

THE EXECUTIVE

A meeting of the Executive was held on 8 October 2019 at 1:00 p.m. in Mandela Room, Town Hall, Middlesbrough.

PRESENT: Mayor A Preston (Chair) and Councillors B Cooper, D Davison, A High, C Hobson, D McCabe, M L Smiles and A Waters

PRESENT AS OBSERVERS: P Thompson

INVITEES: Councillors C McIntyre and J Thompson

ALSO IN ATTENDANCE: Councillors T Furness, L Garvey and D Rooney

OFFICIALS: J Bromiley, G Field, N Finnegan, B Foulger, E Kunonga, K Parkes, T Parkinson, S Reynolds, E Scollay and A Williams

DECLARATIONS OF INTERESTS

There were no Declarations of Interest made by Members at this point in the meeting.

19/30 **MINUTES - EXECUTIVE - 27 AUGUST 2019**

The minutes of the Executive meeting, held on 27 August 2019, were submitted and approved as a correct record.

19/31 **MINUTES - EXECUTIVE - 3 SEPTEMBER 2019**

The minutes of the Executive meeting, held on 3 September 2019, were submitted and approved as a correct record.

19/32 **MINUTES - EXECUTIVE - 26 SEPTEMBER 2019**

The minutes of the Executive meeting, held on 26 September 2019, were submitted and approved as a correct record.

19/33 **MINUTES - EXECUTIVE SUB-COMMITTEE FOR PROPERTY - 14 MARCH 2019**

The minutes of the Executive Sub-Committee for Property meeting, held on 14 March 2019, were submitted and approved as a correct record.

19/34 **PLACE BASED APPROACH - PILOT IN NEWPORT AND NORTH ORMESBY WARDS**

The Mayor and the Chief Executive submitted a report for the Executive's consideration. The purpose of the report was to provide an outline of how a new 'place based approach' could operate. The approach was initially proposed, on a pilot basis, for Newport and North Ormesby wards.

A place based approach planned to achieve a joined-up system change and centred on a recognition of the need to reconfigure relationships between statutory organisations, the voluntary sector and the private sector (including businesses and residents) in order to achieve change - by developing collaborative approaches to address the underlying causes of community problems. Part of the purpose of place based approaches was to build capacity within the community in order for residents to take charge of their own future, to have a strong voice and to build social capital and connections within the community.

The approach in Middlesbrough planned to include the co-location of members of staff from across different services, including - community safety, area care, education, asylum support, libraries, hubs, social care, mental health support, early help and youth offending, within the communities they served. Where appropriate, the approach also planned to include partners, such as - housing providers, the police, the fire service, commissioned services (e.g. drug and

alcohol support, homelessness support etc) and other specialist support services.

The report contained evidence to support the introduction of a place based approach in Newport ward and North Ormesby.

It was reported that Newport ward was the 5th most deprived ward in Middlesbrough. It was also stated that Newport ward had:

- the 3rd highest number of recorded Racially Motivated crimes
- a high level of antisocial behaviour
- the 2nd highest rate of female victims of violent crime
- the 3rd highest number of alcohol related hospital admissions to James Cook University Hospital
- the 3rd highest level of alcohol and substance related ambulance pick-ups

It was reported that North Ormesby ward was the most deprived ward in Middlesbrough. It was also stated that North Ormesby ward had:

- the 2nd highest number of recorded Racially Motivated crimes
- the highest level of antisocial behaviour
- the highest rate of female victims of violent crime
- the highest rate of male victims of violent crime
- 2nd highest level of alcohol and substance related ambulance pick-ups
- the highest number of children in care

It was proposed that a performance management framework for each neighbourhood would be developed in conjunction with key service leads, communities and stakeholders.

Evidence showed that having multi-agency teams, working together from one location, brought benefits. It reduced the need for referrals when a quick conversation with a member of the team could identify the most appropriate course of action. Through better information sharing it also provided an opportunity to identify support needs early and proactively intervene to prevent crisis.

Further details in respect of the place based approach, the proposed pilot, partner involvement, management of the programme and the associated timescales were contained within the submitted report.

OPTIONS

The alternative was to keep the existing model of delivery, whereby the Council service areas and partners worked in a consistent and universal way across the whole of Middlesbrough. In maintaining the existing model, the needs of each neighbourhood were not considered and that could have resulted in services being targeted in a generic and standard way, which did not meet the needs of each neighbourhood.

ORDERED

1. **That the new place based approach (as outlined in the report) be approved and the proposed pilot areas be agreed.**
2. **That a further report be presented to the Executive, in 3 months, detailing each of the additional services to be located within each pilot area, an update on partnership engagement and a performance management framework.**

REASONS

Introducing the pilot planned to allow the Council and key partners to provide services to local people through a collaborative model of support that would reduce duplication and deliver an improved experience with positive outcomes. Supporting the recommendation planned to ensure that duplication and overlap was identified and removed, where appropriate, and it would focus the Council to work in the best

interests of the people and place and not the departments or organisations that provide the services.

19/35

A NEW MODEL OF COMMISSIONING FOR HOMELESSNESS, DOMESTIC ABUSE, SEXUAL VIOLENCE, SUBSTANCE MISUSE AND WELFARE RIGHTS

The Deputy Mayor, the Executive Member for Culture and Communities, the Director of Culture, Communities and Communications and the Director of Public Health and Public Protection submitted a report for the Executive's consideration. The purpose of the report was to provide an overview of the proposed new commissioning model for the following service delivery areas:

- Homelessness
- Domestic abuse (DA)
- Sexual violence (SV)
- Substance misuse
- Welfare rights

The report proposed a new, exciting and transformational integrated model that would remove duplication, improve outcomes and simplify access for vulnerable people. It was highlighted that the preferred model was option one, which would enable the more efficient delivery model and improved outcomes, and generate financial savings.

The proposed, integrated model was outlined in the diagram contained at paragraph 3.9 of the submitted report and would commence on 1 September 2020. The approach was innovative and transformational - both in terms of the service delivery and the positive impact it would have on peoples' lives. Good practice from other areas had been sought and studied to inform the design of the bespoke Middlesbrough model. Given the significant increases in drug related deaths, domestic homicides and significant harm suffered by a range of neglected groups, it was not an exaggeration to state that the improved model planned to save the lives of some of Middlesbrough's most vulnerable people.

The aim of the new approach was to ensure that service users could 'live the best lives they could', via easy access to services that could support them from crisis through to recovery. The services planned to draw upon individuals' (and their families') strengths - promoting both independence and resilience, rather than creating a dependency on receiving support.

The model was viewed as the first phase in the move towards wider integration. The submitted report stated that the majority of specialist services would be subject to a tender process that would commence in early 2020. That planned to enable contracts to be harmonised in terms of shared processes and outcomes to ensure the consistent and equitable approach, as well as best value.

Ultimately, the aim of the new model was to deliver improved outcomes for vulnerable people. The integration, enabling a more person-centred approach with effective coordination of their individual support and recovery plan, was a progressive transformation that would embed progressive culture change. Shared performance and outcome targets across all organisations within the model planned to ensure collective ownership from all providers and that a strong focus would remain on those elements that made a positive difference to peoples' lives.

Detailed information regarding the revised model, the proposed budget and the preferred option were all included within the submitted report and its appendices.

OPTIONS

Alternatives included maintaining a similar model of delivery, which currently had 22 different commissioned services working in a dispersed commissioning model. That contained duplication and, inadvertently, resulted in gaps in service provision. It did not make sense to continue with a less effective and less efficient basis for commissioning services when there was a more co-ordinated approach, which planned

to enhance the support provision that Middlesbrough's residents needed. It also planned to enable the Council to address the recommendations from the recent needs assessment and consultation (see Appendix D of the submitted report), whilst delivering financial efficiencies described in section 2.2, section 9 and Appendix I of the submitted report.

The closest alternative to the recommended option would have seen an external provider commissioned to deliver the core team functions. That route would have reduced some risks to the Council, notably in terms of TUPE, redundancies and complexity. The negative implications, however, outweighed the benefits - losing the ability to ensure genuine collaboration remained at the heart of the model and to positively influence the culture, not maximising the existing relationships with other Council departments and key partner organisations and all of the others outlined in Appendix D of the submitted report.

ORDERED

1. That both the proposed new service model and preferred commissioning approach (as per the recommendation at section five), within the financial context as described in section 2.2, section 9 and Appendix I, be approved.
2. That, to oversee the project's implementation, authority be delegated to the Commissioning Governance Board, comprised of a representative group of Directors, Heads of Service and specialist officers from relevant departments across the Council. The Board planned to ensure that the model was procured and implemented within the stated timescales and budget envelope, whilst being assured that it was delivering the required level of consistency and quality.

REASON

Implementing the new, integrated commissioning model planned to enable the Council to provide more effective services for vulnerable people across Middlesbrough. It would be achieved via an innovative and collaborative model for support that reduced duplication and delivered an improved client experience with positive outcomes.

The recommended approach to implement the model was to deliver the core service element in-house and commission the specialist elements to operate in a 'hub and spoke' model - that was represented by option one and explored in greater detail in Appendix D of the submitted report.

19/36

MIDDLEHAVEN - POTENTIAL SITE FOR A SECONDARY FREE SCHOOL

The Executive Member for Children's Services, the Executive Member for Finance and Governance, the Executive Director of Children's Services and the Strategic Director of Finance, Governance and Support submitted a report for the Executive's consideration. The purpose of the report was to set out the case to dispose of the Council's freehold interest in land at Middlehaven, in order to facilitate the establishment of a new secondary free school in Middlesbrough.

The Council had a statutory duty to ensure there were sufficient school places to meet demand. In 2016, the Council engaged Middlesbrough secondary schools over a shortage of secondary school places projected to emerge in the 2020/21 academic year.

In sharing information, engaging schools about future demand, and seeking to identify opportunities for expansion, the Council signalled to its partners that there was a strong business case for new provision. In response, the Outwood Grange Academy Trust (OGAT) engaged the Council over proposals to establish a new school through the Government's Free School Programme. The OGAT was a multi-academy trust that operated 30 schools in the north of England, including two secondary schools in Middlesbrough and schools in Redcar & Cleveland and Stockton.

In August 2018, an expression of interest was submitted by the OGAT to Wave 13 of the Government's Free School Programme, followed by a formal application in November. On 14 June 2019, the OGAT was notified that its bid had been successful.

Prior to the submission of the bid, the Council had identified a potential site for the free school on Middlehaven, adjacent to Middlesbrough College (see Appendix A of the submitted report). The site was selected based on its size, availability, and location (close to the centre of town). Following searches, the Department for Education (DfE) had confirmed that the proposed site was their preferred site and draft Heads of Terms were issued.

In planning terms, the development of the site (for the purposes of school use) was considered appropriate and would provide a vital spur to the ongoing regeneration of the local area. The proposal also planned to complement existing use of land to the immediate south of Gray Street by Middlesbrough College (for education purposes).

OPTIONS

The DfE had considered a range of other sites within Middlesbrough and named the proposed site as its preferred site. Amongst the sites considered by the Council, all others had been discarded due to their size, location, and availability within the required timescales. Those included Gresham, Grove Hill and land in Middlehaven adjacent to MyPlace.

The Council could have chosen not to agree the disposal of the site. That would have been likely to lead to a significant delay in the delivery of the free school and may have jeopardised the scheme altogether. Any significant delay to the delivery of the school would have put at risk the Council's ability to secure places for pupils in the coming years and significantly increased the Council's costs. The negative impact on those young people, who could have benefited from a place at Outwood Riverside, would have been significant.

If the Council did not support the school, and do everything it could to facilitate its delivery, then it was likely that there would have been a shortage of places from September 2020 and in every academic year for the foreseeable future. The Council would have needed to find sufficient places to meet that demand using its Basic Need Grant. It was not anticipated that there would have been sufficient grant to be able to build a new school.

The only alternative would have been to work with schools to undertake a series of enlargement projects. Between the seven secondary schools there was limited scope and limited appetite for such enlargements and the Council had no powers to insist.

ORDERED

1. That the proposal to proceed with the disposal of the Council's freehold interest in land at Middlehaven, for the purposes of delivering a new Secondary Free School, be approved.
2. That a further report be brought to the Executive, prior to sale of the land, setting out the relevant timescales and expected capital receipt, as necessary and in accordance with the Council's Asset Disposal Policy.

REASONS

Forecast demand for secondary education was greater than the local supply of school places. In March of 2019, following an unprecedented upturn in the popularity of Middlesbrough's secondary schools, urgent action was required to provide a further 92 Year 7 places to meet demand in time for September 2019.

Although bespoke, one-off arrangements had been made to meet demand in September 2019, each year (for at least the next 10 years) there were forecast to be more children requiring a school place than there were places available - as larger cohorts moved

through from primary school. A longer term solution was required.

With the recent increase in popularity of Middlesbrough's schools, demand was expected to be much higher than originally forecast during the preparation of the bid, leaving the Council seeking up to 1,570 new places by 2025/26. The provision of the new free school was a key element of the Council's approach to providing enough school places.

The Council was under a statutory duty to ensure that there were sufficient places to meet demand. However, it no longer had the powers necessary to establish new school provision. All new schools were now required to be free schools, established by academy trusts - such as OGAT. OGAT was currently the only trust with approval to establish a new secondary school in Middlesbrough - to meet the identified demand.

The centre of town had experienced some of the largest increases in the primary school population, which were now feeding through to secondary schools. The proposed location also had the ability to reduce travel distances for pupils, who currently had to travel to school outside of the immediate area, and often qualify for free school transport that was provided by the Council.

A shortage of local places could have resulted in out-of-area placements with additional transport costs and long-term disruption for families. It could have also resulted in pupils being without a school place for a significant period of time. Delays in finding school places for pupils could have had a detrimental impact on their life chances and increase safeguarding risks.

Without an appropriate site on which to locate the new school, its delivery would not have been possible. The Council had put forward the site to the trust and the DfE in order to facilitate the delivery of the school. The disposal of the site, following further negotiations, planned to result in a capital receipt to the Council which could be reinvested into the Council's capital programme.

The Council held the freehold of the site and officers were of the view that it was well located for use as a secondary school. Whilst relatively restricted in size, for a school of that size, it met the DfE's specification and was large enough to provide some playing field provision and recreational space alongside the school building.

Officers were of the view that the site identified was the only site suitable for the purposes of a new school in the locality.

The proposal planned to contribute to the social regeneration of Middlesbrough by providing more local school places and ensuring that young people could get the right education, learning experiences and qualifications they needed.

19/37

COMMUNITY ENFORCEMENT: A NEW APPROACH - SUPPORTING TOWN CENTRE INVESTMENT AND STRENGTHENING TOWN WIDE ENFORCEMENT.

The Executive Member for Culture and Communities and the Executive Director of Growth and Place submitted a report for the Executive's consideration. The purpose of the report was to provide an overview of the measures proposed to address antisocial behaviour and crime in Middlesbrough and address community concerns on those matters. The specific proposals for the town centre were designed to protect businesses and attract greater investment in the area.

The proposals brought together a range of measures that planned to increase the enforcement of environmental crime and antisocial behaviour. The Mayor had pledged to improve the lives of people living in Middlesbrough and to increase the economic vibrancy of the town centre.

The first part of the submitted report proposed a new amalgamated enforcement team, which would include a dedicated Town Centre Enforcement Team and would be partly funded

through the TVCA Indigenous Growth Fund. In addition, it was recommended that additional enforcement powers be delegated to Council enforcement staff by the Chief Constable. That proposal planned to increase the effectiveness of the other measures outlined in the report. The second part of the report presented the results of a formal consultation on the introduction of a Public Space Protection Order (PSPO) for TS1.

If approved, it was planned that the new community enforcement service would consist of 56.5 enforcement staff and would be fully in place by January 2020. Recruitment of the additional Town Centre Wardens had commenced in September 2019 and that planned to increase capacity whilst the Council worked on bringing together the existing enforcement functions across the Council.

Further information in respect of the creation of the new community integrated enforcement team (its role and additional powers) and the results from the formal PSPO consultation were contained in the submitted report.

OPTIONS

The introduction of a PSPO was an additional tool in a wide variety of measures to tackle antisocial behaviour. The Local Authority was also increasing the use of Fixed Penalty Notices and introducing partnership working and Landlord Licensing in Newport. Collectively those measures gave the Council and partners the best possible chance of improving the area for residents and visitors to the town. As part of the consultation, the Council planned to actively seek additional suggestions as to how it could improve the area and those would be included in a future report to Executive.

ORDERED

- 1. That the development of a new amalgamated community enforcement service, for the Borough, be supported.**
- 2. That the implementation of a Town Centre Enforcement Team, as part of the Borough wide approach, be supported and funded as part of the Council's Indigenous Growth Fund bid to the TVCA.**
- 3. That a further range of measures to increase the Council's enforcement effectiveness, including delegated enforcement powers to Council staff by the Chief Constable of Cleveland Police, be supported.**
- 4. That the introduction of a Public Space Protection Order for TS1 (as outlined in the report) be supported and in place for 3 years.**

REASONS

Antisocial behaviour consistently ranked as one of the key concerns of residents and businesses. As a consequence, the Mayor had pledged to take action to increase the enforcement, where justified, of antisocial acts. The Council had existing powers to implement Fixed Penalty Notices and the use of those were to be increased. However, in specific areas it was not considered that existing powers were sufficient to make a difference and therefore it was necessary to implement a PSPO which provided additional powers.

19/38

JUNK JOB CHARGING

The Executive Member for Environment and the Director of Environment and Commercial Services submitted a report for the Executive's consideration. The report proposed to introduce a charging protocol for the collection of domestic junk jobs - maintaining a free junk job collection service with a waiting period of up to 12 weeks, with the option to pay a premium charge beginning at £20 to have the junk job collected within 3 weeks.

Prior to June 2019, the following charges were applied to junk job collections:

- £10 for up to 5 items.
- £20 for up to 10 items.

- £30 for up to 15 items.

The removal of junk job charges, for poor citizens, was an explicit action in the report presented and approved by the Executive on 22 January 2019 - as part on the Empower prospectus.

It became apparent, when working up the operation detail that it would have been difficult and time consuming to introduce a system to determine what constitutes a poor citizen. Therefore, it was decided that a trial should be undertaken to explore the impact of introducing a free junk job collection service for all citizens of Middlesbrough. A three-month trial commenced on 10 of June 2019.

The outcome of the trial demonstrated that:

- The request for junk jobs had increased significantly.
- Requests for junk jobs had increased across all areas of Middlesbrough.
- The waiting time for junk job collections had increased from an average of three weeks to over fifteen weeks.
- Fly tipping levels remained relatively stable.

Given the evidence detailed in the submitted report, the following protocol was proposed, which allowed the continuation of free junk jobs but also considered the service's financial envelope:

- Free junk job collections would continue with a maximum waiting time of 12 weeks, allowing free junk job collection to be introduced without the need for complex decisions on eligibility on financial grounds.
- Those requesting a junk job to be collected on a guaranteed day, within 3 weeks, would see the following charges applied - £20 for up to 5 items, £40 for up to 10 items and £60 for up to 15 items.

A discussion ensued regarding the potential implications of implementing the new protocol.

OPTIONS

Not introducing the new protocol would have required the introduction of either a complex eligibility criteria or the introduction of a service that would have required significant increases in budget provision.

ORDERED

1. **That the new protocol for junk job charging be implemented from 1 November 2019.**
2. **That a review of the new charging protocol be undertaken in six months' time.**

REASON

The proposed price increase ensured that the junk job service provided a quality service available to all within existing budget parameters.

19/39

PROPOSED CLEANING SAVINGS (COUNCIL BUILDINGS) 2020/21

The Executive Member for Environment and the Director of Environment and Commercial Services submitted a report for the Executive's consideration. The report proposed to market test the cleaning and caretaking of council buildings as part of delivering savings in the financial year 2020/2021.

On 22 February 2019, the Executive approved the Change Programme 3.1, a three year saving plan covering the period 2019 to 2022. As part of that exercise, with regard to cleaning services, the following savings targets were identified - £163,000 for 2019/2020 and a further £313,000 for 2020/2021.

The overall budget for cleaning service (Council Buildings) was £1,194,000, comprising approximately 140 staff working across the Council's building portfolio. That included an approximate cost of managing the service, which was in the order of £91,000 and represented around 8% of the overall budget.

The recommended option proposed that the cleaning service for Council buildings be tendered as that would provide a true comparison with the wider market and hopefully deliver a significant saving (£179,000) without an impact on overall standards.

Trade union representatives were in attendance and commented on the proposals and the potential implications for staff.

OPTIONS

A reduction in overall cleaning provision across the Council's portfolio (£160,000) could have been considered in lieu of tendering Middlesbrough Council cleaning, however, standards would have been purely at base / minimum levels and would have required a change of approach by managers and staff towards the ongoing management of both their own workspace, kitchen and communal areas.

ORDERED

1. **That the cleaning service for Council buildings be tendered with an aim to deliver significant savings.**
2. **That a report be submitted to the Executive, in three months' time, detailing the outcome of the tendering process.**

REASONS

The proposed savings were in line with the Council's 3.1 Change Programme 2019/2020 to 2021/2022 and allowed the Council to achieve a balanced budget over that period in keeping with its Medium Term Financial Plan (MTFP).

19/40

SCHOOL MEAL PRICE INCREASE

The Executive Member for Environment and the Director of Environment and Commercial Services submitted a report for the Executive's consideration. The purpose of the report was to seek to consult on increasing school meal prices in April 2020.

School catering operated in 33 Schools. There were 20 academies that the Council provided meals for, two of those were secondary schools.

Paid meal prices to parents, in both primary and secondary schools had not increased since 2009, and that had been one of the Council's strengths in service delivery to date. However, with rising food costs and the commitment from the Council to support the Living Wage Foundation wage rates, the Council was now in danger of not being in a position to cover all associated costs within the service area.

The Council was seeking agreement to propose an increase in meal prices, charged to parents, with effect from April 2020. The increase in meal prices would be in line with the lowest prices charged across the Tees Valley local authorities

The financial effects of the increase were shown below:

1. An increase in price from £1.90 to £2.05 on primary school paid meal price, would provide an increased income of £61,355 per year.
2. An increase in price from £2.00 to £2.15 on secondary school paid meal price, would provide an increased income of £13,154 per year.
3. Total Income for a full year from April 2020, would provide an increased income of £74,509 per year.

It was proposed that a full consultation process be undertaken both with schools and parents.

OPTIONS

Not increasing the price could have required a reduction in school meal quality.

ORDERED

That a consultation be undertaken on a school meal price increase for April 2020.

REASONS

The proposed price increase ensured that school meal prices reflected increased costs associated with the provision of school meals.

19/41

PROVISION OF THE INTERNAL AUDIT SERVICE

The Executive Member for Finance and Governance and the Strategic Director of Director of Finance, Governance and Support submitted a report for the Executive's consideration. The purpose of the report was to propose a new model for the delivery of the Council's Internal Audit Services.

Internal audit was a statutory function and the Council was required to have arrangements for that activity under the Accounts and Audit Regulations 2015.

In April 2010, Middlesbrough Council and Redcar and Cleveland Council had established a Shared Service arrangement for the provision of an Internal Audit service for both local authorities. The service allowed for the creation of a robust team that achieved increased operational efficiency and performance improvement, but at a reduced overall cost. That initial five-year arrangement, running through to March 2015, had since been initially extended to March 2018 and then further extended to March 2021.

Redcar and Cleveland Council was no longer able to provide that function for a number of reasons, which were set out in the submitted report and had been in discussion with officers of Middlesbrough Council as to how an alternative service model could be provided.

Veritau Limited was formed in 2009 by North Yorkshire County Council and City of York Council. The company was set up to share internal audit, counter fraud and information governance services between the local authorities (assurance services). The arrangement addressed a number of concerns around capacity for providing effective services in-house, and delivered a number of other advantages, including - economies of scale, increased flexibility in service provision and greater resilience.

The proposal was to TUPE transfer the Internal Audit team, currently employed by Redcar and Cleveland Council, to a new company, as part of the Veritau group.

The proposal planned to provide the service at the same cost to Middlesbrough Council as currently, but would give stability and certainty to the provision and quality of the Internal Audit service. Specifically, it planned to address the issues detailed at paragraph 11 of the submitted report and the detail of the proposed arrangements was provided at Appendix 1.

OPTIONS

There was a number of potential options available to the Council.

Continue current arrangements

That was not possible, as Redcar and Cleveland Council had said they were no longer able to deliver an effective service.

Bring the Service back to Middlesbrough Council.

For all of the economies of scale, capacity and service resilience reasons, which had made it very difficult for Redcar and Cleveland Council to provide the service across two local authorities, the problems would have been compounded if Middlesbrough Council had tried to provide the service alone and it would have almost certainly quickly failed and become ineffective.

Procure an Internal Audit Service from a Large Audit Firm

Redcar and Cleveland Council did some soft market-testing on that within the last two years. That would have been possible but would have been very expensive; and there were fewer firms in the market than was the case previously. It planned to effectively reduce the audit hours available to a third or a quarter of what was currently available. That level of hours would not have allowed for an acceptable level of internal audit provision for a Council of Middlesbrough Council's size and complexity. There was no provision in the Council's budget to increase the cost of internal audit and it was not necessary.

Join a larger shared service (Veritau)

That planned to help to maximise those benefits and reduce the risks identified with the current arrangements, as it had the economies of scale, skilled workforce and resilience to provide the Council's requirements going forward, within the current budget which was available.

ORDERED

1. That the provision of internal audit services, through the Veritau group, be approved.
2. That the creation of the new company and the Council's 25% ownership of it, at a cost of £20,000, be agreed.

REASONS

Internal audit was a necessary and statutory function of the Council. The current provider of the service, Redcar and Cleveland Council, could not have provided an effective service into the future. An alternative cost effective solution for the delivery of the service was needed.

19/42

TREASURY MANAGEMENT OUTTURN REPORT - 2018/19

The Executive Member for Finance and Governance and the Strategic Director for Finance, Governance and Support submitted a report for the Executive's consideration. The purpose of the report was to provide information relating to the regulation and management of the Council's borrowing, investments and cash flow activities for the financial year, 2018/19. It was a requirement of the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice on Treasury Management that a local authority reported annually on its performance against its approved strategy. That was agreed by full Council on 7 March 2018, as part of the Revenue Budget, Council Tax, Medium Term Financial Plan and Capital Strategy report.

The report also provided the year-end position against the prudential indicators, which were approved as part of the above budget report. Those indicators allowed Members to understand whether the Investment Strategy (Capital Programme) of the Council was affordable, sustainable and prudent.

By governing the Council's treasury activities in a robust way, it was possible to reduce the costs involved in funding the capital programme and to also ensure that the risks of placing any surplus funds with external financial institutions were minimised. Those were both key elements of the Treasury Strategy, approved in March 2018. The Council had a capital

financing budget of £8.243m in 2018/19 to support the associated borrowing and investment costs.

Further details, in respect of investments, external borrowing, prudential indicators, capital finance budget and the implications for future years, were contained in the submitted report.

OPTIONS

Not applicable.

ORDERED

That the year-end results on treasury management activity for 2018/19 be noted.

REASON

It was best practice for Members to review the performance on treasury management against the approved plans for the Council.

19/43

CULTURE AND COMMUNITIES SCRUTINY PANEL'S FINAL REPORT - MIDDLESBROUGH COMMUNITY LEARNING-EMPLOYABILITY - SERVICE RESPONSE

The Culture and Communities Scrutiny Panel had undertaken a review of Middlesbrough Community Learning - Employability. A copy of the full report was attached.

The scrutiny panel made 4 recommendations upon which a response was sought from the relevant service area. The Executive Member for Culture and Communities and the Director of Culture, Communities and Communication submitted a service response to the recommendations of the Culture and Communities Scrutiny Panel. A copy of the Action Plan was attached.

The Chair of the Culture and Communities Scrutiny Panel presented the final report to the Executive. The Executive Member for Culture and Communities presented the service response.

ORDERED

- 1. That the content of the Culture and Communities Scrutiny Panel's Final Report, on Community Learning - Employability, be noted.**
- 2. That the Action Plan, developed in response to the scrutiny panel's recommendations, be approved.**

REASON

It was a requirement that Executive formally considered the scrutiny panel's report and confirmed the service area's response to the panel's accompanying plan.

19/44

CULTURE AND COMMUNITIES SCRUTINY PANEL'S FINAL REPORT - WORKING RELATIONSHIPS WITH THE VOLUNTARY AND COMMUNITY SECTOR - SERVICE RESPONSE

The Culture and Communities Scrutiny Panel had undertaken a review of Working Relationships with the Voluntary and Community Sector. A copy of the full report was attached.

The scrutiny panel made one recommendation upon which a response was sought from the relevant service area. The Executive Member for Culture and Communities and the Director of Culture, Communities and Communication submitted a service response to the recommendations of the Culture and Communities Scrutiny Panel. A copy of the Action Plan was attached.

The Chair of the Culture and Communities Scrutiny Panel presented the final report to the Executive. The Executive Member for Culture and Communities presented the service response.

ORDERED

1. **That the content of the Culture and Communities Scrutiny Panel's Final Report, on Working Relationships with the Voluntary and Community Sector, be noted.**
2. **That the Action Plan, developed in response to the scrutiny panel's recommendations, be approved.**

REASON

It was a requirement that Executive formally considered the scrutiny panel's report and confirmed the service area's response to the panel's accompanying plan.

The decision(s) will come into force after five working days following the day the decision(s) was published unless the decision becomes subject to the call in procedures.