



Member Report

Financial Update – Quarter 2 – 2024/25

Report to: Cabinet

Report from: Managing Director

Portfolio: Resources

Report Date: 10 December 2024

Decision Type: Executive

Forward Plan Reference: RD0126

Council Priority: All

HEADLINE POSITION

1.0 Summary of report

- 1.1 The report provides a forecast year-end position for the Council as at Quarter 2 of the 2024/25 financial year; covering the revenue budget, the collection fund, revenue reserves, the capital investment programme, our arrangements for Treasury Management, and approval requests for debt write-offs.
- 1.2 This forecast financial position needs to be considered within the context of the Medium-Term Financial Strategy for 2024/25 to 2028/29, which was approved by Full Council on 29 February 2024.

Executive Summary

- 1.3 The 2024/25 budget report in February highlighted the need for further savings to mitigate the level of uncertainty and risk particularly inherent within demand-led services like children's social care.
- 1.4 The first half of this year has seen a significant increase in the number of complex high-cost children's care placements. Whilst these pressures are common across many councils, councils like Redcar & Cleveland are particularly affected due to inequities in the local government funding system.
- 1.5 The regeneration of the Teesworks site offers some respite in future years through increased business rate income, though caution is needed in assumptions and forecasts.
- 1.6 Decisive action is required in the short term, aligned to the Council's Financial Strategy, to ensure the Council's ability to sustain itself and fulfil its statutory obligation of setting a balanced budget annually.
- 1.7 At Quarter 1, which was reported to Cabinet on 17 September 2024, the Authority reported a forecast overspend of £6.468m, with a range of measures agreed to be included to reduce the overspend to this level. The position at Quarter 2, after the application of the agreed measures, has worsened by £0.255m to £6.723m. This movement is largely because of the continued pressures within Children & Families.

Despite the majority of the quarter being relatively stable with regards to the number of young people in the Authority's care, placements for another six young people were required by the end of the quarter. Further detail is set out in paragraphs 4.4 – 4.9.

1.8 Considering the council's present financial standing and the challenging landscape facing local government in the foreseeable future, it is imperative to adopt a pragmatic approach in the short to medium-term while maintaining our commitment to achieving the objectives outlined in the council's corporate plan and priorities. The in-year position increases the challenge on financial planning in the medium-term financial plan. Another report, also presented to Cabinet on 10 December 2024, will outline the initial budget proposals for 2025/26 and the medium-term financial plan through to 2029/30, in the light of the current in-year financial position.

Summary

1.9 The 2024/25 budget report in February highlighted that further savings and solutions would need to be identified to mitigate the level of uncertainty and risk particularly inherent within demand-led services like children's social care where the drivers causing cost pressures can be unpredictable and volatile.

1.10 The 2023/24 Outturn report in July 2024 identified that those risks had materialised in the early part of 2024/25, with a significant increase in the number of complex high-cost children's care placements being required, that if sustained will cause a significant overspend against this year's budget.

1.11 These pressures are common amongst many councils, particularly in the north-east, and are compounded for regions such as ours due to long standing inequities in the local government funding system. As outlined in the Quarter 1 report, we continue to lobby Government on the extremely challenging position of tight funding settlements alongside deprivation linked unfunded and unavoidable cost pressures which far outstrip our ability to raise additional income locally particularly from council tax due to the inherent inequities in the council tax system. However, with Government facing challenges in repairing the national finances, we need to plan to address our own position.

1.12 It is important to note that children in our care costs are forecast based on some care packages ceasing either where they are intended to be temporary, or where the child is due to turn 18 years old; estimated health care contributions where these are still to be agreed, and no further net growth in package costs is forecast during the remainder of the year. There obviously remains a risk of costs growing further, as they have in Quarter 2.

1.13 To try to mitigate this risk, the service has launched a series of initiatives aimed at trying to address the causes of children needing to be taken into care in the first instance, with a particular focus on more complex needs that often result in high-cost placements being required. They are also working closely with local suppliers to identify opportunities to enhance the provision of locally based solo and dual placements to negate the need to incur a high premium cost for these types of placements, whilst seeking to minimise the length of time these placements are required for individual children. These initiatives continue to be embedded with the aim to see benefit to the forecast position as the financial year progresses.

- 1.14** Given the depleted reserves position of the council, it is imperative that the in-year forecasted overspend of £6.723 million is reduced, and several avenues continue to be explored to achieve that. It should be noted that most of these solutions are anticipated to be one-off.
- 1.15** Spend controls were implemented across all departments during Quarter 1 and these remain in place at Quarter 2. These continue to focus on management of pay costs through tighter control of recruitment, overtime and use of agency staff; avoidance of non-essential spend and maximisation of income sources.
- 1.16** The Council's approved policy for the flexible use of capital receipts allows expenditure that is designed to generate on-going revenue savings or transform service delivery in a way that reduces costs or demand for services in future years, to be funded from capital receipts. Based on the capital receipts forecast to be received in 2024/25, this is anticipated to reduce the in-year revenue overspend by £1.222 million; a further £0.222 million now projected than at the end of Quarter 1.
- 1.17** Finally, the application of one-off corporate contingencies, provision drawdowns and one-off grant receipts will contribute a further £3.172 million, helping to bring the revised forecast overspend for the year down to the report £6.723 million.
- 1.18** In line with the requirement set out in the 2024/25 budget report to identify more savings after the budget was approved, an all-member budget conference was held in April 2024 to set out the various aspects of the financial position, propose an approach to meeting the financial challenge and commence a series of all member budget task and finish meetings to progress this. These task and finish meetings concluded in October, with a final all member conference held in November.
- 1.19** Complimenting this, a budget transformation programme was instigated by the Council's executive management team, with workstreams being led by assistant directors, again with the intent of identifying further savings proposals for consideration. This work continues to look at all key aspects of the Council's operations, to try to put our budget on a more sustainable footing. This includes reviewing our services and assets, addressing the demand for our services and maximising income and funding opportunities. Particular emphasis is on areas where the greatest and timeliest impact can be made, in line with council priorities and statutory duties.
- 1.20** The work being undertaken to identifying further budget savings and solutions will be crucial in ensuring the Council remains financially sustainable and resilient. The output of the Task & Finish Group, Member Conferences and initial work from the Transformation Programme is fed into the 2025/26 budget proposals, which are also presented to Cabinet's December meeting.

2.0 Recommendation

2.1 It is recommended that Cabinet:

- Note the forecast outturn position on the revenue budget and capital investment plan.
 - In terms of capital investment variations, Cabinet is asked to recommend to Full Council to approve:
 - additional Council resources of £1.605 million for the purchase of additional vehicles to replace those on hire to achieve savings over the life of the assets (paragraph 4.35, item h).
- Approve the revised position at Quarter 2 for Prudential Indicators used to measure performance for the Council's Treasury Management arrangements (Appendix 4).
- Approve the itemised list of revenue budget virements (Appendix 5).
- Approve the itemised list of capital budget virements (Appendix 6).

DETAILED PROPOSALS

3.0 What are the objectives of the report and how do they link to the Council's priorities.

3.1 Strong financial governance is the foundation of the Council's ability to deliver the Corporate Plan. Effective financial management of the budget aids the delivery of the Council's key priorities and objectives as stated in the Corporate Plan.

3.2 The Council maintains a medium-term financial strategy, which informs the Council's revenue and capital budgets and drives the Treasury Management Strategy. The budget for this financial year was approved by Full Council on 29 February 2024. The Council's 2024/25 Budget was based on a 2.99% council tax increase and a 2% increase in the adult social care precept (which was approved within the national referendum limits of 3% for council tax and 2% for adult social care precept rises). The Council's available funding through council tax remains below the level the Government assesses as part of its definition of Core Spending Power in this financial year.

4.0 What options have been considered.

4.1 As at Quarter 2 2024/25, the Council is forecasting a year-end net overspend of £6.723 million, a worsening of £0.255m from Quarter 1. The detail of which is shown in the below table.

Directorate	Revised Budget	Q2 Forecast Full Year Outturn	Q2 Forecast Variance	Q1 Forecast Variance	Movement Between Quarters
	£'m	£'m	£'m	£'m	£'m
Adult and Communities	49.788	49.708	(0.080)	(0.037)	(0.043)
Children & Families	59.057	71.733	12.676	10.867	1.809
Growth, Enterprise and Environment	46.181	45.371	(0.810)	(1.067)	0.257
Resources	2.410	2.220	(0.190)	(0.286)	0.096
Corporate Allocations	(24.917)	(28.568)	(3.651)	(2.009)	(1.642)
Total	132.519	140.464	7.945	7.468	0.477
Planned Use of Flexible Capital Receipts	-	(1.222)	(1.222)	(1.000)	(0.222)
Revised Total	132.519	139.242	6.723	6.468	0.255

The above table shows the projected 2024/25 Outturn forecast by Directorate at Quarter 2.

4.2 Adult and Community Services – Forecast Underspend of £0.080 million.

Key pressures exist in achieving 2024/25 savings targets for income generation and adults transport savings, £0.242 million, together with demand on assistive technology services, £0.280 million (a significant proportion of which has now been capitalised).

4.3 Careful management of staff levels in the service and ensuring that external grant funding is optimised to fund the delivery of adult social care services has helped minimise any overspend. As a result of the in-year measures applied the service has been able to mitigate the cost pressures to forecast a small underspend position of £0.080 million.

4.4 Children and Families – Forecast Overspend of £12.676 million.

The forecast overspend remains driven by children's social care placement costs, staffing pressures, legal fees and home-to-school transport. As part of the 2024/25 Budget Setting process, further additional budget allocations of £7.200 million for children's social care placements, £0.600 million for Home to School Transport, £0.800 million for social care worker staffing, £0.500 million for supporting children and their families with disabilities, and £0.300 million for additional legal costs was provided.

4.5 The Council's budget for children in our care residential placements is currently forecast to overspend by £11.937 million (Q1 £9.166 million) in 2024/25. There are circa 72 children (66 at Q1) currently accommodated in residential and supported accommodation at an average cost of £0.330 million per year. The forecast assumes that targeted interventions prevent any further growth in numbers of young people and the associated cost.

4.6 At Q2 the number of children in independent foster care placements has increased by 14 young people at an additional cost of £0.514 million, resulting in an expected annual overspend of £1.194 million.

4.7 The Directorate are still partially reliant on more expensive agency social workers to fill hard to recruit vacancies and are overspent by £0.268 million in related additional costs net of vacancy savings which is a significant improvement on 2024/25. Other staffing pressures relate to the inability to fully implement planned changes in the youth service (unachieved Driving change savings) and social care demand driven posts.

4.8 Legal service costs associated with children in our care cases are expected to overspend by £0.515 million (Q1 - £0.434 million) and are subject to a further gatekeeping process.

4.9 The budget for Home to School Transport is forecasting an overspend of £1.514 million (Q1 - £1.390 million). This is due to increasing demand for children with education health and care plans, transport to mainstream schools where local schools are at capacity and inability to meet savings targets on charging for Post 16 transport.

4.10 Growth, Enterprise and Environment - Forecast Underspend of £0.810 million.

The Directorate underspend position has reduced from £1.067million reported at Q1 to an underspend of £0.810 million. The main variations relate to security costs linked to anti-social behaviour, waste disposal costs, reduced recycling commodity prices, offset by staff savings due to the further in year hold of recruitment to vacant posts. The detail by section is provided below.

- Culture and Tourism is forecasting an overspend of £0.279 million with the main variances relating to income shortfalls due to the requirement to close the Cliff Tramway earlier in the year, the service also has non-pay pressures relating to unachieved Driving Change savings target and pressures on security and repairs and maintenance budgets which is partly offset with the in-year hold of recruitment to vacant posts.
- Economic Growth is forecasting an underspend position of £0.200 million relating to the in-year hold of recruitment to vacant posts and the review of non-pay budgets within the service. The potential shortfall in planning fee income is currently being offset through the use of reserves pending the potential of additional in year applications being received.

- Environment Sustainability is forecasting an underspend position of £0.126 million relating to the in-year hold of recruitment to vacant posts, offset by the increased security costs associated with anti-social behaviour and the forecasted tenancy income levels in the business centres.
- Health Protection is forecasting an underspend of £0.265 million relating to the in-year hold of recruitment to vacant posts and the receipt of one-off additional grant income.
- Neighbourhoods is forecasting an underspend of £0.499 million; this relates to both underspends and overspends in the service. The service is achieving pay savings relating to the in-year hold of vacant posts, in-year savings from the Concessionary Fares service based on latest projections from TVCA, along with garden waste subscription income and other income variances. Fleet services are forecasting an overspend due to increased cost of parts and fleet hire along with unachieved Driving Change savings target. Waste disposal cost pressures relating to recycling contamination levels continue in 2024/25, along with reduced recycling commodity prices. Recent decisions regarding free parking provision will have a financial impact on budget assumptions.

4.11 Resources Directorate Forecast Underspend of £0.190 million.

The Directorate continue to forecast an underspend, this has reduced from the position reported at Quarter 1 due to transformation project team staff costs. The forecasted underspend in the Directorate is mainly due to a number of posts being held vacant as part of the financial challenge to reduce the overall forecast overspend identified in year. Other identified savings include additional income from grants, SLA income and other miscellaneous income. However, some of these savings have been offset by additional software pressures, audit fees and other professional fees.

4.12 Corporate Allocations Forecast Underspend of £3.651 million.

The forecast underspend is caused by corporately held budgeted contingencies for demand (for example social care) and transformation of £1.120 million. These contingency budgets are to be retained corporately for the remainder of the year. In addition, year-end accounting treatment of provisions is anticipated to support the position by £0.822 million, a restructuring of loans will bring one-off in-year savings of £0.400 million, and a further in-year grant receipt of £0.500 million is anticipated.

4.13 Savings of £0.512 million have also been forecast on interest payable budgets due to deferring borrowing until later in the year due to high cash balances and predicted interest rate reductions. In addition to this, the Council is forecasting to exceed its investment income earned budget by £0.572 million due to interest rates staying comparatively higher than in recent financial years. Other savings include some one-off income from an old capital scheme, some refunds of business rates and minimum revenue provision.

4.14 There have also been some pressures identified. These are on services managed by Middlesbrough Council in respect of the Coroners Service and the inflationary impact on pension costs as well as a shortfall on Driving Change savings targets highlighted below.

4.15 Collection Fund

The Council maintains a Collection Fund, as a statutory requirement, to separately account for the Borough's council tax and business rates income.

4.16 For council tax, the total forecast surplus, as referenced in Appendix 1, is £0.250 million. The Council retains an 82.85% share of this surplus, which equates to £0.207 million. The Council's share of this surplus will need to be factored into the budget setting process for 2025/26. The estimated surplus has arisen from an increase in the net liability due to property growth and movements on discounts and exemptions, a lower contribution to the bad debt provision than budgeted for offset by the 2023/24 position being worse than anticipated, which was not factored into the estimated deficit to be carried forward into 2024/25.

4.17 For business rates, the total deficit as referenced in Appendix 1 is £0.380 million. The Council's 49% share of this net deficit is £0.186 million. This is an improved position compared to Quarter 1, which was a deficit of £3.124 million. The movement of £2.744 million reflects anticipated income from Teesworks for the final quarter of the financial year and movements in provisions. This deficit will need to be factored into the budget setting process for 2025/26.

4.18 The Collection Fund monitoring position for Quarter 2 of 2024/25 is attached in Appendix 1, which sets out the main items of income and expenditure for council tax and business rates. The account is produced on a regulatory basis and sets out the full Collection Fund position (not just the Council's retained share).

4.19 Usable Reserves

The level of revenue reserves held at the start of the financial year was £23.491 million and is summarised in the table below. The approved budget included a gap of £0.705 million which unless resolved in-year will be funded from reserves. The budget also included a contribution of £0.060 million into an election reserve. This is an annual allocation to build up sufficient funding for the 2027 local elections. The other movement in-year reflects reserves transferring between Directorates due to restructures.

4.20 The Table below summarises the latest reserves position of the Council as at Quarter 2 2024/25.

Reserve	Closing Reserves Balance Quarter 1 2024/25	Transfers to/from Reserves Quarters 2 (£'m)	Closing Reserves Balance Quarter 2 2024/25 (£'m)
School Reserves (excluded from Total Reserves Below)	1.881	(1.881)	-
Adults and Communities	2.158	(0.539)	1.619
Children and Families	0.108	(0.001)	0.107
Growth, Enterprise, and Environment	1.421	0.539	1.960
Resources and Growth	1.268	0.060	1.328
Total Directorate Reserves	4.955	0.059	5.014
General Reserves	6.626	-	6.626
Medium Term Financial Plan	6.804	(0.705)	6.099
Mutual Municipal Insurance	0.500	-	0.500
Insurance Funding	1.787	-	1.787
PFI – Schools	1.120	-	1.120
PFI – Street Lighting	0.122	-	0.122
Brexit Funding	0.036	-	0.036
Strategic Change and Resilience	1.000	-	1.000
Business Rates – Funding Reserve	0.541	-	0.541
Total Corporate Reserves	18.536	(0.705)	18.536
Council Total	23.491	(0.646)	22.845

The table above shows a breakdown of the reserves available at the start of the 2024/25 financial year and the latest value of reserves held by the Council as at Quarter 2 – 2024/25.

- 4.21 It should be noted that the total value of remaining reserves is not available for addressing budget pressures. Several reserves are held for future contractual commitments, risk assessed levels for items such as the Insurance Fund, and due to funding being received in advance of associated spend. The strategic MTFS reserves available to provide protection / contingency against adverse variations in MTFS assumptions and plans total £7.804 million (MTFP £6.099 million and Strategic Changes & Resilience £1.000 million).
- 4.22 The latest reserves position and updated MTFS forecasts demonstrates the urgency of ensuring in-year mitigating solutions to address the overspend are successful, that Driving Change savings agreed in the latest Medium Term Financial Strategy approved on 29 February 2024 are successfully implemented, and that further savings are developed to inform the 2025/26 Budget Proposals to ensure the Council's financial position is sustainable and resilient across the

medium term.

4.23 Driving Change

A key element of the Council's Medium-Term Financial Strategy is to promote financial resilience and sustainability, with planned savings where required helping to support a balanced revenue budget across the medium-term.

4.24 A summary of the progress to date is set out in the table below, with more detail in Appendix 2. To address the very significant financial challenges in 2024/25, the Council had committed to deliver £7.574 million in Driving Change efficiencies in 2024/25, following by a further £0.607 million in 2025/26. In summary, for 2024/25, £6.141 million of these savings have been classified as being achieved (81%), £0.501 million remain in-progress (7%) and £0.933 million (12%) are outstanding. These forecasts are incorporated into the overall projected revenue position set out above.

Driving Change Theme 2024/25	Achieved £m	In-progress £m	Outstanding £m	Total £m
Buildings & Accommodation	0.465	0.000	0.000	0.465
Changing how services are provided	3.430	0.349	0.604	4.383
Invest to Save	0.075	-	-	0.075
Fees, Charges and Contractual Arrangements	0.879	0.152	0.279	1.310
Improving Business Efficiency	1.292	0.000	0.050	1.342
Total	6.141	0.501	0.933	7.575
%	81%	7%	12%	100%

The table above shows a breakdown of Driving Change savings categorised between Achieved, In-progress and Outstanding – as at Quarter 2, 2024/25.

4.25 Whilst the amount of savings achieved has increased since Quarter 1, the amount of outstanding savings has worsened by £0.193 million. This is following a revision to the projected saving from Planning, where the in-year income projection has remained low and therefore required a revision to the projected saving achievement. The other residual outstanding driving change savings relate to the review of youth and community centres, adult social care funding efficiencies, introducing means test for discretionary adult services, service efficiencies within the museums service, shortfall on fees and charges and other pay and non-pay shortfalls.

4.26 Dedicated Schools Grant

The Council receives Dedicated Schools Grant (DSG) funding. The funding comprises a number of blocks – for our Schools, Central School Services of the

Council, High Needs and Early Years. A large proportion of the Schools Block must be passed through to academies. After the passing through of funding to academies, the Council receives £46.610 million which is broken down as follows:

Block	£'m
Early Years	12.829
Schools	9.900
High Needs	23.071
Central Schools Services Block	0.810
Total	46.610

- 4.27 The early years and school block funding are passported to the Council's schools and local early year providers based on pre-defined formulae. The High Needs Block is used to fund children who are determined to have additional educational requirements or attend alternative education provision outside of their mainstream education placement. In recent years the demands on this funding block have been more than the High Needs Funding Block available. As a result of this, as at the end of 2023/24, the Council carried a deficit of £6.012 million which was attributable to a cumulative deficit on the High Needs Block. The DSG deficit is predicted to further increase by £5.888 million to £11.900 million by 31 March 2025.
- 4.28 The increasing pressure in DSG, and in particular the High Needs Block, is because alongside social care, Education Services are experiencing an increase in more complex placements requiring a place in special schools. The rise in demand outstrips the local maintained special school supply and therefore the Council meets the demand by the use of expensive independent special school places. However, there is also a significant increase in young people permanently excluded from school which contributes to the increasing deficit.
- 4.29 The DSG deficit is subject to a statutory override from the Government which has enabled councils who act as local education authorities to account for any cumulative DSG negative balances in a separate unusable reserve, away from the main Council usable reserves. Therefore, the Council is not required to fund this deficit from its general or earmarked reserve balances. The Government have recently extended this override period for a time-limited period from 31 March 2023 to 31 March 2026. Whilst this extension is welcome, the time-limited nature of the extension is a financial risk to the Council which requires a long-term solution from the Government. If the statutory override was not continued beyond 2026, the deficit would (based on its current level) need to be funded from already depleted reserves. The medium-term financial plans of the Council currently assume the statutory override will be extended but this remains a risk, and the Council will closely monitor the Government position on this matter. Other local education authorities have experienced similar cumulative deficits of variable scale, and the Council is benchmarking itself against the positions reported by these local authorities.
- 4.30 The DSG grant conditions require that local education authorities with an overall deficit on its DSG account need to present a plan to the Department of Education for managing its DSG spend in-year and future financial years. The Council reports on its High Needs deficit to Schools Forum (attended by representatives of

early needs to post-16 educational establishments in the Borough) and has in previous years sought agreement to top-slice an element of the main school block to top-up the High Needs Funding available.

4.31 The Council is working with the DFE and has previously received grant funding of £1m under the “Delivering Better Value” (DBV) programme that is supporting work that aims to mitigate deficit levels in the medium term using best practice and benchmarking across the country. DBV is a long-term programme, and 55 other local authorities are also taking part.

4.32 Capital Investment

The Capital Investment Plan supports the Council’s corporate planning process by identifying and maximising available resources, supporting the delivery of our priorities and ensuring that all our resources are effectively invested.

4.33 The Capital Investment Plan is financed in such a way that the cost to the Council Taxpayers is spread over the life of the asset being invested in. A summary of the current 2024/25 capital programme is set out in the summary table below, with a more detailed breakdown included in Appendix 3. The itemised list of capital budget transfers is also included in Appendix 6.

4.34 The Quarter 2 revised Capital Investment Plan reflects movements since the updated Plan was considered in July 2024. The movements relate to some re-phasing of forecast spend against the approved budget at Quarter 1, some amendments to budgets and the addition of some new schemes.

Investment Theme	Approved Capital Investment Plan - Quarter 1 (£'m)	Q2 Revised Estimate (£'m)	Full Year Variance (£'m)
Town Centre Investment	57.684	37.541	(20.143)
Visitor Attractions & Amenities	7.534	7.306	(0.228)
Business Infrastructure	1.041	1.040	(0.001)
Transport Infrastructure	6.304	5.922	(0.382)
Housing	1.404	1.404	-
Supported Housing	3.400	3.385	(0.015)
Community Capacity	0.519	0.199	(0.320)
Recycling and Waste Initiatives	0.744	0.255	(0.489)
Education	5.336	3.386	(1.950)
Council Investment	9.544	10.501	0.957
Total	93.510	70.939	(22.571)

The above table shows a breakdown of the latest Capital Investment forecasts by Investment theme as at Quarter 2 2024/25.

4.35 The key variances to the programme for each thematic block are due to the following reasons:

- a) **Town Centre Investment:** The variance is showing a decrease of £20.143 million. This is due to reprofiling of budget into future years to reflect delivery timescales; and transferring of funding between different schemes. Revisions to the spending profile and projects covered by both Redcar Towns Deal and Greater Eston Levelling Up Fund are currently under review by MHCLG which will change the scope of both schemes. Specific changes relate to the Anchor Attraction works where £9.4 million has slipped into 2025/26, Eston Precinct where the final property acquisitions are expected in March/April 2025 so £3.5 million has been slipped into 2025/26 and finally around levelling up funding primarily in Guisborough, with extended engagement activity taking place around Chapel Beck.
- b) **Visitor Attractions and Amenities:** Reprofiling of budget for Kirkleatham Future Development due to delays on commencing the development of a scheme.
- c) **Transport Infrastructure:** Reduction of in-year budget of £0.382 million. This is due to some reprofiling of expenditure into future years, an increase in grant allocation for the delivery of the Eston to South Bank Cycleway, and a new scheme funded by the Environment Agency for Flood Alleviation works. There is also a planned increase in spend on Highways which will be from an advance on the 2025/26 allocation.
- d) **Supported Housing:** A transfer of budget between Disabled Facilities Grants and Aids & Adaptions is requested along with a small reduction in the quired budget for CSDP Adaptations.
- e) **Community Capacity –** Reprofiling of budget into 2025/26 to reflect the anticipation timeline of awarding of grants for grassroots sports clubs.
- f) **Recycling and Waste Initiatives –** Reprofiling of budget into 2025/26 for works on Warrenby Depot and old waste disposal sites.
- g) **Education –** Update to budgets to reflect revised grant allocations, transfer of grant funding between schemes and reprofiling of grant into future financial years to deliver improvements to the school infrastructure and the increase school places.
- h) **Council Investments:** The main movement in the block is for additional borrowing to invest in new vehicles and to reprofile some of the budget into 2025/26 due to a delay in the lead in time for the delivery of vehicles. The purchase of the additional vehicles is following a review of the vehicles currently on hire. These are required for the delivery of Council services going forward and purchase of the vehicles provides a revenue saving and an overall saving when comparing the cost of hire verses the cost of purchase. The Budget Transformation Hotspot group was tasked to look at overspend in certain areas, including Fleet Services. Following a review of long term hired vehicles within the Council fleet, a total of 35 hired vehicles have been identified by the services as being ongoing requirements. An appraisal of these vehicles has shown that, over the lifetime of the vehicles, a saving of £0.437m can be achieved by purchasing rather than hiring.

4.36 Treasury Management

Current debt levels on 30 September 2024 are £201.020 million (which is an increase on the position as at the 30 June 2024 of £198.756 million). The increase is due to a new £5.000 million PWLB loan taken out in September in advance of a loan maturity in November 2024. This was taken in advance due to a reduction in rates which have since been reversed. There have also been repayments £2.736 million of instalments on loans during the second quarter of the financial year. Further borrowing is anticipated during the third quarter of the financial year. The Council has continued to maintain an under-borrowed position and where possible has opted not to borrow up to the level of the Council's Capital Financing Requirement to reduce capital financing costs.

4.37

Borrowing	Principal £'m	Rate %	Average Life (Years)
Public Works Loan Board	112.281	3.26	11
Market Loans – LOBO	18.500	6.16	50
Market Loans – Fixed	48.750	6.47	51
Long term local authority and pension funds	15.763	3.85	8
Short term local authority and pension funds	5.000	5.35	0
Salix Loan (which fund street light bulb replacement)	0.726	-	1
Total	201.020	4.39	23

The table above shows the breakdown of borrowing held by the Council as at 30 September 2024.

4.38 The Council is holding investments of £26.570 million as at 30 September 2024 which compares to an investment balance figure of £28.171 million at 30 June 2024. This position at the end of the financial year is generally reduced due to lower council tax and business rates receipt.

Investments	Credit Rating	Principal	Rate	Average Duration
		£m's	%	(Days)
NatWest Current	A-	0.720	3.00	1
Call Accounts	AA-	0.500	3.50	1
Money Market Funds	AA+	8.850	5.01	1
Total Instant Access		10.070	4.79	1
Property Funds		10.000	4.25	182
DMO		6.500	4.92	6
Total Investments		26.570	4.62	73

The table above shows the breakdown of Treasury Management Investments held by the Council as at 30 September 2024.

- 4.39 Credit rating scores are used to denote the credit worthiness of individual investment counterparties and informs the security of the investments which the Council invest.
- 4.40 There have been no breaches in investment counterparty limits during the financial year to date. Individual counterparties' credit quality is assessed and monitored with reference to credit ratings on an ongoing basis. The Council's minimum long-term counterparty rating is A- representing excellent credit quality and an ability for these organisations to make timely repayments of principal and interest. In addition, this information on credit ratings is supplemented via other sources of intelligence such as credit default swap prices, financial statements, information on potential government support, and reports in the quality financial press.
- 4.41 The interest on invested surplus cash balances and CCLA investments is expected to be around £1.140 million. The Council monitors the value of the Pooled Property Fund holdings which although have declined from the value on the 31 March 2024 there has been a slight improvement on the September valuation. The statutory override is due to expire on 31 March 2025. If this isn't extended there will be a revenue impact in 2025/26. The current loss is £1.658 million. However, the value of dividends has remained comparable to previous financial years and continue to be paid on schedule.
- 4.42 As part of the integrated Treasury Management Strategy for 2024/25 a full suite of prudential indicators were approved. The Prudential Code for Capital Finance allows local authorities to make their own capital investment decisions in line with their priorities, providing they are affordable, sustainable, and prudent, and can be demonstrated, as such, using prudential indicators. The position on prudential indicators is set out in Appendix 4. To date there have been no breaches of any of the prudential indicators.

5.0 Impact Assessment

5.1 Climate Emergency – Various aspects of the Council's Capital Investment Plan support the aims of alleviating a climate change emergency.

5.2 Health and Safety – The budget has a secured level of funding for our Health and Safety needs.

5.3 Social Value – A key component of the procurement and investment strategies of the Council are to promote social value across the Borough.

5.4 Legal - The Chief Finance Office has responsibility to ensure that proper arrangements are made for the administration of the Council's financial affairs. The Council must set a legal and balanced budget. These responsibilities have been further enhanced by the release of the CIPFA Financial Management Code.

5.5 Financial – The financial implications are set out in detail in the main body of the report. The implications have also been reflected in the Medium Term Financial Strategy approved by Borough Council on 29 February 2024.

5.6 Human Resources - The report highlights the financial impact of the approved 2024/25 pay award. The Council are facing significant recruitment challenges in

some crucial front-line services such as children's social care, which is resulting on occasions in the Council having to rely on more expensive agency staff.

6.0 Implementation Plan

6.1 Timetable for Implementing Decision: The Quarter 2 Finance Update will be reported to Cabinet on 10 December 2024.

6.2 Lead Officer: Phil Winstanley – Director of Finance (Section 151 Officer)

6.3 Reporting Progress – As per the timetable for implementation above.

6.4 Communications Plan - As per the timetable for implementation above.

7.0 Consultation and Engagement

The Council consults with a wide range of stakeholders as part of ongoing decisions which will need to be made to secure a balanced budget in future years.

8.0 Appendices and Background Papers

- Appendix 1 – Collection Fund Financial Forecasts
- Appendix 2 – Driving Change Efficiency Programme
- Appendix 3 – Capital Investment Plan
- Appendix 4 – Prudential Indicators
- Appendix 5 – Revenue Budget Virements
- Appendix 6 – Capital Budget Virements

9.0 Contact Officer

9.1 Name: Phil Winstanley

9.2 Position: Director of Finance (Section 151 Officer)

9.3 Email address: Philip.Winstanley@redcar-cleveland.gov.uk

APPENDIX 1

This appendix sets out the Council's Collection Fund position for Quarter 2 2024/25, which are separate accounts held for managing the Council Tax and Business Rates collection arrangements of the Council.

Collection Fund – Quarter 2 2024/25:

INCOME

Council Tax Receivable
Business Rates Receivable

EXPENDITURE

Apportionment of Previous Year Deficits

Central Government
Billing Authority
Cleveland Fire Authority
Cleveland Police & Crime Commissioner

Precepts, Demands and Shares

Central Government
Billing Authority
Cleveland Fire Authority
Cleveland Police & Crime Commissioner

Charges to Collection Fund

Less: refunds written off against the appeals provision
Less: Increase/(Decrease) in Bad Debt Provision
Less: Increase/(Decrease) in Provision for Appeals
Less: Interest
Less: Cost of Collection
Less: Disregarded Amounts
Less Transitional Protection

(Surplus) / Deficit arising during the year

(Surplus) / Deficit b/fwd. 1st April 2024

(Surplus) / Deficit c/fwd. 31st March 2025

	2024/25		
	£000's	£000's	£000's
	BR	CT	TOTAL
Council Tax Receivable	0	(96,660)	(96,660)
Business Rates Receivable	(45,562)	0	(45,562)
	(45,562)	(96,660)	(142,222)
EXPENDITURE			
Apportionment of Previous Year Deficits			
Central Government	62	0	62
Billing Authority	61	(863)	(802)
Cleveland Fire Authority	1	(41)	(40)
Cleveland Police & Crime Commissioner	0	(137)	(137)
	124	(1,041)	(917)
Precepts, Demands and Shares			
Central Government	20,583	0	20,583
Billing Authority	20,171	78,803	98,974
Cleveland Fire Authority	412	3,680	4,092
Cleveland Police & Crime Commissioner	0	12,493	12,493
	41,166	94,976	136,142
Charges to Collection Fund			
Less: refunds written off against the appeals provision	(1,020)	0	(1,020)
Less: Increase/(Decrease) in Bad Debt Provision	(191)	879	2,357
Less: Increase/(Decrease) in Provision for Appeals	(1,354)	0	(1,354)
Less: Interest	43	0	43
Less: Cost of Collection	165	0	165
Less: Disregarded Amounts	3,643	0	3,643
Less Transitional Protection	(1,081)	0	(1,081)
	205	879	1,084
(Surplus) / Deficit arising during the year	(4,067)	(1,846)	(5,913)
(Surplus) / Deficit b/fwd. 1st April 2024	4,447	1,596	6,043
(Surplus) / Deficit c/fwd. 31st March 2025	380	(250)	130

APPENDIX 2

Planned savings as per February 2024 budget report	Directorate	2024/25	Achieved	In Progress	Outstanding
Recover administration costs on specific grants where grant conditions allow	All	-50			-50
Accommodation savings from continued delivery of approved asset strategy - reducing office and service accomodation requirements through hybrid working and developing multi-use assets	RES	-465	-465	0	0
Review Library service provision	A&C	-200	-200	0	0
Introduce a means test for discretionary adult social services currently provided free of charge.	A&C	-125	0	0	-125
Adult Social Care funding efficiencies	A&C	-117	0	0	-117
Children in Care placement efficiencies through developing more in-house provision	C&F	-300	-300	0	0
Review of Youth and Community Centres and provision at various locations around the Borough	C&F	-197	0	-129	-68
Reduce the number of buildings used for delievering family hubs services from 12 to 8; and apply alternative funding sources to support service delivery.	C&F	-16	-9	0	-7
Review and consult on potential changes to the current policy on non-statutory SEN transport for early years children and post 16 young people.	C&F	-66	0	-66	0
Seek to reduce costs for home to school transport by reducing out of borough placement numbers and single pupil taxi routes as appropriate.	C&F	-132	0	-132	0
Climate change invest to save activities to mitigate energy costs through targeted intervention measures	GEE	-75	-75	0	0
Environmental services - additional income generation via sponsorship, grant, and increased usage	GEE		0	0	0
Savings on strategic contracts	GEE	-50	-50	0	0
Environment Service Review - non-pay savings	GEE	-125	0	0	-125
Reduce work mobile phone handset contract and identify savings in Wide Area Network provision following building reductions	RES	-100	-100	0	0
Review discretionary business rates relief top up paid to some organisations	RES	17	17	0	0

APPENDIX 2

Additional Savings Proposals	Directorate	2024/25	Achieved	In Progress	Outstanding
Corporate Wide – Council wide management of vacancies, overtime and agency spend	All	-2,000	-1,953	0	-48
Corporate Wide – Internal service reviews to consolidate teams or services where there may be similarities or synergies in terms of function/offer	All	-520	-480	0	-40
Additional income derived from Fees and Charges proposals	All	-960	-776	-105	-79
Museums – review opportunities at Kirkleatham Museum, including considering peak times, optimising opening hours and long-term potential for exploring Trust models	A&C	-75	0	0	-75
Review offer provided by community development and health improvement service	A&C	-230	-230	0	0
Review the support provided for smoking cessation – external contract in place	A&C	-200	-200	0	0
Dunsdale Waste Recycling Centre – Optimise opening hours, reviewing peak times, booking utilisations and seasonal opening hours	GEE	-40	-40	0	0
Review of funding arrangements for the Planning, Development & Housing Strategy team	GEE	-200	0	0	-200
Develop borough-wide Car-Parking Strategy	GEE	-150	-103	-47	0
Strategic Assets review – full review of council owned land and assets	GEE				
Change to capital financing costs by review of council's Minimum Revenue Provision policy	RES	-1,113	-1,113	0	0
Review Council wide spend on external print and design	RES	-45	-46	0	0
Explore options for Revenues and Benefits contract post May 2025 (options appraisal from May 2025 contract break option)	RES				
Review of member support	RES	-40	-18	-22	0
Grand Total		-7,574	-6,141	-501	-933

APPENDIX 3 – The Council’s Capital Investment Plan 2024/25

Scheme	Budget 2024/25	Quarter 2 Adjustments	Revised 2024/25	Financial Years (Projects)	Spend @ 30.09.2024	%	Variance
Town Scape Investment							
Redcar Central Station	8,201,700	0	8,201,700	781,938	812,961	10%	-7,388,739
East Cleveland Town Centre Revival	13,850	0	13,850	831,056	3,853	28%	-9,997
Saltburn Town Centre Revival	679,700	0	679,700	1,561,114	279,590	41%	-400,110
Loftus Future High Street	4,679,650	-525,400	4,154,250	8,522,506	2,081,864	50%	-2,072,386
Redcar Town Deal	11,280,700	-9,375,200	1,905,500	8,254,289	794,357	42%	-1,111,143
LUF Connecting People and Place	11,668,150	-6,924,100	4,744,050	340,072	478,741	10%	-4,265,309
LUF Eston	7,599,200	-3,105,900	4,493,300	123,113	166,335	4%	-4,326,965
Levelling Up Partnership	13,190,200	0	13,190,200	186,771	5,886,784	45%	-7,303,416
Parks & Play Equipment	255,650	-155,650	100,000	44,345	5,575	6%	-94,425
Levelling Up Parks Improvement	6,300	0	6,300	64,179	4,746	75%	-1,554
Kingsley Field	52,150	0	52,150	67,873	42,286	81%	-9,864
Skinningrove Coastal Protection	56,800	-56,800	0	3,774,868	0	#DIV/0!	0
SUB-TOTAL EXPENDITURE	57,684,050	-20,143,050	37,541,000	24,552,124	10,557,091	28%	-26,983,909
Visitor Attractions & Amenities							
Cleveland Ironstone Mining Museum	37,100	0	37,100	2,252,083	39,700	107%	2,600
Regent Cinema Development	11,200	0	11,200	9,501,704	2,246	20%	-8,954
Guisborough Town Hall Gateway Project	452,800	0	452,800	2,338,778	388,370	86%	-64,430
Eston Sports Village	6,649,700	0	6,649,700	3,978,421	583,584	9%	-6,066,116
Loftus MFCF Sports Project	155,000	0	155,000	0	14,249	9%	-140,751
Kirkleatham Future Development	228,250	-228,250	0	0	0	#DIV/0!	0
SUB-TOTAL EXPENDITURE	7,534,050	-228,250	7,305,800	18,070,987	1,028,150	14%	-6,277,650
Business Infrastructure							
Coatham Leisure - Phase 1	390,400	0	390,400	3,935,511	371,752	95%	-18,648
Industrial Estates Programme	650,000	0	650,000	824,518	487,129	75%	-162,871
SUB-TOTAL EXPENDITURE	1,040,400	0	1,040,400	4,760,029	858,881	83%	-181,519
Transport Infrastructure							
Highways Block Allocation - City Regional Sustainable Transport Settlement Allocation	4,098,450	20,000	4,118,450	N/A	1,552,669	38%	-2,565,781
Environmental Assets	2,164,650	-746,750	1,417,900	782,679	27,960	2%	-1,389,940
Flood Alleviation and Resilience Works	0	285,000	285,000	0	0	0%	-285,000
Eston to South Bank Cycleway	41,250	59,500	100,750	708,747	99,355	99%	-1,395
SUB-TOTAL EXPENDITURE	6,304,350	-382,250	5,922,100	1,491,425	1,679,984	28%	-4,242,116

APPENDIX 3 – The Council’s Capital Investment Plan 2024/25

Scheme	Budget 2024/25	Quarter 2 Adjustments	Revised 2024/25	Financial Years (Projects)	Spend @ 30.09.2024	%	Variance
Housing							
Local Authority Housing Fund	1,404,000	0	1,404,000	0	702,000	50%	-702,000
SUB-TOTAL EXPENDITURE	1,404,000	0	1,404,000	0	702,000	50%	-702,000
Supported Housing							
CSDP Adaptations	140,000	-15,000	125,000	N/A	61,026	49%	-63,974
Aids & Adaptations	700,000	100,000	800,000	N/A	0	0%	-800,000
Community Capacity	0	0	0	N/A	131,806	#DIV/0!	131,806
Digitalisation of Telecare	415,000	0	415,000	0	0	0%	-415,000
Assisted Technology	250,000	0	250,000	0	0	0%	-250,000
Disabled Facilities Grant	1,894,900	-100,000	1,794,900	N/A	497,810	28%	-1,297,090
SUB-TOTAL EXPENDITURE	3,399,900	-15,000	3,384,900	0	690,642	20%	-2,694,258
Community Capacity							
Grassroots Sport	500,000	-320,000	180,000	0	0	0%	-180,000
Investment in Leisure Centres	18,900	0	18,900	5,686,185	0	0%	-18,900
SUB-TOTAL EXPENDITURE	518,900	-320,000	198,900	5,686,185	0	0%	-198,900
Recycling & Waste Initiatives							
Recycling Initiatives	299,650	-149,650	150,000	200,371	0	0%	-150,000
Purchase of Refuse Bins	100,000	0	100,000	N/A	30,335	30%	-69,665
Procurement of Waste Facility	0	0	0	767,303	0	#DIV/0!	0
Food Waste	0	0	0	0	0	#DIV/0!	0
Waste Management Infrastructure	343,900	-338,900	5,000	6,100	1,575	32%	-3,425
SUB-TOTAL EXPENDITURE	743,550	-488,550	255,000	973,774	31,910	13%	-223,090
Education							
School Estate Investment	4,911,150	-2,567,500	2,343,650	N/A	-464,007	-20%	-2,807,657
Devolved Formula Capital at LEA Level	47,400	17,100	64,500	N/A	52,998	82%	-11,502
Kirkleatham School Expansion	63,700	330,500	394,200	2,874,450	-6,032	-2%	-400,232
A Special Free School for the Tees Valley in Grangetown	230,750	269,250	500,000	17,723	8,699	2%	-491,301
The Ridings - Renovation	83,550	0	83,550	380,443	51,549	62%	-32,001
SUB-TOTAL EXPENDITURE	5,336,550	-1,950,650	3,385,900	3,272,616	-356,794	-11%	-3,742,694
Council Investments							
Business Premises Improvements	778,050	-89,500	688,550	N/A	30,645	4%	-657,905
Purchase of Vehicles (Fleet Replacement)	3,527,450	1,042,300	4,569,750	N/A	1,183,597	26%	-3,386,153
Climate Strategy	579,100	4,200	583,300	N/A	201,432	35%	-381,868
Tree Safety Strategy	250,000	0	250,000	N/A	103,318	41%	-146,682
Information Technology Improvement Projects	1,674,400	0	1,674,400	N/A	639,550	38%	-1,034,850
PFI Lifecycle Costs	753,750	0	753,750	N/A	0	0%	-753,750
Business Transformation	1,000,000	0	1,000,000	N/A	34,264	3%	-965,736
Changing Places	28,200	0	28,200	431,804	28,196	100%	-4
Asset Management - Capitalised Repairs	953,200	0	953,200	N/A	264,519	28%	-688,681
SUB-TOTAL EXPENDITURE	9,544,150	957,000	10,501,150	431,804	2,485,521	24%	-8,015,629
TOTAL EXPENDITURE	93,509,900	-22,570,750	70,939,150	59,238,944	17,677,384	25%	-53,261,766

This table sets out the Council's performance indicators for Treasury Management Arrangements
Prudential and Treasury Indicators 2024/25

Prudential Indicator	2024/25 Budget Set £000	2024/25 Quarter 1 £000	2024/25 Quarter 2 £000
Capital Expenditure			
Estimates of Capital Expenditure	78,761	94,557	70,936
Estimates of Capital Financing Requirement	274,575	270,934	270,596
External Debt			
Authorised Limit	299,575	295,934	295,596
Operational Boundary	274,575	270,934	270,596
Estimated External Debt (including Long Term Liabilities)	256,585	253,990	262,521
Gross Debt and the Capital Financing Requirement	(17,990)	(16,944)	(8,075)
Gross Debt and the Capital Financing Requirement (as %)	93%	94%	97%
Affordability and Prudential indicators			
Estimates of Financing Costs to Net Revenue Stream (incl. PFI's)	16%	15%	15%
Estimates of Financing Costs to Net Revenue Stream (excluding PFI's)	10%	10%	9%

APPENDIX 5

This table sets out an itemised list of revenue budget transfers between Directorates during Quarter 2.

REVENUE VARIATIONS	CHILDREN AND FAMILIES	ADULTS AND COMMUNITIES	GEE	RESOURCES	CORPORATE ALLOCATIONS	TOTAL MTFP
	£	£	£	£	£	£
Approved Budget Quarter 1	57,227,350	49,829,600	46,041,300	2,410,300	- 22,990,000	132,518,550
C&F Intelligence team transferring to Adults service	- 101,650	101,650	-	-	-	-
Public Health contribution to Thrive at Five 2024-25	50,000	- 50,000	-	-	-	-
Drawdown of Bank account school balances bfwd from 2023/24	1,586,586	-	-	-	- 1,586,586	0
Drawdown of Primary school balances bfwd from 2023/24	294,784	-	-	-	- 294,784	0
Emergency Planning budget moving between Directotote	-	- 93,650	93,650	-	-	-
Drawdown from EMR to fund Community Link Worker	-	-	44,300	-	- 44,300	-
Drawdown from EMR to fund alcohol funded project	-	-	1,650	-	- 1,650	-
	-	-	-	-	-	-
Revised Budget Quarter 2	59,057,070	49,787,600	46,180,900	2,410,300	- 24,917,320	132,518,550

This table sets out an itemised list of capital budget transfers between Directorates during Quarter 2.

Scheme	2024/25 £	2025/26 £	2026/27 £	Future Years £	Total £	Funding	Narrative
Schemes requiring re-profiling across financial years							
Loftus Future High Streets	-266,500	266,500	0	0	0	Grant	Reprofiling of a portion of the IGF element of the funding into future years due to delays on the Arlington Chapel scheme and low heritage grant take up.
Redcar Town Deal	-9,375,200	9,375,200	0	0	0	Grant	Reprofiling of funding into future years due to party wall issues.
LUF Connecting People and Place	-6,924,100	6,924,100	0	0	0	Grant	Reprofiling of scheme into 2025/2026.
LUF Eston	-3,105,900	3,105,900	0	0	0	Grant	Reprofiling of budget into future years due to delays on the acquisition of properties.
Parks & Play Equipment	-155,650	155,650	0	0	0	Grant	Reprofiling of scheme into 2025/2026.
Skinningrove Coastal Protection	-56,800	56,800	0	0	0	Grant	Carry forward of funding to 25/26 pending finalisation of works to be undertaken.
Kirkleatham Future Development	-228,250	228,250	0	0	0	Grant	Delays on the development of the scheme.
Highways Block Allocation - City Regional Sustainable Transport Settlement Allocation	20,000	-20,000	0	0	0	Grant	Increase cost of works on Flatts Lane to be funded from the 2025/26 allocation.
Environmental Assets	-746,750	746,750	0	0	0	Grant	Reprofiling of budget due to work programme still being in development and delays to construction start dates.
Grassroots Sport	-320,000	320,000	0	0	0	Grant	Reprofiling of budget into future years to reflect anticipated delivery of the grant scheme.
Recycling Initiatives	-149,650	149,650	0	0	0	PB	Reprofiling of budget into 2025/26 to fund improvements to Warrenby Depot.
Waste Management Infrastructure	-338,900	338,900	0	0	0	PB	Reprofiling of budget into future years to reflect anticipated delivery of the scheme.
School Estate Investment	-3,983,250	3,983,250	0	0	0	Grant	Reprofiling of budget to reflect schedule of work on school buildings.
Business Premises Improvements	-89,500	89,500	0	0	0	PB/Grant	Reprofiling of budget into future years to reflect anticipated delivery of schemes.
Purchase of Vehicles (Fleet Replacement)	-402,700	402,700	0	0	0	PB	Reprofiling of budget to fund vehicles which will now be received in 2025/26 due to delays on lead in times.
Climate Strategy	-25,900	25,900	0	0	0	PB/Grant	Reprofiling of budget into 2025/26 to reflect anticipated delivery timeframe.
Total	-26,149,050	26,149,050	0	0	0		

APPENDIX 6

Scheme	2024/25 £	2025/26 £	2026/27 £	Future Years £	Total £	Funding	Narrative
Changes to budgets - Existing Schemes							
Loftus Future High Streets	-258,900	0	0	0	-258,900	Grant	Correction to funding for the overall scheme.
Dft Sustrans NCN 1 Eston to South Bank	59,500	0	0	0	59,500	Grant	Increase in budget to reflect grant allocation and expected scheme spend.
CSDP Adaptations	-15,000	0	0	0	-15,000	Grant	Revised forecast of work to be completed in year.
Aids & Adaptations	100,000	0	0	0	100,000	PB/Grant	Anticipated pressure from work completed in year to be funded by a transfer from Disabled Facilities grants.
Disabled Facilities Grant	-100,000	0	0	0	-100,000	Grant	Funding transfer to Aids and Adaptations due to delivery of work being lower than anticipated.
Purchase of Vehicles (Fleet Replacement)	1,445,000	160,000	0	0	1,605,000	PB	Increase in fleet budget to purchase vehicles that were previously hired to produce long-term revenue savings.
Climate Strategy	30,100	0	0	0	30,100	PB/Grant	New grant from the Forestry Commission to fund tree purchases on Guisborough Embankment.
Devolved Formula Capital at LEA Level	17,100	0	0	0	17,100	Grant	Increase in budget to reflect grant allocation.
School Estate Investment	1,415,750	0	0	0	1,415,750	Grant	Increase in budget to reflect in-year grant allocation and transfer of funding to Kirkleatham School Expansion and the Special Free School.
Kirkleatham School Expansion	330,500	0	0	0	330,500	Grant	Increase in budget funded through grant due to work to increase number of placements with additional classrooms.
A Special Free School for the Tees Valley in Grangetown	269,250	0	0	0	269,250	Grant	Increase in budget funded through grant and contributions from other local authorities due to increase in scope and length of project.
Total	3,293,300	160,000	0	0	3,453,300		
New Schemes							
Flood Alleviation and Resilience Works	285,000				285,000	Grant	New funding allocated from Environment Agency for flood alleviation works in Loftus.
Total	285,000	0	0	0	285,000		
TOTAL EXPENDITURE	-22,570,750	26,309,050	0	0	3,738,300		