

AGENDA ITEM

REPORT TO CABINET

14 DECEMBER 2023

**REPORT OF CORPORATE
MANAGEMENT TEAM**

CABINET DECISION

Leader of the Council – Councillor Bob Cook

FINANCIAL UPDATE & MEDIUM TERM FINANCIAL PLAN

SUMMARY

The report provides an update on the on the financial position as at 30th September for the current year (2023/24) and presents outline plans for the 2024/25 Budget and the Medium Term Financial Plan (MTFP).

Members will note that despite significant efforts around cost mitigations, inflationary and demand pressures have continued and the projected position for 2023/24 is now a projected overspend of around £6.9m. The financial position has been communicated to all managers and staff and everyone is being encouraged to challenge all spend to try and mitigate the impact. As outlined in previous reports, any overspend will need to be funded from reserves. Work is underway to assess reserves and this will be incorporated into the MTFP report in February.

The report also outlines the indicative MTFP for future years. It should be noted however that, future years funding levels are assumed based on announcements made to date. This will only be confirmed upon receipt of the Provisional Local Government Finance Settlement which is expected week commencing 18th December. Many of the pressures around inflation, Adult's Services, Children's Services and pay awards experienced in the current year are continuing and this has been built into projections.

The local government finance settlement for 2023/24 included the referendum limit for 2024/25, setting Council tax at 3% and the Adult Social Care levy at 2%. The current MTFP is based on a 2.9% increase and no application of the Levy. The Budget Report in February will consider the council tax levels however given the overall position the Council will need to seriously consider increasing the rise to the referendum levels anticipated by Government.

The position for the Council, based on the assumptions in the report and an increase level of council tax still mean there will be a gap of £5m in 2024/25 and £8m by 2025/26. In simple terms, we need to reduce our base budget position by £9m, so we must reduce our spending. Our planned programme of transformation is key to doing this, while also ensuring positive outcomes for our residents.

Despite the budget challenges, we remain ambitious for Stockton-on-Tees and getting a better future for everyone who lives, works and plays here. We are confident we can work with our partners and communities to put in place new and innovative approaches which will not only save money but also reshape what we do for the better and in the best interests of our residents. We will do this through our Powering Our Future Programme which see the Council focus its transformation around the following five principles.

Communities Powering Our Future: We need to change the way we work with our communities so they use their knowledge, skills and strengths to help them deliver positive outcomes for themselves. Not only will this save money, it will mean that our residents are healthy, happy and feel like they belong.

We will empower communities and increase individual, family and community level activities, helping people and communities to be independent and have less reliance on Council services.

Partnerships Powering Our Future: By working with partner organisations we can make sure our residents have support when they need it and that Stockton-on-Tees provides opportunities which make it a great place to live, work and play.

Transformation Powering Our Future: Our ambitious and entrepreneurial spirit will make sure our residents have bright futures. We will work with our partners and communities in new ways, embracing technology and different approaches to create opportunities and reduce inequality, using the limited amount of money we have available.

We will continue to carefully manage our resources. We will focus on creating a new relationship with communities, while providing efficient services that offer value for money and are valued by our residents.

Colleagues Powering Our Future: Our talented workforce will step up to the challenging budget situation by using their knowledge and skills to work with our partners and communities in innovative, adaptable and dynamic ways with the best interests of our residents being the focus of everything they do.

Our people will be empowered to work together and do the best they can for our communities.

Regeneration Powering Our Future: Our exciting regeneration projects will make sure Stockton-on-Tees is a place of choice for business. Not only will this generate more income through Council Tax and Business Rates, there will be more employment opportunities too, which will reduce demand on services, saving us money.

Our borough will be recognised for its thriving economy at the heart of Tees Valley and as a place where everyone has the opportunity to succeed.

In order to address the budget gap we need to act quickly so the first of the transformation reviews delivered through the Powering our Future programme are taking place between now and early next year.

In the meantime, all staff are being instructed to think carefully before authorising any spending and to consider how the Council can work with our partners and communities to ensure the best possible outcomes for residents, despite a reducing budget.

REASON FOR RECOMMENDATIONS/DECISIONS

To update Members on financial performance in 2023/24 and to outline proposals for the 2024/25 Budget and MTFP based on latest available information.

RECOMMENDATIONS

1. That the updated financial position for 2023/24 be noted.
2. That the revised Capital Programme at **Appendix A** be noted.
3. That the emerging issues for the MTFP be noted.

DETAIL**FINANCIAL POSITION 2023/24****FINANCIAL POSITION AS AT 30 SEPTEMBER 2023****GENERAL FUND**

- Members will be aware that the report to Cabinet in September, which covered the first quarter of the financial year, reported a pressure of £3.7m caused by significant pressures within Children's Services as well as the anticipated 2023/24 pay award. These pressures are being faced by authorities across the country and there are several stories in the press covering the financial pressure many local authorities are experiencing.
- The report explained that officers would be exploring opportunities for in year savings to mitigate use of reserves.
- The following table details the projected budget outturn position for each Directorate in 2023/24, based on information to 30 September 2023. The table shows that despite the efforts around in year savings, the position has deteriorated due to further pressures.

Directorate	Annual Budget £'000	Projected Outturn £'000	Projected Variance Q1 Over/(Under) £'000	Forecast Variance at Q2 Over/(Under) £'000	Movement from Q1 £'000
Adults & Health	86,851	88,427	0	1,576	1,576
Children's Services	48,651	55,947	5,000	7,296	2,296
Community Services, Environment & Culture	52,269	51,868	234	(401)	(635)
Finance, Development & Regeneration	13,612	13,377	(145)	(235)	(90)
Corporate Services	11,944	11,724	(212)	(220)	(8)
Corporate Items	9,441	6,861	(2,677)	(2,580)	97
Total	222,768	228,204	2,200	5,436	3,236
Pay Offer Pressure		1,500	1,500	1,500	0
Revised Total	222,768	229,704	3,700	6,936	3,236

Reasons for movements since Quarter 1 over £100,000**Adults and Health**

- The growth in demand for residential placements has continued to increase. This is generating a financial pressure against budget of £1.5m. Additional monitoring and senior management decision making has been implemented to reduce the impact from the Discharge to Assess process which is impacting. 56% of the placement activity is relating to people coming out of hospital and we need to work with our NHS partners to address and reduce this demand. The pressure on services is being seen across all areas of needs. Within older people, this appears to be a result of people moving from a hospital discharge bed into a long stay placement. Work is ongoing with our NHS partners to mitigate some of the risk and impact in this area. Use of BCF underspend has been requested and there have been some additional costs via the s75's resulting in funding being passported through to Adult Social Care (£800,000).
- In Learning Disabilities, new placements are costing significantly more and there is one high-cost place due to a young person moving from Children's into Adults. A key project within the transformation programme will be to consider approach to re-ablement to support independent living and reduce reliance on residential provision. Discussions across the Tees Valley have started to explore opportunities to share and reduce costs as all authorities are experiencing significant increases within this market.

6. Within community-based care, reduced demand on the service has generated a projected savings against the home care budgets of (£280,000). This is offset by overspend on direct payments £310,000.

Children's Services

7. Members will also be aware of the improvement agenda within children's services. Work is underway to understand the longer term impact of COVID, and map what the new normal is post covid. There are also new national requirements around care leavers which require a new and improved approach to care leavers. The challenges around the financial position are also aligned with the improvement work and again this is a key strand of the transformation programme. An interim management structure has been introduced within Children's Services to build capacity at a senior level to deliver improvements across the service practically, in relation to external placements and staffing.
8. Recruitment to social worker posts continues to be extremely difficult. Maintaining a stable highly experienced social work force is a national challenge. Work is underway to develop a robust work force plan not only linking into the corporate offer but looking to attract social workers into our social work academy. The academy will support the professional development of our staff new and existing whilst also addressing the retention challenge. The overall pressure anticipated as a result of employing agency social workers is now expected to be around £1.6m.
9. The financial pressures relating to children in our care continue to increase. The external care market continues to drive up costs and availability of places is extremely scarce creating very high competition. The predicted overspend on residential placements and professional services to support Children in our Care has increased to £5m, which is in the main driven by the significant increases in the cost of care, rather than a large rise in numbers of children in residential settings. There are 7 placements costing in excess of £10,000 per week with one exceeding £14,000. This would equate to a total annual cost is £4.4m for these 7 children alone.

Community Services, Environment and Culture

10. The concessionary fares deal has now been agreed through TVCA, generating a further saving of (£330,000).
11. The growth in demand for the community transport service continues to increase. The cost of maintaining vehicles and fuel costs have increased. The overspend across these areas has increased by £170,000.
12. As noted in the last report, energy prices are lower than seen previously. However, this remains a very volatile area, and any potential impact of recent international events is yet to be understood. This remains an area that we are keeping under close review. TAL are anticipating a saving against their energy budget in year of (£500,000). This will be a saving against the additional funding we provided to TAL in recent years due to higher energy prices.

Finance, Development and Regeneration

13. There are a number of vacancies across the directorate which are generating further financial savings of (£250,000). There are some roles which remain particularly difficult to recruit to, one of which is planning and due to the volume of work, use of agency staff has been necessary at a projected cost of £100,000.
14. (£200,000) new burdens funding has been received within the Revenues and Benefits service for both council tax and business rates relief schemes.

15. There is anticipated to be £150,000 pressure within Wellington Square shopping centre. This is due to rent incentives offered to tenants as well as some vacant properties.
16. The anticipated shortfall on rent allowances has increased by £120,000.
17. The Powering our Future report to cabinet in July approved the introduction of a new Directorate, Regeneration and Inclusive Growth. The financial analysis will be updated to reflect the new organisational structure next financial year; therefore, the analysis above continues to be presented in the historic format.

Corporate Services

18. There have been no significant movements in the projected position for Corporate Services.

Corporate Areas

19. We were notified on 1st November that the pay award for 2023/24 for employees on National Joint Council terms and conditions has been agreed with the trade unions. The terms of the payaward are that all employees paid up to spinal column point 43 receives an additional sum of £1,925. This was paid to employees as part of their November salary. The pay award for employees on Chief Officer grades had previously been agreed and paid.

Employee Turnover

20. Members will recall that as part of the budget setting a turnover provision was built into staffing budgets this year of £2.5m. This reflects the natural turnover of staff and the consequential saving in budgets. All areas other than Childrens Services are achieving this level and the reason for the shortfall in that area is agency staff costs as previously outlined.

General Fund Balances and Reserves

21. The Council aims to retain General Fund Balances at a prudent level, currently £8,000,000.
22. As described in para 3 above, should the projected position for the current financial year 2023/24 materialise at year end, then the sum of £6,936,000 would need to be funded from reserves.
23. Earmarked reserves have commitments and plans for their use, however given the current financial position we are reviewing each of these commitments to identify for potential release sums sufficient to cover the projected year end deficit.
24. This use of reserves is not sustainable, as once used, they cannot be used again to fund any future pressures. The smaller the overall amount of available reserves becomes, the more risk the council is exposed to. It is therefore essential that we look to avoid further use of reserves as well as looking at means to replenish reserves.

MEDIUM TERM FINANCIAL PLAN 2024 – 2028

25. The projected position across the medium term has been reviewed:

Current Approved MTFP

26. The current approved position in February 2023 was as follows:

	2024/25	2025/26	2026/27
	£'000	£'000	£'000
Budget Gap (+) / Surplus (-)	1,125	3,451	1,911

Outlook

27. Members will recall that the Council are currently working within a one-year financial settlement from the Government/DLUHC. Previous reports have highlighted the significant uncertainty this brings, with no long-term settlement being in place.
28. In December 2022 government published the Local Government Finance Policy Statement 2023/24 to 2024/25. This set out principles and national funding totals for the years 2023/24 and 2024/25. The actual allocations for 2023/24 were announced in the Final Local Government Finance Settlement in February 2023.

The headline announcements for 2024/25 were:

- Council Tax Referendum Limits – The referendum limit for core council tax will remain at 3% and 2% for the Adult Social Care precept. There have been no announcements for subsequent years, but we have assumed that the limits will stay at these levels for future years.
 - The presumed full increase in council tax and Adult Social Care Council Tax Precept are factored into the chancellor's forecasts for funding available to support key pressures including adults and childrens social care.
 - £1.9bn nationally for the Social care grant. This is funding re-directed from the adult social care reforms. Adult social care charging reforms were delayed by two years to October 2025. There have been no further announcements on this to date.
 - £1.7bn split between the NHS and local government to fund hospital discharges and increase capacity in the residential and care at home markets.
29. The Autumn Statement on 22nd November announced a small number of measures in relation to local government finance.
- Business rates – the business rates for all sizes of businesses have been frozen for a number of years and local authorities have been compensated through a Section 31 grant in line with inflation. From April 2024 the small business rates multiplier will continue to be frozen, however the standard multiplier will increase by inflation at 6.6%. The impact of this nationally is anticipated to be neutral, however the impact at a local authority will not fully be understood until the provisional local government finance settlement in December.
 - The Funding Simplification Doctrine will come into force in January 2024 which is intended to be an important step in simplifying the local funding landscape. This will aim to assess suitable distribution methodologies for new funding streams. This doctrine will consider all new funds that are made available exclusively to local authorities by central government, but explicitly excludes funding within the Local Government Finance Settlement and services mandated by statute such as; schools, Children's and adult social care and public health.

30. It is currently unclear whether there will be a further one- year settlement for local government or one covering multiple years. The Provisional Local Government Finance Settlement is now expected to be announced week commencing 18th December.

Changes to current expenditure plans

31. Since the report to Cabinet in February 2023, there are a number of changes which will require the MTFP to be updated. The additional pressures encountered in the current year which were largely unknown at the time the budget for 2023/24 was set, will need to be incorporated into the plan.

32. The existing MTFP includes an annual uplift in 2023/24 of £1.5m in respect of the impact of NLW and inflation increases on Adult Care Fees. The recent announcement setting the National Living Wage level for 2024 at £11.44, was higher than anticipated. We are also seeing significant growth in the number of placements in the current financial year and it is anticipated that this will continue into future years. We are seeing particular pressure amongst providers within the care at home market and work is ongoing to understand the potential implications of this. Therefore additional sums will need to be allocated from 24/25 onwards. Based on the anticipated inflationary increases and growth pressures, this is expected to be around £3m. As mentioned previously, this will be a key focus of the transformation programme.
33. As set out in paras 6 to 8 above there are still considerable ongoing pressures on Children's Social Care, particularly relating to the costs of children in our care, which is a national issue, being experienced by the majority of local authorities.
34. Children's Services has a major arm of the transformation programme, which is aimed at improving outcomes as well as building a sustainable financial envelope. This is made up of five pillars-
- Workforce development
 - SEND, High Needs and Early Years
 - Placement Sufficiency
 - Corporate Parenting and Care Leavers
 - Intervention, Early Help and Prevention

Work is underway re-assessing the budget position which is considering :

- The age profile of current children in Care
- An estimate of growth based on trends
- Current staffing establishment and reliance on agency costs

There are a number of interventions underway to explore opportunities for improvements and cost reductions. These include :

- An edge of Care service which will provide intensive support to help Children to remain home safely and avoid coming into care.
- A revised approach to re-unification to support Children moving home from Care
- A revised approach to commissioning and procurement
- A review of placements to ensure clear plans are in place for young people including opportunities for alternative provision.
- Developing a Social Work Academy to support recruitment of social workers

All of this work will inform the overall budget position and based on current information, this is anticipated to require an increase in base budget of £6m.

35. The financial impact of the agreed pay award for 2023/24 will continue into following years. An assumption has also been made on the potential level of the pay award in 2024/25 and 2025/26 and incorporated into the table below. The assumptions are 2024/25 4%; 2025/26 2% and 2026/27 2%.
36. Members will be aware that the Council's current waste contract is coming to an end in 2026. A major piece of work is currently ongoing to procure and build a replacement Energy from Waste site which is planned to be located in Redcar. The revised arrangements will result in an increased cost of disposal due to the current favourable rates within the current contract and this will be a pressure of from 2026/27.
37. Stockton's current Household Waste Recycling Centre is a shared facility with Middlesbrough Council located on Haverton Hill Road. Suez manage and operate the HWRC, on our behalf, and the current contract expires in March 2024. Members will recall funding was allocated to identify and purchase a new site. Negotiations are ongoing to secure a contract extension until the new

location is ready for operation. An update will be brought to cabinet covering the future operation of a new facility.

38. The exciting waterfront development in Stockton town centre will open up an attractive and thriving new area for our borough. There are annual maintenance costs associated with the new development which need to be incorporated into the plan.
39. Costs of community transport are also affected by inflation and are increasing as a result of fuel costs and retendering of contracts. The volume of service users is also increasing which is creating a bigger cost to deliver the service.
40. Local authorities are required to insure against various risks and we take a measured approach to risk through a combination of self-insuring and taking out insurance premiums. We hold an insurance fund to cover those risks that we self-insure against. An actuarial review a number of years ago identified that the fund could be reduced in line with their latest valuation so we have been releasing this excess into the MTFP over recent years. The latest actuarial review indicates that the fund is now at an appropriate level, so alternative funds are required to replace this within the MTFP.
41. The Bank of England base rate and gilt rates have continued to increase over the past year, meaning the interest rates for investments and borrowing have also increased. This is having a benefit in that we are earning higher interest on the cash balances we have available to invest. It also means that the cost of borrowing has increased. We continue to be extremely prudent and manage our cash flow very carefully and we will only borrow when necessary, this could create an additional pressure through increased costs of borrowing.
42. The projected expenditure pressures are summarised in the table below:

	2024/25 £'000	2025/26 £'000	2026/27 £'000
Pressures identified			
Adults Social Care	3,000	3,000	3,000
Children In Our Care	6,000	6,000	6,000
Pay Award 23/24	2,389	2,641	2,898
Pay Award 24/25 (4%)	930	954	979
Waste	0	(300)	1,100
Waterfront Development			380
Community Transport	500	750	750
Insurance Fund		500	1,000
Interest Rate Risk Contingency	500	500	500
Pressures	13,319	14,045	16,607

Income and Resources

43. The provisional Local Government Finance Settlement is expected late December. This will contain the provisional funding allocations for 2024/25. There has not been any indication of whether the provisional settlement will cover future years post 2024/25. The funding assumptions are based on the information available, but they are subject to change.
44. Council Tax and Business Rates – projections of council tax and business rates income are being updated and the figures underpinning this report will be kept under review prior to the final budget report in February. At this point the updated MTFP includes the latest position on Council Tax Base and Business Rates income, including projections of growth in the Council Tax Base and business rates and assumptions regarding the impact of inflation on the business rates multiplier.

45. Business Rates has undergone a full revaluation for 2023/24. A new list came into effect from 1st April 2023. The recent Non -Domestic Rating Act 2023 was passed confirming that revaluations will now take place every three years from 2026. The impact of this is factored into the anticipated business rates income in future years.
46. The response to a government consultation on planning fees was announced this summer. This introduces changes to planning fees and as a result we anticipate an increase in the amount of fees collected.
47. Members will recall the additional money allocated into the budget in recent years to fund the higher costs of energy. These prices are slowly beginning to fall, however there remains significant uncertainty in the market. The impact of recent international events upon supply and prices is unknown. Our energy is purchased through NEPO, a regional organisation governed by the 12 North East local authorities. NEPO provide regular updates and analysis which helps to inform to forecast future costs. The approved MTFP already assumes a reduction in prices from 24/25 onwards. We are forecasting that energy costs will fall further, creating a greater saving in future years of the MTFP. It is also anticipated that the support to Tal for higher energy costs will reduce.
48. The current plan assumes a Council Tax increase of 2.9% in each year (1.9% core council tax and 1% Adult Social Care levy). Government will retain the referendum limit at 5% in 2024/25, with indications that this may continue through to 2028 (and assuming in the published information outlining resources available to Local Government that this is enacted.) A 1% increase in Council Tax would mean an increase of 34p per week for a Band D property (23p for Band A). The potential additional resources available should either of the elements be increase would be:
- Core Council Tax £1m per year
 - Adult Social Care Precept £1m per year
49. Whilst final decisions will be made as part of the budget report in February, given the extent of the financial pressures, for planning purposes it has been assumed that the increase will be in line with the referendum levels set by Government.
50. These changes to resources and income are summarised in the table below:

	2024/25 £'000	2025/26 £'000	2026/27 £'000
Potential Additional Resources / Savings Identified			
Business Rates	(5,100)	(5,250)	(5,250)
Council Tax and Social Care Levy – 2024/25	(2,000)	(2,000)	(2,000)
Planning Income	(300)	(300)	(300)
Concessionary Fares	(700)	(700)	(700)
Energy Savings	(1,080)	(1,080)	(1,080)
Total	(9,180)	(9,330)	(9,330)

Summary Position

51. A summary of the projected budget position over the MTFP is outlined below:

	2024/25 £'000	2025/26 £'000	2026/27 £'000
Approved Budget Position	1,125	3,451	1,911
Expenditure Pressures	13,319	14,045	16,607
Additional Income and Resources	(9,180)	(9,330)	(9,330)
Budget Gap (+) / Surplus (-)	5,264	8,166	9,188

52. The above table demonstrates that there is a significant projected budget gap over each year of the medium term plan.
53. In order to set a balanced budget for 2024/25 and to have a sustainable medium term financial plan the Council needs to identify and agree a robust plan to address the financial gap.
54. The Report to Cabinet and Council in February 2023 and the Quarter 1 Report for 2023/24 both highlighted that the emerging financial position may mean that further savings will be required into the medium term. As illustrated in the table above at para 43 significant savings of c£9m per annum will require to be identified order to achieve a balanced position.

Resolving the Budget Gap through Transformation Programme

55. The meeting of Council in February will need to consider how to resolve the Budget Gap, which is currently estimated at around £9m across the MTFP and members have agreed that the transformation programme will be the approach. Further details will be presented in February but given the challenges we will need to progress the reviews at pace and the reviews will consider how current service provision meets the outcomes we desire. The reviews will inevitably require difficult decisions around areas where we will need to stop or reduce as well as considering alternative approaches such as enhanced community involvement.
56. There is a significant focus on Childrens improvement and transformation and this is covered in paragraph above. In addition, the first stage of reviews have been identified and these areas are ongoing. The areas in the first stage of transformation are
- Waste and Recycling
 - Fleet
 - Regulatory Services and Security Services
 - Re-ablement, Intermediate Care and Adult Social Care provision
 - Corporate Administration Review
 - Community Transport
 - Preventative Services
 - Planning for the Life course – Transition to adulthood
57. In response to the increased budget gap urgent work is ongoing to identify areas that can be escalated and outcomes fast tracked through the transformation programme. This may be bringing areas forward that were already planned to be part of the transformation programme, or identifying new areas for review.

Risks

58. It should be recognised that there are risks remain which may impact on the position set out above and across the MTFP. These include:
- Future levels of Government Funding (The position regarding government funding should be clearer in late December, at least for financial year 2024/25).
 - Level of Pay Awards in future years
 - Inflation
 - Funding uncertainty beyond 24/25
59. If the additional risks materialise and create further financial pressures across the duration of the MTFP then further savings would be required to be identified to balance the position over the medium term.

Potential Capital Costs/Cost Pressures

60. Inflationary pressures are also driving up construction costs alongside other supplies and services which is having a significant impact on the capital programme budgets and deliverability. Whilst many of our major projects are at the design stage which means inflation can be managed within the funding envelope, there is a significant risk that for some schemes this will not be the case. This is being considered and again will be included in the budget report.

CAPITAL PROGRAMME

61. The updated Capital Programme is set out at **Appendix A** and summarised in the table below:

CAPITAL PROGRAMME Up to 2026	Current Approved Programme £'000	Programme Revisions £'000	Revised Programme £'000
School Investment Programme & Childrens Services	47,847	(21)	47,826
Regeneration, Development and Growth	14,067	4,170	18,237
Town Centres	139,525	(1,862)	137,663
Transportation	43,901	(189)	43,712
Community & Environment, Culture & Leisure	19,508	214	19,722
Adults, Health & Wellbeing	4,122	13	4,135
Total Approved Capital MTFP	268,970	2,325	271,295

62. The Capital Programme will be updated in the report to Cabinet and Council in February.

Reasons for movements over £100,000

New schemes

Community & Environment, Culture & Leisure

- Solar panels have been installed on Ingleby Barwick Leisure Facility, funded from revenue contribution to capital earmarked as part of the Climate Change strategy, £113,000.

Additional Funding

Housing

- Additional grant funding for Disabled Facilities for 2023/24 has been received and included in the programme, £157,000.

Regeneration & Town Centres

- As referenced in the Vibrant and Thriving Town Centres Regeneration update report to Cabinet in July 2023, Accommodation strategy has increased by £2,419,000.
- Additional £2m TVCA grant has been included for the Indigenous Growth Fund and £250,000 has been transferred to Town Centres Investment.

Revisions

Transport

- A S106 agreement for works at the Horse and Jockey roundabout has been removed from the programme while the scheme is being assessed, £186,000.

Adult's and Health

- Sandown Road project has been removed from the capital programme as a result of reviewing the use of the building, £150,000.

Regeneration & Town Centres

- Costs related to the development of regeneration blueprints and masterplans are to be removed from the capital programme, £1m.

COMMUNITY IMPACT IMPLICATIONS

63. 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

64. None

FINANCIAL IMPLICATIONS

65. The report updates Members on the MTFP and Capital Programme.

LEGAL IMPLICATIONS

66. None

RISK ASSESSMENT

67. This MTFP Update Report is categorised as medium risk. Existing management systems and daily routine activities are sufficient to control and reduce risk. Understanding cost pressures and future government funding over the coming weeks/months will be key to understanding and mitigating this risk.

WARDS AFFECTED AND CONSULTATION WITH WARD/COUNCILLORS

68. N/A

BACKGROUND PAPERS

69. None

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Capital Programme September 2023 – Appendix A

CAPITAL PROGRAMME Up to 2026	Current Approved Programme	Programme Revisions	Revised Programme	Expenditure Apr 2017 - September 2023
SCHOOL INVESTMENT PROGRAMME & CHILDRENS SERVICES				
School Investment Programme	39,487,839	(73,378)	39,414,461	20,632,184
Children Investment	8,358,931	53,000	8,411,931	600,173
SCHOOL INVESTMENT PROGRAMME & CHILDRENS SERVICES	47,846,769	(20,378)	47,826,391	21,232,357
REGENERATION, DEVELOPMENT & GROWTH				
Inclusive Growth & Development	6,986,642	1,750,000	8,736,642	401,114
Office Accommodation	7,080,721	2,419,790	9,500,511	1,459,296
REGENERATION, DEVELOPMENT & GROWTH	14,067,363	4,169,790	18,237,153	1,860,410
TOWN CENTRES				
Stockton Town Centre Schemes	2,914,451	0	2,914,451	1,127,760
Reshaping Town Centres	29,662,960	(750,000)	28,912,960	718,801
Billingham Town Centre	10,000,000	0	10,000,000	273,219
Thornaby Town Centre	29,800,440	0	29,800,440	2,216,423
Re-Development of Castlegate Site	43,635,313	0	43,635,313	16,024,208
Yarm & Eaglescliffe LUF	22,000,000	70,000	22,070,000	2,111,264
Infrastructure Enhancements, Regeneration & Property Acquisitions	1,512,366	(1,182,032)	330,334	38,617
TOWN CENTRES	139,525,530	(1,862,032)	137,663,498	22,510,293
TRANSPORTATION				
City Regional Sustainable Transport	19,877,605	(10,000)	19,867,605	3,460,140
Other Transport Schemes	20,559,744	70,000	20,629,744	14,082,102
Developer Agreements	3,463,351	(249,171)	3,214,180	3,136,358
TRANSPORTATION	43,900,700	(189,171)	43,711,529	20,678,600
COMMUNITY & ENVIRONMENT AND CULTURE & LEISURE				
Energy Efficiency Schemes	1,132,724	113,788	1,246,512	1,244,941
Environment and Green Infrastructure	12,046,663	50,000	12,096,663	2,568,530
Building Management	3,409,918	50,000	3,459,918	823,102
Vehicle Replacement	2,918,704	0	2,918,704	1,425,541
COMMUNITY & ENVIRONMENT AND CULTURE & LEISURE	19,508,009	213,788	19,721,797	6,062,115
ADULTS, HEALTH & WELLBEING				
Adults & Public Health Investment	616,628	(150,177)	466,451	257,555
Housing Regeneration	1,465,311	0	1,465,311	0
Private Sector Housing	2,040,174	163,255	2,203,429	1,179,482
ADULTS, HEALTH & WELLBEING	4,122,113	13,078	4,135,191	1,437,037
Total Approved Capital MTFP	268,970,484	2,325,075	271,295,559	73,780,811