

Appendix 1 - Forecast Service Demand Pressures and Re-basing of Budgets (including for reduced income levels and legislative requirements)

| Directorate | Detail | 2026/27 £m | 2027/28 £m | 2028/29 £m | 2029/30 £m | Cumulative £m |
|---|---|---------------|---------------|---------------|---------------|------------------|
| Regeneration | | | | | | |
| • MUSINC Project (26/27 only) | Replacement of musical instruments/enhancement of offer currently provided by the Service | 0.075 | (0.075) | - | - | - |
| • Changes to commercial income assumptions | Potential shortfalls on income from strategic commercial investments arising from potential tenancy changes | 1.000 | - | - | - | 1.000 |
| | | 1.075 | (0.075) | - | - | 1.000 |
| | | | | | | |
| Public Health | | | | | | |
| • Relocation of Live Well Centre | Drugs Support Service relocation | - | 0.447 | - | - | 0.447 |
| | | | | | | |
| Environment & Community Services | | | | | | |
| • Member Allocations to Wards (26/27 only) | For ward specific initiatives, led by Ward Members | 0.055 | (0.055) | - | - | - |
| • In-house Arbor Team (26/27 only) | Management of the Council's own tree stock, monitoring of tree standards and safety across the town, enhanced adherence to tree management and maintenance legislation, management of tree disease, tree surveys and responding to tree safety concerns | 0.280 | (0.280) | - | - | - |
| • Trading Standards (26/27 only) | Additional Trading Standards Officer on a fixed term basis to increase proactive work on product safety, counterfeit products and illicit tobacco products, including further and sustained operations targeting repeated offenders and premises, with enhanced partnership working with HMRC, Immigration and the Police | 0.039 | (0.039) | - | - | - |
| • Financial Investigator (26/27 only) | Accredited Financial Investigator post on a fixed term basis to increase the financial investigation capabilities of the Council, to improve criminal case outcomes, increase civil debt recovery and increase asset recovery under Proceeds of Crime Act | 0.050 | (0.050) | - | - | - |
| • Tree Maintenance | £0.500m was allocated to tree maintenance from one-off funding in 2025/26 to enable works required to be completed, this was due to be removed from 2026/27, but £0.100m has been retained in the budget permanently to meet ongoing demands | (0.400) | - | - | - | (0.400) |
| • Simpler Recycling | Costs of revised recycling scheme following legislative changes imposed by Government, including food waste, paper, card and microfilm plastics | 2.279 | - | - | - | 2.279 |
| • Catering (school meals) income pressures | Continuing shortfalls on income achieved from school meals | 0.230 | 0.046 | 0.047 | 0.048 | 0.371 |
| • Residual waste disposal costs | Changes to estimated demand, based on estimated contract prices and tonnages | 0.038 | 0.143 | 1.542 | 0.157 | 1.880 |
| • Crematorium income pressures | Continuing decline in income from Cremations | 0.250 | | | | 0.250 |
| • Fleet expenditure pressures | Increased staff costs due to recruitment and retention challenges and a sharp increase in the cost of vehicle parts | 0.300 | | | | 0.300 |
| | | 3.121 | (0.235) | 1.589 | 0.205 | 4.680 |
| Children's Care | | | | | | |
| • Additional funds for S17 cases | Increased demand, including for overnight emergency accommodation and legal/financial support costs | 0.084 | - | - | - | 0.084 |
| • Increased demand for services | Continuing increased demand for care and increased complexity of cases, in particular for external residential placements | 3.000 | 3.000 | 3.000 | 1.500 | 10.500 |
| | | 3.084 | 3.000 | 3.000 | 1.500 | 10.584 |
| Education & Partnerships | | | | | | |
| • Integrated Transport Unit (ITU) | Increased demand for home to school transport for children and transport for vulnerable adults | 0.500 | - | - | - | 0.500 |
| • Inclusion & Specialist support | Staffing increases to support increased demand for Inclusion and Specialist Support services relating to statutory assessments, permanent exclusions and suspensions, elective home education and other services | 0.220 | - | - | - | 0.220 |
| | | 0.720 | - | - | - | 0.720 |
| Adult Social Care | | | | | | |
| • Living Wage; external commissioned services | Effect of the National Living Wage on services commissioned from external adult social care providers | 1.877 | 2.011 | 2.168 | 2.221 | 8.277 |
| • Domestic Abuse Coordinator (26/27 only) | Fixed term post of Domestic Abuse Coordinator, to support and track learning and actions from Domestic Homicide Reviews as outlined by the Community Safety Partnership and Internal Audit | 0.040 | (0.040) | - | - | - |
| • Homeless Interventions (26/27 only) | Development of a small intensive intervention team to work with the ten most complex individuals currently contributing to a high system cost across numerous stakeholders including health, police and retail | 0.050 | (0.050) | - | - | - |
| • Staffing investment | For areas experiencing complexity and higher demand, and to drive improvements in practice and data quality | 0.080 | - | - | - | 0.080 |
| • Social Work Practice Lead and Case Auditor | Strengthen governance and quality assurance for social care practice. | 0.123 | - | - | - | 0.123 |
| • Access & Safeguarding | Improve safeguarding and manage demand at service entry point | 0.146 | 0.078 | - | - | 0.224 |
| • Head of Homeless & Domestic Abuse | Lead for Homelessness and Domestic Abuse services | 0.024 | - | - | - | 0.024 |
| • Assistant Director of Operations | To increase senior management capacity | 0.141 | - | - | - | 0.141 |
| • Increase staff training budget | To support staff training for statutory duties | 0.015 | - | - | - | 0.015 |
| • Business Change continuous improvement | To drive continuous improvement and maintain journey of change in accordance with CQC inspection requirements | 0.015 | 0.046 | - | - | 0.061 |
| • Sensory Lead | To support clients with sensory loss to live independent lives, development of expertise in specialist technology to identify independence opportunities | 0.057 | - | - | - | 0.057 |
| • Estates Office | To support the increasing number of appointeeships to ensure clients can continue to contribute to their costs of care | 0.042 | - | - | - | 0.042 |
| • Staff Development | Develop a care academy and workforce strategy | - | 0.074 | 0.023 | 0.012 | 0.109 |
| • Advocacy Services legislative changes | Change to Mental Health Act re: advocacy whereby users will have to opt out rather than opt in - resulting in expected significant increase in demand for advocacy services | 0.080 | - | - | - | 0.080 |
| • Mental Capacity Assessments legal requirement | Legal requirement to process Mental Capacity Assessments - resources currently insufficient to meet demand | 0.131 | (0.071) | - | - | 0.060 |
| • Annual Review of Care Packages | To support requirement for individuals in receipt of care and support with an annual review to ensure care needs have not changed and the services in place are still appropriate - resources currently insufficient to meet | 0.216 | - | - | - | 0.216 |
| • Mental Health Act (people with learning disabilities) | Mental Health Act requirements for prevention of any individual with learning disabilities from being subject to a section and a requirement they are supported in the community, there are currently no suitable provisions for support in the community for this level of complexity | 0.150 | - | - | - | 0.150 |
| • Relocation of Contact Centre | Additional staff (Reception/Building Manager) required following relocation from Middlesbrough House | 0.075 | - | - | - | 0.075 |
| • Demand Pressures - 2025/26 | Demand for services increase from 2025/26 built into base budget from 2026/27 | 2.020 | - | - | - | 2.020 |
| • Demand Pressures - 2026/27 & ongoing | Forecast demand for services increase per year built into budget in each year, rather than retrospectively | 1.500 | 1.500 | 1.500 | 1.500 | 6.000 |
| | | 6.782 | 3.548 | 3.691 | 3.733 | 17.754 |
| Legal & Governance | | | | | | |
| • Directorate wide staffing | Increased staffing requirement across Democratic Services, Legal, Strategy, Information & Governance, Human Resources and LMT Business Support | 0.585 | - | - | - | 0.585 |
| • Coroners additional staff/pay award | 4 additional staff in Coroners, plus pay award for Coroner (as Coroner pay awards now negotiated locally, rather than by Home Office). The amount shown is Middlesbrough share only as this is a Shared Service | 0.050 | - | - | - | 0.050 |
| | | 0.635 | - | - | - | 0.635 |
| Finance | | | | | | |
| • Investment in Counter Fraud capacity | Investment to strengthen the Council's arrangements to protect the Council's financial interests | 0.042 | - | - | - | 0.042 |
| • Customer Payments System/Bank charges | Historical pressures on Customer Payments System and Bank Charges - covered in previous years by one off underspends | 0.090 | 0.005 | 0.005 | - | 0.100 |
| | | 0.132 | 0.005 | 0.005 | - | 0.142 |
| | | | | | | |
| Forecast Service Demand Pressures and Re-basing of Budgets | | 15.549 | 6.690 | 8.285 | 5.438 | 35.963 |

NOTE
The above reflects the current position. Some of the above were included in the 2025/26 budget and MTFP report to Council in February 2025 but have since been updated to reflect the current position (e.g. Children's Care demand, Living Wage, commercial income).