

EXECUTIVE

A meeting of the Executive was held on Wednesday 4 February 2026.

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

ALSO IN ATTENDANCE: D Hodgson (Local Democracy Reporting Service)

OFFICERS: K Allan, S Bonner C Benjamin, B Carr, H Dalby, G Field, L Grabham, R Horniman and E Scollay

APOLOGIES FOR ABSENCE: Councillors J Ryles and P Storey

25/93 **DECLARATIONS OF INTEREST**

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

25/94 **MINUTES - EXECUTIVE - 21 JANUARY 2026**

The minutes of the Executive meeting held on 21 January 2026 were submitted and approved as a correct record.

25/95 **ANNOUNCEMENTS FROM THE MAYOR**

None.

25/96 **QUESTIONS FROM MEMBERS OF THE PUBLIC (IF ANY)**

None.

25/97 **QUESTIONS FROM ELECTED MEMBERS (IF ANY)**

None.

25/98 **MATTERS REFERRED FROM SCRUTINY OR COUNCIL (IF ANY)**

None.

25/99 **REPORTS FROM THE OVERVIEW AND SCRUTINY BOARD OR A SCRUTINY PANEL (IF ANY)**

None.

25/100 **REPORTS FROM MEMBER BODIES WHICH ARE THE RESPONSIBILITIES OF THE EXECUTIVE**

None.

25/101 **NEIGHBOURHOOD HUBS INVESTMENT**

In accordance with Council Procedure Rules 4.8.25 the Chair proposed a motion without notice, which was seconded and agreed, to change the order of business. The motion proposed that Agenda Item 15 to be heard next.

It was agreed that the order of business for the remainder of the meeting be items 10,11,12,13,14,16.

The Executive Members for Development and Neighbourhoods submitted a joint report for

Executive consideration, seeking approval for significant investment in Middlesbrough's Neighbourhood Hubs.

The report outlined the planned enhancement of the North, South, East and West Neighbourhood Hubs, which form a key part of the Council's Neighbourhood Working approach approved in April 2025. The Hubs are located in Hemlington (South), Newport (North), Berwick Hills (East) and Grove Hill (West) wards, each serving as a central base for community delivery within their areas. It was highlighted that £5 million of Transformation Programme capital funding had been allocated to support the upgrade of the hubs and selected community spaces, with the intention of improving access to services, strengthening community resilience and enabling a broader range of local activities.

Members were advised that the investment would allow more staff and partner organisations to be based within neighbourhoods, offering tailored support specific to local needs. The proposed works included building adaptations to ensure the hubs are accessible, fit-for-purpose, and able to accommodate multiple uses. The report also set out the proposed phasing of works to maintain service continuity and the governance arrangements for managing project design, scope, and budget adjustments.

Members noted that the hubs would play a key role in delivering Neighbourhood Working, which had been approved by the Executive in April 2025. Members were advised that the reference to approval in 2026 within the Executive Summary was an administrative error.

Members raised concerns regarding the condition and accessibility of the existing neighbourhood facilities and discussed that neighbourhood staff had been required to work in poor conditions following their relocation from office accommodation, and that residents were unable to access buildings they believed should be open. Members also highlighted inconsistencies across the hubs, with some offering public access and others not, and commented on the terminology used for "community hubs" and "neighbourhoods' hubs". It was noted that further work would be undertaken to address the naming issue.

Following the recent management structure changes, it was identified that the titles of Directors referenced in the recommendations were incorrect, and it was suggested that the wording be amended to state that the Executive would delegate any construction contract, design, scope and budget adjustments to the Director responsible for Regeneration, in consultation with the Director responsible for Environment and Community Services, insofar as these were compliant with financial and contract procedure rules.

OPTIONS

A range of options and requirements had been considered with the occupant services and Neighbourhood Managers. The service had informed the scope and requirements of the specifications set out.

ORDERED that Executive:

- a. Approves the specification of works outlined for the enhancement of the North, South, East and West Neighbourhood Hubs;**
- b. Approves that any of the £5m resource allocation which is not used on the redevelopment of the Neighbourhood Hubs, be vired towards neighbourhood assets and open spaces; and,**
- c. Delegates any construction contract, design, scope and budget adjustments to the Director of Regeneration, in consultation with the Director of Environment and Community Services – insofar as they are compliant with financial and contract procedure rules.**

AGREED that Executive:

- a. Notes the phased development and delivery of works to ensure that continuity of Community services was prioritised;**
- b. Approved the amendment to the above recommendation to read: 'Delegates any construction contract, design, scope and budget adjustments to the Director responsible for Regeneration, in consultation with the Director responsible for Environment and Community Services, insofar as these are compliant with**

- financial and contract procedure rules'; and,
- c. Notes that work would be undertaken to address the terminology used for community hubs and neighbourhood hubs.

REASONS

Neighbourhood Working was identified as a key transformational strategy designed to increase efficiency and reduce demand pressures over the medium term. The approach was intended to deliver improved outcomes for Middlesbrough residents and, in time, become the primary operational model for addressing the entrenched challenges faced across the town's neighbourhoods.

Following consideration of this item, Councillor T Furness left the meeting.

25/102

REVENUE AND CAPITAL BUDGET – FORECAST YEAR-END OUTTURN POSITION AT QUARTER THREE 2025/26

The Executive Member for Finance submitted a report for Executive consideration presenting the Council's forecasted financial position at Quarter Three 2025/26 and seeking approval for several required financial actions.

Members were informed that the projected year-end revenue budget pressure stood at £7.719 million before mitigations, and that the proposed use of £6.044 million in central contingencies and other budgets would reduce this to a net pressure of £1.675 million (1.1%), representing a slight improvement from the Quarter Two position.

The report outlined continued budget pressures within key service areas, most significantly in Children's Care, Adult Social Care, Environment and Community Services, and Strategic Commercial Properties, and noted that £7.675 million of required savings were forecast as undeliverable in 2025/26. Directors had therefore submitted financial recovery plans, supported by ongoing corporate spending controls, in an effort to stabilise the year-end position.

In relation to capital activity, Members were advised that the report sought approval for a series of revenue and capital virements over £250,000 and the inclusion of £0.357 million of new and expanded externally funded schemes, increasing the revised Capital Programme for 2025/26 to £88.451 million. The projected capital outturn was reported as £64.173 million, reflecting £23.300 million of slippage to future years and £0.978 million of identified underspends.

The report also provided updates on the latest forecast for reserves, including expected usable unrestricted revenue reserves of £25.937 million at year-end, the Dedicated Schools Grant position, which showed a forecast cumulative deficit of £31.213 million by 31 March 2026, and the Council's borrowing, prudential indicators, and debt-recovery performance.

Members were further informed of actions already implemented and those planned to address identified pressures, including strengthened financial controls, ongoing review of savings delivery, and continued monitoring of expenditure, reserves and cashflow.

Members noted that the graph on page 21 demonstrated that, despite the forecast overspend, the Council's reserves were still expected to increase by year end compared with the position at the start of the financial year.

Members acknowledged areas of improvement and noted that, when viewed in the context of the wider Budget, several actions being taken to manage service demand were expected to contribute to reducing overspends over time.

Reference was made to the recent decision on school catering, which would result in additional costs, and Members emphasised the importance of ensuring such impacts were reflected and built into future budgets.

It was considered helpful to set out clearly why service demand levels were being reset and how this supported efforts to address budgetary pressures.

In relation to crematorium income, Members noted that if income targets could not realistically be achieved, it was appropriate to adjust the budget accordingly. Members also stressed that underspends within service areas should not be absorbed into future budgets, as services

were expected to manage within their allocated resources rather than rely on historic overspends.

OPTIONS

The alternative would be to not approve the revenue budget virements over £250,000 and the changes to the Council's capital programme, and to not report on the Council's forecast year-end financial outturn for the financial year 2025/26. 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:

- a. Approves budget virements over £250,000 within the revenue budget (Appendix 1);
- b. Approves budget virements over £250,000 within the Capital Programme (paragraph 4.47); and,
- c. Approves the inclusion of new schemes and additions to existing schemes to the Capital Programme totalling £0.357m for 2025/26, which are all externally funded to either new or existing schemes (detailed in Appendix 5). Subject to approval this will increase the approved 2025/26 Capital Programme budget to £88.451m.

AGREED that Executive:

- a. Notes the Council's financial performance and forecast year-end financial outturns for revenue and capital budgets for the financial year 2025/26 as at Quarter Three, highlighting the budget pressures and the forecast year-end position if no further action is taken. At present, the revenue budget is forecast to be under pressure by £1.675m (1.1%) at year end after the proposed use of central contingences and other budgets; and,
- b. Notes that Directors continue to implement recovery plans, mitigations and financial controls aimed at reducing their forecast budget pressures and acknowledges the ongoing requirement for Directors to continue refining and implementing these plans to achieve a balanced budget by the end of 2025/26. In support of this corporate revenue budget spending controls will continue to be applied during 2025/26.

REASONS

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

25/103

2026/27 REVENUE BUDGET, MEDIUM TERM FINANCE PLAN, AND COUNCIL TAX SETTING

The Executive Member for Finance submitted a report for Executive consideration which set out the proposed 2026/27 Revenue Budget, Medium Term Financial Plan (MTFP), and Council Tax proposals following the publication of the Provisional Local Government Finance Settlement.

The report outlined key financial assumptions, Government funding allocations, service demand pressures, proposed budget growth, and the recommended Council Tax position for 2026/27, and requested that the Executive approved a series of recommendations for referral to Full Council at its meeting on 18 February 2026.

Members noted that Government funding through the Fair Funding Allocation totalled £130.960m, an increase of £14.171m, and that the Council's Core Spending Power was forecast to increase by £57.369m (28.3%) between 2025/26 and 2028/29. A balanced MTFP had been achieved for all four years, with a proposed Net Revenue Budget of £200.675m for 2026/27. The Mayor and Executive proposed no increase in core Council Tax but a 2% Adult Social Care precept, resulting in a Band D charge of £2,115.86.

Members acknowledged the significant service demand pressures and re-basing requirements amounting to £15.549m in 2026/27, alongside the proposal to remove £2.458m of previously approved savings that were no longer achievable. It also noted the proposals for £6.460m of service budget growth, aligned with Council Plan priorities, and £0.499m of corporate demand pressures, as well as the continuation of the Member-Led Ward Schemes budget. Details of the proposed Capital Programme were provided, totalling £183.741m over 2026/27–2029/30, together with the 2026/27 Flexible Use of Capital Receipts Strategy amounting to £5.789m.

The recommendations on reserves were noted, including maintaining the General Fund at a minimum of £11.1m and building the Financial Resilience Reserve to £10m in 2026/27, rising to £20m by 2029/30. It also considered the outcomes of the public consultation, which saw 54% support for the 2% Council Tax proposal, and received an update on the Dedicated Schools Grant, with an indicative allocation of £222.114m and a forecast cumulative deficit of £31.213m at 31 March 2026.

Members proposed a series of amendments to the report which following a vote, were agreed. The budgets for the Members' Small Scheme programme for 2025/26 and 2026/27 were reprofiled to reflect the earlier decision to allocate £150,000 for 2025/26 and £120,000 for 2026/27. It was further agreed to roll forward the £6,400 underspend from 2025/26 to 2026/27 and to bring forward £7,500 from 2027/28, resulting in a total allocation of £133,900 for 2026/27 to cover all eligible schemes proposed for that year.

In relation to Pest Control, the committee agreed that the wording be amended in Appendix 3 to clarify that increased capacity would enable the Council to extend the service beyond back alleys and open spaces to *domestic properties*, ensuring it was clear that the expanded offer focused on key public health pests. This amendment was made to avoid the wording being interpreted as applying to offices or shops, and it was noted that a separate report would follow setting out detailed operational arrangements.

Members were advised that the proposed budget had been shaped through close working with colleagues across the Council and had been underpinned by what was described as “a simple ABC” of core principles: A – ensuring the budget was affordable, B – delivering clear benefits for residents, and C – cementing the Council's financial position.

It was highlighted that significant financial risks remained, particularly within Children's Services. In relation to Council Tax, members noted that a 0% increase would have contradicted the strong advice issued in the briefing the previous week, and that an increase below 2% was considered insufficient to meet rising Children's Services costs. Members acknowledged that a very low or no increase would not have reflected the Council's current financial circumstances, could have sent the wrong message to central government, and might have been detrimental in future years, particularly given the three-year phased settlement which only provided part of the funding uplift in year one.

In discussing service priorities, members recognised that although the Council could have chosen not to grow services, residents did not yet feel that service levels were where they should be. Continued investment, mature decision-making and a focus on key services, including youth provision and pest control, were therefore considered essential. It was noted that pest control remained a town-wide service and that frontline services more generally required strengthening. Members also heard that even at the end of the three-year financial process, the Council would remain £50m short of previous funding levels, making it important to continue rebuilding services that had historically been underfunded and acknowledging that the phased settlement did not allow a return to earlier budget levels.

Members expressed a range of views regarding the broader impact of the budget. Members noted the benefits for neighbourhoods, elderly residents and children, and welcomed investment in CCTV, evidence-gathering capability, the professional witness service, parenting support and over £500k per year for neighbourhood improvements. Members also highlighted town-wide benefits, including the doubling of the caretaking team, investment in the becks team to improve their condition and reduce flood risk, and enhanced provision of park rangers. Members noted that the budget was refreshing and reflective of a more positive position, referencing the increasing complexity of Adult Social Care needs, improvements to frontline services, strengthened homelessness and domestic abuse support, a shift towards

prevention, and alignment with the Adult Social Care Strategy. Members endorsed the approach in Children's Services, recognising the importance of reducing reliance on external residential placements, the role of scrutiny in examining costs, and the value of programmes such as 10 x 10 in providing life-changing opportunities for young people. Members also emphasised the need for flexibility for children in care and the critical contribution made by foster carers.

OPTIONS

1. The Council is required by law to set a balanced budget and to operate robust and meaningful financial planning arrangements and this report is a key part of achieving that objective. Therefore, no other options were feasible.

ORDERED the Executive to approve that the following are forwarded to Council for approval:

- a. Proposed service budget growth of £6.460m from 2026/27 in order to reinvest in some direct services to the community and provide reinvestment in the resilience of enabling services (detailed in Appendix 3)
- b. Budget provision of £15.549m for 2026/27 rising to £35.963m in 2029/30 to address forecast service demand pressures and re-basing of budgets (including for reduced income levels and legislative requirements). This includes the decision by Executive not to increase school meals prices for parents who do not receive free school meals in order to support families, for which budget provision of £0.230m for 2026/27 rising to £0.371m in 2029/30 has been provided (paragraphs 4.59 to 4.61 and Appendix 1)
- c. Budget provision of £0.499m p.a. from 2026/27 for Corporate Demand, and the continuation of the Member Led Ward Schemes budget of £0.235m p.a. from 2026/27 (Table 7 in paragraph 4.62)
- d. Budget provision of £2.458m p.a. from 2026/27 to remove savings from the MTFP which are now found to be unachievable in the manner originally intended (paragraph 4.65)
- e. No increase in core (general) Council Tax for 2026/27, but an increase in Council Tax for 2026/27 of 2% relating to the Adult Social Care precept to fund increased costs of statutory duties in Adult Social Care (paragraph 4.30), resulting in a proposed Council Tax level (Band D) of £2,115.86 excluding parish, Fire, and Police precepts (detailed in Appendix 11)
- f. The proposed General Fund revenue budget for 2026/27 with a net budget requirement of £200.675m (Appendix 5)
- g. The Financial Reserves Policy for 2026/27 (Appendix 7) including the proposed contributions to reserves to strengthen the Council's financial resilience and the setting up of a new Budget Smoothing Reserve from 2026/27
- h. The proposed Fees & Charges Policy for 2026/27, and the schedule of fees and charges arising from the application of the approved policy for 2026/27 (Appendix 8)
- i. The Capital Strategy Report 2026/27 and the proposed 2026/27 to 2029/30 Capital Programme totalling £183.741m which includes the addition of new Council funded schemes and additions to current schemes and extension of schemes deemed Business as Usual totalling £11.735m in 2026/27 and rising to £56.633m by 2029/30, and the associated financing statement (Appendix 9)
- j. The Flexible Use of Capital Receipts (FUoCR) Strategy for 2026/27 including transformation and redundancy expenditure as part of the Transformation Programme amounting to £5.789m which can be capitalised in 2026/27 (Appendix 10)
- k. The Pay Policy Statement for 2026/27 which sets out the Council's policies on

remuneration of its staff in accordance with Section 38 of the Localism Act 2011 (Appendix 13)

AGREED the Executive:

- a. Notes the statutory s25 report of the Council's Section 151 Officer in respect of the robustness of the estimates within the budget and the adequacy of reserves (Appendix 6)
- b. Notes that the Council's S151 officer recommends that the Council increases the Council Tax each year by the maximum allowed by the Government due to the reasons outlined in paragraph 4.31. However, whilst not recommended, given the improved financial position and financial resilience of the Council and the improved governance and budget spending controls that exist, and the increased Government funding available to the Council it is possible to financially accommodate a decision by the Mayor and Executive for a lower than maximum increase in core (general) Council Tax to be proposed to Council for 2026/27 (paragraph 4.32). Also, it is recommended that no decisions are made in relation to 2027/28 and 2028/29 Council Tax increases, and these should be made at a later date when there is more certainty on the financial position (paragraph 4.33)
- c. Notes the updated financial planning assumptions in the Council's Medium Term Financial Plan following the publication of the Provisional Local Government Finance Settlement, and that these will be updated further following publication of the Final Local Government Finance Settlement in early February 2026, with any changes being reported to the Council on 18 February 2026 as part of the budget setting report
- d. Notes the Government funding in the form of Fair Funding Allocation (Revenue Support Grant, Local Authority Better Care Fund, Retained Business Rates and Business Rates Top up Payment) of £130.960m in 2026/27 (summarised in Table 1a in paragraph 4.14), which is an increase of £14.171m for 2026/27 (as shown in Table 1b in paragraph 4.14)
- e. Notes the increase in the Council's Core Spending Power (the Government's calculation used to illustrate the overall impact of local authority funding which includes the Settlement funding, the Government's assessment of Council Tax income, and various specific grants) from 2025/26 to 2028/29 is £57.369m or 28.3% and from 2024/25 to 2028/29 £75.096m or 40.6% (paragraph 4.17)
- f. Notes that there is no requirement currently for the Council to make any additional further budget savings in 2026/27 other than those already included in the current MTFP, however work will continue to identify and deliver efficiencies and savings in the future through robust budget monitoring and the Transformation Programme (paragraphs 4.63 and 4.69)
- g. Notes the updated Medium Term Financial Plan position for 2026/27 to 2029/30 highlighting a balanced budget each year for the MTFP period (Table 12 in paragraph 4.74)
- h. Notes the feedback of the budget consultation exercise (paragraphs 4.76 to 4.86 and Appendix 4)
- i. Notes the forecast level of Council reserves over the period of the MTFP from 2026/27 to 2029/30 following the proposed budget, and that the proposed budget and MTFP should not negatively impact reserves levels in the medium term. The estimated balances on unrestricted usable revenue reserves as at 1 April 2026 of:
 - General Fund balance - £11.100m
 - Unrestricted Usable Earmarked reserves – £14.837m
- j. Notes the details of the Dedicated Schools Grant (DSG) Grant for 2026/27 and

the allocation to schools, the forecast total cumulative DSG deficit of £31.213m on 31 March 2026, and the risk to the Council if Government does not provide a suitable funding solution (Appendix 12)

- k. Notes that the budgets for the Members' Small Scheme programme for 2025/26 and 2026/27 would be reprofiled to allocate £150,000 for 2025/26 and £120,000 for 2026/27. The £6,400 underspend from 2025/26 would be rolled over to 2026/27 and £7,500 would be brought forward from 2027/28, resulting in a total allocation of £133,900 for 2026/27 to cover all eligible schemes proposed for that year.
- l. Notes that wording on appendix 3 would be amended to clarify that increased capacity would enable the Council to extend the service beyond back alleys and open spaces to *domestic properties*, ensuring it was clear that the expanded offer focused on key public health pests. This amendment was made to avoid the wording being interpreted as applying to offices or shops, and it was noted that a separate report would follow setting out detailed operational arrangements.

REASONS

The forward planning and setting of a robust budget and balanced MTFP ensures the Council can deliver services within its corporate and financial framework and supports its vision for Middlesbrough as a thriving, healthier, safer, and more ambitious place where communities can flourish. All elected members are legally required to agree a balanced budget and set Council Tax by 11 March 2026, and the Council must meet its Best Value duty by demonstrating financial sustainability through a balanced MTFP covering at least three years, with Full Council approval scheduled for 18 February 2026.

The recommendations support progress toward meeting these statutory duties by enabling the Council to set a balanced revenue budget for 2026/27 and secure medium-term financial sustainability, while taking a systematic and controlled approach to addressing ongoing financial challenges and delivering the Mayor's priorities through the wider Council Plan.

25/104

COUNCIL TAX REDUCTION SCHEME 2026/27

The Executive Member of Finance submitted a report for Executive consideration which set out the proposed Council Tax Reduction (CTR) Scheme for 2026/27.

Members were advised that the Council had a statutory duty to design and locally fund a CTR scheme each year, with the final scheme required to be approved by full Council no later than 11 March.

The report outlined the minor legislative amendments to be incorporated into the scheme for 2026/27 and explained that increases to income bandings were proposed to ensure that levels of support for low-income households were maintained.

Members noted how the Council had continued to develop its income-banded CTR scheme, first introduced in 2022/23 to simplify administration, reduce recalculations, and improve collection rates. The scheme provided discounts of 90%, 72%, 36% and 23%, determined by net weekly income and household composition, and continued to support Care Leavers with up to 100% relief. The report explained that for 2024/25 and 2025/26, band ranges were adjusted to reflect annual inflation increases to prevent reductions in entitlement. For 2026/27, Members were informed that further increases to the income bands were required due to above-inflation uplifts to Universal Credit scheduled from April 2026 to April 2029, ensuring households maintained broadly the same level of support. It was noted that the Council's CTR scheme supported approximately 18,500 households, with expenditure of around £22.183 million, and that the proposed adjustments were expected to be largely cost-neutral, with any minor changes in entitlement being incidental to overall scheme expenditure.

OPTIONS

1. The Council could reduce the level of support offered to working age residents in receipt of CTR. However, the Council recognises the financial challenges placed on residents and is therefore proposing that the current level of support is maintained which incorporates the proposal to increase the income bandings in line with inflation.
2. The Council could increase the level of support provided by adjusting the income bands and / or the discount rate although this would be subject to a full consultation exercise, which has not taken place during the current financial year. It is therefore intended that the Council will again review the scheme in June / July 2026 in line with government changes in legislation and any proposed local alterations, with Executive approval sought should consultation be necessary.

ORDERED that the Executive approve the proposed Council Tax Reduction Scheme for 2026/27, as set out in the report, to be forwarded to Council for formal approval.

REASONS

The proposed scheme would assist low-income households and support the collection of council tax whilst remaining affordable for the Council to provide.

Council Tax Reduction (CTR) was introduced by Central Government in April 2013 as a replacement for the Council Tax Benefit scheme, which was administered by councils on behalf of the Department for Work and Pensions. As part of the introduction, the Government placed the duty to create a local scheme for working age claimants with Billing Authorities.

Middlesbrough Council, as the Billing Authority, has a statutory requirement to revise or design and fund a CTR scheme by no later than 11 March each year which must be approved by a Full Council.

25/105

EXCEPTIONAL HARDSHIP FUND - SECTION 13A (1) (A) POLICY

The Executive Member for Finance submitted a report for Executive consideration which sought approval for adoption of the refreshed Exceptional Hardship Fund - Section 13A (1) (a) Policy under the Local Government Finance Act (LGFA) 1992 (as amended).

The report explained the need to review the existing policy and outlined the introduction of an additional element to provide further support for certain Care Leavers. It was noted that a reciprocal regional agreement had been developed between the twelve North East local authorities regarding council tax liabilities for Care Leavers, and that Executive approval was required to adopt and extend the updated policy.

Members noted that the previous Exceptional Hardship Fund Policy had last been amended on 26 April 2022 and was due for review during the 2025/26 financial year. Directors of Resources had supported the development of a reciprocal regional arrangement to ensure that Care Leavers under 25 did not pay council tax, and a working group had been established to finalise an agreement between the twelve North East authorities. The Council's Council Tax Reduction Scheme already provided a 100% reduction for Care Leavers under 25, meaning the impact of the new agreement would be minimal. However, as some Care Leavers may not qualify for CTR and could still face council tax liability, the updated policy proposed the introduction of a discretionary reduction in such cases. It was noted that any financial impact of awards would be minimal and met from existing resources, and that no other changes to the policy were proposed. Members were also informed that continued government funding through the temporary Household Support Fund had enabled support to taxpayers, reducing potential Section 13A demand, but the forthcoming transition to a Crisis Resilience Fund from April 2026 might increase applications under the policy depending on future funding flexibilities.

OPTIONS

By extending eligibility under the policy further or increasing the value of awards would likely come at a cost to the Council. There was no clear evidence that would suggest a further change is necessary which would justify further cost.

Not extending the policy to provide for the situations where the Council needs to cover the cost of Care Leaver council tax would be administratively more involved as this would require further manual intervention, additional cost and potentially prone to error.

ORDERED that Executive:

- a) Approve the refreshed Exceptional Hardship Fund - Section 13A (1) (a) Policy, which includes an additional element for some Care Leavers as set out in 4.5 below; and,
- b) Approve that delegated authority be provided to the Chief Finance Officer to make minor modifications to the Policy in consultation with the Executive Member for Finance.

REASONS

The proposed scheme confirmed, following review, the Council's ongoing approach to requests for additional financial support reducing council tax liabilities and has been extended to provide additional support to Care Leavers in certain circumstances.

The Council was required to have a policy to set out a framework within which it would provide the additional support.

25/106

ANNUAL TREASURY MANAGEMENT STRATEGY AND PRUDENTIAL INDICATORS 2026/27 TO 2029/30

The Mayor noted that the agenda title and report title were not consistent however this did not affect the content of the report.

The Executive Member for Finance submitted a report for consideration by the Executive, presenting the Prudential Indicators for 2026/27 to 2029/30 and the Treasury Management Strategy for 2026/27. The report outlined the statutory requirement for the Council to set prudential indicators and approve an annual Treasury Management Strategy, which governs the Council's borrowing, investments, and overall capital financing framework.

It was noted that the Prudential Indicators demonstrated the scale of the Council's borrowing requirement, with the Capital Financing Requirement forecast to rise from £312.383 million in 2025/26 to £333.755 million in 2026/27, increasing further to £358.733 million by 2029/30.

The report explained that the Council had total external debt of £269.360 million as at 31 December 2025, with a further £20 million of borrowing expected before the end of the financial year, resulting in an estimated year-end total of £289.360 million. This created an under-borrowed position of £23.023 million, financed through internal cash balances. Members were informed that capital financing costs were expected to total £14.151 million in 2026/27, representing 7.1% of the net revenue budget.

Members also noted the Council's approach to managing investment and borrowing risks, confirming that £24.917 million of cash balances were invested as of 31 December 2025, and that long-term PWLB borrowing formed 89% of external debt.

The report further detailed the requirement to set an authorised limit for external debt, which was £331 million for 2025/26, rising to £354 million for 2026/27.

The Strategy also described the Council's Minimum Revenue Provision policy, the knowledge and skills framework supporting treasury activity, and the external advice and benchmarking arrangements used to ensure the robustness, affordability and sustainability of the Council's financial planning.

OPTIONS

It was a statutory requirement for the Council to approve the annual Treasury Management Strategy and set of Prudential Indicators. This report is a key step in achieving that objective. As a result, there are no alternatives available.

ORDERED that Executive approve that the following are forwarded to Council for approval as set out below:

- a) The Prudential Indicators and Limits for 2026/27 to 2029/30 relating to capital expenditure and treasury management activity set out in tables 1 to 9 of Appendix 1;
- b) The Treasury Management Strategy for 2026/27, which includes the Annual Investment Strategy for that financial year;
- c) The Minimum Revenue Provision (MRP) Policy for the 2026/27 financial year; and,
- d) An Authorised Limit for External Debt of £354 million for the 2026/27 financial year.

REASONS

The recommendations ensured that the Council are compliant with the Prudential Code for Capital Finance in Local Authorities and with the Ministry for Housing, Communities and Local Government (MHCLG) investment guidance. They also ensured compliance with the CIPFA Treasury Management Code of Practice and the requirements of Part 1 of the Local Government Act 2003. In addition, the recommendations establish a clear financial governance framework within which officers would operate when making borrowing and investment decisions and entering into material financial transactions.

25/107

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

None.

The decision(s) will come into force after five working days following the day the decision(s) was/ were published unless the decision(s) become subject to the call in procedures.