

**OVERVIEW AND SCRUTINY BOARD**

A meeting of the Overview and Scrutiny Board was held on 23 July 2020.

**PRESENT:** Councillors J Thompson (Chair), M Storey (Vice-Chair), D Branson (as Substitute for C Cooke), D Coupe, L Garvey, A Hellaoui, T Higgins, C McIntyre, J Platt, M Saunders and J Walker (as Substitute for Z Uddin).

**PRESENT BY INVITATION:** Councillor A Waters - Executive Member for Regeneration.

**OFFICERS:** S Bonner, C Breheny, G Cooper, A Humble, C Lunn, K Parkes, T Parkinson, S Reynolds and P Stephens.

**APOLOGIES FOR ABSENCE:** Councillors C Cooke, T Mawston, J McTigue and Z Uddin.

**DECLARATIONS OF INTERESTS**

There were no declarations of interest made at this point in the meeting.

**MINUTES - OSB - 2 JULY 2020**

The Chair advised that the minutes would be forwarded to the next scheduled meeting of the Overview and Scrutiny Board (3 September 2020) for approval.

**AGREED** that the minutes of the 2 July 2020 meeting be submitted to the 3 September 2020 meeting for approval.

**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****EXECUTIVE MEMBER UPDATE: REGENERATION**

The Executive Member for Regeneration and the Executive Director for Growth and Place were present at the meeting to provide information to the Board.

The Executive Member for Regeneration introduced himself and provided some background information as to the activities involved within his portfolio. Particular reference was made to work undertaken during the COVID-19 pandemic, the majority of which related to economic recovery groups. Reference was also made to various projects currently taking place across the town, such as housing development. The Executive Member attended meetings of the Tees Valley Combined Authority (TVCA) Board in respect of transport matters, as well as scrutiny meetings.

The Executive Director for Growth and Place delivered a presentation to the Board, which focused on economic recovery in light of COVID-19. The presentation covered the following topics:

- The Council's response to COVID-19 / lockdown;
- The establishment of a Town Centre Recovery Group;
- Town Centre - context (retail and hospitality);
- Measures put in place;
- Hospitality industry;
- Wider business community; and

- Feedback.

Regarding the Council's response to COVID-19/lockdown, Members were appraised of the activities involved in initiating and progressing to full lockdown, which included closing Council offices, the bus station, cultural facilities, commercial premises and car parks.

Throughout the process, officers had worked very closely with TVCA in providing aid and grant support to businesses, also signposting to other appropriate organisations where required.

In terms of footfall in the Town Centre, it was indicated that at the end of June 2020 this was around 65% of what it was pre-lockdown. The current national average was circa. 62%, and therefore slightly higher in Middlesbrough. Several essential businesses, such as pharmacies, banks and food retail outlets had remained open during the lockdown period.

The Board heard that a Town Centre Recovery Group had been established in April 2020 to look at short and long-term responses to the COVID-19 pandemic. The group formed part of the wider Middlesbrough recovery and met on a fortnightly basis. Membership included representatives from the Chamber of Commerce, the Federation of Small Businesses, shopping centres, Pub Watch, Teesside University, Middlesbrough College, Thirteen Group, Middlesbrough Football Club, the Executive Member for Regeneration, the Executive Member for Culture and Communities, and various Council departments. Reference was made to Middlesbrough Council's operation to address the response to COVID-19, with Gold Meetings being held on a weekly basis.

With regards to town centre retail, for context - there were already existing challenges facing the High Street prior to the onset of the pandemic. Reference was made to the Future High Street Fund, which had been launched at the latter part of 2019 in response to the challenges facing towns like Middlesbrough. During the lockdown period, only essential retail outlets remained open, which had resulted in significant disruption to many businesses and their operations. Non-essential retailers did reopen on 15 June 2020, and guidance had been issued by the Government in respect of social distancing. However, it was acknowledged that there was great uncertainty in people's appetite to visit areas like town centres and particularly indoor shopping centres, and it was about providing reassurance to residents and retail workers about the measures that had been put in place, both by businesses and by the Council, in public spaces.

In terms of measures that had been put in place, the Board was advised that there been a significant response to the business rates relief and business support provided. One of the biggest challenges concerned objectives, i.e. supporting businesses whilst ensuring that the appropriate levels of public protection and social distancing were in place. As an example, one of the measures put in place to assist with this concerned the installation of eight hygiene and sanitation stations at different locations in the Town Centre. Car parks had now reopened, but there was currently no regime of charging in place. The bus station had also been reopened, with a two-way control system being established. Work was also being undertaken with private landlords and operators of businesses to help ensure that they received the best possible guidance on how to achieve social distancing. Reference was made to a Town Centre Ambassador Service that had been established in June 2020 to assist with social distancing, and also to the development of a Town Centre app which would provide information as to how visitors could carry out their business whilst achieving social distancing. Further measures put in place included agreement of an overall plan of footfall and traffic movements; creation of pavement markings and pedestrian lanes; and introduction of road closures and restrictions to create additional space.

The Board was provided with performance information that had been attained through an evidence gathering process. It was explained that when the Town Centre reopened on 15 June 2020, social distancing had been well observed by most and the mood was calm and generally respectful. It had been busier than expected with queues at some larger retailers, although these were sensibly managed in the main; footfall was 75% of a normal Monday. Since that time, footfall had levelled off. It had been found that the sanitisation stations had not been particularly well used, but they had provided a level of reassurance to people using

the Town Centre. A recent request from one of the shopping centres for installation of a station at the entrance to their premises was particularly positive, as this demonstrated recognition from the private sector of the effectiveness of this initiative. The Town Centre Ambassadors had since been removed, but there was now an enhanced presence of Street Wardens in the Town Centre, particularly in light of the reopening of the licensed premises. Although not specific to Middlesbrough, it had been observed that people's adherence to social distancing had been loosening slightly in recent times. In response, officers continued to work on ensuring that all of the necessary advice was in place. Toilet provision had been an ongoing issue; toilets had since been reopened in the bus station, and there had also been toilets made available for use in the Town Hall.

In terms of town centre hospitality, the Board was advised that businesses were able to open on a limited basis from 4 July 2020, with detailed Government guidance being put in place. There was potential for a major influx of people to the Town Centre and, as previous, this needed to be balanced with public safety and economic recovery, with safe and manageable outdoor spaces and equipment being provided. It was explained that new legislation was being expedited, and there was a clear expectancy on licensing management.

Members heard that to enable businesses to ensure that they were operating in a way that did not allow for gatherings to occur, and to balance public safety against the economic recovery, a number of measures had been put in place.

With regards to street trading/outdoor spaces, the Government had introduced new licensing legislation to fast track the ability for businesses to have outdoor seating, i.e. bars and restaurants (local examples of this included businesses on Baker Street and Bedford Street). The Council had supported street-based trading wherever possible, and also worked very closely with all licensed premises in the Town Centre to provide each licensee with clear guidance and expectations, should they have wished to use outdoor spaces. Officers were working proactively to support outdoor seating and ensure that it was appropriately managed, with a suitable enforcement regime in place to deal with businesses that did not comply. The Council had launched the outdoor seating approach with businesses on 6 July 2020 to avoid the weekend peak. Outdoor seating could be used from 12:00 noon until 22:00, with operators taking full responsibility for the areas allotted to them. For some business premises, the Council had temporarily provided picnic benches free of charge.

Reference was made to other measures, including: Test, Track and Trace (i.e. the requirement for businesses to regularly maintain a register of customers who had visited their premises to enable contact to be made in the event of confirmed cases of COVID-19); clear demarcation and barriers where traffic passed; and additional security patrols.

With regards to the wider business community, the Board was informed that there had been a heavy focus on business grants and loans. To date, the Council had been involved in the delivery of over £22m of grant funding, and the Government had also provided a wide range of loans. Reference was made to the work that had been undertaken in terms of advice provision to businesses around reopening, and the collaborative work undertaken between the Council and external organisations, including the TVCA, North East Chamber of Commerce, Federation of Small Businesses and Teesside University, to support businesses.

In terms of feedback, the Board was advised that a formal evaluation exercise would be completed at the end of July 2020, the results of which would be formally reported back to the Middlesbrough Gold Recovery Group in early August. Assessment of the impact of COVID-19 and what work needed to be undertaken to assist the Town Centre recovery (within the social distancing and public protection guidelines) would then be carried out.

It was explained that most businesses had reopened in some format, although it was anticipated that there would be reductions of 10-15% in staffing overall. It was pointed out that the furlough scheme could have been masking some major issues at the present time, however, officers continued to maintain close observation on the performance of businesses and the issues that were being raised. Reference was made to some national business closures that had impacted locally, as well as to the matter of cashflow and associated issues resulting in significant strain/rationalisation for businesses. With this in mind, officers were

keen to ensure that customers had the confidence to return to the Town Centre in a safe manner. One initiative associated with this was the potential reintroduction of seating within shopping centres which, when appropriately managed, would assist those individuals with mobility difficulties. It was highlighted, however, that despite a decline in some business sectors at present, others thrived (e.g. digital, driving/distribution and cleaning). New opportunities were emerging and there was an active interest in commercial lettings.

The Executive Member for Regeneration concluded the presentation by expressing his gratitude to Middlesbrough Council staff for all of the work undertaken to support local businesses during this very difficult period, and highlighted that although footfall was down in the Town Centre, actual spend per head had increased. The sensible approach taken by visitors to the Town Centre was highly appreciated.

Following the presentation, Members were afforded the opportunity to ask questions and the following issues were raised:

- A Member queried how the Council had engaged with major businesses to clarify their position in terms of their premises in the town, and how the Council was working closely with other key businesses to support them and encourage their retention. In response, the Executive Member for Regeneration advised that regular engagement work was being undertaken with all businesses involved in the Council's recovery groups (shopping centres, for example). For confidentiality reasons, specific details of plans could not be provided, but Members were advised that the outlook was positive at present. It was acknowledged that this was an evolving situation, and therefore regular discussion was being undertaken with businesses to ensure that it was an attractive proposition for them to have a presence in Middlesbrough Town Centre.

The Executive Director for Growth and Place commented on the effective and efficient responses that the Council had had in dealing with issues raised by businesses of all sizes, and acknowledged the work of the Town Centre Team in this regard. In terms of working with businesses, it was explained that this was undertaken at a strategic level, which was an ongoing process. Reference was made to the work taking place in relation to the Future High Street Fund, which would result in the Council being one of the first Local Authorities to submit a bid to central Government. It was hoped that all of this work provided businesses with the confidence to remain, work and invest in Middlesbrough.

- A Member queried the current position of Test, Track and Trace, and whether it was mandatory for businesses to take contact details for customers visiting their premises. In response, it was indicated that the current legal position would need to be clarified, however at present, it was believed to be discretionary (legislation, when introduced, would put the onus onto businesses). Reference was made to the input of Public Health teams in facilitating this work, with mention being made of the different methods that businesses could collect a customer's information, i.e. paper or electronic (via an app) format.
- A Member commented that it would soon be mandatory to wear face coverings in confined public spaces in England, such as in shops, and queried whether compliance would be an issue. In response, it was indicated that retailers themselves would need to manage this. Street Wardens were operating in the Town Centre, although it was felt that to date, individuals had been compliant only with guidance, with some already wearing coverings without it being mandatory. A Member raised concerns that some operators may not comply or enforce this. In response, it was felt that as businesses had been closed for some time, it would be in the interest of the operator to ensure compliance. Members were advised that this issue concerned Middlesbrough as an entirety, and not just the Town Centre. It was a significant matter and if residents did express concerns, it was important that these were raised by Ward Councillors to ensure that appropriate action could be taken to address them.
- A Member referred to the Neptune Centre and commented on its potential closure until April 2021. It was felt that the Neptune Centre was in an area of poor health outcomes and that it ought to be reopened at the earliest opportunity for staff,

businesses and local people. The Member queried the plans for businesses based in the Neptune Centre, and what assurances could be provided to them to ensure that their status was secure. In response, it was agreed that the Centre was a vital facility. Reference was made to the provision of grant funding and other support to businesses within the Centre. In terms of its closure/reopening, it was explained that a decision was due to be taken on 24 July 2020.

- A Member queried the support being provided to businesses outside of the Town Centre, on shopping parades and in smaller shopping centres, to help them provide services to local people safely and in line with Government guidance. In response, it was explained that all aspects of possible support that the Council could provide, was being provided. The Executive Member for Regeneration advised that he had liaised with 300-400 businesses across the town over the course of the pandemic, to provide help and support wherever possible. It was felt that Middlesbrough Council had excelled in providing businesses with grant funding, working with local businesses and Government organisations to facilitate payment. Reference was made to other initiatives that had been put in place to support businesses across the town, including the 'Buy Boro' campaign, which over 100 businesses had signed up to, as well as 1:1 support to businesses to ensure that they did successfully reopen. Mention was made of several different partnership arrangements across Middlesbrough that had been created to ensure that support to businesses could be provided.
- A Member commented on the very positive feedback that had been forwarded from a small business owner about the service received from the Council, which had enabled the business to continue trading. The Board was informed that, to date, 1,977 business grants had been awarded, 377 of which had been provided to retail and hospitality businesses. In total, £17m had been provided to Middlesbrough businesses in the form of grants.
- A Member referred to the temporary closures of Baker Street and Bedford Street due to COVID-19. It was queried when they would reopen and whether the closures had achieved their stated objectives, as businesses and residents had raised concerns about the importance of access for themselves, their clients to businesses with medical need, and patients. In response, Members were advised that the Town Centre Team had visited all of the businesses that were available to discuss the issues and concerns that they were facing. As a consequence, a survey had been despatched to every business on both Bedford Street and Baker Street to ascertain their views on the options available. These options included: remaining closed; reopening the streets for some traffic; and providing some street parking. It was hoped that the survey results would be in by 24 July 2020, with a decision being made during the week commencing 27 July 2020. The important factor was to ensure that views could be obtained from each business to ensure that all areas of concern were gathered.
- A Member made reference to initial criteria that had been applied early on in the pandemic, which had resulted in some businesses not receiving grant support, and queried how this was being addressed. In response, it was acknowledged that there still were businesses that did not fit a specified criteria. In these cases, officers were signposting to appropriate support organisations, and the Executive Member for Regeneration was in contact with some of those businesses. Reference was made to the Council's ability to issue discretionary grants, although these too had specified criteria to fulfil. Support continued to be offered to businesses. For those eligible, the Council had given out 66 discretionary grants worth over £400,000, and a further 160 discretionary grants were currently being considered. This was being analysed through Gold on a weekly basis.
- A Member referred to the survey that had been forwarded to businesses, and queried whether a copy could be provided to assist with answering any queries from constituents. The Executive Director for Growth and Place indicated that copies would be forwarded to all Councillors.
- A Member referred to the payment of business grants and queried whether businesses could apply for more than one grant, as one particular business in his Ward had been advised that a further grant could be applied for. In response, it was indicated that the payment of one grant would be what was available to that respective business - there would not necessarily be entitlement to further funding. However, it was anticipated that there would be further initiatives from central Government for

businesses of longer need for support. Mention was also made of discretionary grant funding, where applicable. The Executive Director for Growth and Place requested that the details of the business be forwarded for further review, as some business structures could be particularly complex.

- A Member referred to the reopening arrangements for the Rainbow Centre and, in particular, the issues faced by commercial businesses renting space at the premises who were unable to recommence trading. It was explained that one business, reliant on loyal custom, had been advised that they could not reopen until September 2020. However, this particular business did have separate access to the premises. In response, the Member was advised that if the business did have alternative access that could be used, which would not require access through the centre, then this could be followed up with the Property Services team. This would be looked into.

The Chair thanked the Executive Member for Regeneration and the Executive Director for Growth and Place for their attendance and contributions to the meeting.

**AGREED** that the content of the presentation and information provided be noted, and the requested actions be undertaken.

### **MIDDLESBROUGH COUNCIL COVID-19 - RESPONSE AND TEST, TRACK AND TRACE**

The Chief Executive delivered a presentation to provide the Board with an update in respect of the Council's response to COVID-19.

The presentation covered the following topics:

- Current Prevalence in the Town;
- Finance;
- Powers assigned last week;
- Planned return of Council staff; and
- Decisions made at Gold meetings in the last four weeks.

With regards to current prevalence in the town, the figures as at 22 July 2020, which included both pillar one (i.e. testing in hospital/NHS settings) and pillar two (carried out at locations such as regional test centres) testing, were as follows:

- Total number of positive cases from testing - 963;
- Number of positive tests in last seven days - 8; and
- Rate per 100,000 population - 683.

This placed Middlesbrough as the 13th highest of Upper Tier Local Authorities, of which there were 150. When considering only pillar one testing, Middlesbrough was in the top four. In terms of local outbreak planning, the intention was to increase pillar two testing to enable more of the community to be tested. Reference was made to: the promotional work being undertaken; the procurement and utilisation of temperature guns; regional testing; and a hyper-local testing pilot, with testing being taken to the community by way of 'pop-ups' at various localities (including shopping areas and supermarket car parks).

In response to a query regarding the use of temperature testing guns, it was explained that as one of the symptoms of COVID-19 was a raised temperature, this afforded opportunity to recommend any individual demonstrating a raised temperature to undergo a test. Over 1500 temperatures had been taken to date and, although reliable, the guns were not being deployed for a clinical reason, but instead as a way of affording conversation with the public about COVID-19 (i.e. to increase awareness, to remind of the need for good hygiene, and to promote engagement with testing if people were asymptomatic).

A Member queried whether a more detailed breakdown of the figures could be provided at both ward level and in terms of where deaths were occurring (i.e. in care homes or in the community). In response, it was explained that with effect from this week, information had started being received at individual postcode level, which meant that advanced analysis could be undertaken by way of heat map/GIS system work to identify where positive cases

were occurring. It was acknowledged that a high prevalence could be viewed as occurring in certain areas, such as Stainton and Thornton, but there was a heavy concentration of care homes in these localities. Reference was made to the Local Area Strategic Command Group, which would receive that information and monitor what was emerging to help assist in the prevention of further outbreaks.

A Member commented on the awareness-raising work being undertaken in areas that routinely attracted large gatherings of people, such as shopping centres, and congratulated those involved for carrying-out this initiative.

In terms of finance, the Government had provided the Council with £10.7m to date, for the direct costs associated with COVID-19. The Government had provided the money for the grants to businesses and an allocation was received last week for £240,000 to deal specifically with hunger; for the general COVID-19 response, the amount provided was £10.7m.

In consideration of the impact on the Council's income base, the Government had announced a deal that would see the first 5% of lost income reimbursed; the Government would then meet 75% of the remainder, and Council Tax losses could be recouped by up to three years.

At the present time, the direct cost to the Council was estimated at £7.3m. The Government had provided £10.7m, which would cover all costs, leaving £3.4m available for assignment. It was unknown as to whether that would be sufficient at present; further work around the costing of recovery activity was due to be undertaken over the coming weeks.

In terms of loss in income, such as the closure of venues, etc., the current estimate of this was £6.9m. The Government would provide £4.9m for that loss, and the Council would be required to find £2m. It was explained that COVID-19 had had a significant impact on the Council's ability to save, either because reviews had not been able to take place due to staff working from home and senior managers being directed on COVID-19-related activity, or because solutions had not been able to be implemented. Consequently, it was anticipated that the savings target would be under-delivered this year by approximately £2.3m - a cost that the Council would need to bear. In terms of Council Tax, it was predicted that this year, around £3.9m worth of Council Tax less than budget would be collected. Under the previous regime, that £3.9m would have been budgeted for in the following year (i.e. the Council would have needed to recover that £3.9m in the financial year 2021/2022, and therefore identified savings that totalled £3.9m). Under the new regime, however, the Government had allowed up to three years for recovery. Overall, officers estimated that the total loss of income to the Council would be £20.4m. The Government was providing £12.2m, which left £8.2m to be factored into the Medium Term Financial Plan (MTFP).

Regarding new powers assigned by Government with effect from 18 July 2020, Members heard that the Council now had the power to close specific premises where it was felt there was a COVID-19 risk; shut public outdoor spaces; and cancel events. Work was currently taking place to assess governance options in relation to exercising these powers, which was due to be completed on 29 July 2020.

The Board was informed that one of the larger tasks currently being undertaken revolved around the return of Council staff to central buildings on a phased basis, with reoccupation likely to commence in October 2020 (subject to COVID-19 prevalence). It was explained that with social distancing requirements, there would be around a 50-60% reduction in the number of desks. A number of policy/procedural decisions had been made to aid implementation and logistically provide a solid solution to this, as follows:

- There was an expectation of significant working from home - up to three days per week for the foreseeable future, and ongoing;
- Home workspace arrangements - the Council retained liability under Health and Safety legislation for ensuring that employees had an adequate workspace at home, which would be based on self-assessment. It was possible that desk and other furniture provision would be required, or perhaps grant funding to employees working

- from home;
- There would be exclusions under certain conditions, such as the inability to work at home, or if an individual's health and wellbeing were suffering (there would be a process for exclusions from working at home);
- Hot desks/desk rotation;
- Virtual team and other meetings as standard;
- Desk-booking software to facilitate hot desking/desk rotation - desks would be booked out on a daily basis, with each being sanitized at the start and end of each day; and
- Officers were starting to look at developing a protocol/policy framework for re-starting face-to-face meetings for areas such as Adult Social Care. Each professional discipline would then undertake their own assessment of how best to facilitate face-to-face interaction with their clients within the set policy.

Further information would be provided to Members in due course.

The Board was appraised of the various decisions that had been made at the Gold/recovery meetings over the previous four weeks. These included decisions relating to: Temperature gun deployment; Bus Station pedestrian flows; Reopening of Leisure Centres; and Bulky waste collections.

Following the presentation, Members were afforded the opportunity to ask questions and the following issues were raised:

- A Member queried when libraries would be re-opened. In response, it was indicated that the decision had been taken to re-open the libraries on 4 August 2020.
- A Member raised a query in relation to the utilisation of the Town Hall to hold court proceedings. In response, it was explained that this was initially approved at a Gold meeting, and then subsequently through Valuation and Estates under delegated authority. The charge for hire was £80,000, which the Council would receive.
- A Member referred to the reinstatement of bulky waste collections and queried why mattresses were currently excluded. In response, it was explained that this was a Government directive and as soon as permitted, collections would be undertaken.
- A Member referred to the estimated £8.2m deficit that was now being factored into the MTFP, and queried whether any strategic planning had taken place as of yet to prepare for this. In response, it was explained that some scenario planning had commenced; the intention was to provide a full financial report to Executive in September 2020, with an outline plan detailing the Council's budget in 2020/2021/2022.
- A Member referred to the Health and Safety self-assessments undertaken by staff at home and queried whether any home visits or final checks would be carried out. In response, it was explained that the Health and Safety Manager was currently preparing the final proposals in respect of this decision.
- A Member commented that it would be beneficial for Councillors if updates detailing decisions made at Gold meetings could be provided. In response, it was indicated that this could be undertaken.
- A Member made reference to the estimated £8.2m deficit and wished to place on record that the Council had not received the full amount required in order to address the expected financial impact of COVID-19.
- The Member also referenced the budgetary savings of £2.3m which, due to the COVID-19 pandemic, may not be realised. It was queried why this would not be calculated as part of the direct COVID-19 cost.

In terms of COVID-19 related costs, the Board was advised that the Government felt all expenditure, and an adequate proportion of lost income, was being met by financial support packages. There were other financial impacts as a result of the COVID-19 pandemic, and the Government was allowing the Council to reduce the impact felt by the reduction in Council Tax receipts. It was also explained that the Government felt non-achievement of savings targets was not only due to the COVID-19 pandemic, and included other factors. If the Council found itself in a position where the non-achievement of savings was going to cause financial unsustainability, and



potentially result in the issuing of a Section 114 Notice, the Council and Government would have to discuss this.

Reference was also made to the Neptune Centre and its potential re-opening and any associated costs. Following the in-year decision in respect of the re-opening of the venue, the Member queried whether any further in-year decisions were anticipated, or if recommendations of that scale may be needed in the following year's budget process. It was clarified that any costs associated with the Neptune Centre would be met from Government grants, totalling £10.7m. Ultimately, it was too early to ascertain what scale the savings were likely to be in the next financial year, but it was acknowledged that a greater level of savings than the Council currently had was required.

The Chair thanked the Chief Executive for his attendance and contribution to the meeting.

## **NOTED**

### **BUDGET AND BALANCED SCORECARDS: YEAR-END 2019/20**

The Head of Financial Planning and Support and the Head of Strategy, Information and Governance presented a report, the purpose of which was to advise the Board of progress against the 2020-2023 Strategic Plan and the Council's financial position, and its strategic risks at Year-End 2019/2020.

The following points were made:

- Council had approved a new Strategic Plan on 15 January 2020 for 2020-2023, and since that time officers had been working to develop an underpinning work programme to the Strategic Plan. However, as detailed in the report, this process was significantly disrupted by COVID-19, not only in financial terms, but also in terms of strategic objectives. Consequently, plans were in place to renew the Strategic Plan in preparation for reporting to Full Council in November 2020 in draft terms, which would integrate findings and recommendations from recovery planning.
- Paragraph seven set out the impact on community safety; there had been an overall, significant, reduction in crime and Anti-Social Behaviour (ASB), particularly due to COVID-19 and national lockdown. Crime and ASB had fallen in 16 of the town's 20 wards. ASB rose during the last month of the quarter and thereafter as a result of the lockdown being eased.
- The report considered the improvements to Children's Services following the Ofsted report. The Department for Education (DfE) had appointed a Commissioner to further scrutinise the Council's services following the negative Ofsted judgement, and they published their report on 4 June 2020. It was highlighted that the Commissioner had confirmed that the Council would retain control of the service.
- Statutory intervention from Children's Services continued to increase during COVID-19, which had had an impact on the Revenue Budget Outturn.
- The report considered the impact on local life expectancy and economic activity. It had been highlighted nationally that COVID-19 would have a particular impact on health outcomes and economic outcomes for the foreseeable future.
- Regarding the Investment Prospectus, this continued to be delivered on during the COVID-19 pandemic, although there were implications that needed to be taken into account as part of the new Strategic Plan.

At this point in the meeting, Members were invited to ask questions in respect of the Strategic Plan review. The following questions/comments were raised:

- A Member made reference to previous information provided in relation to children in care and the financial support required (in excess of £12m), and queried how this was being impacted and whether there had been any developments undertaken in this regard. In response, it was indicated that there were circa. 72 children now in residential care who were in external residential placements, and those cases were being looked at at present. There was a cohort of around 15-20 children who were

- high volume. The results of this exercise would be fed back in due course.
- A Member raised concerns regarding two investment-related issues following COVID-19. It was commented that there may not be the same amount of retail outlets in the Town Centre following the pandemic, and therefore consideration may need to be given towards the alternative use of buildings. Secondly, in relation to the future of public transport, as a number of bus companies/operators were receiving financial support from the Government at present, there was concern as to what would happen when that support ceased. In response, it was explained that those matters had been acknowledged by the Council's Recovery Sub Group, which focused upon the business economy and infrastructure. It was indicated that these matters would also be considered through the development of the Council's Strategic Plan, and therefore brought back to the Board in the future.
  - A Member made reference to Children's Services and queried the policy of the authority in terms of financially supporting care placements. In response, it was explained that meeting the needs of the children in care was paramount; the work being undertaken was about ensuring that value for money was being obtained from care placements.

The Board was presented with information in respect of the Revenue Budget Outturn Year-End 2019/2020. The following points were made:

- The Council overspent its revenue budget by £6.6m, which was 5.9% over its budget, and up by £884,000 from the Quarter Three projection. The main pressure of the overspend was within Children's Services, where there had been a £7.2m overspend against the budget.
- There had been some better projections or improved underspends in other areas of the Council, which reduced the overall position down to almost £6.6m.
- There was £878,000 of expenditure during March 2020 relating to the COVID-19 pandemic, which had now been covered from the Government's public sector emergency response fund.
- Whilst a £6.6m pressure was being reported, there was £3,325,000 available in a Demand Risk Reserve, which was kept aside as part of the budget to support demand pressures in Social Care, mainly Children's Social Care. It was proposed that this overspend be mitigated by the use of this reserve.
- Paragraphs 40-73 provided details on the Council's 33 various areas.
- Paragraphs 74-81 detailed the revenue budget spending controls, which included a vacancy control process; checks against expenditure over £5,000; and strong controls over staff travel, stationery and first class post. Agency staff were also being looked at, but this had been difficult to implement fully (although was being minimised). The predominant area for agency staff was Children's Services, which was due to difficulties in recruiting staff.
- For 2020/2021, the Children's Services department had plans to mitigate savings pressures, which were outlined at paragraph 78. The effectiveness of these would be reported in the quarterly reports for 2021.
- Mainly due to delays on major schemes resulting from the COVID-19 pandemic, there was an underspend on the capital budget by approximately 5%, which equated to circa. £3.6m. Full details were provided in the report.
- Regarding borrowing and reserves, the Council's balance of borrowing had increased by £60.2m from Quarter Three to stand at £242.7m at Year-End. The increase was a result of three main factors: there was some capitalisation of finance leases, which was a technical issue of £20.8m; there was some short-term (one month) borrowing to ensure that the Council had enough liquidity for its COVID-19 response (£20m); and borrowing of £19.4m to support the Investment Strategy and general cash flow purposes.
- The table shown at paragraph 103 set out a summary of the balance of reserves and provisions at the start of 2019/2020 and at Year-End. The 'Transfers to General Fund' column illustrated how that total £6.6m was funded.
- As per paragraph 104, it was highlighted that while the 2019/2020 revenue budget overspend could be covered by the Council's reserves, it was important to note, however, that this would reduce the Council's General Fund Reserve to the minimum level (£9.4m) recommended by the current Section 151 Officer.

Members were invited to ask questions; the following questions/comments were raised:

- A short discussion ensued in relation to foster care. It was commented that it did take a period of time to get a child fostered through the system and was not an instant process. Work continued to take place in this area. A Member commented that one of the reasons why children were placed outside of Middlesbrough was because of their safety; not every case could be returned in-house and therefore there was inevitable financial cost. It was felt that foster carer levels did need to be increased.
- A Member referred to paragraph 55 of the report and queried what the Executive Director of Children's Services budget overspend by £244,000 (82%) at Year-End included. In response, it was indicated that this included agency costs of the agency director at the time, together with the full costs of the previous director, all of which were outlined in the Statement of Accounts. The draft Statement of Accounts was due to be considered by the Corporate Affairs and Audit Committee on 30 July 2020.
- In response to a comment from a Member regarding reserves being at the minimum level, it was explained that this level was determined by a number of factors, but reserves should always be available. The minimum level was attained by calculation, which was regularly reviewed. There may in the future be a desire to increase the level because, as recent events have demonstrated, a greater reserve may be needed.

The Chair thanked the Head of Financial Planning and Support and the Head of Strategy, Information and Governance for their attendance and contributions to the meeting.

#### **NOTED**

#### **SCRUTINY CHAIRS UPDATE**

The Scrutiny Chairs/Vice Chairs in attendance provided an update in respect of the work undertaken by their respective panels since the last meeting of the Board. In light of three scrutiny panels having not formally met, it was agreed that the Scrutiny Work Programme for 2020/2021 would be considered at the 3 September 2020 Board meeting.

**AGREED** that the Scrutiny Work Programme for 2020/2021 would be submitted to the 3 September 2020 Overview and Scrutiny Board meeting for consideration/approval.