

EXECUTIVE MEMBER REPORT TO COUNCIL

EXECUTIVE MEMBER: Executive Member for Finance

DATE OF MEETING: 15 January 2025

The purpose of this report is to provide an update to members on areas of activity within my portfolio including performance against strategic priorities.

1. COUNCIL PLAN PRIORITIES

We will ensure that we place communities at the heart of what we do, continue to deliver value for money and enhance the reputation of Middlesbrough.

Update:

I continue to have weekly briefings with the Director of Finance and Transformation as well as frequent additional meetings and contact with them and other officers as appropriate.

2. HIGHLIGHTS

Update:

2.1 Budget and Budget Consultation

On December 04 the 2025/26 Draft Budget and Medium-Term Financial Plan 2025/26 to 2028/29 report was considered by Executive and it was agreed that the budget proposals go forward for consultation. An all-member briefing was held on this subject on 21 November and slides were subsequently distributed to all members including those unable to attend.

I jointly led, with the Mayor on budget consultation sessions with the public which were held in December at three venues this year at Thorntree, Marton and Acklam. I'd like to thank all the residents who attended, staff at the hubs, our Comms Team for publicising the events, councillors who agreed to act as chair and officers who attended and supported the sessions.

The consultation events were publicised via our website, social media and featured on Teesside Live. In addition, emails were sent to those on the council's residents' database and over 13,000 people opened the email and saw the information via that method. Councillors were also invited to publicise in their own wards.

Despite this the numbers were significantly down on last year, perhaps because the proposals were less contentious and of course anyone can take part in the consultation online.

The online survey closes at midnight on Wednesday 08 January 2025.

The results of the consultation will be incorporated as part of the budget reports that will go firstly to Executive and then for approval by full Council on 19 February 2025.

[Budget 2025-2026 | Middlesbrough Council.](#)

2.2 Provisional Local Government Finance Settlement (PLGFS)

On December 18 2024, the Government announced the Provisional Local Government Finance Settlement (PLGFS).

As is the case each year, this involves a lot of analysis by our officers before the position is clear. However members were advised by email of 19 December that on initial assessment, there is quite a lot of change in how funding is allocated when comparing 2025/26 with 2024/25, with several specific grants being 'rolled in' to the calculation of Revenue Support Grant.

As was expected, there are a number of new 'one off' grants announced for 2025/26, which provides some short-term relief for local authorities in financial distress, whilst the Government embark upon the 2025 Spending Review and implement reform of the funding allocation methodology that will determine ongoing funding levels that will apply for financial years 2026/27 to 2028/29.

A full assessment of the impact of the PLGFS upon Middlesbrough's Medium Term Financial Plan was being undertaken over the Christmas period and an all member briefing will be arranged for early in the New Year.

The level of revenue funding available for each local authority is measured by central government by Core Spending Power, which includes revenue grant funding, locally retained Business Rates and Council Tax (with an assumed 4.99% total increase in Council Tax).

The headline for Middlesbrough under the provisional settlement is an 8.8% increase in Core Spending Power compared to 2024/25, compared to a 6.0% average increase nationally.

This will be a one-year settlement for 2025/26, which as the Government says includes additional funding with targeted money towards areas with greater need and demand for services and less ability to raise income locally, which will be particularly welcome in areas such as Middlesbrough.

Members may recall that the new Labour Government has announced a spending review which will include long overdue reforms to council funding. An announcement is due in Spring 2025 with 3-year settlement expected for 2026/27 to 2028/29. Therefore, uncertainty remains at this stage at what this will mean for funding for Middlesbrough and other local authorities beyond 2025/26, until there is more clarity on financial reform and three-year settlements are announced.

2.3 Forecast Year-end Outturn position at Quarter Two 2024/25

Following on from the Quarter Two Budget Challenge sessions, on December 04 I presented a report to the Executive, which was also considered by the Overview and Scrutiny Board on 18 December 2024 which provided the Forecast Year-end Outturn position at Quarter Two or at 30 September 2024.

The forecast 2024/25 revenue outturn as at the end of Quarter Two is a projected year-end overspend of £1.382m, if no further actions are successful in reducing this further. This is an improvement from the £3.742m reported at Quarter One, but further actions are required to bring expenditure within the approved budget of £143.190m.

Financial Recovery Plan savings of £0.498m have currently been identified through the budget challenge process, which if fully delivered could reduce the forecast year-end overspend to £0.884m

Any underspend against the approved budget would reduce the Council's need to draw down Exceptional Financial Support (EFS) and avoid associated capital financing costs of borrowing.

The forecast year-end overspend of £1.382m currently includes £2.481m of net savings included in the 2024/25 budget, where there is a high risk that they will not be deliverable in 2024/25. These are currently 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 could be utilised to cover these unachieved savings up to a maximum of the total overspend at 31 March 2025. The cost of borrowing for this purpose is already factored into the MTFP. If there was an element of any overspend at 31 March 2025 which was not linked to savings delivery, this would fall to be met from revenue reserves, but this is currently not forecast to be the case.

However, it remains my aim that we return within budget by the end of the financial year.

2.4 Household Support Fund

In my last report to Council I outlined how central government funding, provided by the extension of the Household Support Fund would be used to assist those pensioners on low incomes, or liable to higher heating bills due to disability, who would not be eligible to received the Winter Fuel Payment this year.

This includes:

- Pensioners aged 80 and over in receipt of Council Tax Reduction, but not eligible for the Winter Fuel Payment, will be entitled to receive £200.
- Pensioners aged between 66 and 79 and meeting the same criteria will be entitled to receive £150.
- Pensioners in receipt of Attendance Allowance will be entitled to £100 upon application.
- Pensioners not on benefits with incomes of less than £20,000 for a single person, or £26,000 for a couple will also be able to apply for a payment of £100.

Councillors may wish to share the following information with pensioners in their ward.

Those who will be paid automatically.

The payments are made by bank transfer. Where the resident is in receipt of Council Tax Reduction and the council already hold the details of the resident's bank account no application will be required, and we will make the payments w/c 20th January. The council already holds bank details for 1,071 residents and they will receive the letter to advise them of the automatic award w/c 13 January 2025. (These will be people who applied and provided their details in the last scheme of the Household Support Fund.)

Those who will be invited to apply.

There are a further 952 residents who from records already held, such as for Council Tax Reduction, are believed to be eligible that the council will write to with a short application form on the back of the letter to ask for the necessary details to make the award.

Those who will need to apply themselves.

Anyone the council doesn't already hold details for will need to apply. There will be an online application form that anyone can use if they believe they fit any of the criteria for awards. Applications would be required from those in receipt of Attendance Allowance but not getting the Winter Fuel Payment and pensioners not on Council Tax Reduction as the council don't have any way to automate those payments or to know who would be eligible. These are the people who are likely to be the most difficult to reach and it would be very helpful if councillors would publicise the scheme in their wards.

Payments and application forms open w/c 20th January. For those who need to make an application, the forms will be processed and payments made within 21 days.

I will be liaising with the Communications Team regarding publicity on this.

Further details of the schemes for pensioners will be available on the council website by following this link which already gives details of assistance available for other households both in receipt of and not in receipt of benefits.

[Household Support Fund | Middlesbrough Council](#)

May I take this opportunity to wish you all a Happy New Year