

OVERVIEW AND SCRUTINY BOARD

A meeting of the Overview and Scrutiny Board was held on 12 December 2017.

PRESENT: Councillors J Sharrocks (Chair), T Higgins, L Lewis, L McGloin, D Rooney, M Storey, M Walters and J Young

PRESENT AS OBSERVERS: D Johnson and L Henman

OFFICERS: B Carr, V Holmes, A Humble, C Kemp, T Parkinson

APOLOGIES FOR ABSENCE Councillor J Blyth, Councillor E Dryden, Councillor T Mawston, Councillor J McGee, Councillor P Purvis.

DECLARATIONS OF INTERESTS

None Declared

17/27 MINUTES - OVERVIEW AND SCRUTINY BOARD - 7 NOVEMBER 2017

The minutes of the Overview and Scrutiny Board held on 7 November 2017 were submitted and approved as a correct record.

17/28 ATTENDANCE OF CHIEF EXECUTIVE

The Chief Executive was in attendance at the meeting to provide the Board with information on the strategic direction of the Council.

The Chief Executive advised that the Council was changing the way in which the Strategic Plan was presented. The Plan would now cover a three year period and would set out the Council's proposed strategic priorities for the three year time span.

The Chief Executive advised that previously, the Council's approach to delivering the Mayor's Vision for Middlesbrough in 2025 - Fairer, Safer, Stronger had centred around three core strategic themes:

- Business Imperatives - Ensuring that the Council operated efficiently and effectively, so that Physical and Social Regeneration outcomes were maximised.
- Physical Regeneration- Investing in Middlesbrough to provide and improve facilities which acted to increase the town's reputation, create social opportunity, and improve the Council's finances.
- Social Regeneration - Working with communities and other public service organisations to improve the lives of Middlesbrough's residents.

The Middlesbrough Investment Prospectus, which was launched in March 2017, contributed towards the Physical Regeneration theme, and had provided a new benchmark for key corporate strategies and plans. The Council was investing £74m of its own resources, together with £25m external investment, in growing the town's economic base, driving financial self-sufficiency via growth in Council Tax, Business Rates and income from commercial activity, and transforming how the Council delivered its services, minimising service reductions and job losses over this period. This investment would support major regeneration schemes outlined in the Middlesbrough Investment Prospectus, such as:

- the development of Middlesbrough's historic quarter including rail and road connectivity;
- the development of Grade A offices including a premier office development in Centre Square;
- the development of the University Quarter to attract more students including the development of the Gresham area as an extension to the University Campus;
- developing the Teesside Advanced Manufacturing Park - a £22m facility that would

- create 1000 jobs;
- developing business and enterprise - BOHO/Digital City;
- development of a Teesside Media and Innovation Village;
- the Snow Centre development in Middlehaven which would attract 2.5m visitors;
- the refurbishment of Middlesbrough Town Hall; and
- the development of new housing in the town.

The intention was to create 5000 additional jobs, attract further investment and enhance the Council's reputation by delivering a positive narrative about the town by rebranding it. In terms of Social Regeneration, the aim was to increase employability and employment to reduce benefit dependency. In the six months that the Investment Prospectus had been in operation, it had attracted £60m in investment and 600 new jobs had been created.

The Chair queried with regard to what the Council was doing to assist in upskilling people. In response, the Chief Executive advised that the Council aimed to create an investment fund for educational attainment. There was also plans to strengthen the work with the Combined Authority and to create an education, employment and skills strategy.

The Board was advised that the Council needed to improve the physicality of the neighbourhood and improve community life to ensure that people were happy with where they lived. The Chief Executive advised that before the Council would be able to do this, they needed to understand what the different communities needed by having a community conversation and working with the people in the community to understand the different issues.

A member queried whether there were any examples of best practice that the Council could consider. The Chief Executive advised that Wigan Council had an initiative called "The Deal". The Deal was an informal agreement between the council and everyone who lived or worked in Wigan to work together to create a better borough. Wigan Council had committed to a series of pledges and in return residents and businesses were required to work together to honour the pledges. The Chief Executive advised that in terms of Middlesbrough, everyone needed to work together including the Council, the Police, the Fire Authority and Housing Providers etc. to achieve a better outcome for the town.

A member advised that the town used to have cluster groups involving people in the community and they used to work well alongside the Council. The Chief Executive advised that the Council aimed to have community conversations and the community would be treated as equal partners. The Council needed to make more use of people/organisations already active in the community such as Ward Councillors, the voluntary sector and MFC foundation etc.

A member commented that there was a lack of aspiration. The Council needed to engage with people to emphasise that the limits of a person's own life did not necessarily equate to the limit of possibilities. The member stated that the Council needed to look forward and develop a collective aspiration and vision for the town by looking at the assets that the Council already had and trying to improve them.

The Chief Executive advised that it was up to the Council and those delivering services on behalf of the Council to deliver a positive message and attitude to change. Businesses were recognising the Council's new culture and its positive values.

In terms of risks to the Council, the Chief Executive highlighted that finances were a risk, however the Council was in a relatively healthy financial situation in comparison to some neighbouring authorities.

It was anticipated that the national pay award for staff would be 2% over the next two years which would add £4m to the Council's budget, which would involve the Council having to make further savings. Children's Services also constituted a risk. The government was currently debating with regard to the possibility of Council's retaining a proportion of Council business rates however the Public Health Grant would no longer be available so this was an added budget pressure for the Council. The Council was required to make savings equating to £5.7m but they were required to spend £2.5m delivering services. Universal Credit was also

due to be rolled out in Middlesbrough and the authority already had a high volume of Looked After Children.

A member stated that community councils should provide a positive forum for residents and the Council should examine the purpose and the remit of the community councils. The Chief Executive advised that the Council's links with the communities were not as strong as they should be. He stated that the last time a survey of the communities had been carried out was three years previously. It was commented that some of the community councils were working really well and it could be useful to look at best practice between the community councils.

A member queried with regard to the Council's housing offer. The Chief Executive advised that there was currently an imbalance in the Council's housing offer as there was more Council Tax Band A properties which meant that income to the Council from Council Tax was low. The aim was to create better housing in higher Council Tax Bands. There was still a gap in affordable housing but the authority was working with the Homes and Community Agency (HCA) and other providers to identify suitable sites for development. The Council had an aspiration to build 3000 new houses in three years which would include a mixture of Executive three bedroom houses and affordable housing.

The Council was also looking at empty homes and looking at the selective landlord licensing with a view to expanding the scheme. Any funding available from the government was to build new housing, there was currently no funding available to improve existing housing. The Council aimed to work with the Thirteen Group to encourage their sense of social responsibility.

A member commented that there was a lack of housing available for single people as some did not want to live in a family house or a flat. The Board was advised that a study carried out by the Chamber of Commerce had revealed that there was a gap in the housing market for under 35 year olds. A member referred to the Waverley Street housing improvements and indicated that they should form the template for further conversions.

The Chair of the Economic Development and Infrastructure Scrutiny Panel advised that he would like his panel to look at the possibility of introducing a housing delivery vehicle for the Council. He advised that Reading Council had their own housing delivery vehicle which involved the Council buying up old properties and renovating them for rental. The Chief Executive advised that the Council was looking at different housing delivery vehicles and it could look at the possibility of developing the Brackenhoe site. The Council could establish a housing delivery vehicle and take a capital receipt from it. A member commented that rental was the best option from some people.

A member commented that apprentices could be involved if a housing delivery vehicle was established. A member queried whether there would be an opportunity to bring the Middlesbrough housing stock back to the Council. The Chief Executive advised that this was not an option.

A member commented on the use of steel containers for the homeless. The Chief Executive advised that the Council could look at developing a scheme of modular housing.

The Chair of the Overview and Scrutiny Board thanked the Chief Executive for his attendance at the meeting.

17/29

BUDGET AND BALANCED SCORECARDS - POSITION AT Q2 2017/18

The Strategic Director of Finance, Governance and Support submitted a report, the purpose of which was to advise the Overview and Scrutiny Board of expenditure against the Council's revenue and capital budgets, and its performance overall at Quarter Two 2017/18, and provide a position statement in respect of Treasury Management and General Reserves.

The Accounting Team Leader and the Corporate Performance Manager were in attendance at the meeting to present the report.

The Accounting Team Leader advised that Quarter Two monitoring continued to project a very strong set of performance results for the Council in 2017/18.

The overall revenue position at Quarter Two 2017/18 after approved transfers to Reserves and Provisions showed that there was a projected budget underspend of £42,000 (or 0.04%), which continued the trend of minimal variance and demonstrated that the revised financial management processes introduced during 2016/17 were working effectively.

In line with good practice, the Council had reviewed and updated its Investment Strategy for the period to 2020/21, and projected capital expenditure at Quarter Two was £36.552m against the revised budget of £34.881m in 2017/18 (or 105% of the budget), reflecting early delivery and some minor re-profiling across the strategy period, with an increase in externally funded and revenue funded projects.

The Council's borrowing stood at £142.2m at 30 September 2017, increasing from £120.4m at Quarter One to fund both the general cash flow position of the Council and capital programme borrowing requirements, in line with expectations.

The Council's projected Reserves at 31 March 2018 were £40.2m comprising of £13.1m of General reserves, £20.5m of reserves earmarked for specific purposes, and £6.6m of school reserves. This was in line with the agreed approach of the Council to reduce reserves in a planned manner in order to smooth out savings requirements across the Medium-Term Financial Plan period, and to fund investment.

The Corporate Performance Manager advised that service performance had improved from Quarter One, with eight of the nine Directorates, and the Council overall, exceeding the corporate standard of meeting 75% or more of targets, reflecting developing plans to promote social regeneration, and the impact of plans to address longer-term performance issues, showing that the Council was taking clear action to tackle performance issues. Economic Development and Infrastructure was currently achieving 65-70% of targets. Further information with regard to the breakdown of the targets would be forwarded to members of the Board.

A key risk to the Council at present remained the potential impact on of Brexit on the national economy and economic growth locally. It was anticipated that the implementation of Council's Investment Prospectus and associated initiatives would positively impact on the probability of Middlesbrough being disproportionately affected by an economic downturn.

A new risk had emerged in Quarter Two relating to the impact of funding reductions on the Council's principal statutory partners impacting on delivery of shared services. Discussions with partners would continue throughout 2017/18 to mitigate this risk, and would be a key driver of the Partnerships and Integration theme of Phase 3 of the Council's Change Programme.

A member referred to a case in the Evening Gazette regarding Centre North East and a decision by the Supreme Court in respect of the exemption from paying business rates on a property while working on making the building safe. The Council had sent a number of summons to the developer totalling £434k. The developer working on Centre North East had argued that for all intents and purposes, whilst they were working to remove asbestos, the building was not usefully occupied and as a result of the Supreme Court decision regarding a similar case, the summons for business rates from Middlesbrough Council was withdrawn.

The member queried with regard to the knock on effect of the decision to withdraw the summons and he also requested details of the costs involved in trying to pursue the case. The Chair of Overview and Scrutiny Board requested that the information be forwarded to the Principal Democratic Services Officer for distribution to the Board.

The member also referred to the recent employment tribunal relating to Legal and Democratic Services and he queried whether the cost incurred as a result of the tribunal had been accounted for in the projected overspend and whether any compensation would be in addition to the projected overspend. The Chair advised that it would be prudent to wait until the final

judgement before providing the information.

ORDERED as follows:

1. That the approval by the Executive to reduce the transfer of project savings into the Social Care Demand Risk reserve from £712,000 to £501,000, and to transfer £640,000 of projected savings within Public Health and Public Protection into the Public Health Reserve; and the resulting projected revenue position at Quarter Two 2017/18, i.e. a budget underspend of £42,000 (or 0.04%), be noted.
2. That the approval by the Executive of a revised Investment Strategy for the period to 2020/21 (at Appendix 1), and projected capital expenditure of £36.552m against the revised budget of £34.881m in 2017/18 (or 105% of the budget), be noted.
3. That the Council's borrowing at 30 September 2017 of £142.2m, and its forecast Reserves at 31 March 2018 of £40.2m, of which £13.1m were General Reserves, be noted.
4. That the performance of Directorates at Quarter Two 2017/18 (Appendix 2), the consolidated action plan responding to all issues identified in the report (Appendix 3), and the Council's updated strategic risk register (Appendix 4), be noted.
5. That the Accounting Team Leader compile the additional information in respect of the Balanced Scorecard report, requested by members of the Board and forward it to the Principal Democratic Services Officer for circulation to all members of the Overview and Scrutiny Board.

17/30

UPDATE - APPRENTICESHIPS

In January 2017, the Ad Hoc Scrutiny Panel had undertaken an investigation into apprenticeship programmes within Middlesbrough Council. Chris Kemp, the Council's Community Learning Service Manager, and Ann White, the Apprentice and Work Skills Co-ordinator, had provided the Panel with information pertaining to the topic.

Following the conclusion of the investigation, it was requested that an update in respect of this topic be provided later in the year, when the revised national apprenticeship structure had been firmly established and the first autumnal intake of apprentices undertaken. In accordance with the above, the Council's Community Learning Service Manager was in attendance at the meeting to provide members of the Board with an overview of the current situation.

The Community Learning Service Manager advised that in terms of apprenticeships, the educational attainment was quite high.

In 2016 the Levy Delivery Occupations were as follows:

Occupations [6]

Customer Service [Level 2, Level 3]
Teaching Assistant [Level 2, Level 3]
Management [Level 2, Level 3]
Local Environment Services [Level 2]
Environmental Conservation [Level 2]
Business Administration [Level 2, Level 3]

In 2017 the Levy Delivery Occupations to date were as follows:

Occupations12+1

Customer Service [Level 2, Level 3]
Teaching Assistant [Level 2, Level 3]
Management [Level 2, Level 3]

Local Environment Services [Level 2]
 Environmental Conservation [Level 2]
 Business Administration [Level 2, Level 3]
 Public Service Operational Delivery Office [Level 3]
 Events Assistant [Level 3]
 Property Maintenance Operative [Level 2]
 Operational Manager [Level 5]
 HR Support [Level 3]
Contracted out
 ICT professional [Level 3]
 ILM [Level 7]
 Early years

The following were under development and awaiting standard release

Occupations [14]+3

Regulatory Compliance Officer
 Property management
 Social Worker degree level
 Healthcare practitioner
 Care taking professional
 School teachers
 Accountancy technician
 Finance support
 Contracts and tenders
 Solicitors
 Advanced accounting
 Learning & development practitioner
 Further education teacher

The overall Levy budget was £417,810 of which £117,138 related to schools. The levy was paid in monthly payments of £25,056 and the total levy spend to date was £15,541, so the authority was currently not meeting the target. One of the reasons for this was that many of the apprentices had started before the levy commenced on 6 April. The total monthly levy spend to date on business apprentices was £2,590. In terms of the number of apprentices, the progress towards the public sector target of 115 apprentice starts was 110, but four additional posts had been advertised and it was anticipated that the target of 115 would be reached. If the levy was not spent, the remainder of the levy was given back to the government.

The Community Learning Service Manager advised that visits were carried out to schools to talk about careers in the Council and to highlight the varied range of apprenticeships on offer. The Council recruitment sessions had been delivered to the following schools:-

- Macmillan Academy - year 10/11
- Trinity Academy - year 11
- Outwood Academy - year 9/10

Further sessions had been booked with Acklam Grange School, Nunthorpe Academy, UCA and Hollis Academy. As part of the sessions, the Council's corporate video was shown and a stand showing the different careers available was hosted. The service also worked closely with Middlesbrough College. At the current time apprentice levels 1 - 5 were available, a Social Work degree level was also available at the Council. A member queried whether current Council apprentices attended any of the recruitment sessions. The Board was advised that an apprentice had acted the workshops and acted as an Ambassador for the apprenticeship scheme.

The Service were currently trying to develop a pathway for a Special Education Needs and Disability level and they were working with the Head of Vulnerable Learners to facilitate the pathway and identify suitable employers.

A member queried whether information was available on the Council website with regard to apprenticeships and the Community Learning Service Manager advised that information was available on the website.

Further development work was being carried out and follow up meetings had been arranged with the young people that had expressed an interest in an apprenticeship. In addition, parental support development sessions had been arranged and post 16 development work was due to commence at Trinity and Macmillan Academy.

The Chair of the Overview and Scrutiny Board thanked the Community Learning Service Manager for the update in respect of apprentices.

17/31 **EXECUTIVE FORWARD WORK PROGRAMME**

The Chief Executive submitted a report which identified the forthcoming issues to be considered by the Executive as outlined in Appendix A to the report.

The report provided the Overview and Scrutiny Board with the opportunity to consider whether any item contained within the Executive Forward Work Programme should be considered by the Board or referred to a Scrutiny Panel.

NOTED

17/32 **SCRUTINY PANEL PROGRESS REPORTS**

The Chair of Economic Development and Infrastructure Scrutiny Panel advised that representatives from Mersey Travel and Transport for Quality for Life had attended the last Panel meeting in relation to the Tees Valley Strategic Transport Plan including the benefits of bus franchising and partnership arrangements and the implications for the Tees Valley.

At the next meeting, the Panel were due to hear from the Council's transport officers about the implementation plan for submission to the TVCA. The Panel were also scheduled to receive further evidence with regard to the use of LED lights in terms of whether they represented value for money and whether they were providing savings.

The next topic that the Panel was due to consider was support for businesses in Middlesbrough, looking at how the Council supported businesses. The Chair advised however that the Panel would like to look at housing delivery vehicles first. The Chair of the Overview and Scrutiny Board indicated that she concurred with the Chair of Economic Development and Infrastructure Scrutiny Panel that the next topic for Economic Development and Infrastructure Scrutiny Panel should be housing delivery vehicles.

The Chair of Communities and Culture Scrutiny Panel advised that at the Panel's meeting held on 20 November, members had heard from four landlords with regard to the merits of the Selective Landlord Licensing Scheme and many had indicated that they were disappointed that the scheme might come to an end.

The Chair highlighted that the Selective Licensing Team had been nominated for a Community Safety Award. At the December meeting, the Panel were due to hear from neighbouring authorities with regard to their schemes.

The Panel was also due to receive an update on beggars. A dedicated town centre multi agency team had now been established co-located in Middlesbrough Police station and an operational action plan had also been developed to put forward a strategy to tackle street begging.

The Chair of Children and Learning Scrutiny Panel advised that the scrutiny panel met on 8 November 2017. At the meeting the Scrutiny Panel received an update from officers from the Children's Services Department on work that was currently being undertaken to listen to the Voice of the Child and the importance of seeing, observing and hearing the child. The officers

also informed the Scrutiny Panel of future challenges the department faced to ensure that the Voice of the Child was heard. The member of the Youth Parliament for Middlesbrough had attended the previous meeting of the Panel.

The Chair of Environment Scrutiny Panel advised that the Panel had met on 9 November 2017 and received further information from the service area in relation to its current review of Fly-tipping and Enforcement.

Information was provided in relation to how the public and Elected Members could report incidents of fly-tipping to the Council and how those reports were dealt with. Data in relation to the numbers of reports of fly-tipping was also provided. In addition, the Panel was provided with clarification on several issues raised at its previous meeting, including detailed information regarding the legislation used to issue FPNs. The Panel was also advised that the number of Enforcement Officers had increased from two to six.

The Panel was due to examine the arrangements in place for the University and landlords in respect of house clearance.

17/33

ANY URGENT ITEMS - RESPITE OPPORTUNITIES AND SHORT BREAKS JOINT HEALTH SCRUTINY COMMITTEE

The Overview and Scrutiny Board received the following update in respect of the Respite Opportunities and Short Breaks Joint Health Scrutiny Committee.

The Board was advised that the Respite Opportunities and Short Breaks Joint Health Scrutiny Committee, was scheduled to take place on Thursday 14th December 2017 at 4.30pm in the Jim Cooke Conference Room, Stockton Central Library, Stockton on Tees.

The papers for the meeting included:-

- The independent Consultation Feedback Report produced by Jenny Harvey;
- The number of clients per local authority / CCG receiving respite and short breaks at Aysgarth and Bankfields;
- Case studies;
- Letter from Hartlepool OSC formally requesting that any decision regarding the future of this service be delayed pending completion of a full, and effective, consultation process that enabled all interested parties to have the fullest opportunity possible to express their views. (The letter stated that should this delay not be forthcoming, I am sure that each of the incumbent Local Authorities (including Hartlepool) will not hesitate to utilise their powers of referral to the Secretary of State for Health, as provided for in legislation);
- A submission from Andy McDonald - MP for Middlesbrough

Cllr E Dryden, Cllr D Rooney and Cllr J McGee would be in attendance at the meeting on behalf of Middlesbrough Council. The four local authorities involved included Hartlepool, Middlesbrough, Redcar and Cleveland and Stockton.

The item was then scheduled to be considered by Middlesbrough's Health Scrutiny Panel on 19th December at 4.30pm. At that meeting Members of the Health Scrutiny Panel would be provided with the opportunity to formulate Middlesbrough's contribution to the Joint OSC's formal response to the consultation. A copy of the response would be circulated for comment prior to submission to the Joint OSC in early January 2018.

Cllr Dryden had extended an invitation to Judith Brown (spokesperson for the parents at Bankfields) to attend the Health Scrutiny Panel meeting.

The CCG were due to make a decision with regard to the future of the Respite Services on 30 and 31 January 2018. The Joint OSC would meet after that date to consider the decision and a decision would need to be taken by each individual authority whether they wished to make a referral to the Secretary of State.

A member stated that at the last meeting held in Stockton, a number of representatives from the families affected by the closure were in attendance at the meeting. The member stated that it was very powerful to have those representatives at the meeting and they were all allowed to voice their concerns with regard to the future of the two facilities.

NOTED