

**EXECUTIVE**

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

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

**PRESENT BY INVITATION:** Councillor I Blades

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

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

**APOLOGIES FOR ABSENCE:** None.

24/51 **DECLARATIONS OF INTEREST**

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

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

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

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

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

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

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

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

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

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

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

**ORDERED that Executive:**

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

**AGREED that Executive:**

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

**OPTIONS**

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

**REASONS**

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

24/54

**HOUSING SUPPLY**

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

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

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

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

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

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

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

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

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

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

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

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

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

#### **ORDERED that Executive:**

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

#### **OPTIONS**

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

##### **Do Nothing**

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

##### **Enter into a Partnership with an Existing Provider With Stock**

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

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

## **REASONS**

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

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

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

24/55

## **EMPTY PROPERTIES STRATEGY - DOMESTIC**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The Mayor thanked officers for their work on the report.

**ORDERED that Executive:**

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

**OPTIONS**

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

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

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

**REASONS**

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

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

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

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

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

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

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

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

**submitted for consideration at the meeting.**

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

24/56

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

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

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

Standing Orders and Financial Procedures required Executive's approval for major virements between revenue budgets, and in-year changes to the Council's Capital Programme within approved Council resources within the approved policy framework.

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

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

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

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

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

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

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

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

### **ORDERED that Executive:**

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

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

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

**OPTIONS**

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

**REAONS**

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

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

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

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

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

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

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

#### **AGREED that Executive:**

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

#### **OPTIONS**

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

#### **REASONS**

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

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

24/58

#### **CALCULATION OF COUNCIL TAX BASE FOR 2025/26**

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

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

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

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



premiums, and local council tax support.

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

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

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

**ORDERED that Executive:**

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

**AGREED that Executive note the content of the report.**

**OPTIONS**

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

**REASONS**

**The recommendations were supported for the following reasons: -**

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

24/59

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

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

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

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

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

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

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

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

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

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

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

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

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

**AGREED that Executive:**

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

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

**AGREED that Executive:**

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

**OPTIONS**

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

**REASONS**

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

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

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

24/60

**HIGHWAY INFRASTRUCTURE DELIVERY PLAN**

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

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

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

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

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

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

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

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

**ORDERED that:**

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

**OPTIONS**

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

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

**REASONS**

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

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

24/61

**LINTHORPE ROAD PHASE ONE CYCLEWAY DESIGN**

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

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

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

**ORDERED that:**

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

## **OPTIONS**

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

## **REASONS**

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

24/62

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

None.

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