

THE EXECUTIVE

A meeting of the Executive was held on 18 February 2020 at in .

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

PRESENT AS OBSERVERS: J Cain and G Cooper

INVITEES: Councillor J Thompson

ALSO IN ATTENDANCE: Councillors C Dodds, A Hellaoui, T Higgins, L Lewis, T Mawston, D Rooney, M Storey and C Wright

OFFICIALS: S Butcher, C Benjamin, J Bromiley, K Parkes, S Reynolds and E Scollay

APOLOGIES FOR ABSENCE: Councillor C Hobson

DECLARATIONS OF INTERESTS

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

19/72 WELCOME AND EVACUATION PROCEDURE

19/73 MINUTES - EXECUTIVE - 21 JANUARY 2020

The minutes of the Executive meeting, held on 21 January 2020, were submitted and approved as a correct record.

19/74 REVENUE BUDGET, COUNCIL TAX, MEDIUM TERM FINANCIAL PLAN, AND CAPITAL STRATEGY 2020/2021

The Mayor and the Strategic Director of Finance, Governance and Support submitted a report for the Executive's consideration. The purpose of the report was to present the recommended Revenue Budget of £116,396,952, Council Tax of 3.99% (paragraphs 66 to 83) and Capital Strategy Report for 2020/2021 (paragraphs 116 to 127). Attached to the submitted report were a number of appendices, which were listed at the end of the report.

Following on from the previous report that had been presented to Council on 23 December 2019, the report also provided a refreshed Medium Term Financial Plan (MTFP) for the period 2020/21 to 2022/23 to reflect the 2020/21 Local Government Finance Settlement (paragraphs 84 to 109).

The Medium Term Financial Plan update in the submitted report had been integrated with the £214.1 million Investment Strategy for Middlesbrough for the period to 2022/23, supported by £150.4 million of the Council's own resources. The updated Investment Strategy was shown in Appendix 8. The strategy was intended to attract a total of £625 million of investment into the town and its infrastructure.

The proposed budget continued to support the Mayor's commitment to invest in Middlesbrough and transform service delivery for residents. It was intended that through the strategy, the Council could achieve the challenging financial targets faced in the Medium Term Financial Plan period whilst ensuring that there was a minimum impact on the level of service delivered to the public.

ORDERED

1. **That the proposed budget strategy for 2020/21 (as set out in paragraphs 36 to 83) and the proposed budget savings for 2020/21 be endorsed and the proposed budget savings for 2021/22 (Appendices 1-3) be noted.**

2. That the budget requirement for 2020/21 to be set at £116,396,952 (as detailed in Appendix 4) be endorsed.
3. Having taken into account the matters set out in Section 32 of the Local Government Act 1992 and the items set out within the report that the basic amount of Council Tax (Band D) for 2020/21 be £1,710.63 being a 1.99% increase in general Council Tax and an annual precept of 2.00% for Adult Social Care, which had been continued by the Government for 2020/21 only to contribute towards the shortfall of funding for Adult Social Care. The Council Tax increase was in line with Government assumptions relating to the funding available to the Council. In total it represented an increase of 3.99% in the basic amount of Council Tax for the whole of the Borough.
4. That the actual amount of Council Tax (Band D) for areas without parish precepts (excluding Fire and Police) to be set at £1,710.13, be endorsed.
5. That the actual amount of Council Tax (Band D) for areas with parish precepts (excluding Fire and Police) to be set at :- Nunthorpe Parish £1,714.41, Stainton and Thornton Parish £1,719.44, be endorsed.
6. That the amounts of Council Tax for each category of dwelling to be set in accordance with table 4 of Appendix 7 within the report, be endorsed.
7. That the refreshed Medium-Term Financial Plan position for 2020-23 (set out in the report in paragraphs 84 to 109) be noted.
8. That the updated Investment Strategy for the period to 2022/23 (as outlined in paragraphs 110 to 115 and detailed in Appendix 8) be noted.
9. That the Capital Strategy Report (Prudential indicators, Investment Strategy and Minimum Revenue Provision) 2020/21 (as outlined in paragraphs 116 to 127 and detailed in Appendix 9) and the Authorised Limit for external borrowing of £300 million for the Council for 2020/21 (as set out in paragraph 126) be endorsed.

REASONS

To enable the Council to meet its statutory responsibility to set a balanced revenue budget for the financial year 2020/21 and to ensure that a proper framework was in place for the medium term financial management of the Council.

19/75

UPDATE LOCALITY WORKING - PILOT IN NEWPORT AND NORTH ORMESBY WARDS

The Mayor and the Chief Executive submitted a report for the Executive's consideration. Following the Executive's approval of a place-based approach in Newport and North Ormesby on 8 October 2019, the submitted report provided an update on community priorities, a demand analysis relating to services and a proposed staffing structure for each of the two localities. The report also outlined a performance management framework.

A Place Based Approach planned to achieve joined-up system change and centred on a recognition of the need to reconfigure relationships between statutory organisations, voluntary sector, the private sector, including businesses and residents in order to achieve change by developing collaborative approaches to address the underlying causes of community problems.

A range of consultation and engagement activity had taken place over the past few years and the results had identified community priorities in each of the two localities.

Newport

The following priorities were identified for the locality:

- drugs;
- '**foreign' gangs (*not all gangs are 'foreign' however this has been identified as a priority locally via recent consultation);
- antisocial behaviour;
- cleanliness;
- housing; and
- listening to the community and responding to issues.

North Ormesby

The following priorities were identified for the locality:

- antisocial behaviour;
- environmental issues;
- lighting;
- community communication and involvement;
- housing; and
- listening to the community and responding to issues.

In order to inform the proposed staffing levels in each locality, a demand analysis had been completed. The demand analysis had identified significant areas of deprivation, high levels of crime and antisocial behaviour, higher levels of hospital admissions, higher levels of children and families needing social care services and higher levels of substance misuse and mental health needs. The full demand analysis was attached to the submitted report, at Appendix A.

The proposed staffing levels for the two localities, were highlighted in the submitted report. Discussions were still ongoing with Cleveland Fire, North Star Housing and key VCS groups in each locality.

Two Neighbourhood Manager posts had been created to take a lead role in all aspects of neighbourhood working. Those posts would create, develop and sustain local partnership structures to bring about successful models of local service cooperation, joint working and service delivery.

The staffing levels proposed for each locality were detailed at paragraphs 7.4 and 7.5 of the submitted report.

A location option appraisal was being developed based on the staffing levels proposed in the submitted report. A number of possible locations were being considered in each locality and those would be taken to the Programme Board for a decision, no later than 28 February 2020.

A performance management framework was being developed for each of the two localities and measures of success would be informed by the needs of each neighbourhood. That would start with a community asset based approach that planned to set out the 'physical assets' i.e. religions buildings, specific shops, schools, play area, community centre etc. and the 'community assets' i.e. community groups, walking groups, after school club, quire group, boxing club etc.

The high level objectives, measures and targets were detailed in the table at paragraph 8.3 of the submitted report.

OPTIONS

The alternative was to keep the existing model of delivery, whereby Council service areas and partners worked in a consistent way across the whole of Middlesbrough. That meant that the needs of each neighbourhood were not considered and could have resulted in services being targeted in areas that did not need them, whilst other neighbourhoods were flooded by demand as the resource was spread across a wider geographic areas.

ORDERED

1. **That the delivery of the programme in the phased approach, as set out in section 9, be approved.**
2. **That the staffing set out in section 7.4 and 7.5 be moved into the respective localities.**

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 reduced duplication and delivered 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 and its partners to work in the best interests of the people and place and not the departments or organisations that provide services.

19/76

OUTCOME OF THE OFSTED INSPECTION OF CHILDREN'S SERVICES

The Deputy Mayor and Thematic Lead and the Executive Director of Children's Services submitted a report for the Executive's consideration. The purpose of the report was to provide information on the outcome of the Inspection of Local Authority Children's Services (ILACS) by Ofsted, which took place between the 18 November and 6 December 2019.

Ofsted used a system of four grades in their judgements, Outstanding, Good, Requires Improvement and Inadequate. As such the Middlesbrough judgement was the lowest possible grading that could have been received and required a timely and effective response from the Council.

The Improvement Plan (attached at Appendix 2 of the submitted report) set out an initial, 12 week, focused approach to ensure that all key findings in the Ofsted report were addressed quickly, improving key services to children and rapidly improving their effectiveness.

In order to deliver the Improvement Plan, there was a requirement for additional resources to provide capacity and expertise on the improvement of services to children. That requirement was set out in Appendix 3 of the submitted report.

The required funding for those additional resources would be included in the 2020/21 budget report to be considered by Council on 26 February 2020.

OPTIONS

The other potential option would have been to attempt to manage improvement in the service within existing resources. That option was not recommended because the nature of the findings in the recent inspection meant that rapid improvement was necessary and for that to be successful it needed to be supported by sufficient, high quality practitioners with the right skills and knowledge working to a focused plan.

ORDERED

That the findings of the Ofsted inspectorate be accepted and the proposals for improvement and resourcing of the service, in order to facilitate a rapid strengthening of services for children in Middlesbrough, be endorsed.

Specifically:

- 1. That the outcome of the Ofsted Inspection of Children's Services, outlined in the report published by Ofsted on 24 January 2020, be noted.**
- 2. That the Improvement Plan, attached at Appendix 2, be approved.**
- 3. That the resourcing plan attached at Appendix 3, to a maximum cost of £3.229m over a two year period, be approved.**

REASONS

It was not acceptable for services to children in need of help and protection in the town to be inadequate and therefore the Council needed to target the correct resources at effective action to rapidly improve the services in place to protect, help and support vulnerable children and families in Middlesbrough.

19/77 **HIGHWAYS PERMIT SCHEME**

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 approval/endorsement for the introduction of a permit scheme.

A permit scheme planned to enable the Council to manage and coordinate essential roadworks, provide greater control over works on Middlesbrough's highway network and dynamically manage the road network to aid free flow traffic. Councils who had already implemented a scheme had demonstrated the ability to proactively manage works on the highway as well as reduce and control the associated disruption.

Similar schemes had already been implemented by most other local authorities outside the North East and the Government considered those to be a success. The Council's Permit Scheme planned to:

- increase the efficient running of the highway network;
- protect the structure of the street and the apparatus belonging to utility companies and others within it;
- improve the safety of those using the street and those working on activities included within the scheme; and
- ensure that better and more accurate information was available for road users about work on the highway.

Evaluation of existing permit schemes had shown that works completed were, on average, completed in a shorter time than works completed under noticing, for most works categories but showed an increase in the recorded volume of notices/permit applications received, at least in part, due to the requirement for a permit scheme to apply to the Council's own works as well as statutory undertakers. Those Department for Transport findings implied that a permit scheme would provide the Council with more control over its network.

OPTIONS

Not approve the introduction of a permit scheme - That had not been recommended as introduction of a permit scheme would allow the Council to manage and coordinate essential roadworks. Councils who had already implemented a scheme had demonstrated the ability to proactively manage works on the highway as well as reduce and control the associated disruption.

ORDERED

That the introduction of a permit scheme in Middlesbrough be approved.

REASONS

Introduction of a permit scheme planned to give the Council greater control over works on its highway network and dynamically manage the road network to aid free flow traffic.

19/78 **PROPOSED CLEANING SAVINGS TENDER RESULTS (COUNCIL BUILDINGS) 20/21**

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 present proposed savings in respect of cleaning.

The proposed saving of £ 179,000 was in line with that set out in the Council's 3.1 Change Programme for 2020/2021, however, when taking into account the remaining commercial portfolio that could increase to £221,000.

The report highlighted that the saving of the £179,000 target could be made within the service by applying the same standard of cleaning as the Civic Centre, across the portfolio of Council

Buildings. That service standard was rated as 3 in the Council's specification (see table at paragraph 9 of the submitted report). By reducing the service down consistently, it would result in an annual saving of £ 83,478.

It was planned that the majority of Council buildings would be cleaned to the same standard as the Civic Centre, with the exception of those detailed in the table at paragraph 10 of the submitted report.

In addition, there were currently vacancies that would be deleted resulting in another saving of £ 102,297, but would maintain cleaning standards commensurate with those achieved in the Civic i.e. Service Standard 3.

The report highlighted that the Council would also see a reduction of material use with an estimated saving of £10,225 approx.

Moving forward, the service planned to reduce sickness cover by approximately 50%, through more focused management and support, resulting in a £25,000 saving.

A summary of alternative savings proposals was contained under paragraph 13 of the submitted report.

All reductions/savings planned to result in an overall saving of £196,000. The service also planned to manage sickness to achieve a further £25,000.

OPTIONS

The tender exercise failed to meet the required savings target by between £60,000 to £120,000 per annum (£300,000 to £600,000 over the term of initial contract). Therefore, taking into account the cost of mobilisation and management of the contract, it was recommended that the service remained in-house and the full savings were achieved as set out elsewhere within the report.

ORDERED

That the cleaning service for Council Buildings be retained in-house and the measures outlined be applied to achieve the cleaning savings target.

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).

The tender exercise failed to meet the required savings target and taking into account the costs associated with mobilising and managing an external contract, the most cost effective option was to continue to operate the cleaning service in-house and apply the alternative savings proposals as set out elsewhere within the report.

The continued delivery of the service by the Council allowed a predominately female workforce, often drawn from the more deprived areas of the town, to participate in work, benefit from Living Wage foundation pay rates, and excellent conditions and training.

19/79

STRATEGIC PLAN 2019-22 - PROGRESS AT QUARTER THREE 2019/20

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 on the progress against the 2019-22 Strategic Plan, and the Council's projected year-end financial position at Quarter Three 2019/20. The report recommended a number of mitigating actions to address financial issues identified during the Quarter Three review.

In overall performance terms, the 2019/20 Quarter Three Results report (see Appendix 1 of the submitted report) set out that the position had slightly worsened since Quarter Two, with 21 of the 30 priorities (70%) set out within the 2019-22 Strategic Plan were assessed as on target to be achieved, down from 23, due to two factors.

Firstly, Ofsted's judgement of the Council's children's safeguarding services as 'inadequate' following its recent inspection, resulting in the priority 'continue to promote the welfare of our children, young people and vulnerable adults and protect them from harm, abuse and neglect' moving from Green to Amber.

The Council was currently engaging with the Department of Education to appoint a Commissioner and to develop a detailed improvement plan and the appropriate resourcing to deliver it. It had been agreed that the Local Government Association visit to undertake a Corporate Peer Challenge, which was endorsed by Executive in November 2019, would be delayed to enable the organisation to focus on the rapid improvement work to be undertaken.

Secondly, recently released data showed that there had been a decline in GCSE performance in Middlesbrough in 2019, resulting in the priority 'increase educational and vocational attainment for all children and adults' moving from Green to Amber.

The priority relating to 'In-year financial performance relative to the Council budget' remained Red, as the projected overspend on the 2019/20 revenue budget grew to £5,707,000 at the end of Quarter Three, due mainly to continuing financial pressures within Children's Services.

There was also a significant projected overspend within Legal Services of £473,000, a significant proportion of which related to the cost of children's safeguarding cases as the service had to use agency staffing following ongoing difficulties in recruiting permanent specialist solicitors. There had also been an increase in the number of court referrals, which was linked to the continuing increase in the number of children that were in the Council's care.

The continuing growth in demand within children's safeguarding, together with the extent of local deprivation and reductions in Council's spending power over the past ten years were key contributing factors in the Ofsted judgement and in the projected financial position.

While the predicted overspend in Children's Services had risen, there had been a number of positive trends in performance. For the first time in a number of years, there were now more children placed with the Council's in-house fostering team than with an independent fostering agency. There was also an increase in the number of successful claims that could be generated against the Troubled Families grant. The department was also progressing proposals to further reduce the costs of external placements to tackle the significant costs of residential agency placements, which made up the majority of the overspend pressure.

Outside of those issues, the report set out positive progress made during Quarter Three on crime and anti-social behaviour, the Council's Investment Prospectus, the proportion of the Council's budget spent locally and consultation on the 2020/21 budget.

10 of 28 measures of success associated with the Council's strategic priorities showed improvement, with 12 static remaining static, and six deteriorating. Social Regeneration remained the area with the most uneven level of performance.

In January 2020, the Strategic Plan was refreshed to incorporate the priorities of the Mayor and his Executive, including a range of new priorities to support social regeneration and transform community engagement. The year-end report planned to report progress against the new Strategic Plan 2020-23.

ORDERED

- 1. That the Council's Quarter Three 2019/20 Results report (Appendix 1), and the actions to be taken to address the issues set out within it, be noted.**
- 2. That the proposed revenue budget virements of over £150,000 (Appendix 2) be**

- approved.
3. **That the proposed revised Investment Strategy to 2021/22 (Appendix 3) be approved.**

REASONS

To enable the effective management of finances, performance and risk in line with the Council's Local Code of Corporate Governance, the Scheme of Delegation and agreed corporate financial regulations.

19/80

DELIVERING THE STRATEGIC PLAN

The Executive Member for Finance and Governance and the Strategic Director of Finance, Governance and Support submitted a report for the Executive's consideration. In order to maximise delivery against the Council's Strategic Plan for the 2020-2023, the purpose of the report was to set out:

- proposed changes to the Council's policies on performance, programme and project and risk management; and
- a new policy, setting out how the Council will develop and manage its partnerships.

Full Council approved a Strategic Plan for the period 2020-2023 on 15 January 2020. The plan was organised around three strategic aims of People, Place and Business, setting out under each the priorities of the Elected Mayor of Middlesbrough and other key priorities of the Council. It set out a comprehensive programme of activity to promote improved quality of life across Middlesbrough, which met the Council's legal obligations and was within its financial means.

To maximise delivery against the plan, a number of key changes to the Council's policies on performance, programme and project and risk management were proposed for approval, that:

- better aligned and integrated those processes and improved their interrelationship with financial management procedures; and
- by exploiting solutions provided by the Council's digital and information strategies, allowed for enhanced communication of priorities, real-time monitoring and so more effective management.

The key changes to performance management (see paragraphs 7 to 12 and Appendix 1), programme and project management (see paragraphs 13 to 20 and Appendix 2), risk management (see paragraphs 21 to 28 and Appendix 3) and partnership governance (see paragraphs 29 to 33 and Appendix 4) policies were set out in the submitted report.

In addition, a new policy, setting out how the Council planned to develop and manage its partnerships in pursuit of its strategic priorities was also proposed for approval.

OPTIONS

The principal potential alternative decisions were to maintain the status quo, or to merge one or more policies. Maintaining the status quo may have led to sub-optimal delivery of the plan, through duplicated monitoring, inadequate responses to financial risk or lack of oversight of partnership activity. Merging of policies was not considered appropriate as while those disciplines did interrelate, they were distinct. It was considered that the proposed decision offered the best solution to enhancing control in a proportionate manner.

ORDERED

That the proposed changes to the Council's policies on performance, programme and project and risk management; and the proposed new policy on partnership governance, be approved.

REASONS

To maximise delivery of the Strategic Plan by strengthening better aligning and integrating those policies, and improving their interrelationship with financial management procedures.

19/81

REVISED FEE STRUCTURE FOR BUILDING CONTROL AND DEVELOPMENT CONTROL

The Executive Member for Regeneration and the Executive Director of Growth and Place submitted a report for the Executive's approval. The purpose of the report was to seek approval to increase existing, and introduce additional, fees and charges identified for Building Control and Development Control. The current fees and charges, had been in place since 2007.

Services within the Regeneration Department had a wide range of fees and charges applicable to those using the services.

Development Control and Building Control had traditionally made a charge for copies of Decision Notices, Completion Certificates and other similar documents and charges were also levied for planning history checks. The charges all related to time associated with officers carrying out research, retrieving information/documents (which may include visiting the archives), and the cost to copy / scan the information.

As the significant proportion of requests for information related to a relatively consistent cost and in order to simplify the charging regime, rather than determining the cost of every request individually, charges needed to be made on an average basis.

Appendix 1 of the submitted report contained details of the existing and proposed charges. Importantly, people were able to view some files and obtain copies online, meaning those were being provided free of charge and the Council was working to increase online access where appropriate and achievable. Notwithstanding that, the Planning Service had significant archived material, which was not currently scheduled for digitisation and an appropriate charging regime needed to be in place.

As it had been 12 years since those charges were last considered and/or amended, it was considered that they no longer reflected the true cost of providing the service. The revised charging schedule planned to bring the Council in line with that which neighbouring Tees Valley authorities were charging.

OPTIONS

Two options had been considered, not to increase existing or introduce new fees, or to set the increase at a higher level. Both options had been discounted. As stated in the body of the report fees had remained static for 12 years and did not reflect the costs of providing the service and would not contribute towards delivering the Council's business imperatives. Equally setting the fees too high would have gone beyond recouping the costs of delivering the service and would have been out of synchronisation with what other authorities in Tees Valley were charging.

ORDERED

That the increase in, and additional, fees and charges identified for Building Control and Development Control (Appendix 1) be approved, and an annual increase to the identified fees in line by CPI + 1% be agreed.

REASONS

The fees and charges had not been amended for 12 years and were in need of review. The level of charges being recommended reflected the costs of delivering the service and brought them into line with those being charged by other planning authorities within the Tees valley.

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.