

**EXECUTIVE**

A meeting of the Executive was held on Wednesday 11 June 2025.

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

**PRESENT BY INVITATION:** Councillor L Young (Chair of the Overview and Scrutiny Board)

**ALSO IN ATTENDANCE:** Councillor J Ewan

**OFFICERS:** S Bonner, C Cannon, B Carr, G Field, A. Glover, L Grabham, R Horniman, A Humble, A Johnstone and E Scollay

**APOLOGIES FOR ABSENCE:** None

25/1 **MINUTES - EXECUTIVE - 14 MAY 2025**

The minutes of the Executive meeting held on 14 May 2025 were submitted and approved as a correct record.

25/2 **DECLARATIONS OF INTEREST**

There were no declarations of interest received at this point in the meeting.

The Mayor announced that he needed to leave the meeting part-way through and that the Deputy Mayor would assume the Chair at that point.

25/3 **CORPORATE PERFORMANCE: QUARTER FOUR 2024/2025, YEAR END**

The Mayor submitted a report for Executive's consideration the purpose of which advised Members of corporate performance at the end of Quarter Four and 2024 / 2025 Year End. Where appropriate, it also sought approval of any changes, where those were within the authority of the Executive. The primary purpose of the report was to set out how effectively the Council was delivering activity to deliver against each of the Council Plan priorities, aims and ambitions and underpinning workplan activities.

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 issues identified.

The projected financial outturn at Quarter Four- and 2024/2025-Year End was presented separately to this meeting of Executive and was not repeated here. There were plans in development 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 these sessions was reflected through quarterly updates to the Executive and covered progress in delivering actions agreed by the Executive, key Directorate performance issues and other performance-related matters.

The Council's performance overall at the end of Quarter Four 2024/25 maintained achievement in two of the five corporate performance disciplines as set out in the Council's

risk appetite, which was a dip to that reported at Quarter Three 2024/25. It was noted that performance against Council Plan outcomes for Quarter Four 2024/25 was measured by tracking progress against baseline key performance indicators, as outlined in the Council Plan 2024-27 and the associated workplan. It was expected that over time, 90% of the outcome measures will be achieved.

For Executive actions agreed by the Executive to deliver approved decisions are tracked by LMT, each month. If, following Executive approval, any action was found to be no longer feasible, appropriate, or could be delivered within the approved timescales, Executive would be advised as such, with approval of alternative actions or amended timescales being sought.

The Council had also established a Transformation Programme; Recover, Reset, Deliver, which was designed to align with the vision and ambitions of the Council Plan, which aimed to deliver tangible outcomes that benefited the people of Middlesbrough whilst delivering value for money and a financially sustainable organisation.

The 'Approach to Transformation of Middlesbrough Council' report agreed by full Council on 27 March 2024 outlined the contents of the Transformation Portfolio, which was structured around six themed programmes. Those programmes encompassed a range of activities, key business changes, and complex projects aimed at addressing the emerging challenges and opportunities.

The Mayor expressed his thanks for all involved in the production and recognised a significant amount of work had been undertaken in improving the Council's performance position. The Mayor also stated that a potential refresh of the Council Plan was being discussed.

## **OPTIONS**

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

**ORDERED that Executive approve the proposed changes to the Executive actions, detailed at Appendix one in the report.**

**AGREED that Executive:**

1. **Notes the progress and position of the corporate performance disciplines, including the Transformation Portfolio.**
2. **Notes delivery status of the Council Plan 2024-27 supporting workplan at Quarter Four, detailed at Appendix two of the report.**
3. **Notes delivery status of Council Plan 2024-27 Outcome Measures at Quarter Four, detailed at Appendix three and Appendix four of the report.**
4. **Notes the activities / outcomes of completed Council Plan workplan initiatives as detailed at Appendix five of the report.**
5. **Notes the Strategic Risk Register, at Appendix six of the report.**
6. **Notes corporate projects benefits / outcomes delivered in 2024/25 as detailed at Appendix seven of the report.**
7. **Notes Transformation project benefits / outcomes in 2024/25 as detailed at Appendix eight of the report.**

## **REASONS**

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

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

The Council's Scheme of Delegation gave the 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 Executive to discharge its financial management responsibilities by setting out the Council's position for the financial year ended 31 March 2025.

Financial Procedure Rule 18.38.3 of the Council's Constitution required Executive's approval of revenue and capital programme budget virements over £250,000.

Executive had considered quarterly reports forecasting the 2024/25 Revenue and Capital Programme outturn during the course of the 2024/25 financial year and the report presented the final year-end outturn for 2024/25.

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

Based on the year-end revenue budget outturn position detailed below, the only element of EFS required to be used in 2024/25 was £2.443m of the £4.700m approved in principle by MHCLG. This was approved to set a balanced budget for 2024/25, which was still subject to formal approval by MHCLG. As the amount of EFS required was now much smaller, capital receipts already held by the Council would be utilised for the EFS rather than borrowing, which was originally advised to Members. This would mean the Council would not incur any capital borrowing costs.

The use of capital receipts for EFS would not affect the planned use of capital receipts generated from asset sales for the Transformation required by the Council in future years.

The 2024/25 final year-end revenue budget outturn as at 31 March 2025 (Quarter Four) was an underspend of (£2.257m) (1.6%) against the approved budget of £143.190m. This represented an improvement of £5.999m from that forecasted at Quarter One and an improvement of £2.251m from that forecasted at Quarter Three. This was achieved by the budgetary control measures which existed during 2024/25 and which would be continued during 2025/26 which were detailed in paragraph 4.52 of the report. The agreed actions from the budget challenge sessions held during 2024/25 were detailed in the quarterly budget monitoring reports during 2024/25.

The analysis of the financial outturn by Directorate was set out in Table one of the report. This was also illustrated in Chart one which showed simply that 80% of the Council's expenditure in 2024/25 was spent on Social Care (Children's and Adult).

The Executive Member for Finance proposed an amendment to the report, specifically with regards to the Member's Small Schemes cited in the revised Capital Programme at Appendix nine of the report. The proposed amendment was for the Small Scheme Allocation to show £150,000 for 2025/26 and £120,000 for 2026/27 rather than £60,000 for 2025/26 and £210,000 for 2026/27 as was cited in the Appendix.

The Executive Member commented that a significant amount of work had been undertaken to improve the Council's financial position but that some areas still faced significant pressures, such as Children's Services. The Council needed to make delivering in-budget the norm and not the exception.

The Executive Member expressed her thanks to all staff involved in the creation of the report and the preparation of the budget. Thanks were also expressed to all Councillors that had provided input to the budget process.

The Mayor added his thanks to everyone involved in the budget setting process, especially the Executive Member for Finance. The Mayor stated there was a sense of rigour in the

budget setting process and as such the Council was able to invest in services for the first time in several years. Middlesbrough continued to experience challenges, and it was important the town continued to lobby government to ensure it received the right level of support.

## **OPTIONS**

The alternative was to not approve changes to the Council's capital programme and to not report the Council's financial year-end financial outturn for the financial year 2024/25. This would not enable the Executive to discharge their responsibilities to manage and control the revenue budget, capital programme and overall balance sheet position of the Council.

### **ORDERED that Executive:**

1. Approve the proposed amendment to Appendix nine of the report referring to Member's Small Schemes so that £150,000 be allocated in 2025/26 and £120,000 be allocated in 2026/27.
2. Approve the inclusion of additional expenditure budgets to the Capital Programme totalling £0.322m for 2024/25 which were externally funded and detailed in Appendix six of the report. Subject to approval this would increase the approved 2024/25 Capital Programme budget to £107.463m.
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 were detailed in Appendix six of the report.

### **AGREED that Executive:**

Note the Council's year-end financial outturn for the financial year 2024/25, and the improved financial position which included the following:

- increased levels of usable unrestricted revenue reserves, with £21.654m available at 31 March 2025.
- an underspend of £2.257m on the revenue budget.
- a requirement to use only £2.443m of the £13.400m Exceptional Financial Support (EFS) approved in-principle by the Ministry of Housing, Communities & Local Government (MHCLG).
- no requirement to borrow for the EFS, as capital receipts already held will be used.

## **REASONS**

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.

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## **2024/25 TREASURY MANAGEMENT OUTTURN REPORT**

The Executive Member for Finance submitted a report for Executive's consideration. The purpose of the report provided important information regarding the regulation and management of the Council's borrowing, investments, and cash-flow for the 2024/25 financial year.

It was a requirement of the Council's reporting procedures under the CIPFA Treasury Management Code of Practice, and by regulations issued under the Local Government Act 2003, to produce an annual review that covered the treasury activity and compared the performance against the original strategy set by the Council.

Members were advised that the report should be read in conjunction with the Council's revenue and capital outturn report for 2024/25 also presented to Executive earlier in the meeting as both had a significant impact on treasury arrangements.

The report also provided the Prudential Indicators results for 2024/25 in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Capital Finance, which was 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 Council 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 investment purposes. As a result, the timing of capital financing decisions had a significant impact on the overall treasury strategy within the Council and how risk was managed.

The structure of the report to assess performance against the 2024/25 approved treasury strategy was as follows: -

- Capital expenditure and financing for 2024/25
- The Council's overall borrowing need
- Prudential Indicators and any compliance issues
- Treasury position as at 31 March 2025
- The economic background for the 2024/25 financial year
- A summary of the Treasury Management Strategy approved for 2024/25
- Treasury Management activity and compliance during 2024/25

## **OPTIONS**

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

**AGREED that Executive:**

1. **Note the Prudential Indicators for 2024/25 as the Council's year-end position in relation to capital finance activities and overall indebtedness, detailed in tables one to five in the report.**
2. **Note the performance of the treasury management function against the Council's approved strategy for 2024/25, detailed in paragraphs 4.32 to 4.37 of the report.**

## **REASONS**

**The recommendations in the report 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.**

## **MIDDLESBROUGH COLLEGE INVESTMENT**

The Executive Member for Development submitted a report for Executive consideration. The purpose of the report sought Executive approval to invest in expanded facilities, and capacity, at Middlesbrough College. The investment would allow for provision to meet the demand for expanded student capacity in engineering and technical qualifications and provided an enhanced skills pipeline for the major industrial developments planned across the Tees Valley.

Middlesbrough College was seeking Council investment of up to £1,600,000 to facilitate an expansion in educational facilities on the site. The recently opened £12,000,000 TTE facility has been welcomed as a world-leading engineering skills facility. The success of the relocation of TTE services, following near liquidation in 2019 and Middlesbrough College stepping in, had seen a doubling of student numbers, with further demand anticipated in the near future. As such, the new facility remained under capacity, in relation to the new and projected student numbers.

An expansion of a mezzanine level, to be attached to the new facility, would provide sufficient capacity to accommodate growth in student numbers. Middlesbrough Council had freehold ownership on all of the land on which Middlesbrough College was situated. These leases were subject to a 250 year coterminous lease, whereby a lease premium was paid at the beginning of the lease, leaving a peppercorn due for the remainder of the lease duration.

This legal structure allowed the Council to amend the existing lease to invest in the College site and realise a rental income stream, which was to be incorporated in the current lease structure, as a consequence of the investment, and to allow the investment to be recovered.

Council investment would result in an annual rent of £131,234 over 20 years. The urgency of the capacity requirement was due to the College being unable to access the funding through its own prudential borrowing or grant opportunities. Like any public body, Middlesbrough College was subject to borrowing ratios, as a proportion of its turnover.

The Mayor commented the Council was able to lend the funds to the College and still be able to capitalise on it. Middlesbrough College had expressed concern that the student population was expected to significantly increase, and this investment would allow them to keep up with demand.

The Mayor also stated he would welcome schemes such as this in the future.

## **OPTIONS**

**Alternative funding sources had been explored. However, the urgency of the capacity requirement meant that grant funding programmes were largely at capacity.**

**In 2022 Colleges in the UK were again classed as public sector bodies. Prior to this they were classed as private institutions and able to establish their own debt ratios.**

**Whilst Middlesbrough College had been prudent in its investments, the return into the public sector in 2022 meant that it did not have capacity to borrow this money, given the extant debt ratios. As such, Council investment was critical.**

**The College did forward this project to Tees Valley Combined Authority (TVCA) as part of the recent 2025/26 round of UK Shared Prosperity Fund (UKSPF) capital funding. However, the proposal was not prioritised for investment.**

**Towns Fund and Levelling Up Partnership Funds administered by Middlesbrough Council were fully committed / exhausted.**

**ORDERED that Executive:**

- 1. Approve investment in Middlesbrough College of up to £1,600,000 of capital funding from within the approved Capital Programme to enable facility expansion to grow the educational capacity of the college.**
- 2. Approve an amendment to the existing lease of land at Middlesbrough College to introduce a rental value of £131,234 per annum, for a period of 20 years.**
- 3. Approve that the arrangement set out was subject to acceptance by Middlesbrough College Board of Governors.**
- 4. Approve the delegation of any administration and determination of the terms of the lease amendment to the Chief Finance Officer (S151).**

## **REASONS**

**The proposed investment was cost neutral to the Council as the investment was recoverable through a rental agreement.**

**Investment in College capacity increased the propensity for major economic growth developments to directly benefit the skills and employment prospects of Middlesbrough's resident population. Those measures tackled a wide range of deprivation measures and supported personal and financial independence.**

**NEWPORT ROAD TRANSPORT CORRIDOR IMPROVEMENTS**

At this point the Mayor withdrew from the meeting and the Deputy Mayor assumed the role of Chair.

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

The purpose of the report sought an Executive decision following public consultation on the proposals to improve bus and walking/cycling provision on Newport Road.

Tees Valley Combined Authority (TVCA) gained funding from the Levelling Up Fund (LUF) to support ambitions to improve sustainable transport accessibility.

Newport Road was a key transport corridor into Middlesbrough Town Centre and formed part of regional bus routes due to its proximity to Middlesbrough bus station. Congestion on this corridor impacted upon bus reliability and journey times, and the lack of cycle provision acted as a barrier to uptake.

The project was part of a wider, regional delivery programme of sustainable transport projects; delivered under the 'Local Walking and Cycling Implementation Plan' (LCWIP) that was introduced at a national level by DfT.

Public consultation was undertaken by TVCA on the proposals during February 2025, which were detailed in Appendix one of the report. The consultation responses were detailed in Appendix two of the report.

Key issues raised from the consultation were as follows:

Derwent Street One Way – access to businesses would be difficult due to the alternate route via Lamport Street, which would be prohibitive to larger vehicles. There was an option to make this junction left out/left in which would partially mitigate this issue. Retaining two-way access would result in significant cost increase due to utility diversions identified in the Northern highway verge. This option would fully mitigate this issue.

Cannon Park One Way – issues surrounding the number of premises that were served would create congestion and journey time delays within the area. It was proposed that two-way access was retained into Cannon Park, which fully mitigated this issue.

VW Lookers access from Newport closed – this would create business access issues. It was proposed that this access was retained, and a pedestrian/cycle crossing provided over the junction. This fully mitigated the issue.

Closure of Evans Halshaw access points from Newport Road – this would prohibit business access to the unit. It was proposed that this access was retained, and a pedestrian/cycle crossing provided over the junction. This fully mitigated the issue.

Following preliminary investigations, existing landscaping/ vegetation may have been impacted upon by implementing the proposed scheme. An ecological survey for the corridor had been commissioned to understand the implications, and proposed mitigation to minimise the impact.

Public transport infrastructure improvements were included within the proposals. This included extension to the existing Westbound bus lane on Newport Road, which was currently camera enforced.

In addition, increasing pedestrian and cycle accessibility, safety improvements were part of the rationale for the scheme. Between 2020 and 2025, 15 accidents, all slight, had occurred on the Newport Road corridor.

One of the Members for Newport Ward was invited to address Executive. The Ward Member expressed concerns that the scheme was being proposed based on insufficient consultation. They stated the consultation had only received 14 responses, with only four of them expressing support for the scheme. The Ward Member stated consultation was a two-way

process and that there had been an insufficient amount of consultation undertaken. As such, the Ward Member was uncomfortable with the amount of money being proposed for the scheme based on the levels of consultation carried out.

It was clarified that the Tees Valley Combined Authority had carried out the consultation. It was also clarified that the proposed scheme would have had an adverse impact on local business. However, the Council had worked with those business and amended the scheme accordingly.

It was also commented that, while containing a cycle lane, the proposed scheme was not just a cycle lane and was, instead, part of a wider transport initiative to improve traffic flow on Newport Road.

The Chief Executive agreed to raise the concerns brought forward by the Ward Member for Newport with the Tees Valley Combined Authority.

## **OPTIONS**

**Do nothing. This was not recommended as it would not allow for the delivery of infrastructure improvements and risked the loss of funding, if unable to be reallocated.**

**ORDERED that Executive approve the Newport Road transport corridor improvements scheme, having considered the highlighted risk and proposed mitigation.**

## **REASONS**

**The proposals improved sustainable transport choices, which was assisting the Council's green strategy. It further supported social mobility, which was a key component for increasing economic activity for the surrounding area, which had typically low car ownership per capita.**

**This would improve access to Middlesbrough Town Centre, ensuring that transport was not a barrier to accessing employment, education, retail and leisure opportunities.**

**The proposals would improve bus journey times by creating infrastructure that allowed vehicles to bypass queuing traffic and provided priority at signals.**

**The proposals supported road safety for all by physically segregating cycles from pedestrians, signalling key junctions and creating additional crossing points.**

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**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.**