

Executive Scrutiny Committee

A meeting of Executive Scrutiny Committee was held on Tuesday 22nd July 2025.

Present: Cllr Sylvia Walmsley (Chair), Cllr Kevin Faulks (Vice-Chair), Cllr Jim Beall, Cllr Marc Besford, Cllr Carol Clark, Cllr Lynn Hall, Cllr Shakeel Hussain, Cllr Mohammed Mazi (sub for Cllr Niall Innes), Cllr Mrs Ann McCoy, Cllr Tony Riordan and Cllr Marilyn Surtees

Officers: Clare Harper, Jonathan Nertney, Gary Woods and Michelle Gunn

Also in attendance: None

Apologies: Cllr Niall Innes, Cllr Sufi Mubeen and Cllr Laura Tunney

ESC/9/25 Evacuation Procedure

The evacuation procedure was noted.

ESC/10/25 Declarations of Interest

There were no interests declared.

ESC/11/25 Minutes

Consideration was given to the minutes from the Committee meeting held on 20 May 2025.

AGREED that the minutes of the meeting on 20 May 2025 be approved as a correct record and signed by the Chair.

ESC/12/25 MTFP Update (Outturn 2024/25)

The Committee was presented with the 'Medium-Term Financial Plan (MTFP) – Outturn March 2025' report which was considered by the Stockton-on-Tees Borough Council (SBC) Cabinet last week (17 July 2025) and outlined the Council's draft financial performance and position as at 31 March 2025. Summarised by the SBC Assistant Director – Finance, key elements highlighted included:

- Summary: The overall financial position was similar to that projected at the end of December 2024 (as outlined in the budget report in February 2025), with a variance of £69,000 from the previously reported position. Actions taken to manage the overspend of £7m were agreed as part of the budget report, and the position had continued to be carefully monitored.

There had also been a notable movement in the Dedicated Schools Grant deficit, increasing to £6.7m as a result of growing numbers of children with Education, Health & Care Plans (EHCPs). The Capital Programme had been updated to incorporate new schemes and reflect those schemes completed as at the financial year-end.

- General Fund: The included table showed an updated £7.447m total overspend (compared to the previously projected £7.378m in quarter 3), with the reasons for any significant variances from those previously reported subsequently summarised for each SBC directorate.
- Dedicated Schools Grant – High Needs Block: The growth in demand for services for pupils with Special Educational Needs (SEN) had increased sharply during 2024-2025 (as experienced by many Councils across the country), creating significant financial pressure on the High Needs Block within the Dedicated Schools Grant (a ringfenced amount that was not part of the General Fund). During the year, there was a 17% increase in children with an EHCP. The opening deficit at 1 April 2024 was £3.8m – this had increased by £2.9m during 2024-2025, leaving a closing deficit at 31 March 2025 of £6.7m.
- Collection Fund: A ringfenced account which included the actual amount collected for both Council Tax and business rates, the opening position as at 1 April 2024 was a deficit of £591,000. Performance during the financial year in 2024-2025 had been positive, creating a surplus which had cleared the opening deficit, and leaving a balanced closing position at the end of the year. The positive performance due to additional Council Tax growth was reflected in the MTFP projections as part of the 'MTFP Update and Strategy' report to Council in February 2025.
- General Fund Balances and Addressing the Overspend in 2024/25: The total General Fund Balances at 31 March 2025 were £8m, in line with the agreed level and as outlined in the report to Cabinet in February 2025. In order to fund the overspend in 2024-2025 (as agreed in the budget report in February 2025), reserves had been used to fund the overspend position of £7.447m. The earmarked reserves position had reduced in-year from an adjusted opening position of £46.5m to £30.2m. The General Fund Balances remained at £8m.

In response, Committee comments / questions were recorded as follows:

- General Fund (paragraph 3): Regarding uncollected debt within the Adults, Health and Wellbeing directorate, Members asked for confirmation of the increase in the level of bad debt that resulted in an increase of £296,000 to the bad debt provision.
- General Fund (paragraph 5): Further to the reported overspend of £150,000, Members requested clarity on the original budget amount in relation to the Community Safety (Adults, Health and Wellbeing) purchase of equipment to support the digital switchover and also queried if such equipment could be repurposed for further use in the future.
- General Fund (paragraph 9): In terms of Children's Services, Members sought further detail on the 'technical accounting' reference used in relation to the profit SBC received from the joint venture arrangement with Spark of Genius. It was explained that the matching principle was used to prepare accounts in order to align income and expenditure to the time periods within the financial years that were being reported on. In this case, following advice from the Council's external auditors, the estimated income relating to this joint venture arrangement was amended which meant the Council had to account for 18 months of profit share (a one-off adjustment for the 2024-2025 year).

- General Fund (paragraph 11): For the entry under the Finance, Transformation and Performance directorate, Members questioned whether the stated dividend was for the 2024-2025 year (given the 2023-2024 dividend was already shown in the Hampton by Hilton hotel's accounts). The Committee was informed that the dividend referred to in the MTFP report was paid to the Council during 2024-25 and related to financial year 2023/24. The audit of the Hotel Company's accounts was underway for the financial year 2024/25. Following the completion of this audit, the Hotel Company's board would meet to decide on the dividend relating to 2024/25. Members asked why this paragraph was included in the outturn statement for the 2024-2025 period (a report which reflected the Council's financial position, not the hotel's). The Committee was informed that this was due to the Council receiving the funds from the Hotel during the financial year 2024/25. Members requested confirmation of the actual total dividend paid to SBC (inclusive of the additional £150,000 quoted).
- General Fund (paragraph 13): Highlighting the further £110,000 overspend on the shopping centre relating to additional voids and tenants leaving (Regeneration and Inclusive Growth), Members pointed out that this was on top of an already reported overspend and requested the total overspend for the year. Referencing previous statements from the then Cabinet Member for Regeneration and Housing that decisions to change the retail infrastructure within key areas of the Borough would enable the Council to make more money, Members asked what the impact would be on the budget should the situation regarding void lettings continue, and what action was being taken to address this issue. The SBC Director of Regeneration and Inclusive Growth would be approached to provide a response following this meeting.
- Collection Fund (paragraph 21): Responding to a Committee request for further detail, Members heard that the improved performance around Council Tax growth had turned a deficit of £591,000 at 1 April 2024 to a minor surplus at year-end (31 March 2025) – this was therefore reported as a balanced closing position.
- Addressing the Budget Gap (paragraph 25): Clarity was sought around the stated savings figures associated with the SBC Powering Our Future programme as the report appeared to indicate that the combined updated savings targets for 2025-2026 (£1.35m) and 2026-2027 (£2.256m) was now £2.2m less than the £5.8m previously identified. The Committee was informed that the updated targets reflected what was left to identify in each of these years rather than a change in the amount of overall savings required. A breakdown was included in the Budget setting report to Council in February 2025. Further updates on the Powering Our Futures Programme would be brought to future meetings of Cabinet. Allocations of investment relating to Central Stockton and North Thornaby could be provided following this meeting (including any envisaged impact upon the Central Stockton and North Thornaby blueprint).

AGREED that:

1. the 'Medium-Term Financial Plan – Outturn March 2025' report be noted;
2. responses be provided in relation to the queries set out above.

Consideration was given to the Statutory Forward Plan (1 June 2025 – 31 May 2026) document.

AGREED that the Forward Plan be noted.

ESC/14/25 Chairs' Updates

Members were provided with updates from the Chairs of each Select Committee. Areas highlighted included:

ADULT SOCIAL CARE AND HEALTH SELECT COMMITTEE

Scrutiny Review – Reablement Service: Whilst still not sighted on the Care Quality Commission (CQC) report following its inspection of SBC adult social care services, the Committee had now received the Peopletoo (external consultants) findings. Revised timelines for concluding this review would be discussed at the next meeting in July 2025 – however, the Committee's final report would not be presented to Cabinet until September 2025 at the earliest.

CHILDREN AND YOUNG PEOPLE SELECT COMMITTEE

Scrutiny Review – Narrowing the Gap in Educational Attainment: Further Action Plans were considered by the Committee in June 2025 in relation to recommendations on improving communication, identifying and supporting young carers, extending the enrichment offer, and celebrating achievements. Final Action Plans were scheduled to be presented to the Committee in September 2025 – updates on progress of the agreed actions would then be provided at future meetings.

Scrutiny Review – Holiday Activities and Food Programme known locally as Holidays Are Fun (HAF): Free School Meal (FSM) eligibility had increased year-on-year in England, although Government funding had reduced slightly (if the funding remained the same, there would be less funding for each Local Authority). It was reported that the local HAF booking system was working better now.

Members drew attention to a recent press release which appeared to suggest that nearly a third of HAF places were yet to be booked, and requested that up-to-date information on take-up of this initiative be included in the next Chair's Update for this Select Committee.

COMMUNITY SAFETY SELECT COMMITTEE

Scrutiny Review – Children affected by Domestic Abuse: In advance of the next evidence-gathering session that would take place later in July 2025, some nationally-recognised developments involving local domestic abuse support services had emerged – however, it was understood that this had yet to be communicated to a wider audience.

Members commented on the ongoing need for the Council and its partners to more effectively communicate areas of good practice, particularly when this had been acknowledged / commended outside the Borough. A request was made for further details of this emerging domestic abuse-related news to be included in the next Chair's Update for this Select Committee.

PEOPLE SELECT COMMITTEE

Scrutiny Review – Partnership Working in Early Help: Following agreement of the review's scope and plan in May 2025, evidence-gathering commenced in June 2025 with the extent of the existing SBC early help outlined and discussed. Further contributions had since been received from School Support, with future submissions anticipated from other partners (Cleveland Police, Harrogate & District NHS Foundation Trust, Family Action) which also offered early help services.

PLACE SELECT COMMITTEE

Scrutiny Review – Muslim and Faith Burial Services: The evidence-gathering phase for this review was coming to a conclusion, with next month's informal meeting scheduled to review the information received and formulate draft recommendations. The Committee was confident of arriving at solutions that would be welcomed by local communities using these services.

Monitoring: Reference was made to the recently agreed Action Plan in relation to the previously completed Affordable Housing review, as well as the ever-changing national picture around this particular scrutiny topic which the Council and its partners were having to contend with. It was confirmed that the letter to Government regarding Local Housing Allowance Rates had been sent (via the SBC Assistant Director – Housing and A Fairer Stockton-on-Tees) and that this could be followed-up if required.

AGREED that the Select Committee updates be noted.

ESC/15/25 Chair's Update and Executive Scrutiny Work Programme

CHAIR'S UPDATE

The Chair had no further updates.

WORK PROGRAMME

Consideration was given to the Committee's current work programme. The next meeting was due to take place on 23 September 2025 where a MTFP Quarter 1 update would be presented, along with the latest annual review letter from the Local Government and Social Care Ombudsman regarding recorded complaints against SBC during 2024-2025.

A report in relation to the scrutiny function's role in overview and performance matters (originally intended for this meeting) was also anticipated for the September 2025 agenda, though the SBC Head of Democratic Services noted recent Government announcements around the Local Government Outcomes Framework (LGOF) (a new approach to outcome-based accountability for Councils in England) which may result in this item being deferred to a later Committee meeting. Assurance was given that work continued on the Stockton-on-Tees Plan (which would be further developed to reflect the outcomes of the LGOF consultation phase (due to close on 12 September 2025)) and the accompanying key performance measures which would underpin its delivery.

AGREED that the Chair's Update and Executive Scrutiny Committee Work Programme be noted.

Chair: