

This document was classified as: OFFICIAL

EXECUTIVE

A meeting of the Executive was held on Wednesday 13 May 2026.

PRESENT: Councillors P Storey (Chair) I Blades, P Gavigan, J Ryles, and N Walker

OFFICERS: M Adams, A Bates, C Benjamin, S Bonner, M Brown, H Dalby, L Grabham, R Horniman and J Savage

APOLOGIES FOR ABSENCE: Mayor C Cooke and Councillors T Furness, L Henman and J Rostron

25/138 **DECLARATIONS OF INTEREST**

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

25/139 **MINUTES - EXECUTIVE - 8 APRIL 2026**

The minutes of the Executive meeting held on 8 April 2026 were submitted and approved as a correct record.

25/140 **MINUTES - EXECUTIVE SUB COMMITTEE FOR PROPERTY - 8 APRIL 2026**

The Minutes of the Executive Sub-Committee for Property meeting held on 8 April 2026 were submitted and approved as a true record.

25/141 **ANNOUNCEMENTS FROM THE MAYOR**

None.

25/142 **QUESTIONS FROM MEMBERS OF THE PUBLIC (IF ANY)**

None.

25/143 **QUESTIONS FROM ELECTED MEMBERS (IF ANY)**

None.

25/144 **MATTERS REFERRED FROM SCRUTINY OR COUNCIL (IF ANY)**

None.

25/145 **REPORTS FROM THE OVERVIEW AND SCRUTINY BOARD OR A SCRUTINY PANEL (IF ANY)**

None.

25/146 **REPORTS FROM MEMBER BODIES WHICH ARE THE RESPONSIBILITIES OF THE EXECUTIVE**

None.

CHANGE IN ORDER OF BUSINESS

In accordance with Council Procedure Rules 4.8.4 (d) the Chair proposed a motion without notice, which was seconded and agreed, to change the order of business. The motion proposed that Agenda Item 12, Foster with North East and Regional Care Collaborative, be heard next. It was agreed that the order of business for the remainder of the meeting be items 11, 13, 14, 15 and 16.

FOSTER WITH NORTH EAST AND REGIONAL CARE COLLABORATIVE

The Executive Member for Children's Services submitted a report for Executive consideration, which was presented by the Deputy Mayor and Corporate Director for Children's Services in the Executive Member's absence.

The purpose of the report sought Executive approval for the Council to take part in the expansion of Foster with North East and Regional Care Cooperative (FwNE) into a Regional Fostering Hub. This was in line with the Department for Education (DfE) expansion programme. Members were advised this would have built on the FwNE pathfinder that had been in operation since 2023, which all North East Councils were part of. This also required a move to an 'End-to-End' model encompassing all aspects of the Fostering process.

It was noted that Children's Social Care had been operating in a very challenging context in recent years, particularly with sufficiency of places for children in care being constrained by a dysfunctional market model. These issues had been well documented through the Independent Review of Children's Social Care, led by Josh McAllister and reported in May 2022, and a report by the Competition and Markets Authority (CMA) published in March 2022.

Financially there was a 'burning platform', driving change nationally, with approximately £9bn being spent on supporting children in care. Such costs were rapidly out pacing budgets which was creating significant risks to the financial sustainability of Councils. An external review commissioned in 2024 showed the region spent £540m on children in care placements in 2023-24 with around £300m of that on residential placements. It was also estimated that just over 30% of children in residential placements could have been placed in foster care if sufficiency challenges had been addressed.

In the North East the regional fostering hub (FwNE) was the first national fostering hub Pathfinder. Established in 2023 it was hosted by Together for Children. This had enabled substantial learning in the region as well as attracting investment. For example, the hub had benefited from approximately £2m of DfE monies. An evaluation of FwNE had been commissioned in 2025 and recommendations from that review had been integrated into the proposal to expand the model in line with national requirements.

The recommendations of the McAllister Review were being taken forward as part of the Children's Wellbeing and Schools Bill which was at its final stage in Parliament. The McAllister review recommended the development of Regional Care Co-operatives (RCCs) and the Children's Wellbeing and Schools Bill would have given the Secretary of State powers to direct regions to establish RCCs, taking on a range of duties for commissioning of fostering and residential care.

Josh MacAlister, author of the independent review of children's social care had become a Labour MP and, in September 2025, was appointed as Children's Minister. He had the national political leadership to implement the recommendations arising from the review in 2022 which had seen an acceleration in the national roll out of both RCC's and Fostering Hubs.

The DfE had established a 'pathfinder' programme for RCCs in 2024 and, following Expressions, two successful regions, Greater Manchester and the South East, went live with their RCC's in 2025. The pathfinders had tested different governance models, shared commissioning approaches, provider engagement, regional collaboration on data and insights and moving away from reactive approaches to commissioning to a more proactive planned approach across the regional footprint.

Members discussed the possibility that, should Middlesbrough join the cooperative, it would get equal voting rights as other authorities. It was clarified this would be the case and that any discussions around this matter would involve relevant statutory officers, such the Monitoring and Section 151 Officers, to ensure robust governance and financial processes were adhered to.

A Member queried what the primary advantage of joining the collaborative was. It was clarified there was a crisis in recruiting foster carers nationally and regionally, and the collaborative provided an opportunity to share resources with neighbouring authorities to address that crisis.

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It was also commented that, given the financial pressures placed on children's services nationally, and the fact that placing children foster placements was a more cost effective than placing them in residential placements, there would be potential financial benefits to participating in the collaborative.

OPTIONS

The Council had considered retaining the status quo and had been advised by the DfE that it was an expectation all local authorities participated in the regional developments outlined above. Adopting a status quo approach could have led to regulatory challenge by the DfE and Ofsted and would have had additional financial implications for the Council.

ORDERED that Executive:

1. **APPROVES** the Council's entry into an agreement to be part of the expanded North East Fostering Hub in line with national policy and guidance.
2. **APPROVES** the allocation of resources (financial and workforce) as required by the regional model set out in the report.
3. **APPROVES** the Council's support to a North East Regional bid to become a 'Wave 2' Regional Care Co-operative national pathfinder and support the submission of a bid to the Department for Education by 22nd May 2026.
4. **DELEGATES** authority to the Corporate Director of Children's Services in consultation with the Executive Member for Children's Services to take all necessary steps to implement the recommendations in line with National Policy.

REASONS

Foster carers provided high quality care for some of Middlesbrough's most vulnerable children and as such the Council highly value the part they play in making a difference to children's lives.

Its ambition was to be able to offer more children and young people high quality family-based care provided by its foster carers. It was also important that the Council were able to maintain lifelong connections for Middlesbrough's children with siblings, extended families and their wider community. Enhancing the Council's recruitment and retention of foster carers to reverse the decline in numbers seen in recent years was essential to achieving that.

There was also a financial imperative due to rapidly escalating costs driven by a dysfunctional market model within the care system. This had led to costs, escalating well in advance of budgets, creating substantial pressure and sustainability risks for Councils across the region and nationally. A different approach was needed and the developments detailed in the report gave the Council an opportunity to completely redesign this critical service area with an enhanced regional approach that was still embedded in the locality.

The 12 North East Directors of Children's Services had, within the scope for this activity, agreed to support this programme. There was also a national expectation to deliver the 'End-to-End' expansion. On a national and regional level, recruiting enough foster carers for the number of children requiring care remained a challenge and this approach had been designed to reduce the challenges faced. The costs associated with using external fostering providers and children's homes could be high. As such, it was hoped this would see a reduction.

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CHANGING FUTURES PHASE 2 FUNDING

The Mayor submitted a report for Executive consideration and was presented by the Deputy Mayor and Director of Public (South Tees) in the Mayor's absence.

The purpose of the report sought approval to accept external grant funding that would enable the extension of the Changing Futures programme for a further three years from April 2026 to March 2029.

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Members were advised that Changing Futures was a programme that had ran across South Tees since 2021 following a successful bid to the National Lottery and Ministry of Housing, Communities and Local Government (MHCLG) programme. South Tees was one of 15 local partnerships that had built strong evidence on how areas could provide a more effective response through flexible, coordinated support that worked with the whole person and drove lasting changes in how services worked together on multiple disadvantages.

It was noted the programme directly supported people experiencing multiple disadvantage (combinations of homelessness and rough sleeping, substance misuse, mental ill health, domestic abuse and contact with the criminal justice system) and aimed to develop strong partnerships and understanding of system change required to better support people to lead more fulfilling lives.

One of the core principles of the programme was to work in partnership across local services, and the voluntary and community sectors, building strong cross-sector partnerships at a strategic and operational level. As such the Council needed to consider itself as the host and partner in the programme, rather than key decision-maker.

Members heard the MHCLG had announced phase two of the Changing Futures programme, with 18 areas of the country sharing over £50m to help the most deprived upper-tier local authority areas in England. This represented a new phase of the cross-government public service reform programme. Led by MHCLG, it would improve outcomes for people experiencing multiple disadvantages.

Middlesbrough had been selected as a Changing Futures phase 2 area and would receive a total of £3,114,939 - £1.038M each year over the next three years (2026/27 to 2028/29).

The targeted areas had been identified as high need, based on the ranking of the Indices of Multiple Deprivation (IMD). Middlesbrough had been chosen as a target area as they were second in the IMD ranking. However, Redcar and Cleveland had not been chosen as its IMD ranking of 29th was outside the chosen areas. South Tees was not considered as a composite as MHCLG only looked at individual Council footprints.

Members heard this approach was part of Government's move from bidding processes to an allocation process. Government consultation identified there was widespread frustration with the intensity and resources required for the bidding processes. There were questions from Members.

OPTIONS

Do nothing and do not accept the funding. This would deny Middlesbrough the opportunity for investment in the continuity of existing Changing Futures projects and improvement into services for some of the area's most complex and vulnerable residents.

ORDERED that Executive:

- 1. APPROVE the acceptance of external grant funding of £3,114,939 that would enable the extension of the Changing Futures programme in Middlesbrough for a further three years from April 2026 to March 2029.**
- 2. APPROVE the principles and terms of the Memorandum of Understanding.**
- 3. DELEGATE to the Director of Public Health the authority to approve expenditure in accordance with the Changing Futures Delivery Plan, as directed by the Changing Futures Board, for the funding period April 2026 - March 2029.**

REASONS

Accepting the funding would not only help those with multiple disadvantages, continued involvement in the Changing Futures programme would also give Middlesbrough a further opportunity for ongoing learning through the programme to improve its approaches across the partnership, build the reputation of the Council with key Government departments and increase the likelihood of further funding and support.

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One of the core principles of the programme was to work in partnership across local services and the voluntary and community sector, building strong cross-sector partnerships at a strategic and operational level. As such the Council should consider itself as the host and partner in the programme, rather than key decision-maker. Delegating the allocation of monies and management of procurement processes to the Director of Public Health on behalf of the Middlesbrough Changing Futures Board supported the development of a true partnership approach which was an essential element of this programme.

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

The Executive Member for Finance submitted a report for Executive consideration. The purpose of the report sought Executive approval to change the, recently confirmed, Exceptional Hardship Fund policy. This would enable the Council to ensure recipients of Council Tax Reduction were not adversely affected by an increase in income following the removal of the two-child restriction which had previously applied within Universal Credit.

Members were advised that under Schedule 1A of the Local Government Finance Act 1992, Council Tax Reduction (CTR) schemes had to be approved by 11 March each year. The requirement to publish a draft scheme and provide for consultation on changes to an existing scheme had to be in advance of that date.

The Chancellor of the Exchequer announced in her Budget on 26 November 2025 that the government would be removing the two-child limit in the child element of Universal Credit from April 2026 and estimated that the measure would lift 450,000 children out of poverty.

It was noted that the announcement was too late for councils to undertake the necessary preparatory work to design and consult on a scheme taking the change into account and then to obtain scheme approval by the 11 March 2026 deadline.

The Department for Work and Pensions (DWP) had been approached for data on those claimants who were likely to be affected by the change. However, it had responded to the effect that nothing was to be provided.

As such, it was difficult to predict with any accuracy the numbers and potential cost involved, as the Council was reliant on receiving DWP electronic notifications. Those notifications were expected during May and June 2026 as individual claimant Universal Credit entitlements were recalculated.

Existing data suggested that more than 1,000 claimants would be affected, and the impact in each instance would vary according to other factors in individual assessments. The effect this would have, in terms of the reduction in the rate of support to be provided by the CTR scheme, could be substantial particularly for larger families.

For each additional child, for which the child element will be awarded in Universal Credit, the income provided for would increase by £303.94 per month, or £70.14 per week.

Most claimants would be receiving CTR at a rate of 90% before the increase took effect, with 72%, 36%, 24% and none, all being possible entitlement rates afterwards. The current scheme bands prescribed income ranges as shown in the table detailed in the report.

Members were advised that the proposal in the report was to negate the effect of a lower rate of CTR by reducing a claimant's council tax liability to the value of CTR lost by crediting an equivalent amount under the Exceptional Hardship Fund - Section 13A (1) (a) Policy. The Exceptional Hardship Fund - Section 13A (1) (a) Policy provided for application-based reductions to council tax bills in exceptional circumstances, usually where a CTR award has been made.

A Member queried if the changes detailed in the report would have any cost implications for the Council. It was clarified that residents eligible for this benefit would not see any changes to their Council Tax liability. It was also clarified that where the Council needed to reimburse partners, such as the Fire Authority, there were contingency budgets for this and would therefore have no detrimental impact on the Council's finances.

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Members discussed, and agreed, that the work carried out on this initiative was a worthwhile endeavour. It was also commented that other Councils were keeping a watching brief on this issue while Middlesbrough had already taken action.

The Chair expressed her thanks to both officers and the Executive Member for Finance for their work on this initiative.

OPTIONS

The Council could have taken no action to provide additional support, which would have meant more council tax revenue would become payable due to the reduction in individual CTR claimants' entitlements.

Those claimants would have borne the cost of the larger council tax bills and met it from the additional income the government had announced would be received through Universal Credit.

The perception could have been the Council was not serious about reducing poverty, particularly for families with children, and was taking financial advantage from the changed circumstances.

It was possible that a sum at a lesser rate than the full amount lost in CTR could have been awarded from the Exceptional Hardship Fund, but an additional level of complexity would be introduced for which a substantial amount of work might have been required to understand the range of consequences that would result and to then implement. The interplay between the CTR scheme income ranges and associated CTR award rates created the possibility that some households could have increased amount of council tax to pay if the full amount were not credited.

ORDERED that Executive:

- 1. APPROVES a time-limited change (2026/27 financial year only) to the Exceptional Hardship Fund - Section 13A (1) (a) policy which was approved at Executive on 4 February 2026.**

Members were advised that this change would extend eligibility to Council Tax Reduction (CTR) claimants on the basis of their increased income from Universal Credit due to the removal of the two-child restriction, to enable individual council tax bills to remain unaffected, with automatic awards to be made.

REASONS

The decision to extend eligibility was required if the Council's intention was to ensure that there was no detriment to claimants of CTR who would otherwise benefit from additional household income to be made available by Government through Universal Credit due to the removal of the two-child restriction which had previously generally applied.

The cost of extending eligibility under the Exceptional Hardship Fund - Section 13A (1) (a) Policy was offset, to a substantial extent, by increased council tax revenue because the value of CTR awards for the claimants affected would be reduced. The impact from increased household income would commonly be a lower rate of individual entitlement under the CTR scheme.

Avoiding the requirement for individual applications would reduce the administrative effort required in arranging for them to be made and decided. A standard approach that enabled individual council tax bills to remain unaffected should have reduced the level of contact with the Resident and Business Support Service from affected claimants and avoided the need for more than one council tax bill to be issued associated with the income change.

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The Executive Member for Neighbourhoods submitted a report for Executive consideration. The purpose of the report sought approval of three new policies relating to the general and regulatory functions delivered by Public Protection, Neighbourhoods and Environmental Enforcement functions. The new policies would enable the Council to satisfy its statutory obligations in line with the provisions of the Legislative and Regulatory Reform Act 2006 and the Regulators Code made under it as well as the Renters' Rights Act 2025 and associated housing legislation.

In terms of the private rented sector housing enforcement policy, the Renters' Rights Act 2026 represented a fundamental shift in the regulation of the private rented housing sector. Tenants would see stronger protections, including the replacement of assured shorthold tenancies with periodic assured tenancies, improved rights and better security of tenure, and greater protection from unlawful interference from landlords or their agents.

The Renters' Rights Act 2026 placed a statutory duty on local housing authorities to enforce landlord and rented accommodation legislation, altering the balance between informal action and formal enforcement. Where breaches in legislation were identified, the Council needed to actively consider enforcement action to meet this duty, rather than defaulting to advice or informal resolution in the first instance.

Consequently, the Regulators' Code was not to be relied upon to justify informal action as the starting point for compliance under the Renters' Rights Act 2025. This explained the need for a separate Private Sector Housing Enforcement Policy 2026-2031 which did not rely on the principles set out in the Regulators' Code.

Historically, enforcement of private rented sector legislation had varied significantly between local housing authorities, with markedly different enforcement outcomes. This inconsistency risked undermining confidence in the regulatory system, created uncertainty for landlords operating across multiple areas and increased the likelihood of challenge to enforcement decisions. This also resulted in discrepancies to the level of tenant protections.

To address those concerns, the Association of Chief Environmental Health Officers (ACEHO) developed a suite of national model policies, including a Civil Penalty Policy. The policies aimed to promote greater consistency, transparency and robustness in local authority enforcement approaches, whilst allowing for appropriate local discretion, where appropriate. The Private Sector Housing Enforcement Policy 2026-2031 and The Civil Penalties Policy 2026-2031 were aligned with this nationally recognised framework, strengthening the Council's ability to meet its statutory duties under the Renters' Rights Act 2026.

The implementation of the Renters' Rights Act 2025 required a coordinated and timely update to the Civil Penalties Policy and the previous Public Protection Enforcement Policy. Failure to update the policies risked inconsistency in enforcement decisions and activities, increasing exposure to challenge, as well as an inability to demonstrate the Council was meeting its statutory duties to enforce landlord legislation under section 107 of the Renters' Rights Act 2025.

Regarding the Civil Penalties Policy, there was a current Civil Penalty Policy which had been developed prior to the introduction of the Renters' Rights Act 2025. This policy had been revised to reflect the suite of new offences and amendments to the penalty and evidential thresholds used when calculating the level of civil penalty, and to new statutory guidance.

Civil penalties offered a faster, less resource-intensive enforcement route compared to the time-consuming process of criminal prosecution, which placed a burden on the court system. This allowed regulatory bodies to deal with more cases effectively and quickly

The statutory guidance on civil penalties, under the Renters' Rights Act 2025 and other housing legislation, informed Councils' that civil penalties were available as an alternative to criminal prosecution for relevant landlord and rented accommodation. It also advised there was no expectation that Councils needed to take informal steps to address breaches or offences under the Renters Rights Act 2025 and other housing legislation. The guide included starting points which Councils needed to refer to for setting civil penalties, based on the seriousness of the offending.

The Council had the power to impose a civil penalty of up to £40,000, with a level of civil penalty imposed decided on a case-by-case basis in line with the Civil Penalties Policy. The policy set

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out the level of civil penalty in each case where it has been determined to issue a civil penalty as an appropriate enforcement option.

The Council, through the policy, had to determine the level of penalty after having taken into consideration factors specific to the offending, including aggravating and mitigating factors, and financial considerations. In setting a final civil penalty amount, the Council needed to take account of any information supplied by the offender about their financial circumstances which would usually include all gains from rental income. It was recognised that in areas where rents were lower, or higher, than the national average, the Council could apply a general adjustment via its civil penalties policy and issue a penalty that was proportionate to the local rental market. This adjustment needed to maintain a level of civil penalty in order that the offender did not financially benefit from their offending behaviour and that the level of fine was relevant to the impact of the offending on tenants and the Council.

The legislation stated that any income received from civil penalties was retained by the Council and used to further the Council's statutory functions in relation to its enforcement activities covering the private rented sector. Adopting the policies referred to in the report would ensure the Council could continue to effectively deliver regulatory functions and use appropriate enforcement sanctions.

Thanks were expressed to all those involved in the development of the policies and there were questions from Members.

OPTIONS

Not to approve the new policies. This would have meant an increased risk of a legal challenge against enforcement decisions action, particularly in respect of the new / amended enforcement functions and powers.

ORDERED that Executive:

- 1. APPROVES the General Enforcement Policy 2026-2031**
- 2. APPROVES the Public Protection Private Sector Housing Enforcement Policy 2026-2031.**
- 3. APPROVES the Public Protection Civil Penalties Policy 2026-2031 (under the Renters' Rights Act 2025 and other housing legislation)**
- 4. APPROVES a further report be brought to provide an update on the demands and the resource costs of delivering the Renters' Rights Act 2025.**
- 5. DELEGATES authority to the Corporate Director of Regeneration and Housing to make minor changes to the above policies in response to changes to governance guidance or legislation.**

REASONS

To ensure the Council had an approved framework for delivering Public Protection, Neighbourhoods and Environmental Enforcement regulatory functions.

To ensure the Council satisfied its obligations under the Legislative and Regulatory Reform Act 2006, and the Regulators Code made under it, the Renters' Rights Act 2025 and associated housing legislation.

To avoid or mitigate the risk of inconsistent enforcement, legal challenge to decisions and reduced ability to demonstrate compliance with statutory guidance and best practice.

Delegation to the Director of Regeneration and Housing to make minor changes to policies ensured that changes to new legislation and guidance were accounted for and policies could be applied effectively without need for full Executive approval.

To inform Executive about the additional demands of the Renters' Rights Act and the impact on staffing resources and costs.

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The Executive Member for Public Health submitted a report for Executive consideration. The purpose of the report was to set out the Director of Public Health's (DPH) strategic focus on Ill Health Prevention, provide senior leaders and elected members with an overview of the key prevention challenges and opportunities across South Tees, strengthen collective responsibility for prevention across the Council, and promote consistent, system wide collaboration with partners, supporting a shared approach to improving outcomes.

The Director of Public Health identified several recommendations as part of his annual report which included achieving the 5% smoking prevalence ambition by 2030 and a continued investment in the South Tees system wide smoking cessation infrastructure, improving the early identification of harmful drinking and develop a targeted prevention and harm-reduction campaign for South Tees and to embed the Healthy Weight Declaration into core South Tees policy and governance so that creating healthier environments became a shared, system wide responsibility across all departments and partners.

A Member commented that individuals that died early were oftentimes the most difficult to reach and offer support to. It was asked what plans were in place to address this. It was clarified that there was a shared post between Public Health and James Cook University Hospital. This post was responsible for drafting the annual health inequalities report which had led to an increased awareness of this issue. It was conceded, however, that while a large amount of work was being undertaken in this area, it was a difficult issue and more work was required.

Members commented that there was a need to reach out to those in need of services rather than increasing appointment times and it was commented work had been undertaken on this matter, with the example of the Stop Smoking Campaign cited as an example.

In response to a question about joint working arrangements between Middlesbrough and Redcar and Cleveland Councils, it was commented that there were continued efforts to align the work of Public Health and Adult Social Care and their respective teams.

It was asked if the work of Public Health could be delivered via the Neighbourhood model. It was clarified there was a need to understand what buildings were available and which were most suitable for Public Health teams to operate from.

The Chair proposed that an update on the work contained in the DPH Annual Report be brought back to Executive within six months. Following a vote, this was agreed by Executive.

OPTIONS

No alternative options were submitted with the report as the DPH Annual Report was a statutory requirement and was for information only. It was not subject to amendment or approval.

ORDERED that Executive:

1. **Receive an update on work contained with the DPH annual report within six months.**

AGREED that Executive:

1. **NOTE the Director of Public Health Annual Report 2026.**
2. **NOTE the Council's shared responsibility in preventing ill health which was dependent on joint working across the Council and with its partners. This included the service level agreements (SLAs) between Public Health and Directorates to promote and support working together effectively.**

REASONS

The report provided insight into local health needs and current work programmes. Its content ensured Executive was informed of the key issues and priorities for preventing ill health.

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Noting the recommendations strengthened the Council's shared, system-wide commitment to preventing ill health and supported a co-ordinated action across Public Health, the wider Council and with partners to improve outcomes for residents.

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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.