum permitted in each year. Therefore, the extent to which the Council has determined Council Tax increases below the maximum permitted, results in a level of funding below the assessed Core Spending Power.

- 4.40 Figure 12 shows the comparison of the Council’s Core Spending Power per dwelling of £2,547 (green – upper quartile) with all English unitary councils. The median of £2,273 for all single tier local authorities for 2023/24.

**Figure 12: Core Spending Power per dwelling for 2023/24 for all English single tier local authorities**



### **Central Government Funding**

- 4.41 Government allocates grant funding to local authorities in a process called the ‘Local Government Finance Settlement’ (LGFS). These can be multi-year or single-year settlements, since 2015 these have been single year.
- 4.42 The 2025/26 MTFP report to Executive on 4 September 2024 provided an overview of the King’s speech and the Chancellor’s statement on public finances following the election of the new Labour Government in July 2024.
- 4.43 On 30 October 2024 the Chancellor announced the Government’s budget for 2025/26. The statement recognised the serious financial challenges that local authorities are facing as demand increases for critical services. Government stated that it has listened to voices across the local authority sector and as a result has prioritised local government in the budget. This is a welcome message for local authorities, although there is insufficient detail at this stage to make robust assessments of the impact on individual authorities, particularly as the LGFS will be for 2025/26 only.
- 4.44 A Policy Statement will be issued before the 30 November 2024, which may provide more information, but the full detail to enable s151 Officers to assess the implications fully will not be published until after the Provisional Local Government Finance Settlement (LGFS) on 19 December 2024. Therefore, the full implications will be factored into the final budget report to be agreed by the Executive and presented to Council for consideration and approval in February 2025.

- 4.45 Total departmental local government spending is predicted to grow by an average of 4.3% per year in real terms between 2023/24 and 2025/26. Total departmental spending is then forecast to grow annually at a real terms rate of 2.2% from 2023/24 to 2029/30. The Institute of Fiscal Studies have highlighted that under these plans, day-to-day public service funding is set to grow by just 1.3% per year following 2025/26. This will likely result in uncomfortably tight settlements for public services, especially unprotected departments.
- 4.46 The effect of the Budget is therefore to “front load” funding in 2025/26 to provide short term relief to local authorities who are struggling. However, the three year settlement from 2026/27 is likely to be much tighter for the sector as a whole. Therefore, the Council must not relax its transformation and cost reduction efforts to achieve financial sustainability. This will serve to provide financial flexibility to target priorities over the medium term, once the three year funding settlement is known.
- 4.47 Fundamental revision and updating to the funding distribution methodology is urgently required, having been delayed for several years and is widely recognised as not being fit for purpose. These changes will aim to ensure an up to date assessment of need and local resources and is likely to achieve a national rebalancing of funding that may be beneficial to Middlesbrough from 2026/27. However, this will be subject to complex work, modelling and consultation between central and local government over an at least 6-9 month period. Based upon previous experience of such changes, achieving implementation from 2026/27 will be extremely challenging. The Council will need to deploy external expert advice to support it through this process.
- 4.48 The Resource Departmental Expenditure Limits show an increase for MHCLG Local Government of £1.8bn between 2024-25 and 2025-26. This will include the £1.3bn increase in grant funding. Together with local income from council tax and locally retained business rates, this will provide a real terms increase in total core spending power of around 3.2%.
- 4.49 The Budget statement confirmed the following key issues:
- There will be a one-year financial settlement for 2025/26
  - There will be a Spending Review announced in the Spring of 2025 followed by a three-year settlement for local government implemented in 2026/27.
  - There will be a Policy Statement issued by MHCLG in November 2024.
  - The long-delayed review of the methodology for distribution of funding for local government will be progressed, with consultation starting after the Policy Statement and before Christmas, with further consultation stages in the new calendar year.
  - There is a recognition of the need to address inadequate funding in Children’s Social Care.
  - That there will be some limited targeting of funding in 2025/26 taking account of deprivation and council tax raising powers.
  - £1.3bn of new grant funding in 2025/26 for local government to deliver core services, of which £600m is for social care.
  - Councils considering that their position is unmanageable and in need of Exceptional Financial Support are expected to continue to liaise with MHCLG to pursue this option. There will be no alternative funding solution in 2025/26 for this situation.

- Headline announcement from the Budget is the increase to the rate of employer National Insurance Contributions (NICs) to 15% and a lowering of the threshold at which employers begin to NICs to £5,000 per year.
- Compensation to public sector organisations for this increase is included in the Budget, at a value of over £4bn every year. This may not cover the contracts for supplies and services entered into by local authorities such as for social care, which presents an adverse rise to the Council and could wipe out any gains in funding from the increase in social care funding listed above.
- There was no confirmation that the Adult Social Care Precept will continue beyond 2025/26 and therefore our prudent assumptions have been revised to reflect this and is consistent with most of our regional neighbours.

4.50 Table 5 summarises the key features of the announcement affecting local government and indicates where the item has been taken into account in the assumptions of the updated MTFP within this report. TBC indicates that it will be updated following analysis of the Local Government Finance Settlement on 19 December 2024 and will be updated for the final budget report in February 2025.

**Table 5 – Summary of Budget announcements for local authorities for 2025/26**

Key Government Announcements - October 2024	£m	Allocation basis and assumptions	Included in December 2024 MTFP	Estimated Middlesbrough Share £m
Social Care additional grant	600	Estimate based on 24/25 formula expected that it will be applied to 25/26 allocation	Yes	(1.895)
Additional Local Government Grant	700	Basis of allocation unknown. It is possible that this could be applied to fund compensation for Employers National Insurance.	No	TBC
Increase in Employer National Insurance Contributions to 15% and lowering threshold at which Employers National Insurance Contributions are paid to £5,000 per year	TBC	Government commitment to fund impact on staffing costs in public sector although unclear where this will be funded from - assumed cost neutral for MBC. Creates a risk of adverse impact upon Council contracts for supplies and services with private providers. This is likely to impact cost of council services through higher contract prices. An estimate made for adult social care and leisure contract. No basis of reasonable estimate can be made for potential impact on children's social care. Could wipe out the benefit from additional social care grant.	Yes	1.075
Extended Producer Responsibility (Packaging - distributed to support Local Authority Waste Disposal, basis of allocation to be confirmed)	1,100	Basis of allocation and conditions unknown. May result in additional obligations that will result in increased expenditure which is not factored into MTFP.	No	TBC
Household Support Fund (HSF) and Discretionary Housing Payments (DHPs) for 25-26	1,000	N/A for General Fund revenue position. Funding received is passed to members of public who are eligible less a small administration fee	NA	N/A
Special Educational Needs and Disability (SEND) and Alternative Provision funding	1,000	Basis of allocation unknown. There is a £3bn national deficit on DSG reserves due to High needs. This may stem the rate at which the Council's DSG deficit grows. Currently a risk by end of 25/26 when the statutory override ends in relation to Council GF needing to fund DSG deficit. projected £20m by 31/3/25. There is a revenue cost of the GF providing cashflow to meet the deficit. this is not material to balancing the MTFP model on an ongoing basis.	No	TBC
UK Shared Prosperity Fund (UKSPF), will be extended to 2025-26 in advance of wider local growth funding reform	900	Capital Funding does not affect the revenue MTFP model	No	N/A
Bus Service Improvement Plans funding	640	Basis of allocation unknown. Distribution via TVCA and to bus companies. May be capital or revenue	No	N/A
Local Roads Maintenance	500	Basis of allocation and conditions unknown	No	TBC
Affordable Homes Programme	500	Capital Funding - does not affect the revenue MTFP model	No	N/A
Homelessness Pressures (including Prevention in Rough Sleeping) taking total in 2025-26 to £1bn	233	Basis of allocation and conditions unknown	No	TBC
Investment into the Planning system to support capacity and capability in local planning authorities	50	Basis of allocation unknown	No	TBC
Kinship Allowance ( pilot in 10 Local Authorities to help increase the number of children taken in by family members and friends)	40	Middlesbrough is not part of the current pilot of 10 local authorities.	No	N/A
Create hundreds of new foster placements by ensuring that every local authority has access to a regional recruitment hub	4	Does not directly impact the revenue MTFP model	No	N/A

**Council Tax Income**

4.51 Council Tax income has increased as a proportion of total income over the last 10 years as the level of RSG has reduced. This presents a particular financial challenge for the Council given it has a particularly low Council Tax base with 50.0% of dwellings in Band A, and 17.4% in Band B. This is a higher proportion than the national Band A and B percentage and means that a greater proportion of our residents pay a Band A and B than comparable Councils. Every 1% of Council tax raises approximately £0.700m per year.

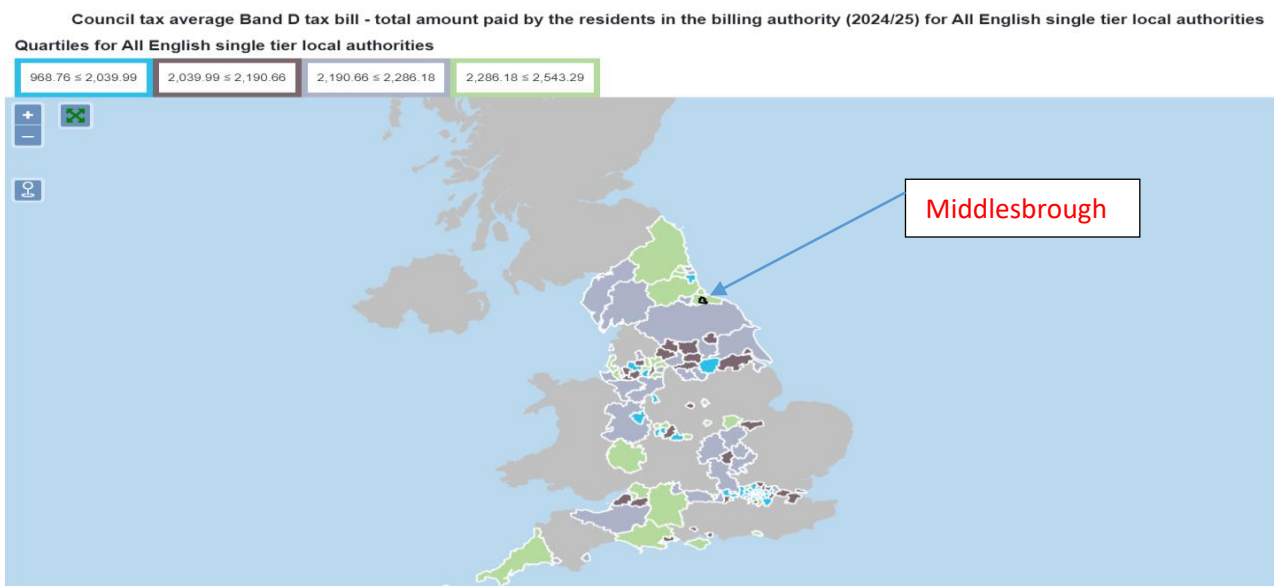
4.52 This means that a higher rate of Council Tax is needed to raise the same income yield compared with many other councils. Table 6 below shows the number of dwellings on the valuation list in each band of Council Tax as at 15 September 2024. The value of the increases in Council Tax being proposed are detailed in the Council Tax section of this report at paragraphs 4.72 to 4.77.

**Table 6 – number and percentage of dwellings by Council Tax Band as at September 2024**

Number and percentage of dwellings by Council Tax Band as at September 2024									
Council Tax Band	A	B	C	D	E	F	G	H	TOTAL
Total number of dwellings on the Valuation List	33,207	11,533	11,557	5,603	2,796	1,030	599	54	66,379
% in each band	50.0%	17.4%	17.4%	8.4%	4.2%	1.6%	0.9%	0.1%	100.0%

4.53 In 2024/25, the Council had a Band D council tax of £1,976 which is in the upper quartile (highest) for all single tier authorities. However, 85% of Middlesbrough households fall in Band A to C and pay less than this amount. Figure 13 below shows the quartiles by geographical region. The lowest Band D Council Tax being Wandsworth at £968.78.

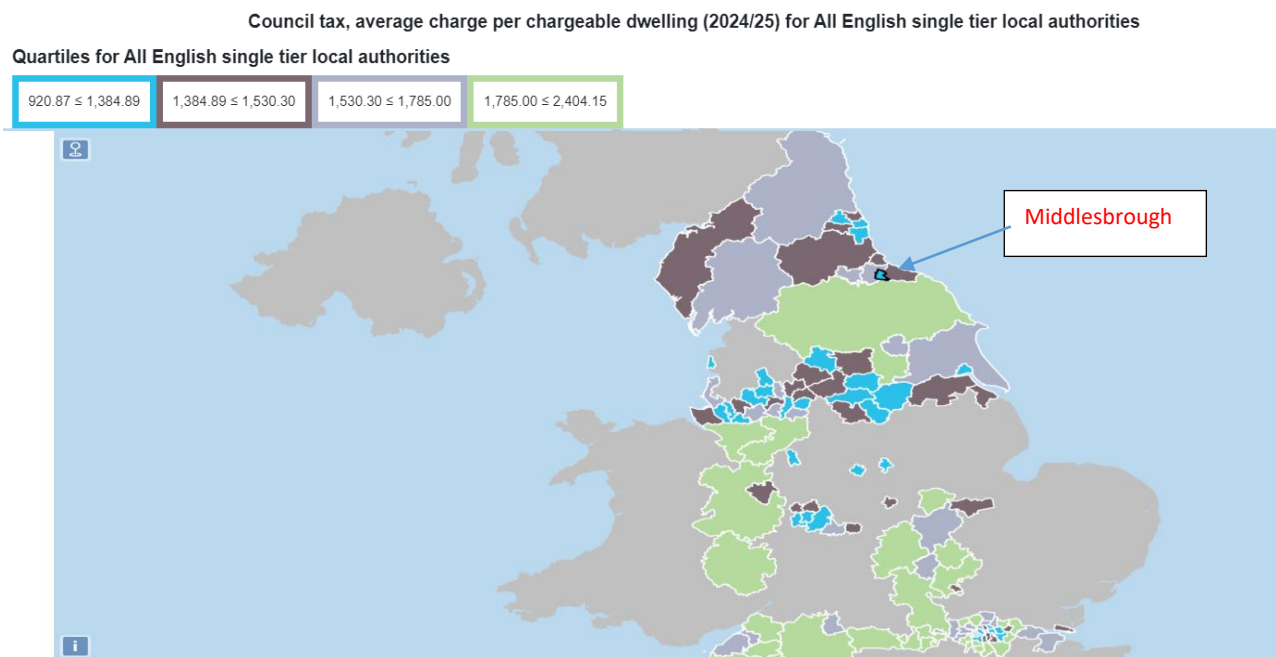
**Figure 13: Average Band D Council Tax bill 2024/25**



Source MHCLG via [inform.local.gov.uk](http://inform.local.gov.uk)

4.54 A more accurate comparison of the level of Council Tax paid by Middlesbrough households is the Average Charge per dwelling in 2024/25 as shown in figure 14 below and was £1,357 in the lower quartile compared to all single tier authorities presented geographically. The lowest average council tax per dwelling was Wandsworth at £920.87.

**Figure 14: Average Band D Council Tax bill per dwelling 2024/25**



Source:  
Ministry of Housing, Communities and Local Government

4.55 There are significant anomalies in the current council tax system which result in extreme variances in council tax levels both regionally and nationally. It is not yet clear if or when the Government intend to address this issue which is key to achieving fair distribution of funding for local authorities.

4.56 Table 7 below shows the history of Council Tax increases over the period 2013/14 to 2024/25, with Table 8 showing the Band D Council Tax each year from 2013/14 to 2024/25.

**Table 7: Council Tax increases from 2013/14 to 2024/25**

Council Tax increases - percentage and value of increase												
	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
<b>Percentage increase</b>												
Core	1.99%	1.82%	1.85%	1.99%	1.99%	2.99%	2.99%	1.99%	1.99%	0.00%	1.99%	2.99%
ASC	0.00%	0.00%	0.00%	1.99%	2.00%	2.00%	2.00%	2.00%	0.76%	2.99%	2.00%	2.00%
<b>Increase</b>	<b>1.99%</b>	<b>1.82%</b>	<b>1.85%</b>	<b>3.98%</b>	<b>3.99%</b>	<b>4.99%</b>	<b>4.99%</b>	<b>3.99%</b>	<b>2.75%</b>	<b>2.99%</b>	<b>3.99%</b>	<b>4.99%</b>

**Table 8: Band D Council Tax 2013/14 to 2024/25**

Band D												
	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25
<b>Base</b>	<b>1,305.17</b>	<b>1,330.78</b>	<b>1,355.03</b>	<b>1,380.12</b>	<b>1,435.10</b>	<b>1,491.93</b>	<b>1,566.40</b>	<b>1,644.51</b>	<b>1,710.13</b>	<b>1,757.11</b>	<b>1,809.67</b>	<b>1,881.86</b>
Core	25.61	24.25	25.09	27.49	28.34	44.62	46.80	32.73	34.00	0.00	36.00	56.26
ASC	0.00	0.00	0.00	27.49	28.49	29.85	31.31	32.89	12.98	52.56	36.19	37.64
<b>Increase</b>	<b>25.61</b>	<b>24.25</b>	<b>25.09</b>	<b>54.98</b>	<b>56.83</b>	<b>74.47</b>	<b>78.11</b>	<b>65.62</b>	<b>46.98</b>	<b>52.56</b>	<b>72.19</b>	<b>93.90</b>
<b>Band D</b>	<b>1,330.78</b>	<b>1,355.03</b>	<b>1,380.12</b>	<b>1,435.10</b>	<b>1,491.93</b>	<b>1,566.40</b>	<b>1,644.51</b>	<b>1,710.13</b>	<b>1,757.11</b>	<b>1,809.67</b>	<b>1,881.86</b>	<b>1,975.76</b>



4.57 Over the period since 2013/14, Middlesbrough Council has been required to make cumulative savings of £111m in order to balance its budget as shown in Table 9 below.

**Table 9: Budget savings per year from 2013/14 to 2024/25**

Budget savings per year 2013/14 to 2024/25													
	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	24/25	TOTAL
£m	12.657	14.847	14.077	13.163	7.362	6.934	9.908	6.403	2.321	0.000	9.383	13.910	110.965

## Medium Term Financial Plan

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

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

4.60 Any change in assumptions following the settlement will be reflected and updated in the MTFP for presentation to the Executive on 5 February 2025 and will inform the final budget proposals at Full Council on 19 February 2025. The revenue element of the MTFP is set out in the context of:

- A period of reducing inflation, following a 40 year high in 2022 which locked in high prices for many of the Council’s suppliers and services.
- The continuation of a cost of living crisis impacting on citizens;
- a challenging employment market, with recruitment and retention issues internally within the Council and generally across the wider public sector;
- increased demand for services, in particular those relating to Adults Social Care and Children’s Social Care, Home to School Transport, and Homelessness which is expected to continue over the life of the plan;
- the need to secure financial recovery by protecting the current level of revenue reserves and rebuilding them to strengthen the Council’s financial resilience.
- continued lack of certainty over future Government funding that impacts adversely upon the Council’s ability to carry out any long term financial planning.

4.61 The Council maintains a MTFP which sets the financial envelope that is available within which the aims of the Council Plan are to be achieved. The Draft 2025/26 budget and MTFP to 2028/29 report to Executive on 4 September 2024 provided an update on the financial position. This report provides a further update and is based upon the following key assumptions.

### **Key MTFP assumptions**

4.62 The following key assumptions have been used in balancing the budget and updating the MTFP:

- The MTFP has been amended to reflect relevant announcements where possible that were made in the Chancellor's Budget announced on 30 October 2024 (as detailed in Table 5).
- A range of apparently favourable Budget announcements contained insufficient information to factor into this update and will be incorporated into the February report to Executive following analysis of the Provisional LGFS on or around 19 December 2024.
- It is currently assumed whilst the Council will be compensated for the effect of the increase in Employer's National Insurance contributions on its own staff, it will not be compensated for the effect of the increase for staff employed by providers of services to the Council and that there will be cost to the Council associated with this.
- That energy prices will decrease in line with current forecasts provided by NEPO (North East Purchasing Organisation). These will be updated as further information is received.
- An affordability limit has been applied to the annual revenue capital financing costs associated with any new capital investment as follows:
  - The total annual cost of repayment of principal and interest on Council borrowing shall not exceed 10% of the Net Revenue Budget over the period of the MTFP to 2028/29.
  - This affordability limit has been factored into the MTFP model and any lower cost arising from the confirmation of new capital investment shall be updated in the revised model in February 2025.
- That there will be no increase or decrease to the current levels of RSG and Business Rates Retained and Business Rates Top up Grant in 2025/26 and future years, apart from the application of inflationary increases, which have currently been assumed to be 1.7% for 2025/26 (based on CPI for September 2024). This will be fully considered and updated as part of the February 2025 MTFP Executive report following analysis of the provisional LGFS.
- It is assumed that New Homes Bonus Grant is discontinued or rolled into RSG for 2025/26 without additional funding as a prudent assumption, given that Government have recognised that the system is flawed.
- There are no other major changes to other grant assumptions outlined in the report to Executive in September 2024.
- The Government has confirmed the referendum limit of 4.99% for 2025/26 comprising 2.99% core council tax and a 2% Adult Social Care Precept.
- An assumed increase in the core council tax in 2025/26 to 2028/29 of 2.99%.
- An increase of 2% in the Adult Social Care Precept to fund the pressures in Adult Social Care in 2025/26 only.
- In the absence of Government confirmation of the continuation of the ASC precept beyond 2025/26 when it is due to end, a revised assumption to remove the 2% increase previously assumed has been taken with effect from 2026/27.
- A council tax base for 2025/26 of 36,513.9 assuming a council tax in year collection rate of 98.3% for 2025/26 as outlined in the separate report to this



Executive. Currently similar levels of growth have been assumed for 2026/27 to 2028/29.

- Assumed pay inflation of 3% for 2025/26 and 2% for 2026/27 onwards.
- Assumed inflationary uplift of 2% for 2025/26 on discretionary fees and charges as set in the 2024/25 MTFP. A 2% increase has also been assumed for 2026/27 to 2028/29.
- Income the Council receives from commercial developments has been amended to reflect latest information regarding occupancy and leases, and also lost income from the sale of assets approved by Executive on 21 November 2023 as part of the Asset Review report.

4.63 The Council's usable revenue reserves remain low and must be protected and rebuilt as a minimum in line with the Council approved Reserves Policy in order to achieve financial sustainability over the medium term. They are insufficient to meet unplanned overspends resulting from failure to deliver the financial outturn within the approved budget. The Council must avoid unplanned use of reserves in order to secure its financial recovery going forward.

4.64 In 2024/25, the application for £13.6m of EFS incorporated a sum of £3.5m as a risk sum to cover any overspend arising from delayed or failed saving delivery. This was to protect against the risk of unplanned use of reserves given that reserves remain extremely low.

4.65 Alternative measures are able to be taken in 2025/26 to manage this risk and to avoid the need to seek an application to MHCLG to reprofile unused EFS in 2024/25 to cover savings delivery risk in 2025/26. The s151 Officer recommends that:

- It is estimated that £2m of the forecast surplus on the Collection Fund for 2024/25 will be available to support the 2025/26 budget, and that this, shall be applied on a one-off basis in 2025/26 to establish a Delivery Risk Budget within the 2025/26 base budget.
- Should the Final LGFS be sufficiently favourable, the Delivery Risk Budget will be partially or fully established at £2m on an ongoing basis as a priority over future decisions to :
  - include any further growth in services within the base budget
  - review/revise approved or proposed budget savings

The Delivery Risk Budget shall then remain until the Council's delivery of its planned transformation and savings is proven.

- Any Collection Fund surplus which can be released as a result of the measures described above, will be applied to the Financial Resilience Reserve.
- The utilisation of the Delivery Risk Budget shall be managed within the delegated authority of the s151 Officer.

- Applications for use of the Delivery Risk Budget shall be subject to the following in order to justify allocation of funding from the risk budget:
  - the submission of a business case by the relevant service director and
  - be subject the requirement for a zero base exercise to revise the affected service budgets

- 4.66 The cost drivers of the budget gap (mainly demand growth and inflationary pressures) reported to the Executive in September 2024 have been reviewed and revised in light of financial performance in 2024/25 and work to model demand and unit cost across children's and adult social care and the Integrated Transport Unit. Further work will take place in relation to waste management costs and homelessness prior to the February 2025 budget report.
- 4.67 The assessed impact of the Chancellor's budget is currently assumed to be broadly financially neutral and further work will be required to analyse the impact of announcements summarised in Table 5 above following the Provisional LGFS on or around 19 December 2024.
- 4.68 Based upon the above assumptions, the 2025/26 and 2026/27 budgets are balanced, whilst a budget gap of £2.686m in 2026/27 rising to £5.150m by 2028/29 remains to be addressed. Table 10 summarises the movement in the budget gap since the report to Executive in September 2024.
- 4.69 Table 10 summarises the movement in the budget gap since the report to Executive in September 2024

**Table 10: movement in budget gap since September 2024 report**

Item	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	Cumulative £m
25/26 MTFP Report to Executive 4/9/24	7.864	0.169	0.490	0.226	8.749
<b>Growth/Service Demand pressures</b>					
<u>Regeneration</u>					
Reduction in energy budget due to falling prices	(0.957)	(0.343)			(1.300)
<u>Environment and Community Services</u>					
Additional income from green waste implementation	(0.050)				(0.050)
<u>Education</u>					
Reduction in growth previously provided for Integrated Transport Unit	(1.500)	0.500			(1.000)
<u>Adult Social Care</u>					
Additional Fairer Charging Income	(0.500)				(0.500)
	(3.007)	0.157	-	-	(2.850)
<b>Government Announcements</b>					
<u>Regeneration</u>					
Grant Funding Changes - New Homes Bonus Grant removal	0.580				0.580
<u>Adult Social Care</u>					
Adult Social Care National Living Wage changes	0.029	(0.073)	(0.059)		(0.103)
Effect of National Insurance employers increase on ASC providers	0.995				0.995
<u>Public Health</u>					
Effect of National Insurance employers increase on Leisure Services provider (SLM)	0.080				0.080
<u>Central &amp; General Fund</u>					
Grant Funding Changes - additional Social Care Grant	(1.895)				(1.895)
	(0.211)	(0.073)	(0.059)	-	(0.343)
<b>Changes in Assumptions</b>					
<u>Adult Social Care</u>					
Review of triple lock pensions linked income	(0.162)				(0.162)
<u>Central &amp; General Fund</u>					
Capital Financing changes (estimate)		0.067	0.499	0.329	0.895
Grant Funding Changes - Business Rates s31 Grant		(0.780)			(0.780)
Estimated Collection Fund Surplus 24/25	(2.000)	2.000			-
Savings Delivery Risk Budget (only for 25/26) - funded from Collection Fund surplus 24/25	2.000	(2.000)			-
	(0.162)	(0.713)	0.499	0.329	(0.047)
<b>Net Budget movements</b>	<b>(3.380)</b>	<b>(0.629)</b>	<b>0.440</b>	<b>0.329</b>	<b>(3.240)</b>
<b>Changes in Assumptions</b>					
Council Tax - assumed increase of 2.99% p.a. from 26/27	-	1.516	1.652	1.797	4.965
Business Rates Retained - updated inflation estimate (based on CPI)	0.054	0.055	0.058	0.059	0.226
Business Rates Top Up Grant - updated inflation estimate (based on CPI)	0.091	0.095	0.099	0.102	0.387
Revenue Support Grant - updated inflation estimate (based on CPI)	0.045	0.047	0.049	0.051	0.192
<b>Funding movements</b>	<b>0.190</b>	<b>1.713</b>	<b>1.856</b>	<b>2.009</b>	<b>5.769</b>
<b>TOTAL MOVEMENT IN GAP</b>	<b>(3.189)</b>	<b>1.084</b>	<b>2.296</b>	<b>2.338</b>	<b>2.529</b>
<b>Updated Budget Gap + / Surplus ( ) before savings proposals and Reinvestment in Recover, Reset and Deliver</b>	<b>4.675</b>	<b>1.253</b>	<b>2.786</b>	<b>2.564</b>	<b>11.278</b>

*\*Note MTFP currently assumes that 24/25 budget will be balanced and within that, all budgeted savings will be delivered*

4.70 The following provides further detail of the changes made:

- Energy budgets have been reduced in line with forecast decreases in energy costs provided by NEPO (North East Purchasing Organisation). These will be updated as further information is received.
- Additional income above that forecast received from implementation of previously agreed savings for Green Waste Charges, and additional Adult Social Care Fairer Charging Income.
- Growth for Service Demand Pressures in Integrated Transport Unit has been reviewed and reduced.
- New Homes Bonus grant has been assumed to be nil.

- Adult Social Care Living Wage calculations have been updated to reflect the increase in national living wage to £12.25 per hour from 1 April 2025 as announced by the Government on 29 October 2024
- Amendments to reflect relevant announcements where possible that were made in the Chancellor's Budget announced on 30 October 2024 (as detailed in Table 5).
- Adult Social Care triple lock pensions linked income has been reviewed in line with updated information and inflation rates.
- Capital Financing requirements have been revised and updated.
- Business Rates s31 Grant income has been reviewed.
- Inflation assumptions on RSG and Business Rates have been updated in line with inflation rates for September 2024.

4.71 Table 11 below shows the major components of the revised budget gap before any savings proposals or reinvestment in Recover, Reset and Deliver Transformation programme, with further detail being provided in the following paragraphs.

**Table 11: updated MTFP 2025/26 to 2028/29 before budget savings proposals or reinvestment in Recover, Reset and Deliver Transformation programme**

Budget Item	See Paragraph Number(s)	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	Cumulative £m
<b>Net Budget brought forward</b>		<b>134,865</b>	<b>142,301</b>	<b>144,432</b>	<b>148,673</b>	<b>570,271</b>
Pay Inflation / change in NI rate & employers pension rate	4.88 - 4.91	3,575	1,778	1,778	1,778	8,909
Contractual inflation	4.92	1,550	1,550	1,550	1,550	6,200
Other Inflation	4.93	(0,830)				(0,830)
Fees & Charges inflation	4.96 - 4.98	(0,648)	(0,648)	(0,648)	(0,648)	(2,592)
<b>Inflation subtotal</b>		<b>3,647</b>	<b>2,680</b>	<b>2,680</b>	<b>2,680</b>	<b>11,687</b>
<b>Service Demand pressures</b>						
Regeneration		(0,367)	(0,343)	-	-	(0,710)
ECS		0,630	-	-	-	0,630
Education		(1,500)	0,500	-	-	(1,000)
Children's Care		3,500	1,500	1,500	1,500	8,000
ASC		2,824	1,770	1,848	1,907	8,349
Public Health		0,080	-	-	-	0,080
Finance		-	-	-	-	-
LGS		0,214	-	-	-	0,214
Central & General Fund		-	-	-	-	-
<b>Service Demand pressures subtotal</b>	<b>4.105 - 4.108</b>	<b>5,381</b>	<b>3,427</b>	<b>3,348</b>	<b>3,407</b>	<b>15,563</b>
Exceptional Financial Support (removal)	4.109	4,700	-	-	-	4,700
Capital Financing	4.113 - 4.116	2,099	0,774	0,499	0,329	3,701
Increased Reserves contributions for financial resilience	4.94	0,750	1,250	0,500	0,500	3,000
Grant Funding adjustments		(1,315)	(0,780)	-	-	(2,095)
Savings - approved in previous years	6.1.6	(5,151)	(1,967)			(7,118)
<b>Other adjustments subtotal</b>		<b>1,083</b>	<b>(0,723)</b>	<b>0,999</b>	<b>0,829</b>	<b>2,188</b>
<b>Projected Net Budget Requirement</b>		<b>144,976</b>	<b>147,685</b>	<b>151,459</b>	<b>155,589</b>	<b>599,709</b>
Delivery Risk Budget (one off budget 25/26)	4.65	2,000	(2,000)	-	-	-
<b>Projected Net Budget Requirement before new savings proposals and Reinvestment in Recover, Reset and Deliver</b>		<b>146,976</b>	<b>145,685</b>	<b>151,459</b>	<b>155,589</b>	<b>599,709</b>
<b>Projected Net Budget Requirement funded by:</b>						
Estimated Collection Fund Surplus	4.65	(2,000)	-	-	-	(2,000)
Council Tax	4.72 - 4.77	(75,770)	(78,803)	(81,928)	(85,146)	(321,647)
Business Rates	4.78	(49,152)	(49,988)	(50,838)	(51,702)	(201,680)
Revenue Support Grant	4.62	(15,379)	(15,641)	(15,907)	(16,177)	(63,104)
<b>Assumed Funding</b>		<b>(142,301)</b>	<b>(144,432)</b>	<b>(148,673)</b>	<b>(153,025)</b>	<b>(588,431)</b>
<b>Updated Budget Gap + / Surplus ( ) before new savings proposals and Reinvestment in Recover, Reset and</b>		<b>4,675</b>	<b>1,253</b>	<b>2,786</b>	<b>2,564</b>	<b>11,278</b>

## Local funding increases – Council Tax and Business Rates

- 4.72 Given the Council’s fragile financial position and the uncertainty over the medium term pending the Spending Review and Funding Reform in the Spring 2025, the s151 Officer has advised the Mayor and Executive to adopt the current assumed maximum permissible Council Tax increase of 4.99% p.a. for 2025/26. This provides the ability to make limited investment in the reset of the Council’s transformation journey. Any reduction in planned council tax will be a permanent loss in future funding.
- 4.73 A 2.99% increase in the core council tax is recommended for 2026/27 to 2028/29. The 2% ASC Precept is assumed to end with effect from 1 April 2026 given the Government has not confirmed its continuation. This will be reviewed upon receiving the Policy Statement and LGFS.
- 4.74 This advice also reflects the fact that the Government assumes that local authorities will increase the Council Tax by the maximum permissible in their calculation of the Council’s Core Spending Power, which is a measure of how much the Government believes local authorities can raise from Council Tax and that they have available to spend. This will be key to assumptions in the Funding Reform that is to take place in order to inform the distribution of government funding from 2026/27.
- 4.75 It should be noted that each 1% increase in Council Tax based on the current council tax base of households produces estimated additional income to the Council of approximately £0.7m per annum.
- 4.76 The effect of the proposed total Council Tax increase is set out in Table 12 below on the Middlesbrough Council only element of the Council Tax (excluding Fire, Police and Parish precepts) for all bands.

**Table 12: effect of proposed 4.99% p.a. Council Tax increase on Middlesbrough only element in 2025/26 followed by 2.99% in 2026/27 to 2028/29.**

Band	% of dwellings per band*	2025/26 4.99% increase**			2026/27 2.99% increase**			2027/28 2.99% increase**			2028/29 2.99% increase**		
		Council Tax £	Annual increase £	Weekly increase £	Council Tax £	Annual increase £	Weekly increase £	Council Tax £	Annual increase £	Weekly increase £	Council Tax £	Annual increase £	Weekly increase £
A	50.0%	1,382.90	65.73	1.26	1,424.25	41.35	0.80	1,466.83	42.58	0.82	1,510.69	43.86	0.84
B	17.4%	1,613.38	76.68	1.47	1,661.62	48.24	0.93	1,711.30	49.68	0.96	1,762.47	51.17	0.98
C	17.4%	1,843.87	87.64	1.69	1,899.00	55.13	1.06	1,955.78	56.78	1.09	2,014.26	58.48	1.12
D	8.4%	2,074.35	98.59	1.90	2,136.37	62.02	1.19	2,200.25	63.88	1.23	2,266.04	65.79	1.27
E	4.2%	2,535.32	120.50	2.32	2,611.13	75.81	1.46	2,689.20	78.07	1.50	2,769.61	80.41	1.55
F	1.6%	2,996.29	142.41	2.74	3,085.88	89.59	1.72	3,178.15	92.27	1.77	3,273.17	95.03	1.83
G	0.9%	3,457.25	164.32	3.16	3,560.62	103.37	1.99	3,667.08	106.46	2.05	3,776.73	109.65	2.11
H	0.1%	4,148.70	197.18	3.79	4,272.75	124.05	2.39	4,400.50	127.76	2.46	4,532.08	131.58	2.53

\* Based on number of dwellings on the Valuation List

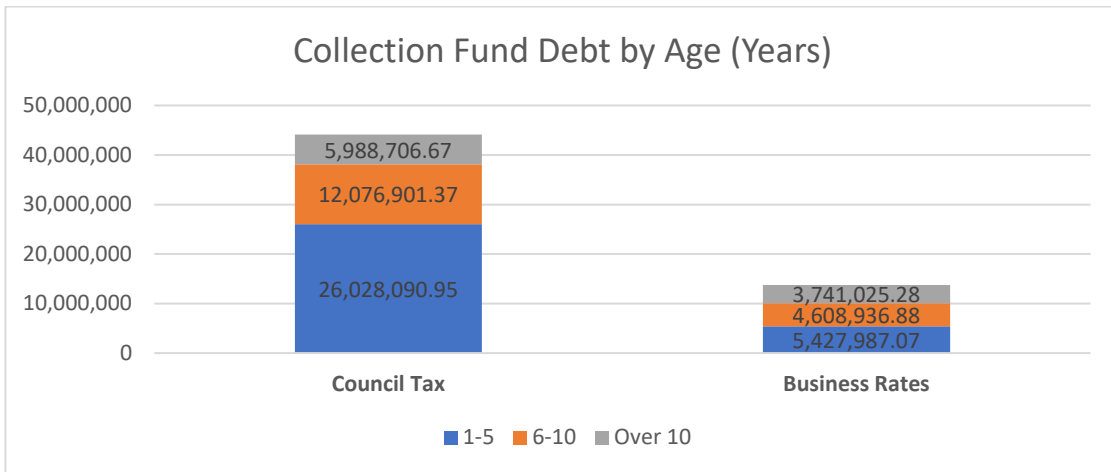
\*\* Based on applying maximum increase without a referendum

- 4.77 There is estimated to be an increase in Council Tax income of approximately £0.750m in 2025/26 and on an ongoing basis due to a predicted increase in the Council's Tax Base resulting from net projected Housing Growth over the period. In addition, it is currently assumed that there will be an increase of a similar amount each year in the MTFP from 2026/27 onwards. These estimates have been reviewed as part of the Council Tax Base return submitted to Government in October 2024. These estimates will continue to be reviewed on a regular basis and will be updated as part of the budget report to Full Council in February 2025 when further information is available.
- 4.78 No growth above an amount for inflation, has been assumed in the Local Share of Business Rates estimated to be received by the Council in 2025/26 to 2028/29.
- 4.79 The Executive recognises the financial challenge faced by many households due to the cost of living crisis and provides financial support in the form of reductions to Council Tax for the most financially vulnerable households in addition to grants under the Household Support Fund and its Welfare Strategy.
- 4.80 Whilst the Council takes a very firm and fair approach to collection there are a number of support solutions which are available to assist financially vulnerable households. Through the Council's Council Tax Reduction Scheme a maximum of 90% support which equates to an overall level of expenditure to support financially vulnerable households of approximately £21.3m per year is provided to 18,439 households across the town.
- 4.81 In addition to the Council Tax Reduction Scheme a number of other support solutions exist. The Council provides a welfare strategy which is designed to support households who may be struggling financially. The range of support is extensive and can include such things like maximising benefits, support with any shortfall in rent, as well as help with white goods, furniture, food, and energy referrals. Assistance is also provided through the Household Support Fund subject to qualifying criteria. The Council were again provided with around £3.3m of Government grant and through a comprehensive plan, many households across the town have benefited from additional financial support made available by the Council. The Council takes a firm but fair and persistent approach to collection of debt including full benefit and welfare checks to ensure that households have access the right level of support to help them meet their council tax obligations.

#### Debt Recovery

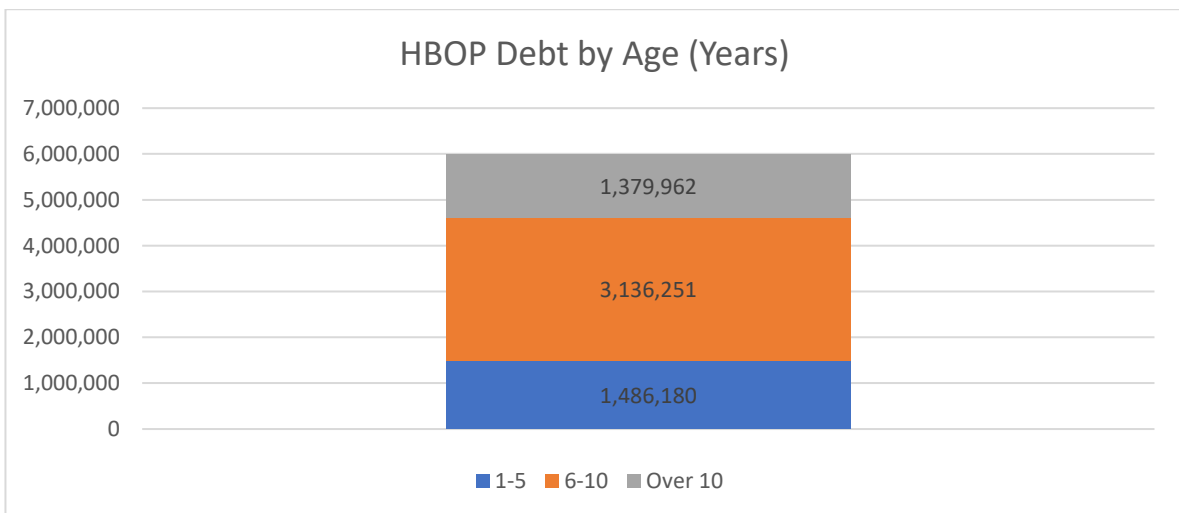
- 4.82 There is a level of debt relating to Council Tax (£44.1m) and Business Rates (£13.8m) (Collection Fund), Housing Benefits Overpayments (£6.0m) and Sundry Debt (£9.6m) as detailed below in Figures 15, 16 and 17.

**Figure 15: Total Collection Fund debt by age (years) at 31 March 2024**



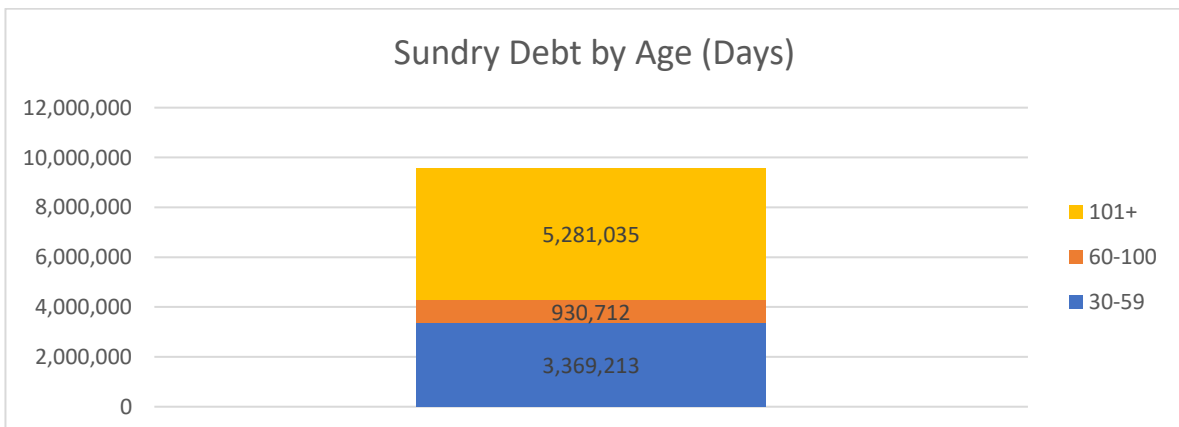
Totals: Council Tax £44,093,698.99 (of which Middlesbrough's share is approx. 83%) / Business Rates £13,727,785.46 (of which Middlesbrough's share is 49%)

**Figure 16: Net Housing Benefit Overpayments debt by age (years) at 31 March 2024**



Total: £6,002,392.17

**Figure 17: Sundry Debt over 30 days - due by age (days) at 31 March 2024**



Total: £9,580,959.81

- 4.83 The Council will take a firm but fair approach to recovery of debt and this is particularly important given the increasing reliance upon local tax revenues in the wake of reducing Government financial support. In in year collection remains challenging, with collection rates from households in receipt of Council Tax Reduction (CTR) at around 80%, with overall collection in year hovering around 93%. However, due to the ongoing focus and commitment of resources to collect all income due to the Council, the collection rate over the long-term averages at 87% for households in receipt of CTR and 98.8% for all income due to the Council. This performance is currently being reflected in the review of the level of provision made for bad debt referred to earlier in this report.
- 4.84 During and following the Covid pandemic and in response to the cost-of-living crisis, staff resources usually involved in debt collection were prioritised to support the payment of covid related grants and latterly the Household Support Fund. This has resulted in a temporary reduction in collection in recent years. Therefore, to recover this position and to further improve debt collection performance, additional resource was assigned to target specific areas as part of the 2024/25 budget setting. This investment will this lead to an increase in net collectable debt and will serve to provide further scope to reduce amounts provided for bad debt in the future. Investing additional resource in the service has already and will in the future provided the following advantages.
- ensuring appropriate support to those who cannot afford to pay whilst allowing the service to take more prompt action in relation to households who won't pay
  - investing additional capacity in maximising the Council's net collectable debt whilst also ensuring the integrity of discounts and exemptions for council tax and business rates. Any fraudulent claims will be acted upon promptly and diligently giving a clear message that the Council will not tolerate fraud.
  - proactive recovery of income for charged for services and other general debts will improve the Council's cash flow and ensure that services provided for by the Council are paid for promptly.

### Inflation

- 4.85 As mentioned in paragraphs 4.27 and 4.28, inflation as measured by the Consumer Prices Index (CPI) is falling from a 40 year high of 11.1% in October 2022. Inflation is expected to fluctuate around the Bank of England target of 2% in the medium term.
- 4.86 It is important to note that the inflation rates incurred and forecast in recent years and over the foreseeable future have resulted in unprecedented cost increases for local authorities which thus far have not attracted central government support through the Settlement.
- 4.87 In common with most local authorities, the combination of high inflation, the cost of living crisis and high energy and food prices have significantly impacted the local and national economy and put significant pressure upon demand for Council services and the cost of providing them.



## Pay Inflation

- 4.88 Table 13 below summarises the pay and pension items included in the MTFP, which are unchanged from that in the September report. These form a significant driver to the increased MTFP gaps.

**Table 13: Pay and pension inflation**

Pay model / pension (incremental increases to existing pay model resources)					
Item	2025/26	2026/27	2027/28	2028/29	Cumulative
	£m	£m	£m	£m	£m
2025/26 Pay award	2.667	1.778	1.778	1.778	8.001
<b>Pay Model</b>	<b>2.667</b>	<b>1.778</b>	<b>1.778</b>	<b>1.778</b>	<b>8.001</b>
Increase in employers pension contributions following actuarial review	0.908	-	-	-	0.908
<b>Pension</b>	<b>0.908</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0.908</b>
<b>Pay/Pension</b>	<b>3.575</b>	<b>1.778</b>	<b>1.778</b>	<b>1.778</b>	<b>8.909</b>

- 4.89 The local government pay award for 2024/25 was agreed between national employers and trade unions on 23 October 2024. The estimated full year cost of the 2024/25 pay award, based on the Employers offer of £1,290 p.a. plus on-costs (equates to approx. 4% increase), is currently projected to be in line with the provision already set aside in the MTFP.
- 4.90 The MTFP currently includes a working assumption that the eventual 2025/26 pay award will be at 3% costing £2.667m p.a., with future years assumed as £1.778m p.a. or 2%. There have been no changes to the original assumptions for the 2025/26 pay award in the September 2024 MTFP update.
- 4.91 Employee pension contributions, based on a draft triennial pension valuation, are as included in the 2024/25 MTFP. The next triennial pension valuation will apply from 2026/27 onwards and is currently planned to remain static.

## Non Pay Inflation

- 4.92 Contractual inflation is provided for in the MTFP period, with £1.550m p.a. being provided for in relation to specific contracts, mainly around Adult Social Care purchasing budgets and Children's Care external residential and fostering contracts. The level of contractual inflation will be reviewed further in the budget report to Full Council in February 2025.

## Other Inflation

- 4.93 Central inflation budgets previously provided for the effects of risk around potential additional inflation across a wide range of areas due to uncertainty around levels of inflation have been reduced by £0.830m due to assumptions for energy prices being revised downwards based upon advice from NEPO.

## Risk Management

- 4.94 An amount of £0.750m p.a. in 2025/26 and 2026/27 and £0.500m p.a. in 2027/28 and 2028/29 has been provided to top up the Financial Resilience Reserve to meet

unforeseen financial pressures that cannot ultimately be managed within directorate budgets. Also an amount of £0.500m in 2026/27 has been provided to top up the Change Fund Reserve to meet potential future costs of Transformation.

- 4.95 A one-off Delivery Risk Budget of £2m has been provided for 2025/26 only from the estimated surplus on the Collection Fund for 2024/25 in order to cover savings delivery risk in 2025/26. This will be revised to establish a £2m budget within the base budget as set out in paragraph 4.65, should the LGFS be sufficiently favourable. These measures enable the Council not to need to rely upon EFS whilst its reserves are rebuilt to a sustainable level.

#### Income Policy and Fees and Charges

- 4.96 A Fees and Charges Policy was adopted in the 2024/25 MTFP and is proposed to continue over the course of the 2025/26 MTFP. This recognises a range of different factors in setting a price including legislative requirements and constraints, the cost of delivering a service, benchmarking with other organisations and achieving policy objectives. The review focuses on discretionary services to residents and businesses and has initially focused on the areas with the highest level of income from Fees and Charges which are incorporated into Directorate budget proposals. An initial composite Fees and Charges booklet, comprising proposed prices across the Councils services for 2025/26 is included at Appendix 4, and this will be finalised as part of the final budget report to Council in February 2025.
- 4.97 Under the Income Policy, the Director of Finance will determine the minimum percentage increase in fees that will apply as part of the annual budget process unless separately addressed in a specific budget proposal. The proposed inflationary increase adopted in the 2024/25 MTFP was 2% for 2025/26 and 2% for 2026/27 onwards and will be revised as appropriate dependent upon inflation forecasts.
- 4.98 Directors should utilise the Fees and Charges Toolkit to regularly review the full cost of discretionary services and to set future discretionary fees and charges.

#### Commercial Income

- 4.99 The Council receives income from a number of Commercial developments. The March and September MTFPs outlined the assumptions made relating to these and these have not been changed at this stage but are being constantly reviewed in light of the effect of the current economic climate in particular on town centre retail. It should be noted that even with these potential reductions, the commercial developments have provided additional income to the Council, in excess of the cost, in previous years and this is expected to continue in the future.
- 4.100 Income the Council receives from commercial developments has been amended to reflect the revenue costs arising from lost income less running costs from the sale of assets approved by Executive on 21 November 2023 as part of the Asset Review report. This totalled £1.527m in 2024/25 and a further £0.188m in 2025/26.

### Living Wage

- 4.101 Increases in the National Living Wage will impact upon organisations – principally adult social care providers – who are contracted to carry out functions on behalf of the Council. Currently increases in the National Living Wage do not have an impact on Council employed staff as the current pay rates paid to Council staff are above the current National Living Wage rates.
- 4.102 The Government announced on 29 October 2024 that the National Living Wage (NLW) for 21 year old and over will increase by £0.77 to £12.21 from £11.44 per hour (a 6.7% increase) from 1 April 2025. The amounts that are allocated in the MTFP to cover the increases in cost expected as a result of this have been revised in line with current available information, and an amount of £2.351m has been allocated for this within Adult Social Care in 2025/26 and £7.876m over the MTFP.
- 4.103 As with future pay awards there is a high level of uncertainty around this and whether the Government will further change the levels of increase for future years, and therefore this will be reviewed again in the budget report to Full Council in February 2025.
- 4.104 A number of years ago, the Council made a commitment to align to the Living Wage Foundation recommended levels for pay which aim to provide a real living wage based on the cost of living. This will be reviewed on a regular basis in line with the Council's financial position to ensure this is affordable to the Council.

### Service Demand pressures

- 4.105 As reported in the September 2024 report to the Executive and quarterly reporting, growth provisions have been reviewed over the course of the financial year through budget challenge meetings and associated work to develop more robust demand and cost models. Some of the estimates provided in the 2024/25 MTFP have been revised in light of 2024/25 financial performance and the assessment of the impact of savings and transformation workstreams upon future growth requirements that were not known when the 2024/25 MTFP was approved.
- 4.106 Table 14 summarises the ongoing Service Demand Pressures (including those mentioned above for Commercial Income in Regeneration and in Adult Social Care for the effect of the National Living Wage increase) and these form a significant driver of cost within the MTFP.

**Table 14 : Service Demand Pressures**

Directorate	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	Cumulative £m
<b>Regeneration</b>					
- Commercial income	0.590	-	-	-	0.590
- Reduction in energy budget due to falling prices	(0.957)	(0.343)	-	-	(1.300)
	(0.367)	(0.343)	-	-	(0.710)
<b>Environment &amp; Community Services</b>					
- Removal of Community Environment Initiatives funding	(0.050)	-	-	-	(0.050)
- Waste Disposal	1.500	-	-	-	1.500
- Concessionary Fares savings	(0.320)	-	-	-	(0.320)
- Additional Green Waste savings	(0.500)	-	-	-	(0.500)
	0.630	-	-	-	0.630
<b>Education &amp; Partnerships</b>					
- Reduction in growth previously provided - Integrated Transport Unit (ITU)	(1.500)	0.500	-	-	(1.000)
<b>Children's Care</b>					
- Demand	3.500	1.500	1.500	1.500	8.000
<b>Adult Social Care</b>					
- Living Wage; external commissioned services	2.351	1.770	1.848	1.907	7.876
- Changes to means tested income generation assumptions	(0.022)	-	-	-	(0.022)
- Additional Fairer Charging income	(0.500)	-	-	-	(0.500)
- Effect of National Insurance increase on ASC providers	0.995	-	-	-	0.995
	2.824	1.770	1.848	1.907	8.349
<b>Public Health</b>					
- Effect of National Insurance employers increase on Leisure Services provider (SLM)	0.080	-	-	-	0.080
<b>Legal &amp; Governance</b>					
- Staffing	0.214	-	-	-	0.214
<b>Service Demand pressures</b>	<b>5.381</b>	<b>3.427</b>	<b>3.348</b>	<b>3.407</b>	<b>15.563</b>

4.107 Details of the spending pressures in the following key areas which are of statutory service provision are provided below :

- Children's Care - this area is continuing to experience increased demand for care and cost increases due to provider rates and complexity of cases and in the updated MTFP an amount of £3.500m has been included for this in 2025/26 and a further £1.500m p.a. for 2026/27 to 2028/29.
- Adult Social Care – as mentioned earlier in addition to the effect of the National Living Wage there are expected to be increased costs from providers due to the increase in Employers National Insurance contributions.
- Integrated Transport Unit (Home to School and Adults Transport) – the growth previously provided as part of the 2024/25 budget setting has been reviewed and reduced in line with updated levels of demand for service, and an amount of £1.500m has been removed from the budget in 2025/26 with £0.500m additional budget being provided from 2026/27 in line with forecast levels of demand. This will continue to be reviewed and any updates will be included in the February report.
- Waste Disposal – as previously reported £1.500m has been provided from 2025/26 due to increases in the price of residual waste disposal under the extension of the current contract until the new Energy from Waste (EfW) Site is complete, which is currently expected in 2029. An assessment of future EfW costs will be made when the procurement and contract negotiation reach an appropriate stage.

4.108 Whilst all directorates have been required to put forward budget proposals to balance the budget, further fundamental review of service models in the main areas of Children’s and Adults Social Care and Waste will be necessary in order for the Council to achieve a financially sustainable budget position in the medium term.

Technical Adjustments

4.109 A technical adjustment is required to reflect the £4.7m of one-off Exceptional Financial Support (EFS) borrowing used to balance the budget in 2024/25 dropping out in 2025/26.

Dedicated Schools Grant

4.110 The Dedicated Schools Grant (DSG) is subject to a statutory override by central Government which instructs Councils to account for the DSG deficits and resulting negative balance in a separate reserve and not to fund it by using its General Fund resources. This was planned to end on 31 March 2023, however Government has extended the arrangement to at least 31 March 2026 given that available funding is not meeting the cost of high needs in particular, with significant pressures being experienced across many local authorities. MHCLG has signalled that additional funding will be made available and that further information will be available in the Policy statement. It is highly likely that the statutory override will continue beyond 2025/26 whilst a long term sustainable funding solution is achieved.

4.111 The deficit on the DSG reserve is forecast to be £20.228m by the end of 2024/25 (as detailed in Table 8 of the Revenue and Capital Budget – Forecast Year-end Outturn position at Quarter Two 2024/25 report to this Executive) and is projected to grow even further to £26.7m by the end of 2025/26. This is considered to be a potential major risk to the Council’s financial resilience in the medium term unless a Government led solution is achieved. The scale of the negative DSG reserve in the context of the Council’s low General Fund reserve is of significant concern and will be recorded as a strategic risk and recognised in the Annual Governance Statement for 2024/25.

4.112 The DSG deficit has potentially resulted in a capital financing cost to the Council. The effect of expenditure being greater than income on this grant has depressed overall cash balances, incurring an opportunity cost of the investment income that could have been earned. It is estimated that the cost related to this is £1.475m over the last three financial years (see Table 15 below). Representations are being made to the Government to allow the borrowing costs incurred in the General Fund to be charged to the DSG. An update will be provided as part of the budget report in February 2025.

**Table 15: DSG – negative balance and potential interest lost**

DSG - negative balance & potential interest lost	2022/23 £M	2023/24 £M	2024/25 £M
Average Balance (£M)	5.160	10.429	17.044
Average rate on new external debt (%)	3.50	4.65	4.75
Interest on avg DSG bal	<b>0.181</b>	<b>0.485</b>	<b>0.810</b>
Total Income due			<b>1.475</b>

## Capital Financing

4.113 The Capital Financing Costs associated with borrowing for capital investment have been subject to detailed review during the 2024/25 financial year. The s151 Officer has issued an affordability threshold that the cost of principal and interest repayments should not exceed 10% of the Net Revenue budget over the period of the MTFP to 2028/29. This means that the Council will need to seek to fund its capital programme primarily through grants and contributions and capital receipts, or restrict borrowing to investments that will deliver ongoing income or cost reductions in its operating costs. The Council must seek to deploy a strategy within the MTFP period to 2028/29 in order to reduce its revenue budget exposure to escalating MRP costs which are set out below.

4.114 Table 16 below sets out the medium to long term impact of funding the current capital programme from 2024/25 to 2034/35, with no further prudential borrowing beyond 2026/27. Any further capital investment thereafter would need to be by grants and contributions or capital receipts. It should be noted that the capital financing costs increase sharply up to the 2027/28 financial year. This is a result of the borrowing factored into the approved programme, plus the costs of exceptional financial support (total increase on capital financing costs from £10.391m to £14.526m). This increases the percentage of the net revenue budget from 7.26% to 9.77%. Although these costs have been factored into the MTFP resource allocation, they are now getting very close to the S151 Officer threshold.

**Table 16: DSG – Capital Financing Costs profile – 2024/25 to 2034/35**

<b>Capital Financing Costs profile - 2024/25 to 2034/35</b>						
Financial Year	Principal (MRP) (£M)	Interest (£M)	Income (£M)	Capital Fin Net Cost (£M)	Net Revenue Budget (£M)	% of NRB
<b>2024/25</b>	<b>4.316</b>	<b>8.467</b>	<b>(2.392)</b>	<b>10.391</b>	<b>143.190</b>	<b>7.26%</b>
2025/26	4.700	10.412	(2.392)	12.720	140.301	9.07%
2026/27	5.323	11.096	(2.392)	14.027	144.432	9.71%
2027/28	5.561	11.357	(2.392)	14.526	148.672	9.77%
2028/29	5.890	11.357	(2.392)	14.855	153.025	9.71%
2029/30	6.135	11.357	(2.392)	15.100	153.025	9.87%
<b>2030/31</b>	<b>6.383</b>	<b>11.357</b>	<b>(2.392)</b>	<b>15.348</b>	<b>153.025</b>	<b>10.03%</b>
2031/32	6.634	11.357	(2.392)	15.599	153.025	10.19%
2032/33	6.889	11.357	(2.392)	15.854	153.025	10.36%
2033/34	7.148	11.357	(2.392)	16.113	153.025	10.53%
2034/35	7.430	11.357	(2.392)	16.395	153.025	10.71%

4.115 A further factor to consider on the above table relates to the principal repayment of the historic debt used to fund previous capital programmes. This is also known as Minimum Revenue Provision (MRP). In 2022/23, the Council under the direction of the previous S151 Officer, changed its MRP policy from a straight line to annuity basis. This reduced the annual MRP charge by £2.3m as principal repayments are lower in earlier years on an annuity basis. However, what this advice did not factor in is that over the life of the debt, principal charges increase as the annuity is based on fixed repayments and interest payments reduce.

4.116 Even if the Council stopped investing in long term assets from 2026/27, there would be an upward incremental drift on the MRP charge from £5.561m (2027/28) to £7.430m (2034/35), which would breach the 10% S151 threshold from 2030/31 onwards. It is recommended that the Council consider moving back to a straight-line basis on MRP as soon as this is feasible, along with the strategy on funding outlined in 4.113 above.

### Measures to Balance the Budget 2025/26 to 2028/29

4.117 The Mayor, Executive Members and the Leadership Team have worked closely since May 2023 to implement measures to control expenditure within the approved budget and develop proposed solutions to achieve a financial recovery and a balanced budget in 2025/26 and over the period of the MTFP to 2028/29. A range of measures have been taken which include:

- Review of previously approved savings
- Review and refinement of demand and cost models for the areas of significant spending pressure to assure and refine the demand growth projections.
- Development of a combination of prioritised budget proposals which:
  - Generate income
  - Manage service demand more effectively
  - Deliver efficiency (do things differently)
  - Deliver transformation (do different things)
  - Service reduction discretionary services
  - Reduce/Realign service provision with statutory requirements

### Proposed Budget Savings

4.118 Budget proposals totalling £7.036m in 2025/26 rising to £8.686m in 2028/29 have been categorised as set out in Table 19 in paragraph 4.120 and are summarised by Directorate in Table 17 below.

**Table 17: Summary of proposed budget savings by Directorate**

Analysis of savings by Directorate	2025/26	2026/27	2027/28	2028/29	TOTAL
	£m	£m	£m	£m	£m
Adult Social Care	(0.750)	-	-	-	(0.750)
Children's Services	(1.853)	(0.768)	-	-	(2.621)
Education & Partnerships	(0.359)	-	-	-	(0.359)
Environment & Community Services	(1.013)	0.460	-	-	(0.553)
Regeneration	(0.348)	-	-	-	(0.348)
Finance	(1.170)	0.015	-	-	(1.155)
Legal & Governance	(0.186)	-	-	-	(0.186)
Council Wide	(1.357)	(1.357)	-	-	(2.714)
<b>Total Directorate</b>	<b>(7.036)</b>	<b>(1.650)</b>	<b>-</b>	<b>-</b>	<b>(8.686)</b>



4.119 Table 18 analyses the savings by type of saving. This shows that in deriving the budget proposals the Mayor and Executive have sought to transform how front line services are delivered rather than make cuts to services.

**Table 18: Summary of proposed budget savings by type**

Analysis of savings by type	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	TOTAL £m
Income	(0.624)	0.260	-	-	(0.364)
Efficiency	(2.578)	(1.142)	-	-	(3.720)
Service Reduction / Stop	(0.331)	-	-	-	(0.331)
Transformation	(0.900)	-	-	-	(0.900)
Demand Management	(2.603)	(0.768)	-	-	(3.371)
<b>Total</b>	<b>(7.036)</b>	<b>(1.650)</b>	<b>-</b>	<b>-</b>	<b>(8.686)</b>

4.120 The proposals have been categorised into those that require consultation and those that do not using the same categories as previous years as summarised in Table 19 below. Details are provided of the budget savings proposals in Appendices 1 and 2, including the potential numbers of staff affected and the current number of vacant posts for those proposals with staffing implications, with further details being provided in Appendices 1a and 2a. The proposals will be discussed in detail throughout the consultation process, which will be undertaken as detailed in paragraphs 4.131 to 4.135.

**Table 19: Analysis of savings by consultation requirements**

Appendix		2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	Cumulative £m
1 and 1a	<b>Budget Savings Proposals that are considered to have minimal or no effect on front line service delivery levels</b> These proposals do not have a direct impact on the services for the public and do not therefore require public consultation. Where proposals involve a reduction in staffing, a consultation with Trade Unions and Staff will be required.	(6.787)	(1.650)	-	-	(8.437)
2 and 2a	<b>Budget Savings Proposals considered to potentially affect front line service delivery levels</b> These proposals will form part of the 2025/26 revenue Budget and requires public consultation	(0.249)	-	-	-	(0.249)
<b>Total</b>		<b>(7.036)</b>	<b>(1.650)</b>	<b>-</b>	<b>-</b>	<b>(8.686)</b>

4.121 Further due diligence will be undertaken on the budget proposals over coming weeks to provide assurance of their robustness. In addition, sensitivity analysis will be undertaken on the estimated level of savings in order to review the requirement for contingencies and reserves in the event of estimated savings not being fully achievable (including a review of the proposed £2m Delivery Risk Budget for 2025/26).

4.122 Following consultation and due diligence, if any of the proposed budget savings are deemed to not be achievable then alternative budget savings will have to be found or growth proposals reduced in order to replace the quantified saving (subject to the assessment of the LGFS).



**Proposed Budget Growth proposals to support and deliver the ‘Recovery and Reset’ elements of the Transformation journey and the Mayor’s priorities**

4.123 Sufficient savings have been identified to enable reinvestment to be made into a number of service areas that contribute to the Recover and Reset phases of the Council’s Transformation journey. These proposals aim to reinvest in a range of services to the community identified as priorities by the Mayor as well as investing in rebuilding resilience in some service areas that are fundamental to delivering and sustaining transformation and delivering priorities set out in the Council plan. A summary of the proposed reinvestment is set out in Table 20 below and further details are provided in Appendices 3 and 3a:

**Table 20: Analysis of reinvestment in ‘Recovery and Reset’ elements of the Transformation journey and the Mayor’s priorities**

<b>Analysis of Reinvestment by Directorate</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>TOTAL</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Adult Social Care	0.239	0.080	-	-	0.319
Children’s Services	0.353	0.084	-	-	0.437
Education & Partnerships	-	-	-	-	-
Environment & Community Services	0.685	-	(0.100)	(0.100)	0.485
Regeneration	0.200	-	-	-	0.200
Finance	0.558	0.233	-	-	0.791
Legal & Governance	0.126	-	-	-	0.126
Council Wide	0.200	-	-	-	0.200
<b>Total Directorate</b>	<b>2.361</b>	<b>0.397</b>	<b>(0.100)</b>	<b>(0.100)</b>	<b>2.558</b>

**Revised budget gap**

4.124 After taking account of the budget proposals and proposed growth for reinvestment, currently the budgets for 2025/26 and 2026/27 are balanced, with a gap of £2.686m in 2027/28 and rising to £5.150m in 2028/29, as summarised in Table 21 below:

**Table 21: Revised budget gap after budget proposals and growth for reinvestment**

<b>Item</b>	<b>2025/26</b>	<b>2026/27</b>	<b>2027/28</b>	<b>2028/29</b>	<b>Cumulative</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Revised gap before new budget savings proposals and Reinvestment in Recover, Reset and Deliver	4.675	1.253	2.786	2.564	11.278
New savings proposals - Appendices 1 and 2	(7.036)	(1.650)	-	-	(8.686)
Revised gap after new savings proposals	(2.361)	(0.397)	2.786	2.564	2.592
New growth to support transformation - Appendix 3	2.361	0.397	(0.100)	(0.100)	2.558
Reinvestment in Recover, Reset and Deliver	2.361	0.397	(0.100)	(0.100)	2.558
Refreshed Budget Gap + / Surplus ()	0.000	0.000	2.686	2.464	5.150

4.125 The revised MTFP can be categorised into the major components as shown in Table 22 below:

**Table 22: Revised MTFP 2025/26 to 2028/29**

Budget Item	2025/26 £m	2026/27 £m	2027/28 £m	2028/29 £m	Cumulative £m
<b>Net Budget brought forward</b>	<b>134,865</b>	<b>142,301</b>	<b>144,432</b>	<b>148,673</b>	<b>570,271</b>
Pay Inflation / change in NI rate & employers pension rate	3,575	1,778	1,778	1,778	8,909
Contractual inflation	1,550	1,550	1,550	1,550	6,200
Other Inflation	(0,830)				(0,830)
Fees & Charges inflation	(0,648)	(0,648)	(0,648)	(0,648)	(2,592)
<b>Inflation subtotal</b>	<b>3,647</b>	<b>2,680</b>	<b>2,680</b>	<b>2,680</b>	<b>11,687</b>
<b>Service Demand pressures</b>					
Regeneration	(0,367)	(0,343)	-	-	(0,710)
ECS	0,630	-	-	-	0,630
Education	(1,500)	0,500	-	-	(1,000)
Children's Care	3,500	1,500	1,500	1,500	8,000
ASC	2,824	1,770	1,848	1,907	8,349
Public Health	0,080	-	-	-	0,080
Finance	-	-	-	-	-
LGS	0,214	-	-	-	0,214
Central & General Fund	-	-	-	-	-
<b>Service Demand pressures subtotal</b>	<b>5,381</b>	<b>3,427</b>	<b>3,348</b>	<b>3,407</b>	<b>15,563</b>
Exceptional Financial Support (removal)	4,700	-	-	-	4,700
Capital Financing	2,099	0,774	0,499	0,329	3,701
Increased Reserves contributions for financial resilience	0,750	1,250	0,500	0,500	3,000
Grant Funding adjustments	(1,315)	(0,780)	-	-	(2,095)
Savings - approved in 24/25 and prior budget rounds	(5,151)	(1,967)	-	-	(7,118)
Savings proposals - 25/26 budget process	(7,036)	(1,650)	-	-	(8,686)
<b>Other adjustments subtotal</b>	<b>(5,953)</b>	<b>(2,373)</b>	<b>0,999</b>	<b>0,829</b>	<b>(6,498)</b>
<b>Projected Net Budget Requirement after new savings proposals</b>	<b>137,940</b>	<b>146,035</b>	<b>151,459</b>	<b>155,589</b>	<b>591,023</b>
Delivery Risk Budget (one off budget 25/26)	2,000	(2,000)	-	-	-
Reinvestment in Recover, Reset and Deliver	2,361	0,397	(0,100)	(0,100)	2,558
<b>Projected Net Budget Requirement after new savings proposals and Reinvestment in Recover, Reset and Deliver</b>	<b>142,301</b>	<b>144,432</b>	<b>151,359</b>	<b>155,489</b>	<b>593,581</b>
<b>Projected Net Budget Requirement funded by:</b>					
Estimated Collection Fund Surplus	(2,000)	-	-	-	(2,000)
Council Tax	(75,770)	(78,803)	(81,928)	(85,146)	(321,647)
Business Rates	(49,152)	(49,988)	(50,838)	(51,702)	(201,680)
Revenue Support Grant	(15,379)	(15,641)	(15,907)	(16,177)	(63,104)
<b>Assumed Funding</b>	<b>(142,301)</b>	<b>(144,432)</b>	<b>(148,673)</b>	<b>(153,025)</b>	<b>(588,431)</b>
<b>Updated Budget Gap + / Surplus ( ) after new savings proposals and Reinvestment in Recover, Reset and Deliver</b>	<b>0.000</b>	<b>0.000</b>	<b>2.686</b>	<b>2.464</b>	<b>5.150</b>

**Further work required to balance the budget**

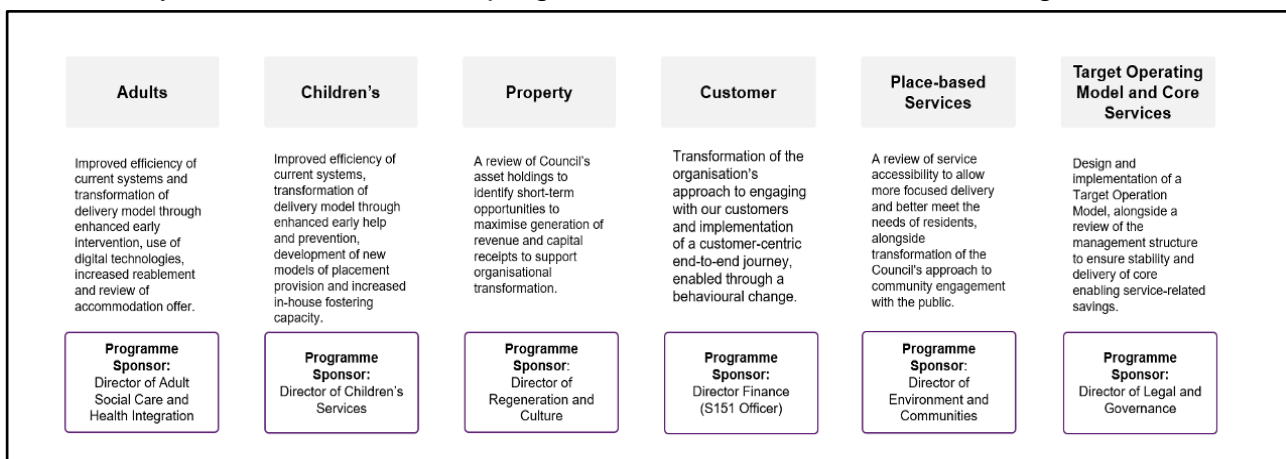
4.126 Further work will continue to assess the impact of the Provisional LGFS and to deliver a balanced position for over the period of the MTFP to 2028/29 ahead of the final budget report that will be considered by the Executive on 5 February and by Council on 19 February 2025.

**Transformation Programme**

4.127 Integral to the delivery of a financially sustainable Council Plan as reflected by a balanced MTFP to 2028/29 will be the development and implementation of the organisation wide Transformation Programme which commenced in April 2024. The aim of the programme will be to modernise and redesign service delivery models, drive improved control and efficiency and implement effective service demand management measures.

4.128 These measures will enable the Council to deliver improved outcomes for the community from a significantly lower cost base that is financially sustainable over the medium to long term. It will provide the financial stability to enable robust long term planning that will enable the Council to focus upon future investment to secure improved services and outcomes for the community within Middlesbrough.

4.129 A summary of the transformation programme themes is shown in the diagram below.



During 2024/25, work has been undertaken to design and develop the Target Operating Model, Customer Programme and Neighbourhood Programme and the enabling programme for IT and digital. These thematic programmes are to be further progressed over the period leading to the February 2025 budget report and will be aligned to present a new model of operations that will aim to deliver improvement in quality of service and outcomes for the community from a lower cost base over the medium to long term. It is expected that cashable savings will be profiled to deliver from the latter periods of 2025/26 and through into 2026/27 onward. No savings from these cross cutting programmes are currently factored into the MTFP model. Investment plans were contained within the approved investment set out in the 2024/25 budget and MTFP and the Transformation of Middlesbrough Council report approved by Council in April 2024.

4.130 A further review of the budget and MTFP position will be undertaken following consideration and analysis of the expected announcement for the Local Government Finance Settlement which is due on/around 19 December 2024.

## Consultation

4.131 Consultation in respect of the proposed budget savings for 2025/26 detailed in Appendix 2 and the proposed Council Tax increase for 2025/26 will commence on 5 December 2024 and conclude on 8 January 2025, with appropriate impact assessments undertaken considering responses to the consultation.

4.132 It is planned that the budget consultation will closely involve elected members in proactively engaging stakeholders. It will have a clear brand identity and be promoted across social media and other channels, gathering both quantitative and qualitative information that will provide both real insight for the Council and real influence for

respondents. The aim is to encourage more people to take part in the annual budget consultation.

4.133 It is planned that the consultation will be politically led and will include:

- a general public survey on the Council's website, with hard copies on request
- a general consultation email address
- public consultations led by the Executive at locality/community hubs
- consultation with the Council's Scrutiny Panels and Overview and Scrutiny Board
- consultation with the Council's partners and the local business sector, including a specific consultation meeting with the town's Chamber of Commerce

4.134 Due to consultation requirements, some proposed budget savings where staff are affected may require a longer consultation than the budget consultation period and therefore there will be need to ensure that a consultation plan is developed, along with an appropriate final decision making point for these proposals.

4.135 The output of the consultation process will then be reported to Executive on 5 February 2025 and then to Full Council on 19 February 2025, which will:

- again refresh the MTFP following the Local Government Finance Settlement, set the 2025/26 budget and any required associated budget savings and targets, and set the Council Tax level for 2025/26;
- comply with the Public Sector Equality Duty and set out any impacts identified from the proposals for 2025/26 and future years.

## **Capital Programme**

4.136 The Council's Capital Programme is reviewed each quarter via the quarterly budget monitoring reports. A comprehensive review of the capital programme, its profiling and forecast outturn including financing has been undertaken to 30 September 2024 as part of the Quarter Two 2024/25 budget monitoring report.

4.137 The Capital Programme will be further reviewed at Quarter Three, and also a full revision of the Capital Programme for the MTFP period including a review of existing schemes and any potential capital investment, will be included in the budget report to Full Council in February 2025 along with a Capital Strategy Report. The Corporate Capital Board and Strategic Capital Board which has been created as part of the Capital Programme Governance Improvement report approved by Executive on 13 November 2024 will play a key role in this.

4.138 Provision has been made in the MTFP in respect of the maximum affordable capital financing costs arising from the Capital Programme. As detailed in paragraph 4.113 an affordability limit has been set by the Council's S151 Officer and this will need to be adhered to in any decisions made regarding capital investment.

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

- 5.1 The Council is required by law to set a balance budget and this report sets out the development process and timeline for achieving that objective. Therefore, no other options are feasible.

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

### **6.1 *Financial (including procurement and Social Value)***

- 6.1.1 The Council is required by law to set a legally balanced budget by 11 March 2025. Failure to do so would result in the statutory requirement for the s151 Officer to issue a s114 Notice under s114(3) of the Local Government Finance Act 1988.
- 6.1.2 In order to demonstrate that it is meeting its Best Value duty, the Council is required to demonstrate financial sustainability through setting a balanced MTFP and securing a level of reserves that considered to be adequate in the context of the risks facing the Council in delivering its planned services.
- 6.1.3 As set out in the main body of the report, the Council's financial position remains fragile and its revenue reserves remain low and are required to be rebuilt in line with the approved Reserves Policy over the medium term.
- 6.1.4 Whilst the Government's Budget announcement indicates that the 2025/26 local government finance settlement is likely to be better than widely anticipated, uncertainty over the medium term remains. The Council is strongly advised to continue to progress with its transformation and savings programme, to secure more cost effective services in the medium to long term. This action will serve to provide greater financial flexibility in the future to further invest in the Council and Mayor's priorities.
- 6.1.5 The proposed draft budgets for 2025/26 and 2026/27 are balanced, with a gap of £2.686m in 2027/28 and rising to £5.150m in 2028/29. Details of the revised MTFP are shown in Tables 21 and 22 in paragraphs 4.124 and 4.125.
- 6.1.6 The proposed budget and MTFP presents a significant challenge, building upon the progress made in delivering savings during 2024/25. A summary of the £31.105m of total savings delivered / to be delivered over the period 2024/25 through to 2028/29 is summarised in Table 23 below and this shows that in 2025/26 a total of £12.2m of savings and a further £3.6m of savings in 2026/27 will be required to be made. This will be in addition to £15.3m of savings required in 2024/25.

**Table 23: Summary of approved budget savings in 2024/25 and proposed savings for 2025/26 and 2026/27**

Directorate	23/24 Savings Yr 2	24/25 Savings Yr 1	TOTAL 2024/25	24/25 Savings Yr 2	25/26 Savings Proposals Yr 1	TOTAL 2025/26	24/25 Savings Yr 3	25/26 Savings Proposals Yr 2	TOTAL 2026/27	Cumulative
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Regeneration	(0.056)	(0.551)	(0.607)	(0.794)	(0.348)	(1.142)	(0.200)	-	(0.200)	(1.949)
ECS	(0.062)	(1.459)	(1.521)	(0.670)	(1.013)	(1.683)	(0.120)	0.460	0.340	(2.864)
Education	(0.153)	(0.132)	(0.285)	-	(0.359)	(0.359)	-	-	-	(0.644)
Children's Care	(0.826)	(4.254)	(5.080)	(1.400)	(1.853)	(3.253)	(0.715)	(0.768)	(1.483)	(9.816)
ASC	-	(5.757)	(5.757)	(1.283)	(0.750)	(2.033)	(0.750)	-	(0.750)	(8.540)
Public Health	-	-	-	-	-	-	-	-	-	-
Finance	-	(1.379)	(1.379)	(0.959)	(1.170)	(2.129)	(0.182)	0.015	(0.167)	(3.675)
LGS	(0.050)	(0.378)	(0.428)	(0.045)	(0.186)	(0.231)	-	-	-	(0.659)
Central & General Fund	(0.244)	-	(0.244)	-	-	-	-	-	-	(0.244)
Council Wide	-	-	-	-	(1.357)	(1.357)	-	(1.357)	(1.357)	(2.714)
<b>Total</b>	<b>(1.391)</b>	<b>(13.910)</b>	<b>(15.301)</b>	<b>(5.151)</b>	<b>(7.036)</b>	<b>(12.187)</b>	<b>(1.967)</b>	<b>(1.650)</b>	<b>(3.617)</b>	<b>(31.105)</b>

6.1.7 Measures are set out to mitigate the risks of failure to deliver expenditure within the proposed 2025/26 budget are set out in paragraph 4.65 of the report. These are primarily focused upon savings delivery risk, but will apply to other otherwise unmanageable pressures that may arise in year. Provided these measures are deployed, the Council should not require assistance from Government in the form of EFS to mitigate the risk exposure presented by its low level of reserves.

6.1.8 The Council needs to develop a more robust and focused approach to financial management and control during 2025/26. In particular stronger control over the main budget categories of pay, non-pay, and income budgets. It is proposed that refinements to financial regulations and further training for Directors and finance staff will be brought forward as part of planned revisions to the constitution in order to drive increased compliance of budgetary control and use of budget virement mechanisms to track and control the movement of financial resources subject to the delegation limits set out in financial regulations.

6.1.9 The detailed financial implications associated with this report are set out throughout the main body of the report.

## **6.2 Legal**

6.2.1 The Council is required under legislation to set a balanced budget for each year. The Medium Term Financial Plan and revenue and capital budgets form part of the Council's policy framework, as set out in its constitution. The approach outlined within the document will enable the Council to operate within the resources available and continue to meet its many statutory duties.

6.2.2 Elected members (individually and collectively) have a fiduciary duty to local taxpayers and so duty to facilitate, rather than frustrate, the setting of a lawful budget, and not to do so would bring damaging legal, financial, operational, and reputational consequences for the Council, and precepting authorities such as the police, fire service and local parish councils. It may also give rise to personal liability for individual members for misfeasance in public office, negligence, or breach of statutory duty, should they be found to be purposely failing to set a lawful budget.

### **6.3 Risk**

- 6.3.1 The revision of the Council's Medium Term Financial Plan for 2025/26 to 2028/29 plays a fundamental role in ensuring that the Council Plan is delivered effectively.
- 6.3.2 The proposed approach will ensure a positive impact on the strategic risk (SR01) that the Council fails to maintain a balanced budget and Medium Term Financial Plan. The proposed approach also aligns with legal requirements around consultation and assessing the impact of proposals. It therefore impacts positively on the risks that the Council could fail to achieve good governance or comply with the law (SR01 and SR04).
- 6.3.3 There is a risk that the financial position of the Council will be adversely affected by any non-achievement of the proposed budget savings for 2025/26 outlined in the report and failure to deliver expenditure within the proposed 2025/26 budget. However, this risk has been mitigated by the measures set out in paragraph 4.65 of the report and mitigating actions that are captured in the Council's Strategic Risk Register. Progress against these actions is reported to Executive on a quarterly basis within the performance outturn report.

### **6.4 Human Rights, Public Sector Equality Duty and Community Cohesion**

- 6.4.1 As stated in paragraph 4.120, savings proposals for 2025/26 and beyond have been initially assessed and categorised in Appendices 1 and 2.
- 6.4.2 The Council must ensure that, in line with the Public Sector Equality Duty, that any budget saving proposals, other budget proposals, or proposed Council Tax increases thought to impact on those with protected characteristics are assessed, mitigated where possible and/or justified. As such impact assessments for specific proposals and the proposed Council Tax increase will be completed prior to consideration by the appropriate decision-making body, where required. This will be either prior to the presentation of the 2025/26 budget report to Full Council in February 2025, or during 2025/26 prior to the decision to implement the proposed budget saving being taken.

### **6.5 Climate Change / Environmental**

- 6.5.1 The proposal REG08 Reduction in Energy Usage should have a positive impact on the Council's aspirations for Climate Change.

### **6.6 Children and Young People Cared for by the Authority and Care Leavers**

- 6.6.1 A number of the proposals within the 2025/26 proposed budget are relevant to these groups. One of the proposals, EDC05 Remove or Recharge Discretionary Home to School Transport, may impact these groups. Other proposals will ensure that service provision is reviewed to ensure it is fit for purpose and should not directly impact on the service provided to these groups. Any potential impact of the proposals will be assessed during the consultation period and the findings from that process will be set out within the report to Council in February 2025 and the supporting Impact Assessment.

## 6.7 Data Protection / GDPR

6.7.1 There are no concerns that the proposals within the report will impact negatively on data protection or GDPR.

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

Action	Responsible Officer	Deadline
Consultation on the proposed budget savings and Council Tax increase will commence on 5 December 2024 and conclude on 8 January 2025, with appropriate impact assessments undertaken considering responses to the consultation	Head of Financial Planning & Support	8/1/25
The output of the consultation process will be reported as part of the Revenue Budget, Council Tax, Medium Term Financial Plan, and Capital Strategy 2024/25 report to Executive on 5 February 2025 and Full Council on 19 February 2025	Head of Financial Planning & Support	19/2/25

## Appendices

1	Budget Savings proposals that are considered to have minimal, or no effect on front line service delivery levels
2	Budget savings proposals considered to potentially affect front line service delivery levels
3	Proposed Budget Reinvestment in Recover, Reset and Deliver
4	Initial Proposed Fee and Charges Schedule 2025/26

## Background papers

Body	Report title	Date
Executive	2024/25 Revenue Budget, Medium Term Financial Plan, and Council Tax setting	28/2/24
Executive	Prudential Indicators and Treasury Management Strategy Report – 2024/25	28/2/24
Council	2024/25 Revenue Budget, Medium Term Financial Plan, and Council Tax setting, and Treasury Management Strategy 2024/25	8/3/24
Council	Transformation of Middlesbrough Council	24/4/24
Executive	2025/26 Budget and MTFP Approach and Timetable	22/5/24



Executive	2023/24 Revenue and Capital Outturn and development of MTFP	26/6/24
Executive	Revenue and Capital Budget – Forecast Year-end Outturn position at Quarter One 2024/25	4/9/24
Executive	2025/26 Medium Term Financial Plan	4/9/24
Executive	Capital Programme Governance Improvement	13/11/24
Executive	Revenue and Capital Budget – Forecast Year-end Outturn position at Quarter Two 2024/25	4/12/24
Executive	Treasury Management Mid-Year review – 2024/25	4/12/24
Executive	Calculation of Council Tax Base for 2025/26	4/12/24

**Contact:** Andrew Humble, Head of Financial Planning & Support  
(Deputy s151 Officer)

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## **Appendix 1: Budget Savings proposals that are considered to have minimal, or no effect on front line service delivery levels**

These proposals do not have a direct impact on the services for the public and do not therefore require public consultation. Where proposals involve a reduction in staffing, a consultation with Trade Unions and Staff will be required.

### **Adult Social Care**

Reference	Categorisation	Budget savings proposal	25/26 (£m)	26/27 (£m)	27/28 (£m)	28/29 (£m)	Total (£m)	Proposed change in Staff over 2025/26 to 2026/27 FTE	Current Vacant Posts FTE
ASC16	Demand Management	<b>Strengths-based practice</b> This initiative is to focus on people's strengths to support their health and wellbeing with a reduced, or no, ongoing care package. It will be used to support service users to remain independent for longer	(0.750)	0.000	0.000	0.000	(0.750)	-	-
			<b>(0.750)</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>(0.750)</b>	<b>0.000</b>	<b>0.000</b>

### **Children's Services**

Reference	Categorisation	Budget savings proposal	25/26 (£m)	26/27 (£m)	27/28 (£m)	28/29 (£m)	Total (£m)	Proposed change in Staff over 2025/26 to 2026/27 FTE	Current Vacant Posts FTE
CC08	Demand Management	<b>Modernising foster care</b> This project aims to increase local authority foster carers to reduce the number of children in residential and other settings to reduce costs and better meet children's needs.	(0.735)	(0.368)	0.000	0.000	(1.103)	-	-
CC09	Demand Management	<b>Introduce a reunification team</b> This team would reduce the number of children in the Council's care by helping to place more children in the care of family members under a legal process called a Special Guardianship Order.	(0.318)	0.000	0.000	0.000	(0.318)	-	-
CC10	Demand Management	<b>Introduce edge of care team</b> The team would support families who are experiencing difficulties, with the aim of keeping the family together. This will avoid children needing to be taken into care.	(0.800)	(0.400)	0.000	0.000	(1.200)	-	-
			<b>(1.853)</b>	<b>(0.768)</b>	<b>0.000</b>	<b>0.000</b>	<b>(2.621)</b>	<b>0.0</b>	<b>0.0</b>

### **Education and Partnerships**

Reference	Categorisation	Budget savings proposal	25/26 (£m)	26/27 (£m)	27/28 (£m)	28/29 (£m)	Total (£m)	Proposed change in Staff over 2025/26 to 2026/27 FTE	Current Vacant Posts FTE
EDC02	Efficiency	<b>Deliver passenger assistance training internally</b> Passenger assistants who support children on home to school transport would be trained by Council staff.	(0.037)	0.000	0.000	0.000	(0.037)	-	-

## Appendix 1: Budget Savings proposals that are considered to have minimal, or no effect on front line service delivery levels

These proposals do not have a direct impact on the services for the public and do not therefore require public consultation. Where proposals involve a reduction in staffing, a consultation with Trade Unions and Staff will be required.

EDC03	Efficiency	<b>Increase transport capacity</b> Increasing the number of vehicles the Council can lease or buy, along with extra staff, would reduce the amount spent on external businesses for home to school transport.	(0.084)	0.000	0.000	0.000	(0.084)	8.0	N/A
EDC04	Efficiency	<b>Management review</b> Up to one management post would be removed from Education and Partnerships following a review of the operational practices.	(0.044)	0.000	0.000	0.000	(0.044)	(1.0)	0.0
EDC06	Income	<b>Increase management fee income</b> The Council will receive more income for services provided on behalf of the Department for Education in relation to home to school transport.	(0.015)	0.000	0.000	0.000	(0.015)	-	-
EDC07	Efficiency	<b>Travel training</b> Providing training and support to enable more students to travel to school independently, reducing the reliance upon Council provision of home to school transport.	(0.102)	0.000	0.000	0.000	(0.102)	-	-
			<b>(0.281)</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>(0.281)</b>	<b>7.0</b>	<b>0.0</b>

### Environment and Communities

Reference	Categorisation	Budget savings proposal	25/26 (£m)	26/27 (£m)	27/28 (£m)	28/29 (£m)	Total (£m)	Proposed change in Staff over 2025/26 to 2026/27 FTE	Current Vacant Posts FTE
ECS13	Efficiency	<b>Management review</b> Up to four Environment and Community Services management posts could be removed following a review of the department's operational practices	(0.282)	0.000	0.000	0.000	(0.282)	(4.0)	0.0
ECS15	Income	<b>Grant funding</b> Funding from the Capital Transport Strategy Grant would be used to cover the costs of management.	(0.060)	0.060	0.000	0.000	0.000	-	-
ECS16	Efficiency	<b>Change in Environment and Community Services staffing</b> Review of Environment and Communities staffing will result in 5 FTE reduction through the removal of vacant posts	(0.100)	0.000	0.000	0.000	(0.100)	(5.0)	(5.0)
ECS17	Efficiency	<b>One off - Use of Capital grant funding</b> One off charging of eligible expenditure to capital on street lighting. There would be no change to levels of street lighting maintenance.	(0.200)	0.200	0.000	0.000	0.000	-	-
ECS18	Income	<b>One off - Maximisation of grants</b> Further use of external grant funding to cover appropriate staffing costs within community safety.	(0.200)	0.200	0.000	0.000	0.000	-	-
			<b>(0.842)</b>	<b>0.460</b>	<b>0.000</b>	<b>0.000</b>	<b>(0.382)</b>	<b>(9.0)</b>	<b>(5.0)</b>

### Regeneration

## **Appendix 1: Budget Savings proposals that are considered to have minimal, or no effect on front line service delivery levels**

These proposals do not have a direct impact on the services for the public and do not therefore require public consultation. Where proposals involve a reduction in staffing, a consultation with Trade Unions and Staff will be required.

Reference	Categorisation	Budget savings proposal	25/26 (£m)	26/27 (£m)	27/28 (£m)	28/29 (£m)	Total (£m)	Proposed change in Staff over 2025/26 to 2026/27 FTE	Current Vacant Posts FTE
REG07	Service Reduction / Stop	<b>Staffing review across Regeneration services</b> Up to six Regeneration posts will be removed following a review of the department's operational practice.	(0.198)	0.000	0.000	0.000	(0.198)	(6.0)	(3.0)
REG08	Efficiency	<b>Reduction in energy usage</b> Restrictions on building use, energy efficiency measures and review of the way energy is purchased	(0.150)	0.000	0.000	0.000	(0.150)	-	-
			<b>(0.348)</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>(0.348)</b>	<b>(6.0)</b>	<b>(3.0)</b>

### Finance

Reference	Categorisation	Budget savings proposal	25/26 (£m)	26/27 (£m)	27/28 (£m)	28/29 (£m)	Total (£m)	Proposed change in Staff over 2025/26 to 2026/27 FTE	Current Vacant Posts FTE
FIN12	Transformation	<b>Digitise procurement activity (Council Wide)</b> Organise high volume-low value spending by using a third party to competitively buy goods and services with the use of technology.	(0.200)	0.000	0.000	0.000	(0.200)	-	-
FIN13	Transformation	<b>Procurement Contract Management (Council Wide)</b> Introduce processes, procedures, guidelines and additional resource to strengthen contract management to reduce expenditure on goods, works and services to deliver improved value for money	(0.700)	0.000	0.000	0.000	(0.700)	-	-
FIN14	Efficiency	<b>Cost of finance system</b> Renewal of the contract for the Business World finance system during 2024 has resulted in a lower contract price for the system by rationalising the number and type of licenses.	(0.135)	0.000	0.000	0.000	(0.135)	-	-
FIN15	Service Reduction / Stop	<b>Central stationery reduction</b> The budget for stationery will be reduced by 30% to align with current spending levels.	(0.020)	0.000	0.000	0.000	(0.020)	-	-
FIN16	Efficiency	<b>Accounts payable staffing change</b> A vacant post within the accounts payable finance team will be held temporarily vacant for 2025/26	(0.015)	0.015	0.000	0.000	0.000	-	-
FIN17	Income	<b>Maximisation of grants</b> Increasing the eligible administrative support charges claimed through external grant funding from 8% to 10% will increase the external funding secured to meet the Council's cost of administering grants.	(0.100)	0.000	0.000	0.000	(0.100)	-	-
			<b>(1.170)</b>	<b>0.015</b>	<b>0.000</b>	<b>0.000</b>	<b>(1.155)</b>	<b>0.0</b>	<b>0.0</b>

### Legal and Governance Services

## **Appendix 1: Budget Savings proposals that are considered to have minimal, or no effect on front line service delivery levels**

These proposals do not have a direct impact on the services for the public and do not therefore require public consultation. Where proposals involve a reduction in staffing, a consultation with Trade Unions and Staff will be required.

Reference	Categorisation	Budget savings proposal	25/26 (£m)	26/27 (£m)	27/28 (£m)	28/29 (£m)	Total (£m)	Proposed change in Staff over 2025/26 to 2026/27 FTE	Current Vacant Posts FTE
LGS09	Efficiency	<b>Legal Services Resource</b> Review of operations will result in the deletion of a vacant Legal Assistant post.	(0.027)	0.000	0.000	0.000	(0.027)	(0.8)	(1.0)
LGS10	Service Reduction / Stop	<b>Governance, Policy and Information</b> Review of operations will result in the deletion of vacant posts within team	(0.113)	0.000	0.000	0.000	(0.113)	(3.0)	(3.0)
LGS11	Efficiency	<b>Members allowance budget rebasing</b> Rebasing of members allowance budget to reflect the maximum amount that can be claimed in the current governance structure.	(0.046)	0.000	0.000	0.000	(0.046)	-	-
			<b>(0.186)</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>(0.186)</b>	<b>(3.8)</b>	<b>(4.0)</b>

### **Council Wide**

Reference	Categorisation	Budget savings proposal	25/26 (£m)	26/27 (£m)	27/28 (£m)	28/29 (£m)	Total (£m)	Proposed change in Staff over 2025/26 to 2026/27 FTE	Current Vacant Posts FTE
CRC01-2526	Efficiency	<b>Financial Management of Pay budgets</b> This initiative standardises the budgeting for employee costs across all directorates to recognise underspends that occur naturally due to staff turnover. It also tightens budgetary control arrangements relating to the management of over and underspending to control expenditure within the overall approved budget.	(1.357)	(1.357)	0.000	0.000	(2.714)	-	-
			<b>(1.357)</b>	<b>(1.357)</b>	<b>0.000</b>	<b>0.000</b>	<b>(2.714)</b>	<b>0.0</b>	<b>0.0</b>

<b>SUB-TOTAL</b>			<b>(6.787)</b>	<b>(1.650)</b>	<b>0.000</b>	<b>0.000</b>	<b>(8.437)</b>	<b>(11.8)</b>	<b>(12.0)</b>
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**Appendix 1a: Additional information in regard to Budget Savings proposals that are considered to have minimal, or no effect on front line service delivery levels**

These proposals do not have a direct impact on the services for the public and do not therefore require public consultation. Where proposals involve a reduction in staffing, a consultation with Trade Unions and Staff will be required.

**Adult Social Care**

Reference	Categorisation	Budget savings proposal	Additional Information
ASC16	Demand Management	<b>Strengths-based practice</b> This initiative is to focus on people's strengths to support their health and wellbeing with a reduced, or no, ongoing care package. It will be used to support service users to remain independent for longer	This project will promote independence and support social care staff in meeting the assessed needs of individuals through a broader range of support mechanisms with less reliance on expensive commissioned care services. Additionally, the service will increase the use of digital technology to increase choice for service users in how their needs will be met and reduce the cost of care provision.

**Children's Services**

Reference	Categorisation	Budget savings proposal	Additional Information
CC08	Demand Management	<b>Modernising foster care</b> This project aims to increase local authority foster carers to reduce the number of children in residential and other settings to reduce costs and better meet children's needs.	This project will introduce a kinship care team that will provide training and a package of support to foster carers in order to prevent children coming back into care. The project will include a comprehensive marketing strategy to attract new foster carers
CC09	Demand Management	<b>Introduce a reunification team</b> This team would reduce the number of children in the Council's care by helping to place more children in the care of family members under a legal process called a Special Guardianship Order.	This team will be carrying out assessments and a legal process after which children will no longer be in the Council's care and will return home. The department have identified 67 children initially to be assessed and supported with a Special Guardianship Order (discretionary financial support).
CC10	Demand Management	<b>Introduce edge of care team</b> The team would support families who are experiencing difficulties, with the aim of keeping the family together. This will avoid children needing to be taken into care.	This project will introduce an Edge of Care team (strengthening families at home through intensive support to prevent further escalation which may lead to Children needing to come into Care).

**Education and Partnerships**

Reference	Categorisation	Budget savings proposal	Additional Information
EDC02	Efficiency	<b>Deliver passenger assistance training internally</b> Passenger assistants who support children on home to school transport would be trained by Council staff.	Providing training by Council staff to Passenger Assistants allows for improved flexibility and reduced cost for Home to School Transport Services, this will have no direct impact on the community.
EDC03	Efficiency	<b>Increase transport capacity</b> Increasing the number of vehicles the Council can lease or buy, along with extra staff, would reduce the amount spent on external businesses for home to school transport.	Increases in demand and changes in how the private sector market can provide the home to school transport service is limiting the supply chain for various types of vehicles. Increasing the number of vehicles the council can lease or buy will support increases in demand and complex needs within the home to school transport service; adding resilience into the service.
EDC04	Efficiency	<b>Management review</b> Up to one management post would be removed from Education and Partnerships following a review of the operational practices.	Streamlining processes and creating back office efficiencies in the home to school transport team, as a result one vacant management post is to be removed
EDC06	Income	<b>Increase management fee income</b> The Council will receive more income for services provided on behalf of the Department for Education in relation to home to school transport.	Middlesbrough Council will continue to support DfE and by association Middlesbrough Students where necessary. Where this support is of a non-statutory nature the council will be reimbursed in full by DfE in assisting with the delivery of this service.
EDC07	Efficiency	<b>Travel training</b> Providing training and support to enable more students to travel to school independently, reducing the reliance upon Council provision of home to school transport.	In preparation of greater independence and adulthood, the Council will support a greater number of eligible students through its Independent Travel Training Programme to increase their accessibility to education settings, along with wider benefits such as healthier lifestyles, safe and active travel, social activities and employment.

**Environment and Communities**

Reference	Categorisation	Budget savings proposal	
ECS13	Efficiency	<b>Management review</b> Up to four Environment and Community Services management posts could be removed following a review of the department's operational practices	A review of operational practices and reorganisation of roles and responsibilities will result in an improved alignment of services and result in approximately four posts to be removed .
ECS15	Income	<b>Grant funding</b> Funding from the Capital Transport Strategy Grant would be used to cover the costs of management.	Funding for the Capital Grants awarded to Highway Services have increased allowing for additional costs of project management to be charged.
ECS16	Efficiency	<b>Change in Environment and Community Services staffing</b> Review of Environment and Communities staffing will result in 5 FTE reduction through the removal of vacant posts	A reorganisation of Environment and Community Services capacity to where demand is required will enable efficiencies and result in 5 posts that can be removed
ECS17	Efficiency	<b>One off - Use of Capital grant funding</b> One off charging of eligible expenditure to capital on street lighting. There would be no change to levels of street lighting Maintenance	A one off Capital Grant from MHCLG for Street Lighting will enable eligible expenditure to be charged against this project.
ECS18	Income	<b>One off - Maximisation of grants</b> Further use of external grant funding to cover appropriate staffing costs within community safety.	A one off Grant for Community Safety will enable eligible expenditure to be charged against this project.

**Regeneration**

Reference	Categorisation	Budget savings proposal	
REG07	Service Reduction / Stop	<b>Staffing review across Regeneration services</b> Up to six Regeneration posts will be removed following a review of the department's operational practice.	A number of reviews will take place within the Regeneration directorate that will have an effect on structures and ways of working. Up to six posts will be removed, which will mainly include vacant roles, but will impact upon two or three employees.
REG08	Efficiency	<b>Reduction in energy usage</b> Restrictions on building use, energy efficiency measures and review of the way energy is purchased	The way the Council manages its energy use will be reviewed to reduce demand. This will involve energy efficiency measures that reduce the usage, energy generation to replace purchased energy, and looking at different ways of buying energy to reduce costs.

**Finance**

Reference	Categorisation	Budget savings proposal	
FIN12	Transformation	<b>Digitise procurement activity (Council Wide)</b> Organise high volume-low value spending by using a third party to competitively buy goods and services with the use of technology.	This proposal aims to improve the administrative efficiency of purchasing a range of goods and services and also reduce the price paid for those goods and services. There is no direct impact upon the level of service provided to the community.
FIN13	Transformation	<b>Procurement Contract Management (Council Wide)</b> Introduce processes, procedures, guidelines and additional resource to strengthen contract management to reduce expenditure on goods, works and services to deliver improved value for money	This proposal aims to improve the Council's contract management arrangements to achieve better value from its contracts for goods, works and services. There is no direct impact upon the level of service provided to the community.
FIN14	Efficiency	<b>Cost of finance system</b> Renewal of the contract for the Business World finance system during 2024 has resulted in a lower contract price for the system by rationalising the number and type of licenses.	The Council has recently concluded a renegotiation of the contractual terms for its finance system which will cost less than the budgetary provision. There is no direct impact upon the level of service provided internally or to services provided to the community.
FIN15	Service Reduction / Stop	<b>Central stationery reduction</b> The budget for stationery will be reduced by 30% to align with current spending levels.	The budget has been reduced to align to expected stationery usage. There is no direct impact upon the level of services to the community.
FIN16	Efficiency	<b>Accounts payable staffing change</b> A vacant post within the accounts payable finance team will be held temporarily vacant for 2025/26	This proposal will have no direct impact on the community.
FIN17	Income	<b>Maximisation of grants</b> Increasing the eligible administrative support charges claimed through external grant funding from 8% to 10% will increase the external funding secured to meet the Council's cost of administering grants.	This proposal increases the external grant contributions towards the cost of existing service provision and has no direct impact on the community.



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**Legal and Governance Services**

Reference	Categorisation	Budget savings proposal	
LGS09	Efficiency	<b>Legal Services Resource</b> Review of operations will result in the deletion of a vacant Legal Assistant post.	This is the deletion of a post that has been vacant for a significant period. The work has been absorbed by the other legal assistants and this will continue. The impact will mean that some tasks take longer to complete, however there will be no direct impact upon the level of services to the community
LGS10	Service Reduction / Stop	<b>Governance, Policy and Information</b> Review of operations will result in the deletion of vacant posts within team	No redundancies will occur as a result of the proposal which will see vacant posts following a recent service review, formally removed from the structure.
LGS11	Efficiency	<b>Members allowance budget rebasing</b> Rebasing of members allowance budget to reflect the maximum amount that can be claimed in the current governance structure.	The budget has been amended to align to the maximum amount that can be claimed in the current governance structure. There is no direct impact upon the level of services to the community.

**Council Wide**

Reference	Categorisation	Budget savings proposal	
CRC01-2526	Efficiency	<b>Financial Management of Pay budgets</b> This initiative standardises the budgeting for employee costs across all directorates to recognise underspends that occur naturally due to staff turnover. It also tightens budgetary control arrangements relating to the management of over and underspending to control expenditure within the overall approved budget.	<p>The Council's approach to budgeting for pay currently provides for all posts at the top of the pay grade for each role, irrespective of whether posts are actually vacant or are occupied at a lower point within the grade. In addition there is variation in approach between directorates in relation to the budgetary impact of staff turnover (i.e. a percentage vacancy factor applied to pay budgets to reflect the underspend that will be generated during the period between one postholder leaving the Council's employment and a new employee taking up their role. Some directorates make no provision, whilst others make significant provision for vacancies which is restricts the provision of planned service delivery. These disparate practices result in over-budgeting for employee costs at a whole council level which have generated underspends on employee budgets of between 5% and 13% over the period since 2021/22. Such underspends have commonly been informally applied by budget holders to offset overspends on non pay expenditure and/or income shortfalls, rather than being managed in a controlled and systematic manner in accordance with the 'budget virement' (budget transfer) rules set out in financial regulations with the involvement of finance officers. The Council needs to exercise a firmer grip upon its financial management and control and to evidence its spending decisions to demonstrate value for money and control expenditure within the overall budget. The vacancy allowance that will be applied will be:</p> <p>in 2025/26 The higher of:</p> <ul style="list-style-type: none"> <li>- existing vacancy allowance for a directorate or</li> <li>- 2.5% of an adjusted pay budget (taking account of posts that are business continuity critical and funded from grant which would be lost if not applied in year)</li> </ul> <p>A further step up of 2.5% in 2026/27 will be applied.</p> <p>To achieve this:</p> <ul style="list-style-type: none"> <li>- Directors will manage the vacancy allowance at directorate level rather than being held at individual service level to enable a corporate and cross cutting approach to managing the pay budget.</li> <li>- Financial regulations will be further refined and training provided to Directors and their budget holders to ensure compliance with budget virement rules in 2025/26. Through this process, transfers of underspending on pay budgets in order to fund identified need to spend in excess of non-pay budgets will be undertaken in accordance with financial regulations and with active involvement of finance officers. Where The finance team will also work with Directors to review the overall approach to pay budgeting.</li> <li>- Where unmanageable non-pay pressures are identified as a result of these strengthened financial management arrangements, the s151 Officer will exercise their delegation to consider the potential to provide transitional funding from a newly established Delivery Risk Budget subject to the conditions that will be applied to the use of the Risk Budget.</li> </ul> <p>Once this approach is embedded, it will form the foundation from which to move in 2026/27 to a more dynamic approach to budgeting which reflects the actual grade and costs of staff in post and planned on an annual basis</p> <ul style="list-style-type: none"> <li>- no established posts will be deleted as a result of this initiative.</li> </ul>

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## Appendix 2: Budget savings proposals considered to potentially affect front line service delivery levels

These proposals will form part of the 2025/26 revenue budget and require public consultation

### Education and Partnerships

Reference	Categorisation	Budget savings proposal	25/26 (£m)	26/27 (£m)	27/28 (£m)	28/29 (£m)	Total (£m)
EDC05	Income	<b>Remove or recharge Discretionary Home to School transport services</b> Where the council provides discretionary as opposed to statutory home to school transport services, these will be recharged to the relevant schools and/ or health services.	(0.078)	0.000	0.000	0.000	(0.078)
			<b>(0.078)</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>(0.078)</b>

Proposed change in Staff over 2025/26 to 2026/27 FTE	Current Vacant Posts FTE
-	-
<b>0.0</b>	<b>0.0</b>

### Environment and Communities

Reference	Categorisation	Budget savings proposal	25/26 (£m)	26/27 (£m)	27/28 (£m)	28/29 (£m)	Total (£m)
ECS14	Income	<b>Fees and Charges</b> An increase in fees and charges above the 2% increase within the Fees and Charges policy for a number of Environment and Community Services - (See Fees and Charges Schedule)	(0.100)	0.000	0.000	0.000	(0.100)
ECS19	Income	<b>Council Car parking</b> An increase in fees and charges above the 2% increase (average 3.5%) within the Fees and Charges policy for Council Car Parking - (See Fees and Charges Schedule)	(0.060)	0.000	0.000	0.000	(0.060)
ECS20	Income	<b>Fleet services - Increase Charges</b> An increase in fees and charges above the 2% increase within the Fees and Charges policy for MOTs and new promotions to increase volume of business	(0.011)	0.000	0.000	0.000	(0.011)
			<b>(0.171)</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>(0.171)</b>

Proposed change in Staff over 2025/26 to 2026/27 FTE	Current Vacant Posts FTE
-	-
-	-
-	-
<b>0.0</b>	<b>0.0</b>

<b>SUB-TOTAL</b>			<b>(0.249)</b>	<b>0.000</b>	<b>0.000</b>	<b>0.000</b>	<b>(0.249)</b>
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<b>0.000</b>	<b>0.000</b>
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## Appendix 2a: Additional information in regard to Budget savings proposals considered to potentially affect front line service delivery

These proposals will form part of the 2025/26 revenue budget and require public consultation

### Education and Partnerships

Reference	Categorisation	Budget savings proposal	
EDC05	Income	<p><b>Remove or recharge Discretionary Home to School transport services</b></p> <p>Where the council provides discretionary as opposed to statutory home to school transport services, these will be recharged to the relevant schools and/ or health services.</p>	<p>At present the Council pays for some home to school transport that legally could be charged to special schools and health services.</p> <p>A change would see the Council stop paying these costs. The costs would be covered by a school or health service provider instead.</p> <p>This will not mean a reduction in the number of children transported, it will change how transport for approximately 14 children is paid for.</p>

### Environment and Communities

Reference	Categorisation	Budget savings proposal	
ECS14	Income	<p><b>Fees and Charges</b></p> <p>An increase in fees and charges above the 2% increase within the Fees and Charges policy for a number of Environment and Community Services - (See Fees and Charges Schedule)</p>	<p>The detailed changes are included in Appendix 4 Fees and Charges Schedule, changes do vary significantly across the services provided and average to a 1% increase. The main increases are attributable to Bereavement Services and Highway Management Services.</p>
ECS19	Income	<p><b>Council Car parking</b></p> <p>An increase in fees and charges above the 2% increase (average 3.5%) within the Fees and Charges policy for Council Car Parking - (See Fees and Charges Schedule)</p>	<p>There will be a number of increases in car parking charges in Council Car Parks, these will on average equate to a 3.5% increase, as charges will be set to the nearest 10 pence.</p>
ECS20	Income	<p><b>Fleet services - Increase Charges</b></p> <p>An increase in fees and charges above the 2% increase within the Fees and Charges policy for MOTs and new promotions to increase volume of business</p>	<p>The price for MOTs undertaken by Fleet Services will increase as per the Fees and Charges Schedule. Alongside this a number of promotions will take place to increase the volume of business</p>

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**Appendix 3: Proposed Budget Reinvestment in Recover, Reset and Deliver**

Reference	Directorate	Proposed Budget Reinvestment in Recover, Reset and Deliver	25/26 (£m)	26/27 (£m)	27/28 (£m)	28/29 (£m)	Total (£m)	Proposed Change in Staff over 2025/26 to 2026/27 FTE
RRD01	Adult Social Care	<b>Adult Social Care Resource</b> Investment of additional staffing for a number of services including: - areas experiencing increased complexity and higher demand (homelessness and adult safeguarding) - improvements in practice and data quality for care package allocation	0.239	0.080	0.000	0.000	0.319	7.0
RRD02	Childrens Services	<b>Youth Service Providers:</b> An increased investment in Youth Services through youth providers to enable the provision of more sessions and increased engagement of young people.	0.100	0.000	0.000	0.000	0.100	0.0
RRD03	Childrens Services	<b>Childrens Social Care (S17) Expenditure</b> Investment in resources to deal with increased demand in areas including - Overnight emergency accommodation - Legal and financial support costs	0.253	0.084	0.000	0.000	0.337	0.0
RRD04	Environment and Communities	<b>Tree maintenance:</b> Using a third party to tackle the backlog of work.	0.200	0.000	(0.100)	(0.100)	0.000	-
RRD05	Environment and Communities	<b>Pest control:</b> Increasing staffing in Pest control from 1 to 4 to enable more treatment of open spaces and alleyways across the town	0.125	0.000	0.000	0.000	0.125	3.0
RRD06	Environment and Communities	<b>Area care:</b> Increase expenditure by 10% to improve service levels for grass cutting, street cleansing and shrubs and hedgerow maintenance.	0.360	0.000	0.000	0.000	0.360	10.0
RRD07	Regeneration	<b>Events:</b> Investment to support and attract events to the town to increase footfall and engagement.	0.200	0.000	0.000	0.000	0.200	2.0
RRD08	Finance	<b>Finance Improvement</b> Rebuilding the professional capacity and capability within the Finance Team to strengthen resilience and to deliver the improvements required to strengthen the Council's financial management arrangements as reflected in the CIPFA Financial Management review	0.485	0.191	0.000	0.000	0.676	9.0
RRD09	Finance	<b>Counter Fraud Capacity</b> Investment in additional Counter Fraud capacity in order to strengthen the Council's arrangements to protect the Council's financial interests.	0.073	0.042	0.000	0.000	0.115	0.0
RRD10	Legal and Governance Services	<b>Investment in data analysis:</b> Use of new software would help the Council predict and plan for future demand in areas such as social care and homelessness.	0.126	0.000	0.000	0.000	0.126	2.0
RRD11	Council Wide - Finance	<b>Family resilience fund initiative</b> investment will offer a welfare 'health check' in locations across the town to families facing financial struggles or who do not routinely make contact with the council	0.200	0.000	0.000	0.000	0.200	1.0
		<b>TOTAL</b>	<b>2.361</b>	<b>0.397</b>	<b>(0.100)</b>	<b>(0.100)</b>	<b>2.558</b>	<b>34.0</b>

**Appendix 3: Additional Information in regard to Proposed Budget Reinvestment in Recover, Reset and Deliver**

Reference	Directorate	Proposed Budget Reinvestment in Recover, Reset and Deliver	Additional Information	Outputs																				
RRD01	Adult Social Care	<b>Adult Social Care Resource</b> Investment of additional staffing for a number of services including: - areas experiencing increased complexity and higher demand (homelessness and adult safeguarding) - improvements in practice and data quality for care package allocation	Additional Staffing will cover the following roles: Local Authority Designated Officer for adult services; Sensory Support Vision Rehabilitation Officer; Principal Social Worker; ACT Data Analyst; Domiciliary Care Broker, 2 x Housing Solution Officers.	- reduction in homelessness caseloads (100 to 70 per officer) - enabling the delivery of Strength based practice - improved data quality for Government returns - continuity of service provision for sensory support and vision rehab																				
RRD02	Childrens Services	<b>Youth Service Providers:</b> An increased investment in Youth Services through youth providers to enable the provision of more sessions and increased engagement of young people.	The service, working alongside the Early Help and Prevention strategy, will offer support to vulnerable young people and their families. This will support the delivery of the Prevention strategy and also wider council initiative for earlier interventions, potentially reducing the points of contacts within the council and other agencies.	- Increased earlier intervention measures with vulnerable young people and their families - Reducing the pressures on high cost Social care services in both Children's and Adults services.																				
RRD03	Childrens Services	<b>Childrens Social Care (S17) Expenditure</b> Investment in resources to deal with increased demand in areas including - Overnight emergency accommodation - Legal and financial support costs	There is a duty on children's services to provide help and support to a child in need, to safeguard the child and promote their welfare. This duty extends to providing help to a family where required. A range of appropriate services may be provided, including financial assistance or housing	An increase across all services provided, these range from: - Overnight Emergency Accommodation - Financial and Legal Support - Travel costs - Goods (e.g. Appliances ) - Nursery support																				
RRD04	Environment and Communities	<b>Tree maintenance:</b> Using a third party to tackle the backlog of work.	The number of Trees which are estimated to require Maintenance in the current backlog is c690. The estimated cost is £1000 to fell a tree and up to £500 to crown lift.	<table border="1"> <thead> <tr> <th></th> <th>Year 1</th> <th>Year 2</th> <th>Year 3</th> <th>TOTAL NO.</th> </tr> </thead> <tbody> <tr> <td><b>Crown Lift</b></td> <td><b>70</b></td> <td><b>85</b></td> <td><b>76</b></td> <td><b>231</b></td> </tr> <tr> <td><b>Fell</b></td> <td><b>177</b></td> <td><b>146</b></td> <td><b>136</b></td> <td><b>459</b></td> </tr> <tr> <td colspan="4"><b>GRAND TOTAL OF ACTIONS</b></td> <td><b>690</b></td> </tr> </tbody> </table>		Year 1	Year 2	Year 3	TOTAL NO.	<b>Crown Lift</b>	<b>70</b>	<b>85</b>	<b>76</b>	<b>231</b>	<b>Fell</b>	<b>177</b>	<b>146</b>	<b>136</b>	<b>459</b>	<b>GRAND TOTAL OF ACTIONS</b>				<b>690</b>
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RRD05	Environment and Communities	<b>Pest control:</b> Increasing staffing in Pest control from 1 to 4 to enable more treatment of open spaces and alleyways across the town	The investment will allow for an increase 4 operatives from 1, resulting in services covering both preventative services as well as reactive.	As a result the investment will allow for: - Back alleys will be treated weekly. - Open spaces will be treated quarterly. - reactive services will continue where required																				
RRD06	Environment and Communities	<b>Area care:</b> Increase expenditure by 10% to improve service levels for grass cutting, street cleansing and shrubs and hedgerow maintenance.	- Increase the number of grass cuts to at least 13 per season with no longer than 10 days between cuts. At present it is 14 days - Increase weed killing from an average of 3 per annum per area to 4 these will be undertaken on foot to increase effectiveness. - Increase in general cleansing across the town by 8 seasonals. At present we have 22. This is a 37% increase. - Increase the shrub and hedgerow maintenance programme by 40%.	This investment aims to improve the cleanliness and appearance of public places.																				
RRD07	Regeneration	<b>Events:</b> Investment to support and attract events to the town to increase footfall and engagement.	Increasing the Council's Events Team from one to three, and creating an operational budget to enable the Council to attract more events to the town and expand the range and scale of those already taking place in key venues such as the town centre and the parks. An increase in events would lead to more visitors, an increase in the money spent locally and improve the town's image.	- Increase in events in Town Centre and Parks - Increase in Visitors - Improvement in Town's Image																				



**Appendix 3: Additional Information in regard to Proposed Budget Reinvestment in Recover, Reset and Deliver**

Reference	Directorate	Proposed Budget Reinvestment in Recover, Reset and Deliver	Additional Information	Outputs
RRD08	Finance	<p><b>Finance Improvement</b> Rebuilding the professional capacity and capability within the Finance Team to strengthen resilience and to deliver the improvements required to strengthen the Council's financial management arrangements as reflected in the CIPFA Financial Management review</p>	<p>The proposal increases the staffing establishment by 9 FTE to invest in:</p> <ul style="list-style-type: none"> <li>- a number of professionally qualified financial planning and technical accountancy roles that are deficient in the current structure.</li> <li>- professionally qualified strategic finance business partnering roles to strengthen the support to service directorates and drive efficiency in use of financial systems and budget holder self service</li> <li>- develop a pipeline of trainee accountants in order to grow and develop internal talent for the future</li> <li>- establish a training budget to support the training and development of accountancy teams to maintain professional standards and enable career progression.</li> </ul> <p>The operating model will be revised and the team will be reshaped in order to focus upon the delivery of efficient and robust financial governance and value for money in Council decision making.</p>	<p>These measures aim to ensure that the Finance service has sufficient resources to:</p> <ul style="list-style-type: none"> <li>- uphold the statutory responsibilities of the s151 Officer ;</li> <li>- address the recommendations made by CIPFA's Financial Management Review to achieve a minimum 3 star independent assessment in 2026</li> <li>- address the weaknesses identified in the MHCLG financial assurance review undertaken in relation to the Council's application for Exceptional Financial Support in 2024/25.</li> </ul>
RRD09	Finance	<p><b>Counter Fraud Capacity</b> Investment in additional Counter Fraud capacity in order to strengthen the Council's arrangements to protect the Council's financial interests.</p>	<p>This proposal invests an increase in counter fraud resource from 150 days to 400 days per year by 2026/27. This will enable more proactive counter fraud work to take place and will enable the counter fraud team to respond to requests for fraud investigation more promptly. Counter fraud activity focuses upon protecting the financial interests of the Council and ultimately the tax payer through successful prosecution of perpetrators of fraud and recovery of financial losses incurred by the Council as a result of fraud. The impact of this investment will be reported via Counter Fraud updates to the Audit Committee.</p>	<p>This investment aims to increase the number of successful prosecutions of perpetrators of fraud against the Council and recovery of associated financial losses incurred by the Council as a result of such fraud.</p>
RRD10	Legal and Governance Services	<p><b>Investment in data analysis:</b> Use of new software would help the Council predict and plan for future demand in areas such as social care and homelessness.</p>		<p>This investment aims to improve medium to long term service and financial planning, enabling the Council to be more proactive in designing and service solutions to meet the needs of the community.</p>
RRD11	Council Wide - Finance	<p><b>Family resilience fund initiative</b> investment will offer a welfare 'health check' in locations across the town to families facing financial struggles or who do not routinely make contact with the council</p>	<p>The service through the family (household) resilience fund initiative will be offering a welfare 'health check' in locations across the town such as family hubs, neighbourhoods, schools, community groups and other venues that will help the service target those cohorts much in need such as care leavers with children, households facing financial struggles due to a recent change in their circumstances or those that do not routinely make contact with the service. The service can signpost to other support solutions, provide support through the Household Support Fund or where the criteria is not met but further support would be beneficial the fund will provide a means to give additional aid through such things like baby boxes, vouchers, white goods or repairing , winter clothing etc , with each case assessed on its own merits to ensure a more tailored approach is provided. The service will link in with the multi bank where appropriate and sign post to other means of support in the first instance and where a gap remains the Family resilience fund will be accessed to provide immediate support - whilst the welfare 'health check' is undertaken. This work will involve members of the welfare support team working alongside welfare rights. To administer the additional work - will require one FTE (Grade H). Locations will be decided and communicated through a detailed comms plan and shared organisations. Members will be engaged to help manage the message across the town.</p>	<p>This additional investment aims to supplement, co-ordinate and tailor support available to households in financial difficulty.</p>
		<b>TOTAL</b>		

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**Appendix 3a: Additional Information in regard to Proposed Budget Reinvestment in Recover, Reset and Deliver**

Reference	Directorate	Proposed Budget Reinvestment in Recover, Reset and Deliver	Additional Information	Outputs																				
RRD01	Adult Social Care	<b>Adult Social Care Resource</b> Investment of additional staffing for a number of services including: - areas experiencing increased complexity and higher demand (homelessness and adult safeguarding) - improvements in practice and data quality for care package allocation	Additional Staffing will cover the following roles: Local Authority Designated Officer for adult services; Sensory Support Vision Rehabilitation Officer; Principal Social Worker; ACT Data Analyst; Domiciliary Care Broker, 2 x Housing Solution Officers.	- reduction in homelessness caseloads (100 to 70 per officer) - enabling the delivery of Strength based practice - improved data quality for Government returns - continuity of service provision for sensory support and vision rehab																				
RRD02	Childrens Services	<b>Youth Service Providers:</b> An increased investment in Youth Services through youth providers to enable the provision of more sessions and increased engagement of young people.	The service, working alongside the Early Help and Prevention strategy, will offer support to vulnerable young people and their families. This will support the delivery of the Prevention strategy and also wider council initiative for earlier interventions, potentially reducing the points of contacts within the council and other agencies.	- Increased earlier intervention measures with vulnerable young people and their families - Reducing the pressures on high cost Social care services in both Children's and Adults services.																				
RRD03	Childrens Services	<b>Childrens Social Care (S17) Expenditure</b> Investment in resources to deal with increased demand in areas including - Overnight emergency accommodation - Legal and financial support costs	There is a duty on children's services to provide help and support to a child in need, to safeguard the child and promote their welfare. This duty extends to providing help to a family where required. A range of appropriate services may be provided, including financial assistance or housing	An increase across all services provided, these range from: - Overnight Emergency Accommodation - Financial and Legal Support - Travel costs - Goods (e.g. Appliances ) - Nursery support																				
RRD04	Environment and Communities	<b>Tree maintenance:</b> Using a third party to tackle the backlog of work.	The number of Trees which are estimated to require Maintenance in the current backlog is c690. The estimated cost is £1000 to fell a tree and up to £500 to crown lift.	<table border="1"> <thead> <tr> <th></th> <th>Year 1</th> <th>Year 2</th> <th>Year 3</th> <th>TOTAL NO.</th> </tr> </thead> <tbody> <tr> <td><b>Crown Lift</b></td> <td><b>70</b></td> <td><b>85</b></td> <td><b>76</b></td> <td><b>231</b></td> </tr> <tr> <td><b>Fell</b></td> <td><b>177</b></td> <td><b>146</b></td> <td><b>136</b></td> <td><b>459</b></td> </tr> <tr> <td colspan="4"><b>GRAND TOTAL OF ACTIONS</b></td> <td><b>690</b></td> </tr> </tbody> </table>		Year 1	Year 2	Year 3	TOTAL NO.	<b>Crown Lift</b>	<b>70</b>	<b>85</b>	<b>76</b>	<b>231</b>	<b>Fell</b>	<b>177</b>	<b>146</b>	<b>136</b>	<b>459</b>	<b>GRAND TOTAL OF ACTIONS</b>				<b>690</b>
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RRD05	Environment and Communities	<b>Pest control:</b> Increasing staffing in Pest control from 1 to 4 to enable more treatment of open spaces and alleyways across the town	The investment will allow for an increase 4 operatives from 1, resulting in services covering both preventative services as well as reactive.	As a result the investment will allow for: - Back alleys will be treated weekly. - Open spaces will be treated quarterly. - reactive services will continue where required																				
RRD06	Environment and Communities	<b>Area care:</b> Increase expenditure by 10% to improve service levels for grass cutting, street cleansing and shrubs and hedgerow maintenance.	- Increase the number of grass cuts to at least 13 per season with no longer than 10 days between cuts. At present it is 14 days - Increase weed killing from an average of 3 per annum per area to 4 these will be undertaken on foot to increase effectiveness. - Increase in general cleansing across the town by 8 seasonals. At present we have 22. This is a 37% increase. - Increase the shrub and hedgerow maintenance programme by 40%.	This investment aims to improve the cleanliness and appearance of public places.																				
RRD07	Regeneration	<b>Events:</b> Investment to support and attract events to the town to increase footfall and engagement.	Increasing the Council's Events Team from one to three, and creating an operational budget to enable the Council to attract more events to the town and expand the range and scale of those already taking place in key venues such as the town centre and the parks. An increase in events would lead to more visitors, an increase in the money spent locally and improve the town's image.	- Increase in events in Town Centre and Parks - Increase in Visitors - Improvement in Town's Image																				

**Appendix 3a: Additional Information in regard to Proposed Budget Reinvestment in Recover, Reset and Deliver**

Reference	Directorate	Proposed Budget Reinvestment in Recover, Reset and Deliver	Additional Information	Outputs
RRD08	Finance	<p><b>Finance Improvement</b> Rebuilding the professional capacity and capability within the Finance Team to strengthen resilience and to deliver the improvements required to strengthen the Council's financial management arrangements as reflected in the CIPFA Financial Management review</p>	<p>The proposal increases the staffing establishment by 9 FTE to invest in:</p> <ul style="list-style-type: none"> <li>- a number of professionally qualified financial planning and technical accountancy roles that are deficient in the current structure.</li> <li>- professionally qualified strategic finance business partnering roles to strengthen the support to service directorates and drive efficiency in use of financial systems and budget holder self service</li> <li>- develop a pipeline of trainee accountants in order to grow and develop internal talent for the future</li> <li>- establish a training budget to support the training and development of accountancy teams to maintain professional standards and enable career progression.</li> </ul> <p>The operating model will be revised and the team will be reshaped in order to focus upon the delivery of efficient and robust financial governance and value for money in Council decision making.</p>	<p>These measures aim to ensure that the Finance service has sufficient resources to:</p> <ul style="list-style-type: none"> <li>- uphold the statutory responsibilities of the s151 Officer ;</li> <li>- address the recommendations made by CIPFA's Financial Management Review to achieve a minimum 3 star independent assessment in 2026</li> <li>- address the weaknesses identified in the MHCLG financial assurance review undertaken in relation to the Council's application for Exceptional Financial Support in 2024/25.</li> </ul>
RRD09	Finance	<p><b>Counter Fraud Capacity</b> Investment in additional Counter Fraud capacity in order to strengthen the Council's arrangements to protect the Council's financial interests.</p>	<p>This proposal invests an increase in counter fraud resource from 150 days to 400 days per year by 2026/27. This will enable more proactive counter fraud work to take place and will enable the counter fraud team to respond to requests for fraud investigation more promptly. Counter fraud activity focuses upon protecting the financial interests of the Council and ultimately the tax payer through successful prosecution of perpetrators of fraud and recovery of financial losses incurred by the Council as a result of fraud. The impact of this investment will be reported via Counter Fraud updates to the Audit Committee.</p>	<p>This investment aims to increase the number of successful prosecutions of perpetrators of fraud against the Council and recovery of associated financial losses incurred by the Council as a result of such fraud.</p>
RRD10	Legal and Governance Services	<p><b>Investment in data analysis:</b> Use of new software would help the Council predict and plan for future demand in areas such as social care and homelessness.</p>		<p>This investment aims to improve medium to long term service and financial planning, enabling the Council to be more proactive in designing and service solutions to meet the needs of the community.</p>
RRD11	Council Wide - Finance	<p><b>Family resilience fund initiative</b> investment will offer a welfare 'health check' in locations across the town to families facing financial struggles or who do not routinely make contact with the council</p>	<p>The service through the family (household) resilience fund initiative will be offering a welfare 'health check' in locations across the town such as family hubs, neighbourhoods, schools, community groups and other venues that will help the service target those cohorts much in need such as care leavers with children, households facing financial struggles due to a recent change in their circumstances or those that do not routinely make contact with the service. The service can signpost to other support solutions, provide support through the Household Support Fund or where the criteria is not met but further support would be beneficial the fund will provide a means to give additional aid through such things like baby boxes, vouchers, white goods or repairing , winter clothing etc , with each case assessed on its own merits to ensure a more tailored approach is provided. The service will link in with the multi bank where appropriate and sign post to other means of support in the first instance and where a gap remains the Family resilience fund will be accessed to provide immediate support - whilst the welfare 'health check' is undertaken. This work will involve members of the welfare support team working alongside welfare rights. To administer the additional work - will require one FTE (Grade H). Locations will be decided and communicated through a detailed comms plan and shared organisations. Members will be engaged to help manage the message across the town.</p>	<p>This additional investment aims to supplement, co-ordinate and tailor support available to households in financial difficulty.</p>
		<b>TOTAL</b>		

# Middlesbrough Council

## Appendix 4 - Initial Proposed Fees and Charges Schedule 2025/26

to be confirmed in Final Budget Report to Council in February 2025

Detailed Service - current fees and proposed increased fees from 1st April 2025\*

\*unless an alternative date is indicated

ADULT SOCIAL CARE	Current fee	Proposed fees from 1st April 2025	% increase
	£	£	%
<b>Prevention, Provider &amp; Support Services</b>			
Day Centre Meal (2 course lunch & drink)	4.90	5.00	2.0
Day Centre Meal (1 course lunch & drink)	4.10	4.20	2.4
Levick Court (chg/wk re Service User funded by external organisations)	1515.00	1545.00	2.0
North Ormesby Day Centre (chg/wk re Service User funded by external organisations)	243.00	248.00	2.1
The Orchard Complex Needs Service (chg/wk re Service User funded by external organisations)	732.00	747.00	2.0
Community Inclusion Service (chg/wk re Service User funded by external organisations)	403.00	411.00	2.0
Community Inclusion Service - Autism (chg/wk re Service User funded by external organisations)	574.00	586.00	2.1
Connect : Bronze - Monitoring & Response (base unit only)	6.40	6.50	1.6
Connect : Silver - Monitoring & Response (base unit + up to 2 add-ons)	7.99	8.15	2.0
Connect : Gold - Monitoring & Response (base unit + up to 5 add-ons)	10.99	11.20	1.9
Connect : Platinum - Monitoring & Response (base unit + up to 8 add-ons)	15.99	16.30	1.9
Connect : Additional Pendant	1.00	1.00	No Change
Connect : Extra Charges : Damaged/Lost Equipment	Cost of item	Cost of item	n/a
Connect : Extra Charges : Reassurance Visit (per visit)	25.00	25.50	2.0
Connect : Extra Charges : Carer Support (per visit)	25.00	25.50	2.0
Connect : Extra Charges : Client Support - Property (per visit)	25.00	25.50	2.0
Connect : Extra Charges : Prescription collection (emergencies only)	5.00	5.10	2.0
Connect : Extra Charges : Toilet Calls (per visit)	15.00	15.30	2.0
Connect : Extra Charges : Telephone calls for Client (per call)	1.00	1.00	No Change
Connect : Sheltered Out of Hours	3.89	4.00	2.8
Connect : Sheltered - One off call for non-Out of Hours Client (per visit)	25.00	25.50	2.0
Connect : Sheltered Housing : Fire Alarm Monitoring (non-council)	2.99	3.05	2.0
Connect : Sheltered Housing : System Faults Monitoring Evening & Weekend (per call)	2.99	3.05	2.0
Connect : Sheltered Housing : Bldg Repairs monitoring Evening & Weekend (per call)	2.99	3.05	2.0
Connect : Sheltered Housing : Bank Holiday & Training day cover monitoring (per resident)	0.70	0.75	7.1
Connect : Sheltered Housing : Bank Holiday & Training day cover response (per resident)	25.00	25.50	2.0
Connect : Lone Working (non-social care services) Careium 450 (per unit per worker)	100.00	102.00	2.0
Connect : Lone Working (non-social care services) : Monitoring & Sim card (per month)	7.50	7.65	2.0
Connect : Lone Working (non-social care services) : Base Unit for building (monitor only) /wk	6.50	6.65	2.3
Connect : Non-Council Building alarms (per alarm)	2.99	3.05	2.0
Connect : Schools Building alarms (per alarm)	2.99	3.05	2.0
Social Worker Basic (per hour) - charges to Other Local Authority's for Out of Area Assessments	48.65	50.35	3.5
Social Worker Complex (per hour) - charges to Other Local Authority's for Out of Area Assessments	64.54	66.80	3.5
<b>Estates Services</b>			
Estates Team : Banking Fees (Residential) (savings £1000+) - per month	16.00	16.50	3.1
Estates Team : Banking Fees (Community) (savings £1000+) - per month	21.00	21.50	2.4
Estates Team : Funeral Admin fee	314.00	320.00	1.9
Estates Team : Account closure fee	209.00	213.00	1.9
Estates Team : Deputyship - Court Order Initial fee - statutory fees set by OPG	745.00	944.00	26.7
Estates Team : Deputyship - Annual Report fee - statutory fees set by OPG	216.00	274.00	26.9
Estates Team : Deputyship - Annual Management fee (Year 1 maximum) - statutory fees set by OPG	775.00	982.00	26.7
Estates Team : Deputyship - Annual Management fee (Year 2 + maximum) - statutory fees set by OPG	650.00	824.00	26.8
Estates Team : Deputyship - Annual Property Management fee - statutory fees set by OPG	300.00	380.00	26.7
<b>EDUCATION AND PARTNERSHIPS</b>			
	Current fee	Proposed fees from 1st April 2025	% increase
	£	£	%
<b>Middlesbrough Educational Psychology Service (MEPS)</b>			
Daily charge for schools for time purchased	550.00	572.00	4.0
Per person charge for 6 x 2-hour sessions of ELSA (Emotional Literacy Support Assistant)	244.00	253.80	4.0
<b>Education Welfare Officer support</b>			
Berwick Hills primary school, Service Level Agreement (annual charge)	1155.00	1178.00	2.0
Ayresome primary school, Service Level Agreement (annual charge)	3465.00	3534.00	2.0
Hollis Academy, Service Level Agreement (annual charge)	420.00	429.00	2.1
<b>Stainsby Nursery</b>			
Per Hour (price change from 1st September to 31st August):	10.50	10.70	1.9
Session (price change from 1st September to 31st August):	36.50	37.25	2.1
Daily (price change from 1st September to 31st August):	57.50	58.65	2.0
Weekly (price change from 1st September to 31st August):	261.00	266.25	2.0
After school (price change from 1st September to 31st August):	21.00	21.40	1.9
<b>Ethnic Minority Achievement Team (EMAT)</b>			
Annual Service Level Agreement: Secondary School (1st September to 31st August):	7426.00	7575.00	2.0
Annual Service Level Agreement: Primary School (1st September to 31st August):	3808.00	3885.00	2.0
Annual Service Level Agreement: Interpretation only (1st September to 31st August):	2730.00	2785.00	2.0

Budget proposal reference where overall increase for service area is above 2% and requires consultation

ASC14 (24/25 budget)  
ASC14 (24/25 budget)  
ASC14 (24/25 budget)  
ASC14 (24/25 budget)  
ASC14 (24/25 budget)



<b>ENVIRONMENT &amp; COMMUNITY SERVICES</b>	<b>Current fee</b>	<b>Proposed fees from 1st April 2025</b>	<b>% increase</b>
	<b>£</b>	<b>£</b>	<b>%</b>
<b>Public Protection</b>			
Public Protection - Cosmetic Treatment License - premises	75.00	76.50	2.0
Public Protection - Cosmetic Treatment License - person	75.00	76.50	2.0
Public Protection - Hairdressing License	39.75	40.60	2.1
Public Protection - Food Hygiene re-visit	187.44	191.20	2.0
Public Protection - IPPC Permit Part B Subsistence Charge	79.00	79.00	No Change
Public Protection - IPPC Permit Part B Subsistence Charge	113.00	113.00	No Change
Public Protection - IPPC Permit Part B Subsistence Charge	228.00	228.00	No Change
Public Protection - IPPC Permit Part B Subsistence Charge	772.00	772.00	No Change
Public Protection - Sale of fireworks (annual license)	500.00	500.00	No Change
Public Protection - Storage of fireworks (set by HSE) – 1 year	111.00	111.00	No Change
Public Protection - Storage of fireworks (set by HSE) – 2 year	144.00	144.00	No Change
Public Protection - Storage of fireworks (set by HSE) – 3 year	177.00	177.00	No Change
Public Protection - Storage of fireworks (set by HSE) – 4 year	211.00	211.00	No Change
Public Protection - Storage of fireworks (set by HSE) – 5 year	243.00	243.00	No Change
Public Protection - Storage of fireworks (set by HSE) (Renewal of a license) – 1 year	55.00	55.00	No Change
Public Protection - Storage of fireworks (set by HSE) (Renewal of a license) – 2 year	88.00	88.00	No Change
Public Protection - Storage of fireworks (set by HSE) (Renewal of a license) – 3 year	123.00	123.00	No Change
Public Protection - Storage of fireworks (set by HSE) (Renewal of a license) – 4 year	155.00	155.00	No Change
Public Protection - Storage of fireworks (set by HSE) (Renewal of a license) – 5 year	189.00	189.00	No Change
Public Protection - HMO Licence (baseline charge for properties up to 5 bedrooms) * <i>*New HMO fees policy may amend proposed fees further for 2024/25</i>	755.42	771.00	2.1
Public Protection - Immigration Inspection fee	150.00	153.00	2.0
Public Protection - Animal Activities Licence - 1 year	290.79	297.00	2.1
Public Protection - Animal Activities Licence - 2 year	370.28	378.00	2.1
Public Protection - Animal Activities Licence - 3 year	448.73	458.00	2.1
Street trading - Daytime	7,126.40	7270.00	2.0
Street trading - Nighttime	1,651.63	1685.00	2.0
Street trading - Riverside	979.06	1000.00	2.1
Premises for Marriage and Civil Partnerships (3 years)	815.88	832.00	2.0
Distribution of free printed materials	108.78	111.00	2.0
<b>Taxi Licensing (Change in Fees is via a separate process in consultation with Taxi Trade)</b>			
Taxi Licensing : Vehicles - New Hackney Carriage - 1 year license	154.00	154.00	No Change
Taxi Licensing : Vehicles - Renewal Hackney Carriage - 1 year license (vehicle 3yr +)	192.00	192.00	No Change
Taxi Licensing : Vehicles - Renewal Hackney Carriage - 1 year license (vehicle < 3yr)	154.00	154.00	No Change
Taxi Licensing : Vehicles - New Private Hire - 1 year license	140.00	140.00	No Change
Taxi Licensing : Vehicles - Renewal Private Hire - 1 year license (vehicle 3yr +)	178.00	178.00	No Change
Taxi Licensing : Vehicles - Renewal Private Hire - 1 year license (vehicle < 3yr)	140.00	140.00	No Change
Taxi Licensing : Vehicles - Full Test (incl meter test)	46.00	46.00	No Change
Taxi Licensing : Vehicles - Partial Test (incl meter test)	31.00	31.00	No Change
Taxi Licensing : Vehicles - Full Test (without meter test)	38.00	38.00	No Change
Taxi Licensing : Vehicles - Partial Test (without meter test)	23.00	23.00	No Change
Taxi Licensing : Drivers - New - 1 year license	221.00	221.00	No Change
Taxi Licensing : Drivers - New - 3 year license	306.00	306.00	No Change
Taxi Licensing : Drivers - Renewal - 1 year license	122.00	122.00	No Change
Taxi Licensing : Drivers - Renewal - 3 year license	209.00	209.00	No Change
Taxi Licensing : Operators - New application - 1 year license	646.00	646.00	No Change
Taxi Licensing : Operators - New application - 5 year license	1246.00	1246.00	No Change
Taxi Licensing : Operators - Renewal - 1 year license	571.00	571.00	No Change
Taxi Licensing : Operators - Renewal - 5 year license	1207.00	1207.00	No Change
<b>Area Care &amp; Waste</b>			
Junk Jobs- up to 5 items- standard service	24.50	24.50	No Change
Junk Jobs- up to 5 items- premium service	24.50	24.50	No Change
Junk Jobs -up to 10 items	47.07	45.00	(4.4)
Junk Jobs - up to 15 items	70.60	72.00	2.0
Allotments - small plot at Low Lane	20.92	21.35	2.1
Allotments-small plot	46.48	47.40	2.0
Allotments-medium plot	89.74	91.50	2.0
Shopping Trolley Retrieval	69.03	70.40	2.0
Green Waste Collection Charge-1st Wheeled Bin	40.00	40.00	No Change
Green Waste Collection Charge - Additional Wheeled Bin	20.00	20.00	No Change
Replacement Wheeled Bin -140ltr	20.45	20.45	No Change
Replacement Wheeled Bin - 240ltr	23.50	23.50	No Change
Replacement Wheeled Bin-240ltr Green Waste	37.50	37.50	No Change
Additional 140ltr Bin	40.00	40.00	No Change
<b>Highways Maintenance Planned/Responsive</b>			
Bus Stop/Traffic Suspension Notice/Demolition Notes	68.00	69.40	2.1
<b>Winter Maintenance</b>			
Salt Provision to Redcar & Cleveland Local Authority -based on current salt prices plus admin fee	variable	variable	N/A
Gritting at James Cook Hospital and Serco-based on demand, includes salt, labour,fuel admin fee	variable	variable	N/A
<b>Highway Maintenance Projects</b>			
Various Highways works linked to one off projects based on activity and level of works required	variable	variable	N/A
<b>Highways Services Management</b>			
New Street Naming and Numbering	180.00	183.60	2.0
1-3 addresses (per address)	46.00	46.90	2.0
4 addresses or more (per address)	15.00	15.30	2.0
for every 50 addresses above 4	115.00	117.30	2.0
<b>Management of the Highways</b>			

Insurance Claims for Damage to Infrastructure following Road Traffic Collision	variable	variable	N/A	
<b>Fleet Management</b>				
MOT - Car	36.61	37.35	2.0	
MOT - Taxi	10.00	15.00	50.0	ECS20
MOT - Minibus 13-16 passenger seats	47.07	48.00	2.0	
MOT - Minibus over 16 passenger seats	47.07	48.00	2.0	
MOT - Vehicles weighing 3000kg to 3500kg	36.61	37.35	2.0	
MOT - Duplicate Test Certificates	10.46	10.65	1.8	
<b>Streetworks</b>				
Permits & Inspections	variable	variable	N/A	
<b>Environment Enforcement</b>				
Fly Tipping (reduction to £600 if paid in 7 days)	800.00	1000.00	25.0	ECS14
Littering (reduction to £200 if paid in 7 days)	300.00	300.00	No Change	
Household Duty of Care Offences	600.00	600.00	No Change	
<b>Pest Control</b>				
Wasps & Bees per visit	48.05	49.00	2.0	
Bed Bugs/Cockroaches per 2 visits	240.14	245.00	2.0	
Rodents per visit	46.07	47.00	2.0	
Other insects per visit	112.05	114.30	2.0	
Hourly Rate per visit	53.36	54.45	2.0	
<b>Concessionary Fares</b>				
Replacement Pass (lost, stolen or damaged)	17.25	17.60	2.0	
<b>Middlesbrough Bus Station</b>				
Departure Charges-increased as from 1 January 2025, contract to 31 December 2025	0.65	0.66	1.5	
Departure Charges-increased as from 1 January 2025, contract to 31 December 2025	2.00	2.05	2.5	
<b>Parks Management</b>				
Events - each event price negotiated	variable	variable	N/A	
<b>Newham Grange Leisure Farm</b>				
Adult -Day Ticket	5.60	5.70	1.8	
Child -Day Ticket	4.75	4.85	2.0	
Senior-Day Ticket	4.75	4.85	2.0	
Family -Day Ticket	18.80	19.20	2.1	
Under 2s	Free	Free	N/A	
Carer	Free	Free	N/A	
Groups - Ratio 1 in 10 Free	Free	Free	N/A	
Adult - School Group	4.10	4.20	2.4	
Child -School Group	4.10	4.20	2.4	
Guided Tour	17.50	17.85	2.0	
Adult - Annual Ticket	68.50	70.00	2.2	
Child-Annual Ticket	47.50	48.50	2.1	
Senior-Annual Ticket	47.50	48.50	2.1	
Family -Annual Ticket	168.00	171.40	2.0	
Children's Party- All Children	12.50	12.75	2.0	
Adults	4.10	4.20	2.4	
Non Refundable Deposit	25.00	25.50	2.0	
Bronze Sponsorship	16.00	16.30	1.9	
Silver Sponsorship	32.00	32.65	2.0	
Gold Sponsorship	53.00	54.00	1.9	
Room Hire - Hour	17.50	17.85	2.0	
Room Hire -Half Day	52.00	53.00	1.9	
Room Hire -Full Day	92.50	94.35	2.0	
<b>Highways Services Management</b>				
Company Registration - Skip, Scaffolding & Hoarding-Annually	New	50.00	N/A	ECS14
Skip Licence-7 days	20.00	22.00	10.0	ECS14
Scaffolding Licence-New Application-for each 28 days or part of	126.00	135.00	7.1	ECS14
Scaffolding Licence -Renewal-each additional 28 days or part of	71.00	80.00	12.7	ECS14
Hoarding Licence-New Application-for each 28 days or part of	126.00	135.00	7.1	ECS14
Hoarding Licence-Renewal-each additional 28 days or part of	71.00	80.00	12.7	ECS14
Highways Licensing Vehicle Crossing Request Assessment	New	25.00	N/A	ECS14
Highways Licensing Vehicle Crossing Works Licence	126.00	170.00	34.9	ECS14
Deposits of material upon the highway-day fee	New	5.00	N/A	ECS14
Deposits of material upon the highway-1 week	31.50	35.00	11.1	ECS14
Placement of containers, cabins, welfare facilities on the highway for each 28 days or part of	126.00	135.00	7.1	ECS14
Advertising Boards-New-1 year licence	119.00	130.00	9.2	ECS14
Advertising Boards-Renewal-1 year licence	70.00	80.00	14.3	ECS14
Display of goods (up to 5m2)- new-1 year licence	119.00	130.00	9.2	ECS14
Display of goods (up to 5m2)-renewal-1 year licence	70.00	80.00	14.3	ECS14
Display of goods (over 5m2) new 1 year licence	185.00	200.00	8.1	ECS14
Display of goods (over 5m2) renewal 1 year licence	138.00	150.00	8.7	ECS14
Mobile elevated work platform (cherry pickers)	126.00	140.00	11.1	ECS14
Vehicle Mounted or Tower Crane	126.00	140.00	11.1	ECS14
Oversail/structures over the highway	126.00	150.00	19.0	ECS14
Highways Licensing road opening notices-2 inspections	164.00	180.00	9.8	ECS14
Street Café licence new application-1 year licence	487.00	500.00	2.7	ECS14
Street Cafe licence renewal-1 year licence	142.00	150.00	5.6	ECS14
Pavement licence-new application -max 2 years	100.00	450.00	350.0	ECS14
Pavement licence-renewal-max 2 years	100.00	300.00	200.0	ECS14
Highways Licensing-canopies,balconies	126.00	130.00	3.2	ECS14
Building works to cellars licence	484.00	500.00	3.3	ECS14
Building works to cellars inspection fee-per month	142.00	150.00	5.6	ECS14
Planting on the highway (cultivation licence)	New	50.00	N/A	ECS14
Minor private works on or near the highway	New	150.00	N/A	ECS14

Banners on the highway-available for local charitable,cultural and educational events-per site for up to two weeks	New	30.00	N/A	ECS14
Street Lighting-application to attach equipment to street lighting assets (per column)	New	135.00	N/A	ECS14
Reclaiming property removed from the highway-unlicensed-advertising boards, removal storage,disposal	New	100.00	N/A	ECS14
Late notification fee	30.00	35.00	16.7	ECS14
Unlicensed fine	New	300.00	N/A	ECS14
Additional site inspection -per inspection	New	45.00	N/A	ECS14
Demolition Notice-Section 80 & Section 81 notice	New	150.00	N/A	ECS14
Private apparatus in the highway-new apparatus applications (section 50)	174.00	180.00	3.4	ECS14
Private apparatus in the highway-capitalised fee (5 years) single payment in lieu of annual licence renewal charges	196.00	200.00	2.0	ECS14
Private apparatus in the highways-capitalised fee (10 years)-single payment in lieu of annual licence renewal charges	New	400.00	N/A	ECS14
Existing apparatus application (section 50)	83.00	90.00	8.4	ECS14
Inspection Fees -per each 200m	142.00	150.00	5.6	ECS14
Emergency Temporary Traffic Regulation Order-Notice (closure 21 days)	343.00	355.00	3.5	ECS14
5 Day Temporary Traffic Regulation Order -Notice (planned works)	343.00	355.00	3.5	ECS14
Temporary Road Closure-up to 18 months-include advert costs	1,760.00	1850.00	5.1	ECS14
Extension to 18 month road closure-includes advert costs	1,760.00	1850.00	5.1	ECS14
Temporary 6 month footpath closure-excluding advertising costs	1,760.00	min 2,500, max4,000	N/A	ECS14
Extension to temporary 6 month closure-excluding advertising costs	1,760.00	min 2,500, max4,000	N/A	ECS14
Permanent Traffic Regulation Order-excluding advertising costs	1,760.00	min 2,500, max4,000	N/A	ECS14
Application from developer to vary,amend or revoke a Traffic Regulation Order	2,750.00	min 2,750, max 2,850	N/A	ECS14
Advertising Costs-charges vary depending on size	variable	variable	N/A	ECS14
Highways Closures Public Path Order Fees-Highway Stopping Orders S116-Highways Act 1980	New	min 2,500, max 4,000	N/A	ECS14
Public Right of Way Stopping up/Diversion Orders-Highways Act 1980	New	min 2,500, max 4,000	N/A	ECS14
Public Right of Way Stopping up/Diversion Orders s.257-Town & Country Planning Act 1990	New	200.00	N/A	ECS14
Fee for each additional unconnected land parcel	New	30.00	N/A	ECS14
S31 (6) Receipt and processing of declaration	New	80.00	N/A	ECS14
S31 (6) Receipt and processing of declaration -(following initial deposited map and statement)	New	100.00	N/A	ECS14
Highways Inspection Reports -Provision of previous 2 years	60.00	62.00	3.3	ECS14
Works Instructions/Orders Provision of previous 2 years	60.00	62.00	3.3	ECS14
Street Works Register of Provision of previous 2 years	60.00	62.00	3.3	ECS14
Additional charge for each additional 2 year period	60.00	62.00	3.3	ECS14
Highway Adoption Plan-per electronic plan	48.00	50.00	4.2	ECS14
Public Right of Way Plan-per electronic plan	New	50.00	N/A	ECS14
Joint Plan-per electronic plan	New	65.00	N/A	ECS14
Electronic copies of Highways Documents (excluding plans)	New	Variable	N/A	ECS14
Highways search queries-per question	New	22.50	N/A	ECS14
Land Drainage Consent (ordinary watercourse) per structure	50.00	50.00	No Change	ECS14
<b>Bereavement Services</b>				
<b>Cremation Fees:</b>				
Child between one month and 18 years old	Free	Free	N/A	ECS14
Person over 18 years old	945.00	995.00	5.3	ECS14
Person over 18 years old -9am and 9.15 Monday to Friday time slots	830.00	870.00	4.8	ECS14
Direct Cremation (no family,mourners,minister,service)	500.00	525.00	5.0	ECS14
Cremation of Body Parts	65.00	68.00	4.6	ECS14
Hospital or Social Services contract cremation	650.00	683.00	5.1	ECS14
Scattering of cremated remains in the Garden of Remembrance	No Charge	No Charge	N/A	ECS14
Scattering of cremated remains elsewhere	65.00	68.00	4.6	ECS14
<b>Urns &amp; Caskets for Cremated Remains:</b>				
Additional plastic urn,scatter tube or cardboard box	21.00	23.00	9.5	ECS14
Wooden Casket	90.00	95.00	5.6	ECS14
<b>Miscellaneous Fees:</b>				
Use of chapel for 30 minutes	115.00	121.00	5.2	ECS14
Temporary Storage of cremated remains per month or part of a month (after 1 month)	32.00	34.00	6.3	ECS14
<b>Burial / Internment Fees</b>				
Child between one month and 18 years old	No Charge	No Charge	N/A	ECS14
Person over 18 years old	830.00	870.00	4.8	ECS14
Burial of body parts	195.00	205.00	5.1	ECS14
Scatter of cremated remains in a grave below the turf (up to 1 foot depth)	95.00	100.00	5.3	ECS14
Internment of cremated remains in an urn or casket (up to 3 foot depth)	200.00	210.00	5.0	ECS14
Internment in a pre-purchased mausoleum chamber	830.00	870.00	4.8	ECS14
<b>Exclusive Rights of Burial (purchasing a grave)</b>				
Full size grave	1,300.00	1365.00	5.0	ECS14
Half size grave for a child (designated section)	No Charge	No Charge	N/A	ECS14
Woodland or Meadowland Grave -single internment	1,290.00	1355.00	5.0	ECS14
Woodland or Meadowland Grave -double internment (side by side)	1,720.00	1805.00	4.9	ECS14
A concrete vault in the Muslim section of Thorntree Cemetery	1,560.00	1640.00	5.1	ECS14
Transfer of exclusive right of burial	60.00	63.00	5.0	ECS14
<b>Headstones Vases and Monumental Inscriptions</b>				
Right to erect a memorial between 12" and 24" in height	120.00	125.00	4.2	ECS14
Right to erect a headstone over 24" and up to 60"	240.00	250.00	4.2	ECS14
Right erect a kerbset on a traditional grave	120.00	125.00	4.2	ECS14
Right to erect an ashes grave memorial/flower vase	60.00	63.00	5.0	ECS14
Right to have a second or subsequent inscription	60.00	63.00	5.0	ECS14
<b>Chapel Service</b>				



Webcast/Livestream	65.00	68.00	4.6	ECS14
Webcast/Livestream-on demand replay & downloadable version	70.00	74.00	5.7	ECS14
Keepsakes-DVD or USB-first copy	70.00	74.00	5.7	ECS14
Keepsakes-DVD or USB-additional copies	70.00	74.00	5.7	ECS14
Keepsake-Video Book	125.00	132.00	5.6	ECS14
Keepsake-Memory Box	160.00	168.00	5.0	ECS14
Single Photo Tribute (first)	No Charge	No Charge	N/A	ECS14
Additional Single Photos	20.00	22.00	10.0	ECS14
Basic Slideshow (up to 25 photos)	60.00	63.00	5.0	ECS14
Music Tribute (formerly pro tribute)	85.00	90.00	5.9	ECS14
Themed Tribute	120.00	125.00	4.2	ECS14
Bespoke Tribute	460.00	483.00	5.0	ECS14
Family Made Tribute	70.00	74.00	5.7	ECS14
Additional 25 photos (tributes/basic slideshows)	35.00	36.75	5.0	ECS14
Download Tribute	20.00	22.00	10.0	ECS14
Extra Work Fee-revisions from standard product-e.g. adding video to Pro Tribute,timing photos,converting files	60.00	63.00	5.0	ECS14
Under 18's Webcast,Single Photo,Basic Slideshow-up to 25 photos	No Charge	No Charge	N/A	ECS14
<b>Memorial Seats &amp; Plaques</b>				
Memorial Wall Small Plaques-10 years	430.00	452.00	5.1	ECS14
Memorial Wall Small Plaques-20 years	635.00	667.00	5.0	ECS14
Add a standard design	130.00	137.00	5.4	ECS14
Add a special design	180.00	190.00	5.6	ECS14
Add a ceramic photograph	190.00	200.00	5.3	ECS14
Memorial Wall Large Plaques-20 years	635.00	667.00	5.0	ECS14
Memorial Wall Large Plaques -20 years	975.00	1025.00	5.1	ECS14
Add a standard design	140.00	147.00	5.0	ECS14
Add a special design	220.00	230.00	4.5	ECS14
Add a ceramic photograph	220.00	230.00	4.5	ECS14
Re-gild small or large wall plaque	95.00	100.00	5.3	ECS14
Baby Memorial Wall Plaque - 10 years-Acklam	225.00	236.00	4.9	ECS14
Baby Memorial Wall Plaque - 10 years-Linthorpe	200.00	210.00	5.0	ECS14
Add a special design	75.00	79.00	5.3	ECS14
Vase,tablet in relief and lease	810.00	850.00	4.9	ECS14
Gold Leaf Lettering	75.00	79.00	5.3	ECS14
Tablet only -Gold	470.00	495.00	5.3	ECS14
Tablet only -Relief	400.00	420.00	5.0	ECS14
One Photograph	175.00	185.00	5.7	ECS14
Re-gild	95.00	100.00	5.3	ECS14
Sanctum vault,tablet and lease	1,640.00	1725.00	5.2	ECS14
Add a standard design	140.00	147.00	5.0	ECS14
Add a special design	210.00	220.00	4.8	ECS14
Add a ceramic photograph	220.00	230.00	4.5	ECS14
Extra Letters -per letter	7.00	8.00	14.3	ECS14
Replacement flower container	15.00	15.75	5.0	ECS14
Remove and re-fix sanctum plaque	95.00	100.00	5.3	ECS14
Rose, lease & plaque	410.00	430.00	4.9	ECS14
Plaque only	190.00	200.00	5.3	ECS14
Re-glaze plaque	60.00	63.00	5.0	ECS14
Tree Plaque (replacement only )	320.00	336.00	5.0	ECS14
Memorial seat and plaque	2,250.00	2365.00	5.1	ECS14
Additional plaque	325.00	340.00	4.6	ECS14
Additional foundation	495.00	520.00	5.1	ECS14
Additional letters on seat plaque	5.00	5.50	10.0	ECS14
Seat only	1,800.00	1890.00	5.0	ECS14
Woodland Seat (15 year lease)	2,300.00	2415.00	5.0	ECS14
Barbican Memorial Plaque & 10 year lease	575.00	604.00	5.0	ECS14
Add a standard design	125.00	132.00	5.6	ECS14
Add a Special design	205.00	215.00	4.9	ECS14
Add a ceramic photograph	175.00	185.00	5.7	ECS14
Add a porcelain plaque	50.00	53.00	6.0	ECS14
<b>Book of Remembrance</b>				
2 line entry	75.00	79.00	5.3	ECS14
5 line entry	110.00	116.00	5.5	ECS14
8 line entry	175.00	185.00	5.7	ECS14
5 line entry with flower motif	170.00	178.00	4.7	ECS14
8 line entry with flower motif	240.00	250.00	4.2	ECS14
5 lines with badge	200.00	210.00	5.0	ECS14
8 lines with badge	265.00	280.00	5.7	ECS14
5 lines with special design	200.00	210.00	5.0	ECS14
8 lines with special design	265.00	280.00	5.7	ECS14
<b>Special Urns,caskets,keepsakes for cremated remains</b>				
Wooden Casket	90.00	95.00	5.6	ECS14
Footprints biodegradable urn	210.00	220.00	4.8	ECS14
Ruby fibreglass with pink velvet bag	95.00	100.00	5.3	ECS14
Burgundy Rose urn with velvet bag	95.00	100.00	5.3	ECS14
White Steel Stars Urn	95.00	100.00	5.3	ECS14
Blue Out to Sea Urn	95.00	100.00	5.3	ECS14
Blue with Butterflies	95.00	100.00	5.3	ECS14
Pink Metal Urn with gold rose edges	120.00	125.00	4.2	ECS14
Praying Hands	120.00	125.00	4.2	ECS14
Brass Polished Rose Urn	210.00	220.00	4.8	ECS14
White Glazed Urn	65.00	68.00	4.6	ECS14
Solid Oak Ornate Casket for Burials	110.00	116.00	5.5	ECS14
Solid Oak Plain Casket for sanctums	110.00	116.00	5.5	ECS14
Solid Oak White Casket	130.00	137.00	5.4	ECS14
Egyptian Style Wooden Urn	40.00	42.00	5.0	ECS14
Oak Casket -Double	210.00	220.00	4.8	ECS14

Mini Heart Keepsakes	50.00	53.00	6.0	ECS14
Mini Urns	40.00	42.00	5.0	ECS14
Mini Red Heart	60.00	63.00	5.0	ECS14
Single Stand for Mini Hearts	20.00	22.00	10.0	ECS14
Brass Urn-Sanctum 2000	210.00	220.00	4.8	ECS14
Brass Urn -Sanctum 2000 small keepsake	80.00	84.00	5.0	ECS14
<b>Car Parking</b>				
Captain Cook Square - up to 3 hours	1.50	1.50	No Change	ECS19
Captain Cook Square short stay- up to 4 hours	7.20	7.30	1.4	ECS19
Captain Cook Square short stay up to 5 hours	9.00	9.10	1.1	ECS19
Captain Cook Square short stay up to 6 hours	10.80	10.90	0.9	ECS19
Captain Cook Square short stay up to 7 hours	12.60	12.70	0.8	ECS19
Captain Cook Square short stay up to 10 hours	14.40	14.50	0.7	ECS19
Captain Cook Square long stay up to 4 hours	3.00	3.10	3.3	ECS19
Captain Cook Square long stay up to 10 hours	4.00	4.10	2.5	ECS19
Amber Street , Buxton street & MIMA car parks up to 1 hour	1.80	1.90	5.6	ECS19
Amber Street , Buxton Street & MIMA car parks up to 2 hours	3.60	3.70	2.8	ECS19
Amber Street , Buxton Street & MIMA car parks up to 3 hours	5.40	5.50	1.9	ECS19
Amber Street , Buxton Street & MIMA car parks up to 4 hours	7.20	7.30	1.4	ECS19
Amber Street , Buxton Street & MIMA car parks up to 5 hours	9.00	9.10	1.1	ECS19
Amber Street , Buxton Street & MIMA car parks up to 6 hours	10.80	10.90	0.9	ECS19
Amber Street , Buxton Street & MIMA car parks up to 7 hours	12.60	12.70	0.8	ECS19
Amber Street, Buxton Street & MIMA car parks up to 10 hours	14.40	14.50	0.7	ECS19
Jedburgh Street car park up to 2 hours	1.50	1.60	6.7	ECS19
Jedburgh Street car park up to 4 hours	3.00	3.10	3.3	ECS19
Jedburgh Street car park up to 10 hours	4.50	4.60	2.2	ECS19
France Street car park up to 2 hours	2.00	2.10	5.0	ECS19
France Street car park up to 4 hours	3.00	3.10	3.3	ECS19
France Street car park up to 10 hours	4.00	4.10	2.5	ECS19
Cannon Park, Cannon Park Way & Wood Street up to 2 hours	1.20	1.30	8.3	ECS19
Cannon Park, Cannon Park Way & Wood Street up to 4 hours	2.00	2.10	5.0	ECS19
Cannon Park, Cannon Park Way & Wood Street up to 10 hours	3.00	3.10	3.3	ECS19
Station Street & Zetland car parks up to 10 hours	2.50	2.60	4.0	ECS19
Ferry Road car park up to 3 hours	1.50	1.60	6.7	ECS19
Ferry Road car park up to 4 hours	2.50	2.60	4.0	ECS19
Ferry Road car park up to 10 hours	3.00	3.10	3.3	ECS19
Limited stay car parks up to 2 hours	2.50	2.60	4.0	ECS19
Residents Parking Permit Charge - 1st Permit	25.00	25.00	No Change	ECS19
Residents Parking Permit Charge - Additional Permits	40.00	40.00	No Change	ECS19
NHS and Official Careers Permits	10.00	10.00	No Change	ECS19
On Street Car Parking-all charges to increase by 10p	Various	Various	No Change	ECS19
<b>Community Hubs and Libraries</b>				
<b>Venue Hire - Acklam Library</b>				
Room 1 - Capacity 15 (Hourly)	12.50	12.75	2.0	
Room 1 - Capacity 15 Community Groups (Hourly)	6.50	6.65	2.3	
Room 1 - Capacity 15 (Half Day Up to 3 Hours)	31.50	32.10	1.9	
Room 1 - Capacity 15 Community Groups (Half Day Up to 3 Hours)	19.00	19.40	2.1	
Room 1 - Capacity 15 (Full Day Over 3 Hours)	50.00	51.00	2.0	
Room 1 - Capacity 15 Community Groups (Full Day Over 3 Hours)	31.50	32.10	1.9	
Room 2 - Capacity 5 (Hourly)	12.50	12.75	2.0	
Room 2 - Capacity 5 Community Groups (Hourly)	4.70	4.80	2.1	
Room 2 - Capacity 5 (Half Day Up to 3 Hours)	19.00	19.40	2.1	
Room 2 - Capacity 5 Community Groups ( Half Day Up to 3 Hours)	12.50	12.75	2.0	
Room 2 - Capacity 5 (Full Day Over 3 Hours)	31.50	32.15	2.1	
Room 2 - Capacity 5 Community Groups (Full Day Over 3 hours)	19.00	19.40	2.1	
Refreshments Per Person	0.60	0.65	8.3	
<b>Venue Hire - Easterside Community Hub</b>				
<i>Room 8 (Capacity 4), EDRA Room (Capacity 35), Room 18 (Capacity 4), Room 21 (Capacity 15), Room 34 (Capacity 12), L1 Room (Capacity 40)</i>				
Standard (Hourly)	12.50	12.75	2.0	
Standard (Hourly Out of Hours)	16.00	16.30	1.9	
Standard (Full Day 9am - 5pm Weekdays)	63.00	64.25	2.0	
Standard Refreshments per session	5.20	5.30	2.0	
Community Group (Hourly)	6.50	6.65	2.3	
Community Group (Hourly Out of Hours)	10.50	10.70	1.9	
Community Group (Full Day 9am - 5pm Weekdays)	63.00	64.25	2.0	
Community Group Refreshments per session	5.20	5.30	2.0	
<b>Venue Hire - Grove Hill Community Hub</b>				
<i>Room 1 (Capacity 30), Room 2 (Capacity 15), Room 3 (Capacity 8), Room 4 (Capacity 4), Room 5 (Capacity 35)</i>				
Standard (Hourly)	12.50	12.75	2.0	
Standard (Hourly Out of Hours)	16.00	16.30	1.9	
Standard (Full Day 9am - 5pm Weekdays)	63.00	64.25	2.0	
Standard Refreshments per session	5.20	5.30	2.0	
Community Group (Hourly)	6.50	6.65	2.3	
Community Group (Hourly Out of Hours)	10.50	10.70	1.9	
Community Group (Full Day 9am - 5pm Weekdays)	63.00	64.25	2.0	
Community Group Refreshments per session	5.20	5.30	2.0	

<b>Venue Hire - Hemlington Hub and Library</b>			
<i>Room 1 (Capacity 6), Room 2 (Capacity 6), Activity Room (Capacity 12)</i>			
Standard (Hourly)	12.50	12.75	2.0
Standard (Half Day Up to 3 Hours)	31.50	32.15	2.1
Standard (Full Day Over 3 Hours)	50.00	51.00	2.0
Standard Refreshments per person	0.60	0.65	8.3
<i>Room 1 (Capacity 6), Room 2 (Capacity 6),</i>			
Community Group (Hourly)	5.20	5.30	2.0
Community Group (Half Day Up to 3 Hours)	12.50	12.75	2.0
Community Group (Full Day Over 3 Hours)	19.00	19.40	2.1
Community Group Refreshments per person	0.60	0.65	8.3
<i>Activity Room (Capacity 12)</i>			
Community Group (Hourly)	6.50	6.65	2.3
Community Group (Half Day Up to 3 Hours)	19.00	19.40	2.1
Community Group (Full Day Over 3 Hours)	31.50	32.15	2.1
Community Group Refreshments per person	0.60	0.65	8.3
<b>Venue Hire - Marton Library</b>			
Room 1 - Capacity 15 (Hourly)	12.50	12.75	2.0
Room 1 - Capacity 15 Community Groups (Hourly)	6.50	6.65	2.3
Room 1 - Capacity 15 (Half Day Up to 3 Hours)	31.50	32.15	2.1
Room 1 - Capacity 15 Community Groups (Half Day Up to 3 Hours)	19.00	19.40	2.1
Room 1 - Capacity 15 (Full Day Over 3 Hours)	47.00	47.95	2.0
Room 1 - Capacity 15 Community Groups (Full Day Over 3 Hours)	31.50	32.15	2.1
Room 1 - Capacity 15 Refreshments per person	0.60	0.65	8.3
Room 2 - Capacity 5 (Hourly)	12.50	12.75	2.0
Room 2 - Capacity 5 Community Groups (Hourly)	5.20	5.30	2.0
Room 2 - Capacity 5 (Half Day Up to 3 Hours)	19.00	19.40	2.1
Room 2 - Capacity 5 Community Groups ( Half Day Up to 3 Hours)	12.50	12.75	2.0
Room 2 - Capacity 5 (Full Day Over 3 Hours)	31.50	32.15	2.1
Room 2 - Capacity 5 Community Groups (Full Day Over 3 hours)	19.00	19.40	2.1
Room 2 - Capacity 5 Refreshments per person	0.60	0.65	8.3
<b>Venue Hire - MyPlace</b>			
Theatre Full - Capacity 100 (Hourly)	26.00	26.50	1.9
Theatre Full - Capacity 100 (Half Day)	90.00	91.80	2.0
Theatre Full - Capacity 100 (Full day)	175.00	178.50	2.0
1/2 Theatre with Stage - Capacity 50 (Hourly)	21.00	21.45	2.1
1/2 Theatre with Stage - Capacity 50 (Half Day)	57.50	58.65	2.0
1/2 Theatre with Stage - Capacity 50 (Full Day)	115.00	117.30	2.0
1/2 Theatre with Televisions - Capacity 25 (Hourly)	19.00	19.40	2.1
1/2 Theatre with Televisions - Capacity 25 (Half Day)	41.80	42.65	2.0
1/2 Theatre with Televisions - Capacity 25 (Full Day)	90.00	91.80	2.0
Mezzanine - Capacity 40 (Hourly)	21.00	21.40	1.9
Mezzanine - Capacity 40 (Half Day)	31.50	32.15	2.1
Mezzanine - Capacity 40 (Full Day)	63.00	64.30	2.1
Training Room - Capacity 15 (Hourly)	12.50	12.75	2.0
Training Room - Capacity 15 (Half Day)	41.80	42.65	2.0
Training Room - Capacity 15 (Full Day)	84.00	85.70	2.0
Refreshments per head	1.60	1.65	3.1
Minibus £20 Donation and Fuel Costs	£21 + Variable	£22 + Variable	Variable
<b>Venue Hire - Newport Community Hub</b>			
<i>Room 1 (Capacity 20), Room 3 (Capacity 15), Room 7 (Capacity 15 - currently Newport Library)</i>			
Standard (Hourly)	12.50	12.75	2.0
Community Groups (Hourly)	10.50	10.70	1.9
Room 4/5 (Capacity 20)			
Standard (Hourly)	21.00	21.45	2.1
Community Groups (Hourly)	10.50	10.70	1.9
Main Hall (Multifunctional)			
Standard (Hourly)	21.00	21.45	2.1
Community Groups (Hourly)	16.00	16.35	2.2
School Hall (Multifunctional)			
Standard (Hourly)	21.00	21.45	2.1
Community Groups (Hourly)	16.00	16.35	2.2
Sports Hall (Sports Only)			
Standard (Hourly)	40.00	40.80	2.0
Community Groups (Hourly)	31.50	32.15	2.1
Kitchen (Cooking)			
Standard (Hourly)	19.00	19.40	2.1
Community Groups (Hourly)	12.50	12.75	2.0
All Rooms: Out of Hours : Per Hour Security Fee (booking accepted only if security available)	21.00	21.45	2.1
ALL Rooms: Refreshments per cup	0.60	0.65	8.3
<b>Venue Hire - North Ormesby Community Hub</b>			
Hall - Capacity 50			
Standard (Hourly)	19.00	19.40	2.1
Community Groups (Hourly)	15.00	15.30	2.0
Room 1 (Capacity 15), Room 2 (Capacity 15)			
Standard (Hourly)	12.50	12.75	2.0

Community Groups (Hourly)	6.50	6.65	2.3
Pod (Capacity 2), Kitchen - Hourly	6.50	6.65	2.3
<b>Venue Hire - Thorntree Community Hub</b>			
Hall - Capacity 70 Hourly	21.00	21.45	2.1
Hall - Capacity 70 (Full Day 9am - 4:30pm)	115.00	117.30	2.0
Hall - Capacity 70 Subsidised Groups Hourly	6.50	6.65	2.3
Lounge - Capacity 20 Hourly	12.50	12.75	2.0
Lounge - Capacity 20 (Full Day 9am - 4:30pm)	84.00	85.70	2.0
Lounge - Capacity 20 Subsidised Groups Hourly	6.50	6.65	2.3
<b>Conference 1 (Capacity 30), Conference 2 (Capacity 24)</b>			
Hourly	19.00	19.40	2.1
Full Day 9am - 4:30pm	115.00	117.30	2.0
Subsidised Groups	6.50	6.65	2.3
<b>Venue Hire - Central Library - Closed for Refurbishment</b>			
<u>Services</u>			
A4 Printing per page Black and White	0.26	0.27	2.3
A4 Colour per page	0.52	0.53	2.1
A3 per page Black and White	0.52	0.53	2.1
A3 per page Colour	1.05	1.07	2.0
PDF Scanning per 5 pages	1.60	1.63	2.0
Laminating per page A4	1.60	1.63	2.0
Laminating per page A3	2.10	2.14	2.0
<b>Premises Licenses/Club Certificates (Licensing Act fees -set by Secretary of State)</b>			
<u>Application Fee Or Variation Fee</u>			
Band A (rateable value (up to £4300))	100.00	100.00	No Change
Band B (rateable value (£4301-£33000))	190.00	190.00	No Change
Band C (rateable value (£33001-£87000))	315.00	315.00	No Change
Band D (rateable value (£87001-£125000))	450.00	450.00	No Change
Band D* (rateable value (£87001-£125000))	900.00	900.00	No Change
Band E (rateable value (£125001+))	635.00	635.00	No Change
Band E** (rateable value (£125001+))	1905.00	1905.00	No Change
<u>Annual Fee</u>			
Band A (rateable value (up to £4300))	70.00	70.00	No Change
Band B (rateable value (£4301-£33000))	180.00	180.00	No Change
Band C (rateable value (£33001-£87000))	295.00	295.00	No Change
Band D (rateable value (£87001-£125000))	320.00	320.00	No Change
Band D* (rateable value (£87001-£125000))	640.00	640.00	No Change
Band E (rateable value (£125001+))	350.00	350.00	No Change
Band E** (rateable value (£125001+))	1050.00	1050.00	No Change
<b>Personal Licenses, Temporary Events, Other Fees (Licensing Act fees -set by Secretary of State)</b>			
Application for a Grant/Renewal of Personal License	37.00	37.00	No Change
Temporary Event Notice	21.00	21.00	No Change
Theft, Loss Etc of Premises License or Summary	10.50	10.50	No Change
Application for a Provision Statement where Premises being built	195.00	195.00	No Change
Notification of Change of Name or Address	10.50	10.50	No Change
Application to Vary License to Specify Individual as Premises Supervisor	23.00	23.00	No Change
Application for Transfer of Premises License	23.00	23.00	No Change
Application for minor variation of Premises License/Club Certificate	89.00	89.00	No Change
Application to Remove the Mandatory condition requiring a DPS	23.00	23.00	No Change
Interim Authority Notice following death etc of License Holder	23.00	23.00	No Change
Theft, Loss Etc of Certificate or Summary	10.50	10.50	No Change
Notification of Change of Name or Alteration of Rules of Club	10.50	10.50	No Change
Change of Relevant Registered Address of Club	10.50	10.50	No Change
Theft, Loss etc of Temporary Event Notice	10.50	10.50	No Change
Theft, Loss etc of Personal License	10.50	10.50	No Change
Duty to Notify change of name or address	10.50	10.50	No Change
Right of Freeholder etc to be Notified of Licensing Matters	21.00	21.00	No Change
<b>FINANCE</b>			
	<b>Current fee</b>	<b>Proposed fees from 1st April 2025</b>	<b>% increase</b>
	£	£	%
<b>Resident &amp; Business Support</b>			
Council Tax Court Summons	60.00	60.00	No Change
Council Tax Liability Court Order	20.00	20.00	No Change
NDR Court Summons	100.00	100.00	No Change
NDR Liability Court Order	25.00	25.00	No Change
Deferred Payment Agreement - initial one off payment	425.00	434.00	2.1
Deferred Payment Agreement - Annual Fee	199.00	199.00	No Change
<b>LEGAL &amp; GOVERNANCE</b>			
	<b>Current fee</b>	<b>Proposed fees from 1st April 2025</b>	<b>% increase</b>
	£	£	%
<b>Policy, Governance and Information</b>			
Fire risk assessments - primary schools	520.23	530.65	2.0
Fire risk assessments secondary schools	751.43	766.50	2.0
Health and safety audit - primary schools	520.23	530.60	2.0
Health and safety audit - secondary schools	751.43	766.50	2.0
Full Health and safety compliance package - primary schools	2196.60	2241.00	2.0

Full Health and safety compliance package - secondary schools	3468.15	3538.00	2.0
School Census Contract - annual charge	766.80	782.00	2.0
School Data Officer Contract (Basic) - annual charge	1214.11	1238.00	2.0
School Data Officer Contract (Weekly) - annual charge	6326.16	6453.00	2.0
School Data Officer Contract (Bi Weekly) - annual charge	3770.13	3846.00	2.0
<b>Registrars</b>			
Civil Marriage/Partnership Ceremonies - Mon -Thurs Victoria Room	262.00	267.50	2.1
Civil Marriage/Partnership Ceremonies - Mon -Thurs Erimus Room	373.00	380.00	1.9
Civil Marriage/Partnership Ceremonies - Mon -Thurs Approved Venue	520.00	530.00	1.9
Civil Marriage/Partnership Ceremonies - Fri Victoria Room	288.00	294.00	2.1
Civil Marriage/Partnership Ceremonies - Fri Erimus Room	399.00	407.00	2.0
Civil Marriage/Partnership Ceremonies - Fri Approved Venue	540.00	551.00	2.0
Civil Marriage/Partnership Ceremonies - Sat Victoria Room	313.00	319.00	1.9
Civil Marriage/Partnership Ceremonies - Sat Erimus Room	429.00	438.00	2.1
Civil Marriage/Partnership Ceremonies - Sat Approved Venue	602.00	614.00	2.0
Civil Marriage/Partnership Ceremonies - Sun/BH Approved Venue	677.00	691.00	2.1
Private Citizenship Ceremony	186.00	190.00	2.2
<b>Legal Services</b>			
Grant of lease by MBC - standard lease of whole	1100.00	1122.00	2.0
Grant of lease by MBC - Standard lease of part	1200.00	1224.00	2.0
Grant of least by MBC - Non Standard	Variable - on application	Variable - on application	N/A
Lease renewal - standard	575.00	586.50	2.0
Lease renewal - new replacement required	1100.00	1122.00	2.0
Academy Lease and Commercial Transfer Agreement	2100.00	2142.00	2.0
Licence to assign	860.00	877.00	2.0
Licence to assign with AGA	915.00	933.00	2.0
Licence to underlet	860.00	877.00	2.0
Licence to alterations	860.00	877.00	2.0
Licence to occupy (Basic)	680.00	694.00	2.1
Deed of variation of lease (Basic)	860.00	877.00	2.0
Deed of surrender of lease (Basic)	860.00	877.00	2.0
Sale of garden ground	470.00	480.00	2.1
Sale of Freehold - simple land sale under £350,000	1570.00	1601.00	2.0
Sale of Freehold - simple land sale over £350,000	Variable - on application	Variable - on application	N/A
Sale of land for development (usually Conditional Contract)	Variable - on application	Variable - on application	N/A
Overage Agreement	2100.00	2142.00	2.0
Option Agreement	2100.00	2142.00	2.0
Funding Agreement	From 1050	From 1071	2.0
Section 106 Agreement	From 1570	From 1601	2.0
Section 106 Variation	From 785	From 800	2.0
Section 38 or 278 Agreement	From 1570	From 1601	2.0
Deed of grant of easement	From 1050	From 1071	2.0
Wayleave	From 520	From 530	2.0
Request for consent /removal of restriction - Deed of covenant draft by applicant	From 157	From 160	2.0
Request for consent /removal of restriction - Deed of covenant draft by MBC	314.00	320.00	1.9
Deed of Covenant	Variable - on application	Variable - on application	N/A
Rights of Way Orders	630.00	642.60	2.0
Providing copy of document	31.00	31.62	2.0
Discharge of charges/restriction removal	157.00	160.14	2.0
Signing of Notice of transfer/assignment/charge (per notice)	From 26	From 27	2.0
Providing title plans and copy leases	From 26	From 27	2.0
Standard Hourly Rate - Solicitor	From 157	From 160	2.0
Standard Hourly Rate - Legal Assistant	From 94	From 95	2.0
Standard Hourly Rate - Valuer	145.00	148.00	2.1
Standard Hourly Rate - Valuation Assistant	90.00	92.00	2.2
<b>Land Charges</b>			
LLC1 Only	19.00	19.40	2.1
LLC1 Parcel fee - up to 17 parcels	1.00	1.00	No Change
LLC1 Parcel fee - 17 parcels or more	22.00	22.40	1.8
CON29R - Residential	113.00	115.25	2.0
CON29R - Commercial	120.90	123.30	2.0
CON29R Parcel Fee	12.50	12.75	2.0
LLC1 + CON29R- Residential (FULL SEARCH)	135.00	138.00	2.2
LLC1 + CON29R- Commercial (FULL SEARCH)	142.00	145.00	2.1
CON29O (extra questions)	22.00	22.50	2.3
Additional Questions	22.00	22.50	2.3
Enquirer Additional Questions	22.00	22.50	2.3
Copy Documents Fee	12.00	12.25	2.1
Personal Search Printouts	Free	Free	N/A
<b>REGENERATION</b>	<b>Current fee</b>	<b>Proposed fees from 1st April 2025</b>	<b>% increase</b>
	<b>£</b>	<b>£</b>	<b>%</b>
<b>Planning - pre application charges</b>			
Householder/other written advice	105.00	110.00	4.8
Householder/other site visit (if requested)	105.00	110.00	4.8
Householder additional meeting/written advice	209.00	210.00	0.5
Minor developments written advice	523.00	535.00	2.3
Minor developments site visit	157.00	160.00	1.9
Minor developments meeting	157.00	160.00	1.9
Minor developments additional meeting/written advice	314.00	320.00	1.9



Major developments	1,883.00	1925.00	2.2
Major development additional meeting/written advice	523.00	535.00	2.3
Strategic developments	2,615.00	2670.00	2.1
Strategic developments additional meeting/written advice	523.00	534.00	2.1
<b>Development Control</b>			
Re-drafting and re-issue of decision notice (completing request within 10 working days)	41.50	42.50	2.4
Re-drafting and re-issue of decision notice (completing request within 1 working day – subject to availability of service)	83.00	85.00	2.4
Letter confirming discharge of condition	57.50	60.00	4.3
Letter confirming discharge of condition (requiring retrieval of planning application)	76.00	77.50	2.0
<b>Other Miscellaneous Services</b>			
History Check – Charge based on scale of work (Minimum)	29.00	30.00	3.4
History Check – Charge based on scale of work (Maximum)	58.00	60.00	3.4
<b>Planning Application file retrieval and copying charges</b>			
A4 Size (per copy) paper copy from electronic files	6.00	6.50	8.3
A4 Size (per copy) file retrieval and 1st copy	41.00	42.00	2.4
A4 Size (per copy) additional copies from file request	6.00	6.50	8.3
A3 Size (per copy) paper copy from electronic files	12.00	12.50	4.2
A3 Size (per copy) file retrieval and 1st copy	47.50	48.50	2.1
A3 Size (per copy) additional copies from file request	12.00	12.50	4.2
A2,A1,A0 Size (per copy) paper copy from electronic files	17.00	17.50	2.9
A2,A1,A0 Size (per copy) file retrieval and 1st copy	60.00	61.00	1.7
A2,A1,A0 Size (per copy) additional copies from file request	17.00	17.50	2.9
<b>Historic Environment Record</b>			
Expedited request (completed within 5 working days)	314.00	320.00	1.9
Standard request	183.00	187.00	2.2
<b>Self/Custom Build Register</b>			
Initial Application	58.00	59.00	1.7
Annual fee	26.50	27.00	1.9
<b>S106 Agreement monitoring fees</b>			
Minor development (per obligation/trigger)	370.00	380.00	2.7
Major development (per obligation/trigger)	525.00	540.00	2.9
<b>Valuation &amp; Estates</b>			
Grant of new lease	£375.00 up to £10,000 then 3.9%	£380.00 up to £10,200 then 3.9%	N/A
Licence to assign	315.00	320.00	1.6
Licence to underlet	315.00	320.00	1.6
Licence to alter	315.00	320.00	1.6
Deed of Variation	315.00	320.00	1.6
Deed of Surrender	315.00	320.00	1.6
Deed of Easement	470.00	480.00	2.1
Deed of Covenant	260.00	265.00	1.9
Consent to release Covenant	260.00	265.00	1.9
Wayleave	470.00	480.00	2.1
Licence to occupy	150.00	150.00	No Change
Sale of freehold – simple land sale under £350,000	Freehold sale 2% of sale value subject to a minimum of £2,100	Freehold sale 2% of sale value subject to a minimum of £2,100	N/A
Sale of freehold –simple land sale over £350,000	Negotiation	Negotiation	N/A
<b>Cultural Services</b>			
<b>Captain Cook Museum</b>			
Adult Entry ticket	4.70	4.80	2.1
Child Entry ticket	3.65	3.75	2.7
Concession Entry ticket	3.65	3.75	2.7
Group Entry ticket (1 adult, 3 children)	12.55	12.80	2.0
Group Entry ticket (2 adult, 2 children)	13.60	13.90	2.2
Workshop (Per Child)	5.75	5.90	2.6
Room hire	23 to 56	24 to 57	N/A
Face paint	3.65	3.75	2.7
Loan box	26.15	26.70	2.1
Beverage charge (Per Person)	2.60	2.70	3.8
<b>Dorman Museum</b>			
Trail	1.05	1.00	(4.8)
Temporary Exhibition	Variable	Variable	Variable
Virtual Reality ride single ticket	4.20	4.30	2.4
Virtual Reality ride group ticket	13.60	13.90	2.2
Craft workshop	2.10	2.20	4.8
Loans box	26.15	26.70	2.1
Room hire	23 to 56	24 to 57	N/A
School Workshop 1/2 day	75.30	77.00	2.3
School workshop	10.50	11.00	4.8
Guided tours	32.40	33.00	1.9
Beverage charge (Per Person)	2.60	2.65	2.0
Face Paint	3.65	3.70	1.4
<b>Events</b>			
Orange Pip Market - Alcohol Trader Pitch Fee	210.00	214.00	1.9
Orange Pip Market - Alcohol Trader Percentage	0.15	0.15	No Change
Orange Pip Market - Hot Food Pitch Fee	198.00	202.00	2.0

Orange Pip Market - Cold Food Pitch Fee	138.00	141.00	2.2
Orange Pip Market - Sweet Treats Pitch Fee	120.00	122.00	1.7
Orange Pip Market - Crafts Pitch Fee	96.00	98.00	2.1
Orange Pip Market - kw Power unit charge	10.00	10.00	No Change
Town Centre Advertising Space	85.00	86.50	1.8
Land Hire Fees	5680.00	5800.00	2.1
Ad-Hoc Equipment Hire	340 - 680	347 - 694	2.0
Xmas Lights Switch-on - Big Screen Advert (1 per hr)	230.00	235.00	2.2
Xmas Lights Switch-on - Big Screen Advert (3 per hr)	568.00	580.00	2.1
Xmas Lights Switch-on - Big Screen Advert (5 per hr)	910.00	928.00	2.0
Xmas Lights Switch-on - Pitch fee for use of own stall	167.00	170.00	1.8
Xmas Lights Switch-on - Pitch fee for MBC-provided stall	105.00	107.00	1.9
Xmas Lights Switch-on - Fairground	1140.00	1163.00	2.0
<b>Middlesbrough Theatre</b>			
Performance Fee - Evening	843.00	860.00	2.0
Performance Fee - Matinee	675.00	687.00	1.8
Performance Fee - Sunday Evening	925.00	943.00	1.9
Performance Fee - Sunday Matinee	758.00	773.00	2.0
Rehearsal Fee 9am - 10pm	42.15	43.00	2.0
Rehearsal Fee - 9am - 10pm Sunday	59.95	61.00	1.8
Rehearsal Fee 10pm - 1am	74.35	76.00	2.2
Rehearsal Fee 10pm - 1am Sunday	119.35	121.50	1.8
Rehearsal Fee 10pm - 1am Friday/Saturday	85.00	86.00	1.2
Rehearsals on Bank Holidays charged at double rate			
Security per hour (External Contractor)	20.00	20.40	2.0
Stewards per hour	21.00	21.40	1.9
Technicians per hour	22.50	22.95	2.0
Box Office Commission	0.10	0.10	No Change
Booking Fee (Tickets)	1.50	1.55	3.3
<b>Middlesbrough Town Hall</b>			
Booking Fees - Tickets	3.00	3.10	3.3
Booking Fees - Tickets (Community Rate)	1.60	1.65	3.1
Box Office Commission - External Promoters	0.10	0.10	No Change
Hire Of Main Hall - Professional Hire	3410.00	3478.00	2.0
Hire Of Crypt - Professional Hire	2270.00	2315.00	2.0
Hire Of Courtyard - Professional Hire	1140.00	1163.00	2.0
Hire Of Courtroom - Professional Hire	565.00	577.00	2.1
Hire Of Main Hall - Commercial Hire	1872.00	1910.00	2.0
Hire Of Crypt - Commercial Hire	1192.00	1216.00	2.0
Hire Of Fire Station - Commercial Hire	398.00	406.00	2.0
Hire Of Courtroom - Commercial Hire	512.00	522.00	2.0
Hire Of Studio - Commercial Hire	230.00	234.50	2.0
Hire Of Courtyard - Commercial Hire	455.00	464.00	2.0
Hire Of Police Cells - Commercial Hire	172.00	175.50	2.0
Hire Of Main Hall - Charity Hire	1255.00	1280.00	2.0
Hire Of Crypt - Charity Hire	910.00	928.00	2.0
Hire Of Fire Station - Charity Hire	293.00	299.00	2.0
Hire Of Courtroom - Charity Hire	481.00	491.00	2.1
Hire Of Building - Production Filming	POA	POA	N/A
Hire Of Main Hall - Wedding Reception	3127.00	3190.00	2.0
Hire Of Crypt - Wedding Reception	2813.00	2870.00	2.0
Hire Of Fire Station - Wedding Reception	1872.00	1910.00	2.0
Hire Of Courtyard - Wedding Reception	680.00	694.00	2.1
Hire Of Police Cells - Wedding Drinks Reception	230.00	235.00	2.2
Hire Of Courtroom - Wedding Ceremony	398.00	406.00	2.0
Hire Of Building - Dry Hire Event (no bars from MTH)	8525.00	8696.00	2.0
Hire Of Building - Exclusive Use	5680.00	5795.00	2.0
Hire Of Building - Paranormal Tour	1705.00	1740.00	2.1
Banner Board Printing	60.00	61.20	2.0
Email E-Shots	30.00	30.60	2.0
Brochure Advert	60.00	61.20	2.0
Press Release	30.00	30.60	2.0
Duty Manager per hour	20.50	20.90	2.0
Stewarding Staff per hour	21.00	21.40	1.9
Technical Staff per hour	22.50	22.95	2.0
Bar Staff per hour	21.00	21.40	1.9
Technical Equipment	POA	POA	N/A
Tea/Coffee per package	17.50	17.85	2.0
Drinks Packages	POA	POA	N/A
Museums - One off events/activities	Price List	Price List	N/A
Museums - One off events/activities	2.50-12.00	2.50-12.00	No change

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**MIDDLESBROUGH COUNCIL**



<b>Report of:</b>	Chief Executive
<b>Relevant Executive Member:</b>	Not applicable
<b>Submitted to:</b>	Overview and Scrutiny Board
<b>Date:</b>	18 December 2024
<b>Title:</b>	Executive Forward Work Programme
<b>Report for:</b>	Discussion
<b>Status:</b>	Public
<b>Council Plan priority:</b>	Delivering Best Value
<b>Key decision:</b>	Not applicable
<b>Why:</b>	Not applicable
<b>Subject to call in?:</b>	Not applicable
<b>Why:</b>	Not applicable

**Proposed decision(s)**

It is recommended that the Overview and Scrutiny Board consider the content of the Executive Forward Work Programme.

**Executive summary**

OSB has delegated powers to manage the work of Scrutiny and, if appropriate, it can either undertake the work itself or delegate to individual Scrutiny Panels.

One of the main duties of OSB is to hold the Executive to account by considering the forthcoming decisions of the Executive and decide whether value can be added by Scrutiny considering the matter in advance of any decision being made.

This would not negate a Non-Executive Member's ability to call-in a decision after it has been made.

**1. Purpose**

1.1 To make OSB aware of items on the Executive Forward Work Programme.

**2. Recommendations**

2.1 That the Overview and Scrutiny Board It is recommended that the Overview and Scrutiny Board consider the content of the Executive Forward Work Programme.

**3. Rationale for the recommended decision(s)**

3.1 OSB has delegated powers to manage the work of Scrutiny and, if appropriate, it can either undertake the work itself or delegate to individual Scrutiny Panels.

3.2 One of the main duties of OSB is to hold the Executive to account by considering the forthcoming decisions of the Executive and decide whether value can be added by Scrutiny considering the matter in advance of any decision being made.

3.3 This would not negate a Non-Executive Member’s ability to call-in a decision after it has been made.

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

5.1 Not applicable.

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

**6.1 Financial (including procurement and Social Value)**

Not applicable

**6.2 Legal**

Not applicable

**6.3 Risk**

Not applicable

**6.4 Human Rights, Public Sector Equality Duty and Community Cohesion**

Not applicable

**6.5 Climate Change / Environmental**

Not applicable

**6.6 Children and Young People Cared for by the Authority and Care Leavers**

Not applicable

**6.7 Data Protection**

Not applicable

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

Action	Responsible Officer	Deadline
Implement any decision of the Overview and Scrutiny Board with regard to the	Relevant Officer	As directed by OSB

Executive Forward Work Plan.		
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## Appendices

A	Forward Work Plan
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## Background papers

Body	Report title	Date
NA		

**Contact:** Scott Bonner/ Joanne Dixon

**Email:** [scott\\_bonner@middlesbrough.gov.uk](mailto:scott_bonner@middlesbrough.gov.uk)/[joanne\\_dixon@middlesbrough.gov.uk](mailto:joanne_dixon@middlesbrough.gov.uk))

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## Forward Plan 1 September 2024 - 31 May 2025

FOR THE PERIOD 10 DECEMBER 2024 TO 31 MAY 2025

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Council Strategy	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
The Mayor							
021411 All Wards	Business Continuity Policy The Business Continuity Policy sets out how the Council will comply with The Civil Contingencies Act 2004 placed a statutory duty on the council as a designated Category 1 responder to ensure that it can; respond to an emergency,	Executive Member - The Mayor 17 Dec 2024			Public		1) The Mayor <i>Ann-Marie Johnstone</i> <i>Ann-Marie_Johnstone@middlesbrough.gov.uk</i>

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Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Council Strategy	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
	continue to support emergency response partners and continue to provide critical services to the public.						
1021391	Partnership Governance Policy Approve the refreshed policy	Executive Member - The Mayor 17 Dec 2024			Public		1) The Mayor <i>Ann-Marie Johnstone</i> <i>Ann-Marie_Johnstone@middlesbrough.gov.uk</i>
1021392	Surveillance Policy annual approval sought in line with statutory guidance that the policy should be reviewed annually by elected Members	Executive Member - The Mayor 17 Dec 2024			Public		1) The Mayor <i>Ann-Marie Johnstone</i> <i>Ann-Marie_Johnstone@middlesbrough.gov.uk</i>
1021857 All Wards	ICT: Roadmap to Transformation The report summarises the need to procure a direct award to our current transformation partner to facilitate, coordinate and deliver the	Executive 8 Jan 2025		KEY	Public		1) The Mayor <i>Gemma Cooper</i> <i>gemma_cooper@middlesbrough.gov.uk</i>

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Council Strategy	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
	remainder of the ICT service maturity exercise and applications rationalisation work.						
<b>Deputy Mayor and Executive Member - Education and Culture</b>							
I021086 All Wards	SHiFT Progress Report The report is going to Executive to give an update on the progress of the SHiFT programme	Executive 5 Mar 2025			Public		2) Deputy Mayor and Executive Member for Education and Culture <i>Kay Dargue, Head of Partnerships</i> <i>kay_dargue@middlesbrough.gov.uk</i>
<b>Executive Member - Adult Social Care and Public Health</b>							
I021995 All Wards	Director of Public Health Annual Report Directors of Public Health have a statutory requirement to write an annual independent report on the health of their population. The report is to raise awareness and understanding	Executive 5 Feb 2025			Public		3) Executive Member for Adult Social Care and Public Health <i>Mark Adams, Director of Public Health - South Tees</i> <i>mark_adams@middlesbrough.gov.uk</i>

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Council Strategy	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
	of local health issues, highlight areas of specific concern, and make recommendations for change						
1018729 Linthorpe	<p>EXEMPT: Options for Utilisation of Levick Court Residential Care Home</p> <p>As part of the budget savings the re-provisioning of Levick Court Residential Care Home was identified and within that included the option to provide alternative residential care for the current service users and seek opportunities to maximise the utilisation of the property working with partner organisations. Approval is therefore required</p>	Executive 5 Feb 2025		KEY	Fully exempt		Councillor Jan Ryles, Executive Member for Adult Social Care and Public Health <i>Suzanne Hodge</i> <i>suzanne_hodge@middlesbrough.gov.uk</i>



Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Council Strategy	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
	<p>on the recommended option and the potential to consult with staff in terms of potential redundancies. Approval is being sought on the recommended option for the utilisation of Levick Court Residential Care Home</p>						
<p>021151 All Wards</p>	<p>Auto-enrolment of Free School Meals and maximising Pupil Premium Funding Pilot across Middlesbrough A follow up report on the Auto-enrolment of Free School Meals and maximising Pupil Premium Funding Pilot in Middlesbrough</p>	<p>Executive 5 Mar 2025</p>		<p>KEY</p>	<p>Public</p>		<p>Councillor Jan Ryles, Executive Member for Adult Social Care and Public Health <i>Anne Rose</i> <i>anne_rose@middlesbrough.gov.uk</i>, <i>Janette Savage</i>, Head of Resident and Business Support <i>Janette_Savage@middlesbrough.gov.uk</i></p>

**Executive Member - Children's Services**

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Council Strategy	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
I021978 All Wards	Exempt - New Delivery Model for Internal Children's Home To present options for the future delivery model for Hollylodge children's home	Executive 5 Feb 2025		KEY	Fully exempt		Councillor Luke Henman, Executive Member for Children's Services <i>Claire Walker</i> <i>claire_walker@middlesbrough.gov.uk</i>
<b>Executive Member - Development</b>							
I019349 All Wards	Cemetery Provision Setting out the future plan for cemetery provision.	Executive 8 Jan 2025		KEY	Public		5) Executive Member for Development <i>Richard Horniman, Director of Regeneration</i> <i>Richard_Horniman@middlesbrough.gov.uk</i>
I021854 All Wards	Publication Local Plan *Full Council*  The decision to approve the Publication Local Plan is a non-executive function, and must be made the Full Council, in accordance The Local Authorities	Executive 8 Jan 2025		KEY	Public		Councillor Theo Furness, Executive Member for Development <i>Richard Horniman, Director of Regeneration</i> <i>Richard_Horniman@middlesbrough.gov.uk</i>

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Council Strategy	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
	<p>(Functions and Responsibilities) (England) Regulations 2000 and the Council's constitution.</p> <p>The Publication Local Plan will form the main part of the Statutory Development Plan for the borough (subject to Independent Examination) and, as such, will alter the Council's Policy Framework.</p>						
1022004 All Wards	<p>EXEMPT Restoration of the Old Town Hall - Heritage Lottery Funding Following Executive approval in July 2022 an application was submitted to the National Lottery Heritage Fund (NLHF) to restore</p>	Executive 8 Jan 2025		KEY	Fully exempt		<p>Councillor Theo Furness, Executive Member for Development <i>Michael Canavan</i> <i>michael_canavan@middlesbro ugh.gov.uk</i></p>

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Council Strategy	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
	and reopen the Old Town Hall (OTH) for commercial use. This report details the outcome of the two stage bid process.						
I017049 All Wards	Capex Municipal Buildings and Town Hall Roofs Any matters relating to bids for funding, which are financially or strategically significant and have not been provided for within the financial and policy framework.	Executive 5 Mar 2025		KEY	Public		5) Executive Member for Development <i>Teresa Garrett</i> <i>teresa_garrett@middlesbrough.gov.uk</i>
<b>Executive Member - Environment and Sustainability</b>							
I021856 Central; Newport	Linthorpe Road Cycleway The report is being considered following Political decision to remove the cycleway	Executive 5 Feb 2025		KEY	Public		6) Executive Member for Environment and Sustainability <i>Craig Cowley</i> <i>craig_cowley@middlesbrough.gov.uk</i>
<b>Executive Member - Finance</b>							

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Council Strategy	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
I021982 All Wards	Annual Procurement report 23/24 Annual report on procurement activity for the period 1st April 2023 to 31st March 2024	Executive 5 Feb 2025			Public		7) Executive Member for Finance <i>Louise Grabham, Head of Strategic Commissioning + Procurement</i> <i>louise_grabham@middlesbrough.gov.uk</i>
I021439 All Wards	Council Tax Reduction scheme 2025/2026 The Council needs to agree a Council Tax Reduction scheme annually to help those who are struggling to pay the full Council Tax charge due to their financial situation. The scheme needs to be agreed by full Council therefore the report is submitted to Executive prior to being presented to Council for consideration.	Executive 5 Feb 2025		KEY	Public		7) Executive Member for Finance <i>Saiqa Azeem</i> <i>saiqa_azeem@middlesbrough.gov.uk</i>
I019785 All Wards	Customer Transformation Programme	Executive 5 Feb 2025		KEY	Public		7) Executive Member for Finance

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Council Strategy	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
	To set out and seek approval of the proposed Customer Transformation programme which forms part of the Council's Recover, Reset, Deliver Transformation Portfolio						<i>Janette Savage, Head of Resident and Business Support Janette_Savage@middlesbrough.gov.uk</i>
021983 All Wards	Tender Pipeline Report Annual report to present the anticipated future tender pipeline activity for the Council for the next 18 months	Executive 5 Mar 2025		KEY	Public		7) Executive Member for Finance <i>Louise Grabham, Head of Strategic Commissioning + Procurement louise_grabham@middlesbrough.gov.uk</i>
<b>Executive Member - Neighbourhoods</b>							
1021795 All Wards	Community Riot Funding To examine the background and impact of the social unrest and identify projects that can build on social cohesion	Executive 8 Jan 2025		KEY	Public		8) Executive Member for Neighbourhoods <i>Marion Walker, Head of Stronger Communities marion_walker@middlesbrough.gov.uk</i>