REPORT TO EXECUTIVE SCRUTINY
22 SEPTEMBER 2026

REPORT OF CORPORATE MANAGEMENT TEAM

CABINET DECISION

Cabinet Member for Resources and Regeneration - Lead Cabinet Member – Councillor Paul Rowling

FINANCIAL UPDATE AND MEDIUM-TERM FINANCIAL PLAN (MTFP) – 2026/2027 Quarter 1

Summary

This report summarises the Council's financial performance and projected position at the end of the first quarter of the 2026/27 financial year.

The Council continues to face expanding and emerging cost increases and demand pressures leading to greater costs and greater financial challenges. The quarter one budgetary control position identifies significant budget pressures across Council services, driven by a combination of increasing costs and continued demand for services. Based on activity to date and current intelligence, the most significant forecast pressures relate to Children's Social Care, Special Educational Needs and Disabilities (SEND) services, and Community Services.

The forecast overspend of £5.8m against the approved revenue budget for the current financial year. The projected overspend represents a significant financial challenge that will need to be actively managed throughout the remainder of the year. Work is underway across services to identify mitigating actions and opportunities to reduce the forecast overspend and improve financial performance. If the forecast overspend materialises by the end of the financial year, it will be a further call on earmarked reserves, reducing the resources available to support existing commitments and placing further pressure on the Council's financial sustainability and Medium Term Financial Plan (MTFP).

The Council has developed a programme of transformation and savings through Phase 2 of the Powering Our Futures Programme to help address the underlying budget gap and support long-term financial sustainability. The budget report to Council in February identified a budget gap of £6.7m for the current financial year, this has successfully identified £5.3m so far, with work underway across the Council's Powering our Future's programme to identify the remaining savings.

Nevertheless, growing demand for council services and increases in service delivery costs are placing pressure on the budget for the current financial year, and are likely to place additional strain on the Council's Medium Term Financial Plan (MTFP), increasing the budget gap and therefore the level of savings and efficiencies that will be required in future years. While these pressures are not unique to the Council and reflect challenges being experienced across the Local Government Sector, these factors both local and national reflect a significant financial challenge. Maintaining financial sustainability will require continued focus on robust financial management, delivery of transformation plans and timely corrective action.

Reasons for Recommendation(s)/Decision(s)

To provide an update on the Council's financial performance and Medium-Term Financial Plan.

Recommendations

1. That the update to the Medium-Term Financial Plan and the current level of General Fund balances be noted.
2. That the revised Capital Programme at Appendix C be noted.

Detail

FINANCIAL POSITION AS AT 30 JUNE 2026

GENERAL FUND

3. The following table sets out the projected financial position for each Directorate in 2026/2027, based on information at 30 June 2026. A detailed breakdown of the budget is presented at Appendix A. Details of the key variances are described in subsequent paragraphs of the report.

Directorate	Annual Budget	Projected Outturn	Projected Variance Q1 Over/(Under)
	£'000	**£'000**	**£'000**
Adults, Health & Wellbeing	118,309	117,426	(883)
Children's Services	71,487	73,886	2,399
Children's Services - DSG 10% High Needs Stability Grant	0	1,520	1,520
Neighbourhood Services	55,028	58,156	3,128
Finance, Revenue, Benefits & Welfare	10,258	10,006	(252)
Corporate Services	19,485	19,575	90
Regeneration & Inclusive Growth	3,758	3,473	(285)
Corporate Items	15,508	15,198	(310)
Total	**293,833**	**299,240**	**5,407**
Pay Offer	0	400	400
Revised Total	**293,833**	**299,640**	**5,807**

4. The projected financial position indicates significant pressure in the current financial year, primarily driven by inflationary cost increases and rising demand for services,

resulting in expenditure exceeding budgets. The forecast overspend presents a considerable financial challenge and will place further strain on both current and future years' budgets. All Directorates are actively exploring opportunities to reduce, defer, or avoid expenditure where possible to help mitigate the position. Performance against the budget within the current financial year, and impacts upon future year budgets across the medium term will continue to be closely monitored throughout the remainder of the year, with measures being implemented to improve the forecast.

5. However, delivering planned savings while maintaining existing service levels is becoming increasingly challenging in the current financial climate. This challenge is compounded by the significant medium-term budget gap already facing the Council, as identified in the budget-setting report approved by Council in February. Furthermore, the forecast in-year overspend is expected to place additional pressure on the Council's Medium Term Financial Plan (MTFP), increasing the existing budget gap and, consequently, the level of savings and efficiencies that will be required in future years. The need to address both current-year budget pressures and substantial future funding gaps limits the Council's ability to absorb additional costs and reinforces the importance of identifying sustainable solutions to support long-term financial resilience.

REASONS FOR PROJECTED VARIANCE OVER £100,000

6. Detail of the variances against budgets exceeding £100,000 are noted below, and further detail is included at appendix A.

Adults, Health and Wellbeing

7. Based on information at quarter one, Adult Social Care placement budgets are not anticipated to generate any significant variances. However, as these figures are based on placements as at the end of June, demand pressures are usually experienced throughout the winter period which may impact upon these projections. This will continue to be monitored on a regular basis.

8. In June 2026, the UK Supreme Court handed down a landmark judgment which significantly changes how Deprivation of Liberty Safeguards (DoLS) are assessed. Understanding the impact of this ruling is still in early stages, but there may be significant savings, projected to be (£445,000). This position will be reviewed over the year.

9. There are anticipated to be savings across Adult Social Care due to staffing vacancies, leading to a projected underspend of (£292,000). However, recruitment is underway for critical posts within the services, so this is likely to reduce.

Children’s Services

10. Members will recall the commentary on the pressures in previous reports and the investment in Children’s Services across recent years, along side a wide raging Transformation Programme of work.

11. The Children's Transformation Programme comprises several service improvement and demand management initiatives, one of which has been the implementation of the Integrated Family Help Front Door in April 2026. Early evidence indicates that the new model is supporting a greater focus on prevention and early intervention, improving access to support for children and families at the earliest opportunity and strengthening partnership working across education, health, voluntary sector organisations and the Council.

12. Whilst it is too early to quantify any financial benefits arising from these changes, the emerging outcomes are positive and indicate the potential to reduce future demand for higher-cost statutory interventions. The increased use of Early Help provision, digital triage tools, Family Hubs and partner-led support is helping to ensure that families receive the right support at the right time through lower-cost community-based services, supporting the longer-term objective of delivering improved outcomes within a more sustainable and cost-effective service model.

13. The proposal to modernise the Fostering Service as part of the Transformation Review was approved by Cabinet in July 2025. The objective is to address the declining number of foster carers and the increasing number of children in external private provider care, to support better outcomes for children in our care, and help give them the best start in life. The proposal aims to build sufficiency within the mainstream fostering service by encouraging new foster carers, retaining existing ones, and meeting the diverse needs of children in care. The business case anticipates less reliance on costly external residential placements, therefore relieving pressure on the budget across the medium term.

14. The MTFP includes savings anticipated to accrue from the implementation of the business case, through moving children from external placements into mainstream fostering arrangements. Securing additional foster carers as an alternative to external residential is on-going and to date the projected savings have not yet materialised. This, accompanied with more children in external residential placements, at higher cost that anticipated, is leading to a projected overspend position on the external residential budget of £2.960m.

15. However, several children have been moved from an external Independent Fostering Agency (IFA) into a mainstream fostering arrangement, which generates a financial saving for the Council. There are anticipated to be savings across internal and external fostering budgets due to less children being supported in these placements than budget, projection at Q1 is (£510,000).

16. There are more children being supported in a connected foster care arrangement than anticipated in the budget, leading to a projected overspend position. However, work is on-going to identify children who could be supported under a Special Guardianship Order. The projected overspend across these budgets is £340,000 to the year end, however if more children can move across to Special Guardianship Orders this position will improve.

17. There is anticipated to be a savings against adoption allowances paid to adoptive parents in the financial year (£100,000).

18. The additional children in connected care arrangements are leading to staffing pressures within the Family Placement Team, equating to an estimate of £120,000. This is offset with staffing vacancies across the safeguarding teams (£120,000).

19. Recruitment of Education Psychologists continues to be a challenge and is a recognised national issue for Local Authorities, with continued reliance on use of external professionals to deliver assessments. Additional budget was provided within the 2026/2027 MTFP, however the budget is projected to be overspent by a further £102,000.

20. Reviewing of grants and availability of one-off resources continues to be a key focus of work across the Council. This has identified (£291,000) of one-off resources to mitigate the Children's Services position. Also grant has been awarded to support Family Finding, Befriending and Mentoring which was not budgeted and will lead to a saving of (£100,000).

Children's Services – Dedicated Schools Grant

21. Members will recall in previous reports, that the Council is experiencing growing demand in services and costs for pupils with Special Educational Needs (SEND). This is also true of many Councils across the Country. These costs are met by the Dedicated Schools Grant, which is accounted for in a separate ring-fenced account.

22. Earlier this year, the Government announced changes to the arrangements for funding Dedicated Schools Grant (DSG) deficits. Under the proposed arrangements, local authorities may be eligible for a Sustainability Grant of up to 90% of their cumulative DSG deficit as at 31 March 2026, subject to meeting specified grant conditions. In recognition of the uncertainty surrounding the final level of support, the Council prudently set aside funding at the 2025/26 outturn to meet its anticipated 10% contribution towards the historic deficit.

23. The Council has submitted its SEND Local Area Reform Plan and is awaiting the outcome of the Department for Education's assessment, including confirmation of the level of Sustainability Grant funding that may be awarded. In addition, further Government announcements are expected later in the year regarding the long-term funding arrangements and accounting treatment for existing and future DSG deficits. Pending this clarification, it is considered prudent to continue providing for 10% of any in-year DSG deficit, consistent with the approach adopted by many other local authorities. This provision helps mitigate financial risk and ensures that any future liability can be accommodated within the Council's medium-term financial planning assumptions.

24. The overall DSG is forecast to show an in year overspend of £15.2m, we are therefore assuming £1.52m will be required to be funded in the current financial year. There is more detail on the reasons for the forecast overspend later in this report.

Neighbourhood Services

25. Waste – the council implemented a new waste collection service in April in line with the introduction of the Simpler Recycling legislation and statutory weekly food waste collections. This is a fundamental change in the way waste was collected and required a major change to the service operations, following a scrutiny review in 2024.

26. The new model has reduced the volume of residual waste sent for disposal through incineration and landfill, generating cost savings. While the service remains in the early stages of implementation, initial data indicates that tonnage reductions are exceeding expectations. As a result, disposal costs are forecast to be lower than anticipated, with projected savings of £700,000 by year-end. However, these figures are based on early data and will need to be monitored over a longer period before a steady-state position can be confirmed.

27. The projected income from the selling of recyclable materials is significantly down on budget to date, due to international factors affecting the resale value of recyclable materials, leading to a forecast deficit of £400,000 against the projected income target by year end.

28. The income from the green waste bins has not grown in line with the financial model and as such there is forecast to be a £300,000 shortfall against this area.

29. The new waste collection model is still in the early phase of roll out, and more time will be required to monitor participation levels. In order to ensure kerbside collection is met in respect of recycling, additional waste collection rounds have been required to meet demand. This has resulted in additional costs and therefore the cost of collection is currently projected to be £942,000 higher than the original modelling and budget.

30. Work is ongoing across departments to understand the current position and identify ways to mitigate the projected financial pressures. The service is undertaking a deep dive review and this will be reported to a future Cabinet meeting.

31. The vehicles budget is forecast to overspend by £1.1m. This is primarily because of an increased number of vehicles being hired to meet the increased uptake of recycling and food waste, amounting to £750,000 of the projected overspend. Alongside this, the conflict in the Middle East is driving an increase in the costs of fuel across the country.

32. Income from the crematorium is below that currently budgeted, £100,000. Work is ongoing to understand what opportunities there are to drive this and address the shortfall.

33. Home to School transport continues to see significant financial pressures, and these are intrinsically linked to the drivers of the DSG deficit outlined elsewhere in this report. The main drivers of this are a growth in young people requiring passenger assistants and increased costs of external buses and taxis. These are currently forecast to generate a pressure of £628,000.

34. The catering service continues to experience financial pressures due to the increase in food costs and rising staffing costs. Whilst significant work has been undertaken to

address this since the previous financial year, including price increases, there is still expected to be a £226,000 pressure on this service in 2026-27.

35. Within the transport service there is an increased cost in the Concessionary Fares service from £3.7m to £4.0m for 2026-27, thus adding a £300,000 pressure to the Council. This scheme is delivered by the TVCA who undertake negotiations with the main operators on behalf of the Tees Valley authorities.

Finance, Revenue, Benefits & Welfare

36. There are anticipated to be significant savings across the Directorate due to staffing vacancies, leading to a projected underspend of (£252,000).

Corporate Services

37. Legal Services is projecting a net overspend of £247,000, driven by factors outside the service's direct control. Case volumes and complexity relating to Children's Services have increased significantly this year, requiring greater use of external specialist legal advice and representation from counsel, together with associated court and ancillary costs. This has created a gross pressure of £447,000, partially offset by £200,000 of staffing vacancy savings, reducing the net position to £247,000.

38. There are anticipated to be savings within the Procurement and Governance Service due to staffing vacancies, leading to a projected underspend of (£140,000).

Regeneration and Inclusive Growth

39. There is an anticipated underspend of (£476,000), mainly driven by ensuring the continued efficient use of grants together with savings from vacant posts. This is partially offset by pressures arising from income shortfalls and additional costs associated with held assets £157,000

Corporate Items

40. Treasury Management (AMRA) costs have been reviewed. The Council is currently benefiting from an improved position in the short term. The Council has retained a higher level of cash balances than originally anticipated and is benefiting from investment interest earned on these. This is mainly due to reprofiling of the capital programme and interest rates remaining at a higher rate than originally forecast, resulting in savings against budget of (£270,000). This continues to be subject to volatility in interest rates.

Pay Offer 2026/2027

41. The pay award for 2026/27 for employees on National Joint Council (inc. Chief Officers) terms and conditions has been agreed with the trade unions. The terms of the pay award are that all employees will receive an increase of 3.3%. This will be paid to employees as part of their September salary. The MTFP for 2026/27 included a provision at 3%, therefore the additional amount above this has resulted in a budget pressure of £400,000.

DEDICATED SCHOOLS GRANT

42. The Dedicated Schools Grant (DSG) is a ringfenced grant received to deliver defined education services including Schools, Early Years and Special Educational Needs (High Needs). The grant is awarded by the Department for Education on an annual basis, and the amount is determined by a national formula. Members will recall in previous reports, that the Council is experiencing growing demand in services and costs for pupils with Special Educational Needs (SEND). This is also true of many Councils across the Country.

43. The Dedicated Schools Grant is accounted for in a separate ring-fenced account and guidance states that any deficit should not be funded from the Council's General Fund. This deficit is therefore not currently included within the Council's overall budget. The deficit on 31 March 2026 was £17.134m.

44. The Final Local Government Finance Settlement included some announcements on the approach to addressing DSG deficits, whilst the Government transitions to reform the SEND system. The initial phase will address historic deficits accrued up to 31 March 2026. All local authorities with a SEND deficit will be eligible to receive a High Needs Stability Grant, subject to approval of a Local SEND Reform Plan by the Department of Education, covering 90% of their High Needs-related DSG deficit accrued up to the end of 2025-26, which will be paid in 2026/27.

45. If the reform plan is approved and all other conditions are met, then the authority will receive a Stability Grant payment of £15.4m in the autumn of 2026. Local authorities must meet the cost of the residual 10%. In preparing the year-end financial position, the positive movement across directorate budgets enabled sufficient funding to be identified to set aside the required 10% (£1.7m) in reserves, avoiding the requirement to identify further savings.

46. There is a statutory override in place until 31st March 2028, meaning that any on the DSG is accounted for separately within an unusable reserve within the Council's accounts.

47. Members will recall that the budget setting report in February 2026 allocated £500,000 per year to meet the costs of servicing the financing of the accrued deficit. The Council will still incur these costs until the stability grant is approved and paid, therefore the allocation of £500,000 for the current financial year is still anticipated to be needed. This will continue to be monitored, alongside government announcements relating to current and future year deficits, and any variation to the existing financial plans will be reflected in future MTFP reports.

48. The table below summarises the estimated year-end financial position for the DSG budget. This shows an in-year overspend on the High Needs Block of £15.2m. There have not been any announcements from the government associated with grant funding

2026/27 deficits but if they do apply the same criteria then the Council will need to find the remaining 10% which would equate to £1.52m.

Dedicated Schools Grant 2026/27	**Annual Budget £'000**	**Quarter 1 Projection £'000**	**Variance £'000**
DSG Expenditure			
Schools Block	184,877	184,877	0
Central Schools Block	1,479	1,479	0
Early Years Block	37,533	37,533	0
High Needs Block	46,972	62,169	15,197
Total DSG Expenditure	**270,861**	**286,058**	**15,197**
DSG Funding	(270,861)	(270,861)	0
In-year deficit	**0**	**15,197**	**15,197**
DfE Stability Grant			
Cumulative Unusable Reserve at 31/03/2026 (DSG Deficit)			17,134
Estimated DfE Stability Grant (90%)			(15,421)
Estimated SBC contribution required to offset deficit (10%)			(1,713)
In-year deficit 2026/27 (as above)			15,197
Estimated DfE Stability Grant (Assumption 90% but not confirmed)			(13,677)
Estimated SBC contribution required to 2026/27 deficit (10%)			(1,520)

49. Details of significant variances against budget estimated to occur during the 2026/27 financial year are:

- Independent Special School placements – £5.15m overspend expected as numbers are still increasing along with fee increases.
- £0.503m additional high needs place recoupment costs expected relating to new ARP/SEN Units.
- £0.220m anticipated overspend relating to tutoring support costs with external providers.
- £0.460m overspend expected on additional top-ups/exceptional payments to maintained schools.
- Academy High Needs top-up funding - £4.4m overspend expected. Funding to support new ARP/SEN Units. Expected exceptional payments and further top-ups/additional payments to SBC mainstream schools and SBC Special Academies.
- Out of area schools (not independent) - £3.6m overspend expected. Number of places still increasing. Currently 177 placements although the budget was based on 138.

- Post-16 top-ups - £0.460m overspend expected. Increase in number/cost of post-16 high needs pupils, including some agreed exceptional payments to an SBC Special Academy.
- Alternative Provision - £0.250m overspend expected on tuition costs and additional top-up funding relating for pupils, who due to exclusion, illness, or other circumstances would not receive suitable education. Numbers of children being excluded continues to rise.

Powering Our Futures – Transformation Reviews

50. The Council's Powering our Futures programme is well established, and work is progressing across the large transformation mission, resulting in savings or additional income to address the budget gap. The transformation reviews are focusing on day-to-day efficiencies, alongside Outcome based Reviews and cross council transformation. This approach aims to balance continuous improvement in services ensuring they are fit for purpose to address the challenges faced, and that the Council continues to be a high-performing, sustainable council that does our best for communities alongside the need for decisive and immediate financial savings.

51. Several reports have been presented to cabinet this financial year, detailing the progress of the reviews and the impact upon the MTFP to date. The current position is reflected in the table below:

Date of Report	Title of Report	Savings Identified 26/27 £	Savings Identified 27/28 £	Savings Identified 28/29 £
	Budget Gap (February 2026)	**6,700,000**	**13,775,000**	**18,365,000**
14th May 2026	Powering our Future - Transformation Reviews Update	(2,974,000)	(2,364,000)	(2,364,000)
14th May 2026	Yarm Levelling Up Fund – Reconsideration of Decision following Call-in	(1,015,000)	(65,000)	(65,000)
16th July 2026	Powering our Future - Transformation Reviews Update	(1,231,000)	(1,091,000)	(1,091,000)
	Total Savings Identified to date	**(5,220,000)**	**(3,520,000)**	**(3,520,000)**
	Remaining Budget Gap	1,480,000	10,255,000	14,845,000

52. The table above shows that the programme has identified £5.2m of savings in 26/27, with work underway to identify the remaining £1.5m. The revised budget gap for 2027/28 is now £10.3m and £14.8m in 2028/29. This is prior to any updates required to the MTFP from 2027/28 onwards reflecting factors such as cost inflation, increased demand for services and government funding.

53. The Council continues to face a highly challenging financial position. Should the projected quarter one forecast overspends materialise at year end, it will place additional pressure on future years' budgets alongside the existing and significant medium-term budget gap. The widening gap between available funding and forecast expenditure is not sustainable, and reliance on reserves to support recurring expenditure cannot be considered a long-term solution.

54. The Council's transformation programme, service reviews and efficiency initiatives, including Phase 2 of the Powering Our Futures Programme, will continue to play a critical role in addressing these financial pressures. However, the scale of the challenge means that further action and difficult decisions are likely to be required and delivered at pace, to ensure the Council achieves a balanced and sustainable financial position over the medium term, while continuing to deliver essential services and support for local communities

General Fund Balances and Earmarked Reserves

55. The Council's General Fund balances and earmarked reserves are reviewed regularly as part of the budget monitoring and Medium-Term Financial Planning process. Members will recall that recent reports have highlighted the critical importance of maintaining adequate reserves and balances in ensuring the Council's financial resilience and ability to manage unforeseen financial risks. The Council's earmarked reserves have reduced steadily over several years, largely as a consequence of funding budget overspends and supporting service delivery in a period of sustained financial challenge.

56. The reserves strategy approved by Council as part of the budget setting report in February established a clear plan to rebuild earmarked reserves and General Fund balances to a more sustainable level over the life of the Medium-Term Financial Plan (MTFP). This approach was reflected within the approved 2026/27 budget and indicative MTFP and was intended to strengthen the Council's financial resilience and capacity to respond to future risks and pressures.

57. If the forecast overspend for 2026/27 materialises by year end, this will need to be funded. As outlined above, significant work is underway across all Directorates and the senior leadership team to mitigate the financial pressures currently being experienced. However, given the scale of the projected overspend, it is likely that there will remain a requirement to draw upon reserves to fund part of the in-year budget deficit should the current forecast materialise at year end.

58. Any additional use of reserves would further exacerbate an already challenging reserves position and would reduce the Council's ability to respond to future financial risks and unforeseen events. Any in-year use of reserves will therefore need to be carefully considered and reflected as part of the 2027/28 budget setting process and future revisions to the MTFP.

59. The table in Appendix B provides an updated projection of the Council's reserve balances across the Medium-Term Financial Plan period. The opening balance of earmarked reserves at the start of 2026/27 was £27.469m. Planned contributions to reserves as per the MTFP report and planned reserve usage are anticipated to lead to reserves balances of £22.153m by the end of the financial year. The Council’s reserves are earmarked to fund existing service delivery and commitments, redirecting them to support the MTFP will result in ceasing service activity and weakened financial resilience. Should the current forecast overspend materialise, this would reduce reserves to £16.346m, by the end of the financial year. This is materially below the reserve levels assumed when the budget was approved in February and is not considered sustainable over the medium term. Consequently, action will be required through future budget-setting and transformation activity to restore reserve balances to an appropriate level.

60. A comprehensive review of earmarked reserves is currently underway to reassess existing commitments, ensure reserve provisions remain aligned to current risks and priorities, and identify any opportunities to release or repurpose funding. Whilst this work may provide some limited flexibility to support the Council's financial position, the underlying budget challenge remains significant and cannot be addressed through reserves alone. Sustainable recurring solutions will be required to secure a balanced budget and support the replenishment of reserves over the medium term

Medium Term Financial Plan Outlook

61. The in-year projected position for the current financial year provides important intelligence to inform and predict matters which may impact upon future years' budgets and the Medium-Term Financial Plan (MTFP). The financial pressures currently being experienced across several service areas are likely to have longer-term implications for the Council's financial sustainability and may require a reassessment of future funding requirements, savings targets and service delivery models.

62. When the indicative MTFP was approved by Council in February, it included provision for growth across several services to reflect known and anticipated cost pressures. The largest areas with existing budget growth allocations within the MTFP are Adult Social Care, Children's Social Care and pay awards. Work is ongoing to understand the longer-term impact of the current year's financial projections on future budgets and to assess whether existing growth assumptions remain sufficient.

63. In addition, the Council’s financial planning assumptions will need to be reviewed in light of recent national announcements, including the business rates reconciliation, which have demonstrated the potential for changes in funding levels and resource allocation. Further announcements are expected as part of the Autumn Budget and the Provisional Local Government Finance Settlement, the outcomes of which may have a significant impact on the Council's future financial position and medium-term planning assumptions. These announcements will be carefully assessed as further information becomes available and reflected in future MTFP update reports.

64. The Council continues to face a highly challenging financial position, with current and emerging budget pressures expected to have implications for both the current year and the medium-term financial outlook. Phase 2 of the Powering Our Futures Programme will continue with a renewed focus on identifying and delivering timely and sustainable solutions to address the Council's financial challenges and improve long-term financial resilience. This will require continued emphasis on transformation, service redesign, delivery at pace, efficiency improvements and robust financial management to ensure the Council can achieve a balanced and sustainable financial position over the medium term whilst continuing to deliver essential services and support for local communities.

CAPITAL

65. The Capital Programme is summarised below and shown at **Appendix C.**

Capital Programme up to 2030	Approved Budget as of Feb 2026	Capital Programme @ 25/26 Outturn	Changes @ 30/06/26	Revised Capital Programme	Prior year spend	Capital Programme 26/27	Capital Programme 27/28	Capital Programme 28/29	Capital Programme 29/30	External (Grants & Contributions)	Internal (Borrowing)	Internal (Other)
At 30/06/26	**£000's**	**£000's**	**£000's**	**£000's**	**£000's**	**£000's**	**£000's**	**£000's**	**£000's**	**£000's**	**£000's**	**£000's**
Adults, Health and Wellbeing	6,808	6,340	3,024	9,363	1,813	3,961	1,717	264	1,607	(7,736)	-	(1,628)
Children's Services	21,355	28,455	705	29,160	8,378	12,426	6,031	2,325	-	(27,736)	(734)	(690)
Neighbourhood Services	53,593	38,420	(251)	38,169	12,503	16,125	7,622	1,919	-	(22,422)	(12,220)	(3,527)
Finance, Revs, Bens & Welfare	-	-	-	-	-	-	-	-	-	-	-	-
Corporate Services	900	658	-	658	658	-	-	-	-	-	-	(658)
Regeneration & Inclusive Growth	158,845	152,572	(888)	151,684	62,367	47,987	33,168	500	7,663	(99,942)	(46,769)	(4,973)
Corporate Items	19,350	18,616	-	18,616	-	616	6,000	6,000	6,000	-	(18,616)	-
Total Approved Capital MTFP	**260,852**	**245,061**	**2,590**	**247,651**	**85,719**	**81,115**	**54,538**	**11,008**	**15,270**	**(157,836)**	**(78,339)**	**(11,476)**

66. The capital programme has increased by £2.59m from £245.061m to £247.651m since the Outturn report to Cabinet in July 2026. The table below shows the changes between financial years. Further detail in respect of all changes covering, re-profiling of schemes, additions and virements on a scheme by scheme basis are shown in appendix C.

Capital Programme up to 2030	Prior years	Capital Programme 26/27	Capital Programme 27/28	Capital Programme 28/29	Capital Programme 29/30	Total Capital Programme	External (Grants and Contributions)	Internal (Borrowing)	Internal (Other)
At 30/06/26	**£000's**	**£000's**	**£000's**	**£000's**	**£000's**	**£000's**	**£000's**	**£000's**	**£000's**
Programme @ 25/26 Outturn	85,719	94,944	43,358	21,039	-	245,061	(153,940)	(78,339)	(12,782)
Changes @ 30/06/26	-	(13,829)	11,180	(10,031)	15,270	2,590	(3,896)	-	1,306
Revised Programme @ 30/06/26	**85,719**	**81,115**	**54,538**	**11,008**	**15,270**	**247,651**	**(157,836)**	**(78,339)**	**(11,476)**

Community Impact and Equality and Poverty Impact Assessment

67. As part of the process of making changes to policy or delivery of services, we consider the impact on our communities. No changes to policy or service delivery are proposed as part of this report.

Corporate Parenting Implications

68. None

Financial Implications

69. The report updates on the financial position for 2026/27 based on information for the first quarter of the financial year.

Legal Implications

70. There are no specific legal implications.

Risk Assessment

71. The report provides an update to Members on projected year end position for 2026/2027, based on information at 30 June 2026. The MTFP is included within the Council's Strategic Risk Register. The current approved MTFP identifies a large budget reduction required, with Transformation Plans in place via the Council's Powering our Futures Programme. Constant and frequent monitoring of the financial position will be ongoing to measure delivery of the plan and the risk level revised in line with this.

Wards Affected and Consultation with Ward/Councillors (refer to Concordat for Communication and Consultation with Members)

72. N/A

Background Papers

73. Medium Term Financial Plan Update & Strategy Report to Council 18 February 2026

74. Medium Term Financial Plan (MTFP) Outturn March 2026 16 July 2026

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Appendix A

Directorate	Annual Budget	Projected Outturn	June Q1 Variance Over/(Under)	Comment
	£’000	**£’000**	**£’000**	
Directorate Wide - Adults, Health & Wellbeing	931	888	(43)	Staffing vacancies
Adult Services	11,234	10,985	(249)	Staffing vacancies
Direct Payments	11,912	11,943	31	Lower clients than budget receiving Learning Disability Direct Payment
Residential & Nursing Placements	38,458	38,368	(90)	Lower clients than budget in a Learning Disability residential placement
Commissioned Homecare	21,703	21,643	(60)	Lower clients than budget receiving MH homecare. Saving offset in part due to two new high-cost packages for young people transitioning from Children's services.
Social Care Management	9,030	8,585	(445)	DoLs assessments reduced following UK Supreme Court judgement
Public Health	16,053	16,053	0	
Community Safety & Regulated Services	4,177	4,177	0	
Housing & Fairer Stockton	4,811	4,784	(27)	Staffing vacancies
TOTAL - Adults, Health & Wellbeing	**118,309**	**117,426**	**(883)**	

Directorate Wide - Children's Services	(928)	(1,219)	(291)	Ongoing review of grants and availability of one-off resources has identified one-off funds to mitigate the Children's Services position.
CIOC & Care Leavers	8,842	8,962	120	Staffing pressures in the Family Placement Teams
SBC Childrens Homes	6,278	6,345	67	Staffing overspends
Special Guardianship	2,525	2,305	(220)	Lower SGO placements than budget.
Connected Persons	2,870	3,390	520	Significantly more placements than budge.
External Residential	19,150	22,110	2,960	Continued increases in the cost of external residential placements as well as escalating needs, requiring greater levels of care.
SBC Fostering	2,965	2,635	(330)	Several children have been moved from an external Independent Fostering Agency (IFA) into a mainstream fostering arrangement, which generates a financial saving for the Council
External Fostering	5,400	5,220	(180)	
SBC Adoption Costs	850	750	(100)	There is anticipated to be a savings against allowances paid to adopters in the financial year
Safeguarding	8,708	8,556	(152)	Staffing vacancies
Early Help, Youth Justice & Youth Support	4,729	4,609	(120)	Staffing vacancies and additional grant Income for Family finding, befriending and mentoring programme awarded
Education, Inclusion & Achievement	7,114	7,259	145	Recruitment to Education Psychologists is a major issue alongside several other local authorities. External professionals used to deliver assessments
Children's Strategy & Commissioning	637	637	0	
Practice Development	1,304	1,224	(80)	Staffing vacancies

Quality & Improvement	1,043	1,103	60	Staffing overspends
TOTAL - Children's Services	**71,487**	**73,886**	**2,399**	
Directorate Wide – Neighbourhood Services	127	127	0	
Community Services & Transport	16,405	16,146	(259)	Staffing vacancies and additional highways income
Waste	10,772	11,714	942	Staffing overspends due to higher participation levels than originally anticipated following implementation of new waste collection service
Bereavement Registrars Crematorium	(849)	(749)	100	Shortfall in income, predominantly in relation to the crematorium.
Community Transport	8,610	9,238	628	Growth in young people requiring passenger assistants and increased costs of external buses and taxis
Vehicle Services	5,055	6,155	1,100	The vehicles budget is forecast to overspend due to increased vehicle hire requirements to meet growing recycling and food waste demand, together with higher fuel costs.
Catering	(112)	114	226	The catering service continues to face cost pressures from higher food prices
Transport	3,742	4,103	361	Higher concessionary fares costs, resulting from increased scheme charges set by TVCA.
Culture, Libraries & Events	4,748	4,772	24	Minor variances
Environment & Leisure	2,942	2,942	0	

Customer Services	1,167	1,173	6	Minor variances
Digital Services	2,421	2,421	0	
TOTAL - Neighbourhood Services	**55,028**	**58,156**	**3,128**	
Directorate Wide - Finance, Revenue, Benefits & Welfare	(628)	(628)	0	
Finance Services	1,774	1,705	(69)	Staffing vacancies
Revenues, Benefits, Welfare & Admin	9,112	8,929	(183)	Staffing vacancies
TOTAL - Finance, Revenue, Benefits & Welfare	**10,258**	**10,006**	**(252)**	
Directorate Wide - Corporate Services	186	193	7	Minor Variances
Legal Services	2,243	2,490	247	Increased use of external barristers and associated court costs. higher volume of cases and increased complexity relating to Children's Services cases. Offset in part by staffing vacancies
Communications	1,345	1,304	(41)	Staffing Vacancies
Procurement & Governance	4,452	4,312	(140)	Staffing Vacancies
People & OD Service	1,614	1,631	17	Minor Variances
Democratic Services	1,781	1,781	0	

Strategic Planning & Performance	1,855	1,855	0	
Stockton ICT & Xentrall	6,009	6,009	0	
TOTAL - Corporate Services	**19,485**	**19,575**	**90**	
Directorate Wide - Regeneration & Inclusive Growth	56	77	21	Minor variances
Inclusive Growth & Development	2,262	1,943	(319)	Additional income from efficient charging into grants offset by income shortfalls and additional costs associated with held assets
Town Centre Investment	31	44	13	Small shortfall in markets income
Planned Maintenance	1,409	1,409	0	
TOTAL - Regeneration & Inclusive Growth	**3,758**	**3,473**	**(285)**	
Corporate Items	15,508	15,198	(310)	The Council has retained a higher level of cash balances than anticipated and is benefiting from investment interest earned. Other minor savings anticipated.
Pay Offer	0	400	400	Pay Award Expected at 3.3% (Provision 3%)
DSG 10% High Needs Stability Grant Shortfall	0	1,520	1,520	Forecast overspend £15.2m in-year; assuming 90% Government SEND Stability Grant contribution, the remaining 10%, £1.52m would need to be funded by the Council.
TOTAL - Corporate Items	**15,508**	**17,118**	**1,610**	
TOTAL	**293,833**	**299,640**	**5,807**	

Appendix B

Earmarked Reserves	Opening Balance 26/27	Forecast Movement 26/27	Forecast Closing Bal 26/27	Forecast Movement 27/28	Forecast Closing Bal 27/28	Forecast Movement 28/29	Forecast Closing Bal 28/29	Forecast Movement 29/30	Forecast Closing Bal 29/30
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Capital Scheme Reserves	(5,297)	4,337	(959)	800	(159)	0	(159)	158	(1)
Insurance Fund	(4,517)	274	(4,243)	0	(4,243)	0	(4,243)	0	(4,243)
Service Development & Improvement	(2,019)	1,610	(409)	111	(298)	111	(186)	86	(100)
Partnership / Statutory Reserves	(2,142)	587	(1,555)	1,228	(327)	280	(47)	47	(1)
Transformation & Implementation	(4,759)	720	(4,039)	445	(3,594)	31	(3,563)	(92)	(3,655)
MTFP Support Reserve	(1,063)	(3,000)	(4,063)	(3,000)	(7,063)	(3,000)	(10,063)	(3,000)	(13,063)
DSG Deficit Support Reserve	(1,700)	0	(1,700)	1,700	0	0	0	0	0
Pooled Funds and Interest Rate Risk	(1,000)	0	(1,000)	0	(1,000)	1,000	0	0	0
PFI Scheme Liability	(1,420)	161	(1,259)	292	(967)	146	(821)	521	(300)
Public Health Reserve	(756)	627	(129)	71	(58)	58	(0)	0	(0)
Schools Related Reserves	(2,795)	0	(2,795)	500	(2,295)	500	(1,795)	500	(1,295)
Total	**(27,469)**	**5,316**	**(22,153)**	**2,147**	**(20,006)**	**(874)**	**(20,879)**	**(1,780)**	**(22,660)**

General Fund	(8,000)	(1,000)	(9,000)	(1,000)	(10,000)	(1,000)	(11,000)	(1,000)	(12,000)

Appendix C

Per Scheme	Approved Budget as of Feb 2026	Prior Years Spend	Financial Year 26/27					27/28 Budget	28/29 Budget	29/30 Budget	Total Budget as at 30/06/26	Total Spend as at 30/06/26	Funding of Total Budget as at 30/06/2026			Narrative
			Capital Programme @ 25/26 Outturn	Slippage/ Acceleration	Virement	Cost Variation, Addition or Reduction	Revised Budget @ 30/06/26						External (Grants and Contributions)	Internal (Borrowing)	Internal (Other)	
At 30/06/26	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	
ADULTS, HEALTH AND WELLBEING																
Independent Living - Adults with Learning Disabilities	202,000	45,459	-	-	-	-	-	-	-	156,551	202,010	45,459	(202,010)	-	-	
Affordable Housing	910,000	-	-	-	-	-	-	-	-	910,000	910,000	-	-	-	(910,000)	
Victoria Estate Regeneration	540,514	-	-	-	-	-	-	-	-	540,514	540,514	-	-	-	(540,514)	
Homeowner Improvement Loan	267,984	20,196	247,788	(199,164)	-	1,376	50,000	199,164	-	-	269,360	20,196	(92,324)	-	(177,036)	£199,164 has been slipped to 27/28 based on current loan requirements.
Disabled Adaptations	2,890,486	1,725,115	1,165,371	(828,749)	-	2,476,854	2,813,476	828,749	-	-	5,367,340	1,890,260	(5,367,340)	-	-	Grant funding for Disabled Facilities has been included in the programme, £2,319,668 for 26/27 and £149,280 relating to the additional grant allocated at the end of 25/26. £828,749 has been slipped to 27/28 based on current information. This will be updated at Q2 26/27.
Accelerated Affordable Housing Delivery - SBC site redevelopment	150,000	22,514	127,486	-	-	-	127,486	-	-	-	150,000	67,406	(150,000)	-	-	
Accelerated Affordable Housing Delivery - Property Acquisition	1,378,905	-	531,006	158,446	-	-	689,452	689,453	-	-	1,378,905	-	(1,378,905)	-	-	Slipped £158,446 from 27/28 to 26/27; this will cover the set up costs and initial purchase of properties for the scheme.
Local Authority Housing Fund 4	-	-	-	(264,402)	-	545,304	280,902	-	264,402	-	545,304	-	(545,304)	-	-	Local Authority Housing Fund Round 4 has been awarded to the authority, £545,304 grant funding has been added to the programme. The funding will be used to support the purchase of 6 properties to deliver affordable housing with a delivery partner. This is a multi year scheme that ends in 29/30.
Local Authority Housing Fund 3	468,490	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Scheme closed out 25/26
TOTAL ADULTS, HEALTH AND WELLBEING	**6,808,379**	**1,813,284**	**2,071,651**	**(1,133,869)**	-	**3,023,534**	**3,961,316**	**1,717,366**	**264,402**	**1,607,065**	**9,363,433**	**2,023,321**	**(7,735,883)**	-	**(1,627,550)**	

Per Scheme	Approved Budget as of Feb 2026	Prior Years Spend	Financial Year 26/27: Capital Programme @ 25/26 Outturn	Financial Year 26/27: Slippage/ Acceleration	Financial Year 26/27: Virement	Financial Year 26/27: Cost Variation, Addition or Reduction	Financial Year 26/27: Revised Budget @ 30/06/26	27/28 Budget	28/29 Budget	29/30 Budget	Total Budget as at 30/06/26	Total Spend as at 30/06/26	Funding of Total Budget as at 30/06/2026: External (Grants and Contributions)	Funding of Total Budget as at 30/06/2026: Internal (Borrowing)	Funding of Total Budget as at 30/06/2026: Internal (Other)	Narrative
At 30/06/26	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	
CHILDRENS SERVICES																
School Planned Maintenance	2,252,127	-	1,196,337	(704,984)	-	704,984	1,196,337	704,984	-	-	1,901,321	13,682	(1,901,321)	-	-	Grant funding for Schools Capital Maintenance for 26/27 has been added to the programme, £704,984, this funding will be used for additional works in year or the 27/28 programme.
Oxbridge Primary	8,238,000	7,033,990	1,204,010	-	-	-	1,204,010	-	-	-	8,238,000	7,406,889	(8,238,000)	-	-	
St John the Baptist Primary School	5,555,058	757,344	4,650,920	-	-	-	4,650,920	-	-	-	5,408,264	1,096,751	(5,408,264)	-	-	
Mill Lane Primary School	1,700,000	82,559	1,617,441	-	-	-	1,617,441	-	-	-	1,700,000	164,945	(1,700,000)	-	-	
Northfield School & Sports College	1,250,000	25,535	1,224,465	-	-	-	1,224,465	-	-	-	1,250,000	31,985	(1,250,000)	-	-	
Bishopton Pru	-	8,327	-	-	-	-	-	-	-	-	8,327	8,327	(8,327)	-	-	
Secondary School Adaptations - St Michael's	-	2,801	-	-	-	-	-	-	-	-	2,801	2,801	(2,801)	-	-	
SEND Higher Needs Capital Provision	-	-	2,334,644	(2,325,000)	-	-	9,644	2,325,000	2,325,000	-	4,659,644	-	(4,659,644)	-	-	Programme to be refined and presented to Cabinet later this year, linked to local area reform plan priorities
Assistive Technology Lending Libraries	31,525	18,818	12,707	-	-	-	12,707	-	0	-	31,525	23,112	(31,525)	-	-	
Schools Unallocated Programme Contingency	592,827	0	600,000	-	-	-	600,000	-	-	-	600,000	-	(600,000)	-	-	
Basic Need Grant Capital Provision	114,609	-	3,001,268	(3,001,268)	-	-	-	3,001,268	-	-	3,001,268	-	(3,001,268)	-	-	Programme to be refined and presented to Cabinet later this year, linked to local area reform plan priorities
Preston Primary School	385,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Scheme closed out 25/26
Ash Trees Satellite at Billingham South	5,177	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Scheme closed out 25/26
Durham Lane SEN Toilets	14,469	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Scheme closed out 25/26
Childcare Expansion Fund	406,788	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Scheme closed out 25/26
Children's Homes - Edge of Care	655,641	335,524	320,117	-	-	-	320,117	-	-	-	655,641	350,224	(201,412)	-	(454,229)	
Children's Carer extensions/ adaptation works	153,521	112,688	123,355	-	-	-	123,355	-	-	-	236,043	127,927	-	-	(236,043)	
Children's Homes - Complex Dual	-	-	733,570	-	-	-	733,570	-	-	-	733,570	-	(366,785)	(366,785)	-	

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Children's Homes - Complex Solo	-	-	733,570	-	-	-	733,570	-	-	-	733,570	-		(366,785)	(366,785)	-	
TOTAL CHILDRENS SERVICES	**21,354,742**	**8,377,586**	**17,752,404**	**(6,031,252)**	**-**	**704,984**	**12,426,136**	**6,031,252**	**2,325,000**	**-**	**29,159,974**	**9,226,642**		**(27,736,132)**	**(733,570)**	**(690,272)**	

Stockton-on-Tees BOROUGH COUNCIL

			Financial Year 26/27										Funding of Total Budget as at 30/06/2026			
Per Scheme	Approved Budget as of Feb 2026	Prior Years Spend	Capital Programme @ 25/26 Outturn	Slippage/ Acceleration	Virement	Cost Variation, Addition or Reduction	Revised Budget @ 30/06/26	27/28 Budget	28/29 Budget	29/30 Budget	Total Budget as at 30/06/26	Total Spend as at 30/06/26	External (Grants and Contributions)	Internal (Borrowing)	Internal (Other)	Narrative
At 30/06/26	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	
NEIGHBOURHOOD SERVICES																
Integrated Transport	852,967	-	1,292,088	-	(60,000)	5,241	1,237,329	-	-	-	1,237,329	41,421	(1,237,329)	-	-	
Carriageways	2,374,747	-	1,824,334	-	(21,849)	2,395	1,804,880	-	-	-	1,804,880	489,198	(1,804,880)	-	-	
Bridges	523,251	-	880,000	-	60,600	-	940,600	-	-	-	940,600	42,175	(940,600)	-	-	
Structural Maintenance	567,941	-	559,551	-	21,249	-	580,800	-	-	-	580,800	133,451	(580,800)	-	-	
Other	3,666,632	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Scheme closed out 25/26
Eaglescliffe Station New Car park & Access	3,065,508	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Scheme closed out 25/26
Newport Bridge	2,171,152	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Scheme closed out 25/26
A689 Hanzard Drive Feasibility	460,640	460,640	-	-	-	-	-	-	-	-	460,640	460,640	(460,640)	-	-	
Strategic Urban Expansion - West Stockton	3,655,105	128,586	3,389,311	-	-	-	3,389,311	-	-	-	3,517,897	139,372	(3,468,051)	-	(49,846)	
Cycleway feasibility and design - Norton Road	450,000	433,776	16,224	-	-	-	16,224	-	-	-	450,000	433,776	(450,000)	-	-	
A19/A689 Interchange Improvements (feasibility)	660,000	660,758	-	-	-	-	-	-	-	-	660,758	660,758	(660,758)	-	-	
A19/A689 Interchange Improvements (construction)	4,500,000	-	4,500,000	(3,500,000)	-	-	1,000,000	3,500,000	-	-	4,500,000	-	(4,500,000)	-	-	The main construction is due to start later in the year therefore £3,500,000 has been slipped to 27/28.
Cycleway feasibility and design - Preston Park to Bowesfield	40,000	-	40,000	-	-	(40,000)	-	-	-	-	-	-	-	-	-	
Cycleway feasibility and design - Yarm to Stockton	70,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Scheme closed out 25/26
Cycleway feasibility and design - Stockton Town Centre	400,000	599,206	-	-	-	-	-	-	-	-	599,206	599,206	(599,206)	-	-	
Cycleway feasibility and design - Cowpen Bewley WP to Wolviston	280,000	158,741	121,259	-	-	-	121,259	-	-	-	280,000	158,741	(280,000)	-	-	
Cycleway feasibility and design - Thornaby to Stockton Town Centre	450,000	278,290	171,710	-	-	-	171,710	-	-	-	450,000	281,080	(450,000)	-	-	
Bus route - Ingleby Way / Thornaby	181,500	103,994	47,805	-	-	-	47,806	-	-	-	151,800	107,035	(151,800)	-	-	
S278 - Craythorne Interchange	138,213	138,838	-	-	-	-	-	-	-	-	138,838	138,870	(138,838)	-	-	
S278 - Widening leg of Green Lane Roundabout	5,396	5,396	-	-	-	-	-	-	-	-	5,396	5,396	(5,396)	-	-	
S278 - Yarm Back Lane (2 x PRT)	40,000	38,586	1,414	-	-	-	1,414	-	-	-	40,000	38,586	(40,000)	-	-	
S278 - LILO at Ingleby Manor	37,334	37,334	-	-	-	-	-	-	-	-	37,334	37,334	(37,334)	-	-	
S278 - Yarm back Lane Shared PRT	69,547	49,276	20,271	-	-	-	20,271	-	-	-	69,547	49,276	(69,547)	-	-	
S278 - Signalised Junction Development on Harrowgate Lane	60,690	65,085	-	-	-	-	-	-	-	-	65,085	65,085	(65,085)	-	-	
S278 - 2 x PRT Signalised Junction on Harrowgate Lane	85,731	40,741	44,990	-	-	-	44,990	-	-	-	85,731	45,733	(85,731)	-	-	

S278 - Pedestrian crossing on Green Lane & amends to Bus Stop Locations	121,000	27,272	93,728	-	-	-	93,728	-	-	-	121,000	33,528	(121,000)	-	-	
S278 - Green Lane Yarm Housing Development - PRT and site access	128,560	75,339	-	-	-	-	-	-	-	-	75,339	75,339	(75,339)	-	-	
S278 - Green Lane Yarm Housing Development - works to crossroad/roundabout	180,000	31,217	148,783	(145,788)	-	-	2,995	145,788	-	-	180,000	37,207	(180,000)	-	-	Works not expected to commence until next year therefore £145,788 has been slipped to 27/28.
S278 - Widening Works of the A67/Tesco Roundabout	100,000	11,366	88,634	-	-	-	88,634	-	-	-	100,000	11,366	(100,000)	-	-	
S278 - FUJI Borealis	58,989	105,030	-	-	-	-	-	-	-	-	105,030	105,030	(105,030)	-	-	
S106 - Wynyard Footbridge	561,908	561,908	-	-	-	-	-	-	-	-	561,908	561,908	(561,908)	-	-	
S106 - Horse & Jockey Roundabout	13,589	27,345	130,889	-	-	-	130,889	-	-	-	158,234	32,345	(158,234)	-	-	
S278 - Signalised Junction Development on Harrowgate Lane (Vistry)	50,690	59,852	-	-	-	-	-	-	-	-	59,852	59,852	(59,852)	-	-	
S278 - Low Grange Shopping Parade	5,000	-	5,000	-	-	-	5,000	-	-	-	5,000	-	(5,000)	-	-	
S278 - Norton Shopping Parade	15,000	-	15,000	-	-	-	15,000	-	-	-	15,000	-	(15,000)	-	-	
S278 - Queen Elizabeth Way	-	40,122	-	-	-	2,890	2,890	-	-	-	43,012	43,012	(43,012)	-	-	
S106 - West Street Car Park Yarm	-	(1,226)	-	-	-	-	-	-	-	-	(1,226)	(1,226)	-	-	1,226	
Billingham Forum Solar Panels	400,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Scheme closed out 25/26
Fairfield Primary School Solar Panels	77,636	72,147	14,697	-	-	-	14,697	-	-	-	86,844	72,147	(86,844)	-	-	
MRF Solar Panels	260,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Scheme closed out 25/26
Trees For Stockton	820,691	546,292	318,951	-	-	-	318,951	-	-	-	865,243	546,292	(865,243)	-	-	
Childrens Outdoor Play Spaces	169,335	92,365	76,970	-	-	-	76,970	-	-	-	169,335	92,365	(36,446)	-	(132,889)	
Stillington Play Area	209,366	157,315	74,579	-	-	-	74,578	-	-	-	231,893	157,315	(231,893)	-	-	
Wynyard Woodland Park	249,507	-	-	-	-	443	443	-	-	-	443	443	-	-	(443)	
Childrens Outdoor Play Spaces (Hardwick Enhanced)	67,165	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Scheme closed out 25/26
Circular Trail	34,857	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Scheme closed out 25/26
Ropner Park Play Area	46,263	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Scheme closed out 25/26
Redbrook Park	92,677	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Scheme closed out 25/26
Preston Park Play Area	158,468	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Scheme closed out 25/26
Cowpen Bewley Woodland Park	54,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Scheme closed out 25/26
Littleboy Park	(5,790)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Scheme closed out 25/26
Billingham Beck Habitat Restoration	120,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Scheme closed out 25/26
Flood Coastal Resilience Innovation Programme - Tees Tidelands	7,077,710	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Scheme closed out 25/26
Greens Beck Culvert	717,360	-	717,360	(317,360)	-	-	400,000	317,360	-	-	717,360	-	(717,360)	-	-	Project is in the design stage therefore

																£317,360 has been slipped to 27/28.
Culvert Screen Access	20,804	-	20,804	-	-	-	20,804	-	-	-	20,804	-	(20,804)	-	-	
Queens Green Canopy	-	32,097	-	-	-	-	-	-	-	-	32,097	32,097	(32,097)	-	-	
Worsall Road Culvert	-	-	130,000	(211,112)	-	281,112	200,000	211,112	-	-	411,112	-	(411,112)	-	-	Worsall Road Culvert funding has been increased on the programme to reflect the Environment Agency grant agreement. Project is in the design stage therefore £211,112 has been slipped to 27/28.
Billingham Forum Gym Expansion	650,000	620,020	5,000	-	-	-	5,000	-	-	-	625,020	620,020	-	(625,020)	-	
Fairfield Play Area	69,450	-	69,450	-	-	-	69,450	-	-	-	69,450	-	(13,494)	-	(55,956)	
Waste Management Procurement Project	1,384,729	1,813,632	-	-	-	-	-	-	-	-	1,813,632	1,813,632	-	(1,813,632)	-	
Household Waste Recycling Centre	2,000,000	60,020	1,939,980	(1,366,980)	-	-	573,000	1,366,980	-	-	2,000,000	510,020	-	-	(2,000,000)	Land has been purchased and the work on site will commence next year therefore £1,366,980 has been slipped to 27/28.
Waste Transfer Station	2,541,210	2,188,264	352,946	-	-	-	352,946	-	-	-	2,541,210	2,257,400	(1,459,898)	(1,081,312)	-	
Waste Receptacles	2,200,000	1,750,514	449,486	(185,000)	-	-	264,486	185,000	-	-	2,200,000	1,925,630	-	(2,200,000)	-	Replacements are scheduled based on need/demand therefore £185,000 has been slipped to 27/28.
Travellers Site	140,000	78,503	61,497	-	-	-	61,497	-	-	-	140,000	78,503	-	-	(140,000)	
White Water Course	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Cemeteries	48,611	9,235	194,376	-	-	-	194,376	-	-	-	203,611	85,971	-	-	(203,611)	
Depot provision	-	-	1,096,682	-	-	-	1,096,682	-	-	-	1,096,682	-	(1,096,682)	-	-	
Vehicle Replacement Programme	7,948,278	945,617	3,715,661	(528,000)	-	(502,661)	2,685,000	1,896,000	1,919,000	-	7,445,617	1,350,197	-	(6,500,000)	(945,617)	Vehicle replacement fund has been reduced by £502,661 in line with the approved budget. Based on current replacement programme £528,000 has been slipped to 27/28.
TOTAL NEIGHBOURHOOD SERVICES	**53,593,417**	**12,503,492**	**22,629,430**	**(6,254,240)**	-	**(250,580)**	**16,124,610**	**7,622,240**	**1,919,000**	-	**38,169,342**	**14,427,525**	**(22,422,243)**	**(12,219,964)**	**(3,527,136)**	

Per Scheme	Approved Budget as of Feb 2026	Prior Years Spend	Financial Year 26/27					27/28 Budget	28/29 Budget	29/30 Budget	Total Budget as at 30/06/26	Total Spend as at 30/06/26	Funding of Total Budget as at 30/06/2026			Narrative
			Capital Programme @ 25/26 Outturn	Slippage/ Acceleration	Virement	Cost Variation, Addition or Reduction	Revised Budget @ 30/06/26						External (Grants and Contributions)	Internal (Borrowing)	Internal (Other)	
At 30/06/26	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	
CORPORATE SERVICES																
Xentrall ICT Network	900,000	657,915	-	-	-	-	-	-	-	-	657,915	657,915	-	-	(657,915)	
TOTAL CORPORATE SERVICES	**900,000**	**657,915**	**0**	**0**	-	**0**	**0**	**0**	**0**	-	**657,915**	**657,915**	**0**	**0**	**(657,915)**	

Per Scheme	Approved Budget as of Feb 2026	Prior Years Spend	Financial Year 26/27					27/28 Budget	28/29 Budget	29/30 Budget	Total Budget as at 30/06/26	Total Spend as at 30/06/26	Funding of Total Budget as at 30/06/2026			Narrative
			Capital Programme @ 25/26 Outturn	Slippage/ Acceleration	Virement	Cost Variation, Addition or Reduction	Revised Budget @ 30/06/26						External (Grants and Contributions)	Internal (Borrowing)	Internal (Other)	
At 30/06/26	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	
REGENERATION AND INCLUSIVE GROWTH																
Acquisition & Investment	1,044,394	1,044,394	-	-	-	-	-	-	-	-	1,044,394	1,044,394	(1,044,394)	-	-	
Investment Site Infrastructure Durham Lane Industrial Estate	3,613,564	1,714,636	1,944,716	(350,000)	-	-	1,594,716	350,000	-	-	3,659,352	1,827,289	(3,659,352)	-	-	£350,000 has been slipped to 27/28 to enable additional infrastructure works required to open up development plots, following completion of the main Teeslink works.
Inward Investment Strategy	455,606	311,067	144,539	-	-	-	144,539	-	-	-	455,606	331,686	(455,606)	-	-	
Business Growth Fund	1,000,000	888,826	111,174	-	-	-	111,174	-	-	-	1,000,000	906,581	(1,000,000)	-	-	
Regeneration Investment	131,000	76,148	9,064	-	-	-	9,064	-	-	-	85,212	82,127	(85,212)	-	-	
Additional Accommodation	1,500,000	-	1,500,000	-	-	-	1,500,000	-	-	-	1,500,000	-	-	-	(1,500,000)	
Billingham Sports Hub	800,000	789,185	10,815	-	-	-	10,815	-	-	-	800,000	800,000	(800,000)	-	-	
Building Control System	-	-	-	-	-	63,000	63,000	-	-	-	63,000	-	(63,000)	-	-	
Democratic Space/Council Chamber	1,250,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Scheme closed out 25/26
Stockton Town Centre - Infrastructure Projects	29,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Scheme closed out 25/26
Townscape Heritage	2,756,032	1,736,861	1,049,024	-	-	-	1,049,024	-	-	-	2,785,885	1,736,861	(2,181,906)	-	(603,979)	
Town Hall / Debenhams / small units split	6,500,000	24,750	3,000,000	(2,000,000)	-	-	1,000,000	5,475,250	-	-	6,500,000	24,750	-	(6,500,000)	-	£2,000,000 slipped to 27/28 as scheme is currently in feasibility/design stage.
Splash Redevelopment	8,500,000	66,868	509,890	-	-	-	509,890	7,923,242	-	-	8,500,000	66,868	-	(8,500,000)	-	
Wellington Square Car Park Resurfacing	1,000,000	-	1,000,000	-	-	-	1,000,000	-	-	-	1,000,000	-	-	(1,000,000)	-	
Town Centre Developments - unused borrowing approvals	7,662,960	-	-	-	-	-	-	-	-	7,662,960	7,662,960	-	-	(7,662,960)	-	

Billingham Town Centre	30,000,000	303,281	11,277,675	-	-	-	11,277,675	18,419,044	-	-	30,000,000	337,112	(20,000,000)	(10,000,000)	-	
Ingleby Barwick	514,515	446,921	62,579	-	-	-	62,579	-	-	-	509,500	446,921	-	(410,620)	(98,880)	
Norton	77,800	74,988	-	-	-	-	-	-	-	-	74,988	74,988	(60,000)	-	(14,988)	
Yarm	-	2,800	-	-	-	-	-	-	-	-	2,800	2,800	-	-	(2,800)	
Thornaby TF - Cycleways	5,850,000	1,282,976	4,587,024	-	-	-	4,587,024	-	-	-	5,870,000	1,544,166	(5,870,000)	-	-	
Thornaby TF - Regeneration of Town Centre - Swimming Pool	16,250,000	3,878,143	12,171,857	-	-	-	12,171,857	1,000,000	500,000	-	17,550,000	5,191,804	(12,550,000)	(5,000,000)	-	
Thornaby TF - Regeneration of Town Centre - Golden Eagle	3,525,000	1,985,490	1,601,780	-	-	-	1,601,780	-	-	-	3,587,270	2,420,553	(3,587,270)	-	-	
Thornaby TF - Regeneration of Town Centre	900,440	900,440	-	-	-	-	-	-	-	-	900,440	900,440	(750,000)	-	(150,440)	
Thornaby TF - North Thornaby	2,985,483	2,688,174	293,895	-	-	-	293,895	-	-	-	2,982,069	2,722,924	(2,982,069)	-	-	
Thornaby TF - Project Management	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Thornaby TF - Skills Development	4,700,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Scheme closed out 25/26
Yarm LUF - Cycleways	5,889,840	1,733,035	4,158,685	-	-	-	4,158,685	-	-	-	5,891,720	2,053,139	(5,891,720)	-	-	
Yarm LUF - Public Realm	3,623,904	1,184,428	2,439,476	-	-	(950,792)	1,488,684	-	-	-	2,673,112	1,193,075	(1,723,112)	(950,000)	-	Yarm Public Realm scheme has been reduced by the SBC co-funding and has been returned to support the Councils MTFP and financial position, in line with decision made by Cabinet 14th May 2026.
Yarm LUF - Preston Park	13,520,000	13,192,298	327,702	-	-	-	327,702	-	-	-	13,520,000	13,197,305	(13,070,792)	-	(449,208)	
Yarm LUF - Town Hall and Toilets	876,096	-	-	-	-	-	-	-	-	-	-	-	-	-	-	Scheme closed out 25/26
Urban Park	29,131,638	26,372,816	2,964,231	-	-	-	2,964,231	-	-	-	29,337,047	27,849,540	(24,167,332)	(4,995,250)	(174,465)	
Community Diagnostic Centre Car Park	1,750,000	1,668,219	81,781	-	-	-	81,781	-	-	-	1,750,000	1,668,358	-	(1,750,000)	-	
Unallocated Town Centre Wayfinding	291,717	-	291,717	-	-	-	291,717	-	-	-	291,717	-	-	-	(291,717)	
Building Maintenance Programme	2,316,284	-	1,286,835	-	-	-	1,286,835	-	-	-	1,286,835	175,808	-	-	(1,286,835)	
Vehicle Ramp Replacement - Cowpen Depot	300,000	-	300,000	-	-	-	300,000	-	-	-	300,000	-	-	-	(300,000)	
Allotments	100,000	-	100,000	-	-	-	100,000	-	-	-	100,000	-	-	-	(100,000)	
TOTAL REGENERATION AND INCLUSIVE GROWTH	158,845,273	62,366,744	51,224,459	(2,350,000)	-	(887,792)	47,986,667	33,167,536	500,000	7,662,960	151,683,907	66,599,489	(99,941,765)	(46,768,830)	(4,973,312)	

Per Scheme	Approved Budget as of Feb 2026	Prior Years Spend	Financial Year 26/27: Capital Programme @ 25/26 Outturn	Slippage/ Acceleration	Virement	Cost Variation, Addition or Reduction	Revised Budget @ 30/06/26	27/28 Budget	28/29 Budget	29/30 Budget	Total Budget as at 30/06/26	Total Spend as at 30/06/26	Funding of Total Budget as at 30/06/2026: External (Grants and Contributions)	Internal (Borrowing)	Internal (Other)	Narrative
At 30/06/26	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	
CORPORATE ITEMS																
Invest to save	19,350,000	-	1,266,430	(650,000)	-	-	616,430	6,000,000	6,000,000	6,000,000	18,616,430	-	-	(18,616,430)	-	Schemes subject to individual business case approval, £650,000 slipped to 27/28
TOTAL CORPORATE ITEMS	19,350,000	-	1,266,430	(650,000)	-	-	616,430	6,000,000	6,000,000	6,000,000	18,616,430	-	-	(18,616,430)	-	

Per Scheme	Approved Budget as of Feb 2026	Prior Years Spend	Financial Year 26/27: Capital Programme @ 25/26 Outturn	Slippage/ Acceleration	Virement	Cost Variation, Addition or Reduction	Revised Budget @ 30/06/26	27/28 Budget	28/29 Budget	29/30 Budget	Total Budget as at 30/06/26	Total Spend as at 30/06/26	Funding of Total Budget as at 30/06/2026: External (Grants and Contributions)	Internal (Borrowing)	Internal (Other)	Narrative
At 30/06/26	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	£'s	
TOTAL CAPITAL PROGRAMME	**260,851,811**	**85,719,021**	**94,944,374**	**(16,419,361)**	**-**	**2,590,146**	**81,115,159**	**54,538,394**	**11,008,402**	**15,270,025**	**247,651,001**	**92,934,892**	**(157,836,023)**	**(78,338,794)**	**(11,476,185)**	