

## OVERVIEW AND SCRUTINY BOARD

**Date:** Thursday 8th April, 2021  
**Time:** 4.00 pm  
**Venue:** Virtual Meeting

## AGENDA

Please note: this is a virtual meeting.

The meeting will be live-streamed via the Council's [Youtube channel](#) at 4.00 pm on Thursday 8th April, 2021

1. Apologies for Absence
2. Declarations of Interest  
To receive any declarations of interest.
3. Executive Forward Work Programme 3 - 16
4. Middlesbrough Council's Response to COVID-19  
The Chief Executive and Director of Public Health will be in attendance to provide the Board with an update in respect of the Council's response to COVID-19.
5. Executive Member Update: Executive Member for Communities and Education 17 - 22  
The Executive Member for Communities and Education, Councillor M Smiles, will be in attendance to update the Board on her aims and aspirations, progress made to date and to highlight any emerging issues relating to her portfolio.
6. Strategic Plan 2020-23 - Progress at Quarter Three 2020-21 23 - 38
7. Revenue and Capital Budget - Projected Outturn Position as at Quarter Three 2020/21 39 - 64

8. Scrutiny Chairs Update

Ad Hoc Scrutiny Panel - Councillor J. Thompson  
Adult Social Care and Services Scrutiny Panel -  
Councillor J. Platt  
Children and Young People's Learning Scrutiny Panel -  
Councillor S. Hill  
Children and Young People's Social Care and Services  
Scrutiny Panel - Councillor L. Garvey  
Culture and Communities Scrutiny Panel -  
Councillor C. McIntyre  
Economic Development, Environment and Infrastructure  
Scrutiny Panel - Councillor M. Saunders  
Health Scrutiny Panel - Councillor J. McTigue

9. Any other urgent items which, in the opinion of the Chair, may be considered.

Charlotte Benjamin  
Director of Legal and Governance Services

Town Hall  
Middlesbrough  
Monday 29 March 2021

**MEMBERSHIP**

Councillors J Thompson (Chair), M Storey (Vice-Chair), C Cooke, D Coupe, L Garvey, A Hellaoui, T Higgins, S Hill, T Mawston, C McIntyre, J McTigue, J Platt, M Saunders and Z Uddin.

**Assistance in accessing information**

**Should you have any queries on accessing the Agenda and associated information please contact Chris Lunn, 01642 729742, [chris\\_lunn@middlesbrough.gov.uk](mailto:chris_lunn@middlesbrough.gov.uk)**

<b>Report of:</b>	Chief Executive
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<b>Submitted to:</b>	Overview and Scrutiny Board – 8 April 2021
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<b>Subject:</b>	Executive Forward Work Programme
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**Summary**

<b>Proposed decision(s)</b>
It is recommended that the Overview and Scrutiny Board consider the content of the Executive Forward Work Programme.

Report for:	Key decision:	Confidential:	Is the report urgent?
Information	No	N/A	N/A

Contribution to delivery of the 2020-23 Strategic Plan		
People	Place	Business
Open and transparent scrutiny supports all elements of the Mayor’s Vision.	Open and transparent scrutiny supports all elements of the Mayor’s Vision.	Open and transparent scrutiny supports all elements of the Mayor’s Vision.

<b>Ward(s) affected</b>
All Wards affected equally

**What is the purpose of this report?**

To make OSB aware of items on the Executive Forward Work Programme.

**Why does this report require a Member decision?**

The OSB has delegated powers to manage the work of Scrutiny and, if appropriate, it can either undertake the work itself or delegate to individual Scrutiny Panels.

One of the main duties of OSB is to hold the Executive to account by considering the forthcoming decisions of the Executive and decide whether value can be added by Scrutiny considering the matter in advance of any decision being made.

This would not negate a Non-Executive Member’s ability to call-in a decision after it has been made.

## **What decision(s) are being asked for?**

It is recommended that the Overview and Scrutiny Board consider the content of the Executive Forward Work Programme.

## **Other potential decisions and why these have not been recommended**

No other options were considered.

## **Impact(s) of recommended decision(s)**

### ***Legal***

Not Applicable

### ***Financial***

Not Applicable

### ***Policy Framework***

The report does not impact on the overall budget and policy framework.

### ***Equality and Diversity***

Not Applicable

### ***Risk***

Not Applicable

## **Actions to be taken to implement the decision(s)**

Implement any decision of the Overview and Scrutiny Board with regard to the Executive Forward Work Plan.

## **Appendices**

The most recent copy of the Executive Forward Work Programme (FWP) schedule is attached as Appendix A for the Board's information.

## **Background papers**

Executive Forward Work Plan

**Contact:** Chris Lunn  
**Email:** [chris\\_lunn@middlesbrough.gov.uk](mailto:chris_lunn@middlesbrough.gov.uk)



## APPENDIX A

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Council Strategy	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
<b>Executive Member - The Mayor</b>							
1008947 All Wards	Strategic Plan 2021-24: approach to delivery To endorse the proposed milestone plans to ensure achievement of the Council's strategic priorities for the 2021-24 period.	Executive Member - The Mayor 13 Apr 2021			Public		The Mayor <i>Gemma Cooper</i> <i>gemma_cooper@middlesbrough.gov.uk</i>
<b>Deputy Mayor and Lead Member - Children's Social Care</b>							
1008317 All Wards	Children's Services Improvement Programme	Executive 16 Mar 2021		KEY	Public		Deputy Mayor and Lead Member for Children's Social Care

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Council Strategy	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
	Quarterly update To provide members of the Executive with an overview of the strategic and operational actions undertaken in the last quarter against the Children's Services Action Plan 2020/21						<i>Executive Director of Children's Services</i>
1008734 All Wards	Corporate Parenting Strategy That Executive ratifies and supports the Corporate Parenting Strategy	Executive 16 Mar 2021			Public		Deputy Mayor and Lead Member for Children's Social Care <i>Executive Director of Children's Services</i>
1008777 All Wards	Youth Services Update To provide Executive with an update on the outcome of the tender for Youth Services and progress on mobilisation of the services for go live on 1st April 2021.	Executive Member - Deputy Mayor and Lead Member for Children's Social Care 30 Mar 2021		KEY	Public		Deputy Mayor and Lead Member for Children's Social Care <i>Rachel Farnham, Director of Children's Care</i> <i>Rachel_Farnham@middlesbrough.gov.uk</i>

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Council Strategy	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
<b>Executive Member - Adult Social Care and Public Health</b>							
I008723 All Wards	Acceptance of the Holiday Activities Fund 2021 grant That the Executive approves the acceptance of the Holiday Activities Fund 2021 grant.	Executive 16 Mar 2021		KEY	Public		Executive Member for Adult Social Care and Public Health, Executive Member for Communities and Education <i>Director of Adult Social Care &amp; Health Integration, Director of Education and Partnerships</i>
<b>Executive Member - Communities and Education</b>							
I008185 All Wards	Community Safety Plan 2020-2022 That Executive approves the Community Safety Plan 2020-2022 as agreed by the Community Safety Partnership on 23rd October 2020.	Executive 11 May 2021		KEY	Public		Executive Member for Communities and Education <i>Lucy Green</i> <i>Lucy_Green@middlesbrough.gov.uk</i>
I008655 All Wards	Virtual School Annual Report This report sets out the work the Virtual School has undertaken over the last year to support the educational progress of our	Executive 11 May 2021			Public		Executive Member for Communities and Education <i>Trevor Dunn, Head of Access to Education</i> <i>trevor_dunn@middlesbrough.gov.uk</i>

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Council Strategy	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
	looked after children. It provides both a narrative and a detailed numerical analysis of impact to enable the achievements of the children to be fully understood.						
<b>Executive Member - Environment</b>							
1008733 All Wards	Recycling and Education Report A report on developing a Waste & Recycling Education / Awareness programme across Middlesbrough to increase recycling.	Executive 16 Mar 2021		KEY	Public		Deputy Mayor and Lead Member for Children's Social Care, Executive Member for Environment <i>Andrew Mace, Head of Environment Service</i> <i>Andrew_Mace@middlesbrough.gov.uk, Marion Walker</i>
1008724 All Wards	Green Strategy That Executive approve the adoption of the Green Strategy, following the public consultation.	Executive 13 Apr 2021		KEY	Public		Executive Member for Environment <i>Simon Blenkinsop</i> <i>simon_blenkinsop@middlesbrough.gov.uk</i>
1008176 All Wards	Proposed School Cleaning Price Increase 20/21	Executive 14 Sep 2021		KEY	Public		Executive Member for Environment <i>Martin Shepherd</i>



Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Council Strategy	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
	That Executive considers the proposed school cleaning price increase for financial year 2020/2021 and approves the proposed recommendations.						<i>martin_shepherd@middlesbrough.gov.uk</i>
<b>Executive Member - Finance and Governance</b>							
008778 All Wards	<p>Process to Administer Grant Funding This report seeks support for implementing a Policy for the Council receiving and managing grant funding received from the Government and other third parties.</p> <p>It also requests approval for the delegation to officers of decisions relating to the distribution and</p>	Executive 16 Mar 2021		KEY	Public		Executive Member for Finance and Governance <i>Keely Trainor</i> <i>Keely_Trainor@middlesbrough.gov.uk</i>

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Council Strategy	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
Page 10	expenditure of any such funding in consultation with the Section 151 Officer. Where there is an element of discretion with regard to the allocation of funding, that officers have delegated authority to make amendments to the scheme and the criteria for receiving grants, in consultation with the Section 151 Officer.						
I008572 All Wards	Tender Pipeline Approval 2021/22 To approve Middlesbrough Council's tender pipeline for 2021/22 and agree delegation of award to the relevant Director.	Executive 16 Mar 2021		KEY	Public		Executive Member for Finance and Governance <i>Keely Trainor</i> <i>Keely_Trainor@middlesbrough.gov.uk</i>
I008260 All	Community Asset Transfers	Executive Before 31 Mar		KEY	Public		Executive Member for Finance and Governance

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Council Strategy	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
Wards	That the Executive approves the recommendation to seek expression of interests for future potential execution of community asset transfer leases for Brambles Farm Community Centre CC, Langridge Initiative Centre, The International Centre and 22 Holylake, seeking more detail from the four organisations that have already expressed an interest and allowing for a further six weeks to enable other parties to submit their own expressions of interest in the four locations.	2021					<i>Keely Trainor Keely_Trainor@middlesbrough.gov.uk</i>
1002457 All Wards	Community Benefit From Land Sales Policy TBC	Executive Before 31 Mar 2021			Public		Executive Member for Finance and Governance <i>Keely Trainor Keely_Trainor@middlesbrough.gov.uk</i>

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Council Strategy	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
1008210	Surveillance Policy Surveillance Policy sets the governance framework for decisions to undertake covert directed surveillance where there is a legitimate reason to do so.	Executive Member - Finance and Governance 30 Apr 2021			Public		Executive Member for Finance and Governance <i>Keely Trainor</i> <i>Keely_Trainor@middlesbrough.gov.uk</i>
<b>Executive Member - Regeneration</b>							
1008288 Central	Council Future Office Accommodation - Preferred Option - Part A Revisiting the options appraisal for the Council's future accommodation and identifying the preferred option.	Executive 16 Mar 2021		KEY	Public		Executive Member for Regeneration, Councillor Chris Hobson, Executive Member for Finance and Governance <i>Richard Horniman, Director of Regeneration</i> <i>Richard_Horniman@middlesbrough.gov.uk</i>
1008951 Central	EXEMPT Council Future Office Accommodation - Preferred Option - Part B That Executive considers the	Executive 16 Mar 2021		KEY	Fully exempt		Executive Member for Finance and Governance, Executive Member for Regeneration <i>Richard Horniman, Director of Regeneration</i> <i>Richard_Horniman@middlesbrough.gov.uk</i>

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Council Strategy	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
Page 13	building options that have been explored for the future accommodation of Council Staff and approves:  a) a departure from Centre North East being considered the preferred option due to changing circumstances; b) Fountains Court being the preferred option for the future accommodation of staff; and, c) the purchase of Fountains Court.						
	1008722 Central	Teessaurus Park Improvement That Executive approve the proposal to further develop and improve Teessaurus Park.	Executive 16 Mar 2021		KEY	Public	Executive Member for Environment, Councillor Mieka Smiles, Executive Member for Communities and Education <i>Richard Horniman, Director of Regeneration</i> <i>Richard_Horniman@middlesbrough.gov.uk</i>
1008516 Nunthorpe	Voluntary Registration of Land at The Avenue,	Executive 16 Mar 2021			Public		Executive Member for Regeneration <i>Paul Clarke</i>

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Council Strategy	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
	Nunthorpe as a Village Green / Nunthorpe Village Green That Executive approves an application seeking the voluntary registration of land at The Avenue, Nunthorpe as a Village Green.						<i>paul_clarke@middlesbrough.gov.uk</i>
1008559 Hemlington	Hemlington Grange - Statement	Executive Before 31 Mar 2021			Public		Executive Member for Regeneration <i>Paul Clarke</i> <i>paul_clarke@middlesbrough.gov.uk</i>
1008671 Nunthorpe	Nunthorpe Commitments A series of commitments to the people of Nunthorpe about future developments	Executive 13 Apr 2021		KEY	Public		Executive Member for Regeneration <i>Steve Fletcher, Head of Development</i> <i>Steve_Fletcher@middlesbrough.gov.uk</i>
1008779 All Wards	2021/22 Transport and Infrastructure Capital Programme That Executive approves the	Executive 13 Apr 2021		KEY	Public		Executive Member for Environment, Executive Member for Regeneration <i>Chris Orr</i> <i>Chris_Orr@middlesbrough.gov.uk</i>

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Council Strategy	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
	proposals to allocate funding to deliver infrastructure as identified within the report.						<i>v.uk</i>
1008732 Acklam	MDC Tollesby Confirming the financial arrangement for the development at Tollesby by the Middlesbrough Development Company.	Executive 11 May 2021		KEY	Public		Executive Member for Regeneration <i>Richard Horniman, Director of Regeneration</i> <i>Richard_Horniman@middlesbrough.gov.uk</i>
1002484 Central	Boho Residential Towers - Site Disposal That Executive approves the proposal to proceed with the disposal of the Council's freehold interest in land at Middleshaven in order to facilitate the development of the Boho Residential Towers.	Executive 18 May 2021		KEY	Public		Executive Member for Finance and Governance, Executive Member for Regeneration <i>Director of Regeneration and Culture</i>

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<b>Executive Portfolio:</b>	<b>Executive Member for Communities and Education</b>
<b>Portfolio Holder:</b>	Councillor Mieka Smiles
<b>Lead Officer:</b>	Executive Director of Children's Services/Director of Education, Prevention and Partnerships/ Director of Regeneration and Culture/Director of Environment and Community Services
<b>SCOPE OF PORTFOLIO</b>	
<p>The Executive Member for Communities and Education has responsibility to ensure that all children are provided with the opportunity to realise their educational attainment potential.</p> <p>The Executive Member will also oversee the provision of educational statutory services to address the needs of all children and young people and adults who are in need of services (including youth justice). Quality education is the key to good life chances for all. The Executive Member is responsible for the following:</p> <ul style="list-style-type: none"> <li>• Access to Education</li> <li>• Achievement</li> <li>• Vulnerable learners and SEN</li> <li>• School Readiness (including Children's Centres)</li> <li>• Work Readiness</li> <li>• School partnerships</li> <li>• Adult and Community Learning</li> <li>• Youth Offending</li> </ul> <p><b>Policy Framework – Education</b></p> <ul style="list-style-type: none"> <li>• National Curriculum</li> <li>• Assessment &amp; Accountability Framework 2020/21</li> <li>• Children &amp; Families Act 2014 – SEND Reforms</li> <li>• Ofsted Framework</li> <li>• School Finance Regulations 2013</li> <li>• Education Act 2011</li> <li>• Academies Act 2010</li> <li>• Education and Skills Act 2008</li> <li>• Education and Inspection Act 2006</li> <li>• Children Act 2004(relevant to portfolio)</li> <li>• Education Act 2002</li> <li>• Crime and Disorder Act 1998</li> <li>• School Standards &amp; Framework Act 1998 as amended</li> <li>• Education Act 1996 as amended</li> </ul>	

- Statutory Framework for Early Years Foundation Stage
- Apprenticeships, Skills, Children and Learning Act 2009
- Early Years Foundation Statutory framework
- Crime and Disorder Act 1998

**Other Plans and Strategies - Education**

- Children and Young People's Plan
- Education and Priorities Strategy
- School Effectiveness Strategy
- 14-25 Strategy
- Vulnerable Learners Strategy
- Children's Services Improvement Plan
- Capital Strategy & Asset Management Plan (Schools)
- Scheme for Financing Schools
- Adult Learning Plan
- Youth Employment Strategy
- Special Educational Needs and Disability Reforms
- School Improvement Strategy
- Healthy Child Programme (5 – 19) (including School Nursing service)
- School Improvement Strategy
- Youth Justice Plan
- SEND Strategy
- Inclusion Strategy

**Service Functions – Education**

- Advisory Service
- Special Educational Needs & Pupil Support
- Parent Partnership/Choice Advice
- Cleveland Unit nursery and child assessment centre
- Reduce first time entrants to criminal justice system (young people)
- Reduce reoffending (young people)
- Education Psychology
- Peripatetic Sensory Impairment Service (lead for joint arrangement)
- Pupil Referral Units

- Home & Hospital Education Service
- Virtual School for Looked After Children
- Ethnic Minority Achievement Service
- Traveller Education Service (lead for joint arrangement)
- Attendance & Child Employment Licensing
- School Admissions
- Governor Development Service
- School Business Relationship Management
- School Place Planning/School Organisation
- Capital Programme management (Schools)
- Middlesbrough Achievement Partnership support
- Community Learning and Employability
- Promote educational excellence for all children and young people
- Tackle underperformance
- Education of vulnerable children
- Special educational needs
- Strategic School place planning
- Liaison with education partners
- Skills Development
- School organisation
- Place planning
- Admissions
- Attendance
- Attainment
- SEN
- Cleveland Unit
- Sensory impairment
- Complimentary Education
- Adult and community learning

The Executive Member for Communities and Education also has responsibility for strengthening the town's cultural sector and creating safer communities, in accordance with the Mayor's Priorities. The Executive Member for Communities and Education will also have responsibility for:

- Services to support vulnerable people

- Community Safety and Community Development
- Empowering communities and individuals to access opportunities
- Supporting people into employment
- Cultural Strategy
- Migration and Asylum Seekers
- Welfare Rights
- Corporate Equality and Diversity Policy

#### **Policy Framework – Communities**

- Voluntary Sector
- Strategic Approach to Addressing Poverty
- Community Safety including Law and Order Issues
- Community Development
- Community Hub Development
- Civil Contingencies Act 2004
- Crime and Policing Act 2014
- Human Rights Act
- Cultural Strategy

#### **Service Functions – Communities**

- Myplace
- Community Hubs
- Libraries and Archives
- Community Safety
- Street Wardens
- Neighbourhood Safety
- Migration and Asylum Seekers
- Volunteering
- Welfare Reform
- Diversity (including Asylum Seekers / Refugees and Community Cohesion)
- Neighbourhood Working
- Events Management
- Town Hall and Theatre
- Museums

In circumstances where it is considered that an Executive Member would have a prejudicial interest the matter will be referred to the Deputy Mayor.

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<b>MIDDLESBROUGH COUNCIL</b>	
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<b>Report of:</b>	The Elected Mayor of Middlesbrough; Chief Executive
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<b>Submitted to:</b>	Executive - 16 February 2021
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<b>Subject:</b>	Strategic Plan 2020-23 - Progress at Quarter Three 2020/21
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**Summary**

**Proposed decision(s)**

- That the Executive notes progress made in implementing the Council’s Strategic Plan 2020-23 in Quarter Three 2020-21 and the ongoing and likely future impact of COVID-19 on strategic objectives where they are known at this stage.
- That in light of the above, the Executive notes the Council’s updated Strategic Risk Register at Appendix 1.

Report for:	Key decision:	Confidential:	Is the report urgent?
Information	No	No	No

**Contribution to delivery of the 2020-23 Strategic Plan**

People	Place	Business
Quarterly monitoring, review and action planning plays a central role in ensuring that the Strategic Plan is delivered effectively.		

**Ward(s) affected**

None.

## **What is the purpose of this report?**

1. This report advises the Executive of progress against the 2020-23 Strategic Plan and outlines strategic risks at Quarter Three 2020/21.

## **Why does this report require a member decision?**

2. The Council's Scheme of Delegation gives the Executive collective responsibility for corporate strategic performance, together with associated action.
3. This report provides the necessary information to enable the Executive to discharge its performance management responsibilities, setting out:
  - a progress update against the 2020-23 Strategic Plan, summarising the actual and likely future impact of the COVID-19 pandemic on the Council's strategic objectives, where they are known at this stage;
  - an update on the Council's Strategic Risk Register; and
  - actions that the Council has taken and plans to take to address the issues raised.
4. The financial projections for Quarter Three are presented separately at the same meeting of the Executive, and so not repeated here. Where performance has a significant impact on financial performance that is highlighted across both reports.

## **Report Background**

### **Strategic Plan 2020-23**

5. The Council is in the process of refreshing its Strategic Plan in the light of COVID-19, with a separate report to this meeting setting out proposed changes for the endorsement of the Executive prior to consideration by full Council. This report outlines progress against the current Strategic Plan which was approved by Council on 15 January 2020.

### **COVID-19 Recovery Plan update**

6. At its meeting of 24 November 2020, the Executive approved a revised approach to the Council's COVID-19 Recovery Plan. Approval of minor amendments to in-quarter timescales against Recovery metrics and timescales was also delegated to the Council's Recovery Group (chaired by the Chief Executive), with any significant variation to approach or deliverables reported via the quarterly Strategic Plan progress reports.
7. Since November, work was undertaken to ensure revised metrics are reflective of the longer-term considerations for Recovery and supported by robust milestone delivery plans. As at January 2021, progress against the plan (by Strategic Plan aim and workstream) was assessed as follows:



Strategic Plan aim	Recovery workstream	Headline metrics	G	A	R	Overall RAG
People	Health and Wellbeing	3	3	0	0	G
	Children's Care	3	2	1	0	A
	Adult Social Care	4	1	2	1	R
	Education and Skills	3	2	1	0	A
Place	Environment and Infrastructure	3	3	0	0	G
	Business, Economy and Town Centre	5	5	0	0	G
Business	Council Services and Priorities	5	4	1	0	A
	<b>Total</b>	<b>26</b>	<b>20</b>	<b>5</b>	<b>1</b>	<b>R</b>

8. The current overall Red status of the plan reflects the recent surge in COVID cases, nationally imposed restrictions and a renewed focus on Response, as opposed to Recovery.
9. As such and following detailed assurance against Recovery progress, a decision was taken by the Recovery Group on 7 January 2021 in line with its delegated authority to pause all Recovery sub-group meetings and associated activities until national lockdown arrangements are reviewed and the impact upon Middlesbrough is fully understood, at which point Recovery approaches and priorities will be revisited / revised, where appropriate.
10. A further update will be provided as part of the Year-End Strategic Plan progress report, with further changes to arrangements proposed if appropriate.

### Progress against strategic priorities at Quarter Three 2020/21

11. The following paragraphs set out in brief the key headlines from Quarter Three relating to the Council's *current* strategic priorities, including where available current estimates of the impact of COVID-19 and future plans.

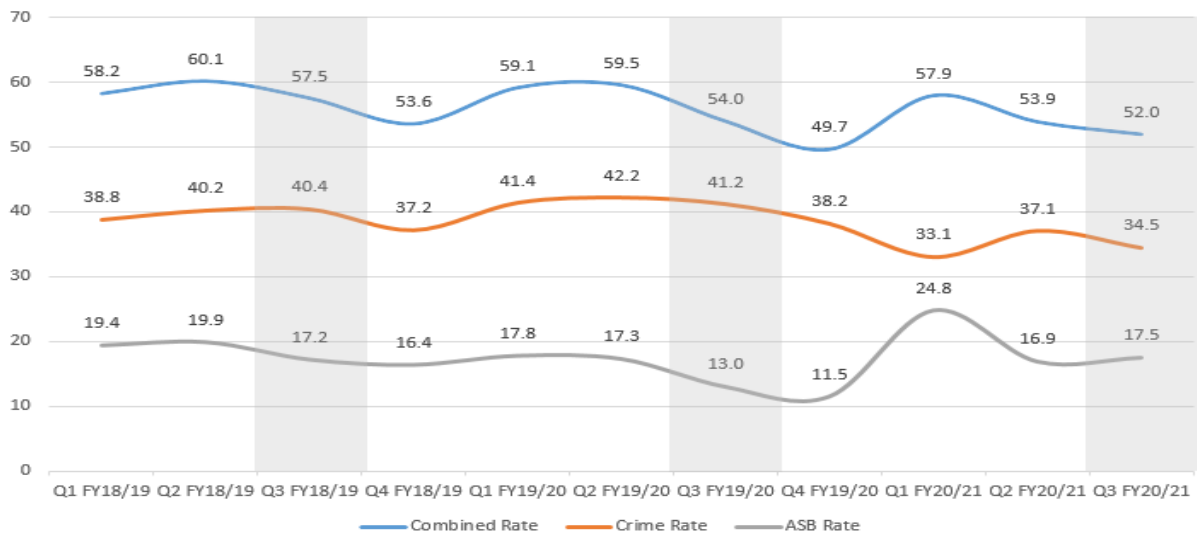


#### People

##### ***Tackling crime and anti-social behaviour head on (Mayoral priority)***

12. The impact of COVID-19 on crime and anti-social behaviour (ASB), both nationally and within Middlesbrough, remains significant.
13. At 52.0 incidents per 10,000, the combined recorded crime and ASB measure in Middlesbrough showed a 4% decrease at the end of Quarter Three 2020/21 from Quarter Two.
14. The rate at Quarter Three was also 4% below the rate for the same period in 2019/20, and 10% lower than 2018/19. The quarterly movement of crime and ASB rates since the start of 2018/19 is shown in the graphic below, showing the fall in crime and rise in ASB (due to COVID-19 infractions) in the immediate lockdown

periods in Quarter One and around Christmas in Quarter Three, and the subsequent rise in crime as lockdown restrictions eased.



15. Eight wards demonstrated an increased combined rate during Quarter Three, driven primarily by increases in ASB:
  - Hemlington increased by 46% (following a reduction of 22% in the previous quarter);
  - Berwick Hills & Pallister increased by 19% (following a reduction of 15% in the previous quarter);
  - Linthorpe increased by 17% (following an increase of 6% in the previous quarter);
  - Stainton & Thornton increased by 13% (following a reduction of 9% in the previous quarter);
  - Coulby Newham increased by 9% (following a reduction of 22% in the previous quarter);
  - North Ormesby increased by 9% (following a reduction of 6% in the previous quarter);
  - Nunthorpe increased by 8% (following a reduction of 35% in the previous quarter); and
  - Park End & Beckfield increased by 8% (following a reduction of 16% in the previous quarter).
  
16. The Council continues to implement a range of actions to tackle crime and anti-social behaviour in the town in partnership with Cleveland Police and other agencies, with street wardens issuing 636 warnings and 58 Fixed Penalty Notices during the past six months.
  
17. Concern about the potential longer term impact of COVID-19 on mental health and substance misuse has been well-reported nationally. The new commissioning model for complex needs will seek to address these issues by improving outcomes for people with complex, multiple needs and remains on track to launch in April 2021.

### ***Ensuring Middlesbrough has the very best schools (Mayoral priority)***

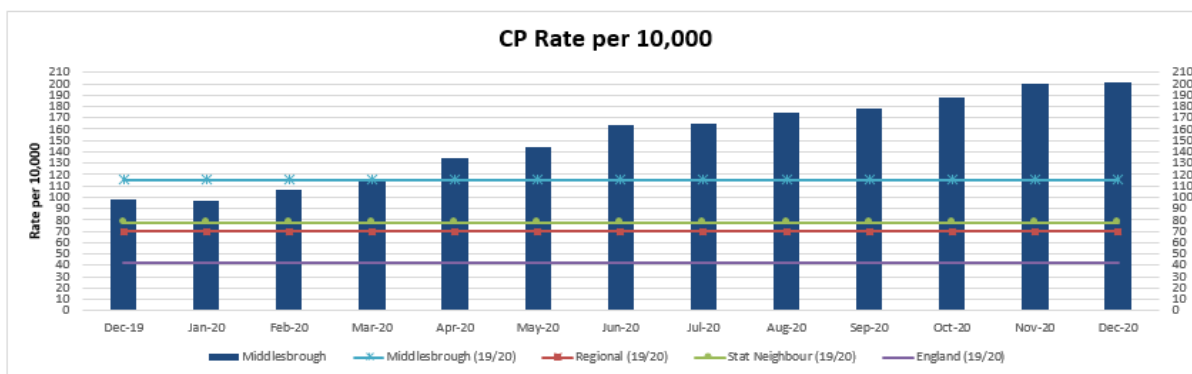
18. During Quarter Three the Department for Education published the Teacher Assessed Key Stage Four results. Middlesbrough children achieved 64.8% in grades 9-4 in English & Maths, against a national of 65.9%.
19. The DfE also announced that exams in 2021 will not go ahead as normal due to the ongoing pandemic. Further details on the approach for 2021 will be released in due course.
20. The Education and Partnerships Directorate continues to focus on ensuring that the most vulnerable children in the town are still able to engage in school work, and attend school where it is in their best interests to do so. To that end the Council is investing £60,000 in laptops, tablets, keyboards and dongles for the most disadvantaged children and young people across Middlesbrough schools where a need has been identified, ensuring digital access and connectivity for all students to participate in remote learning throughout Lockdown and beyond.
21. It is commonly acknowledged that months of lost time in school and longer-term changes to schooling arrangements are likely to have a significant detrimental effect on pupil attainment (particularly that of disadvantaged groups) in future years. The impact of COVID-19 on inequalities in educational outcomes continues to be a key focus of the Council's Recovery Plan.

### ***Ensuring our town is an absolute leader on environmental issues (Mayoral priority)***

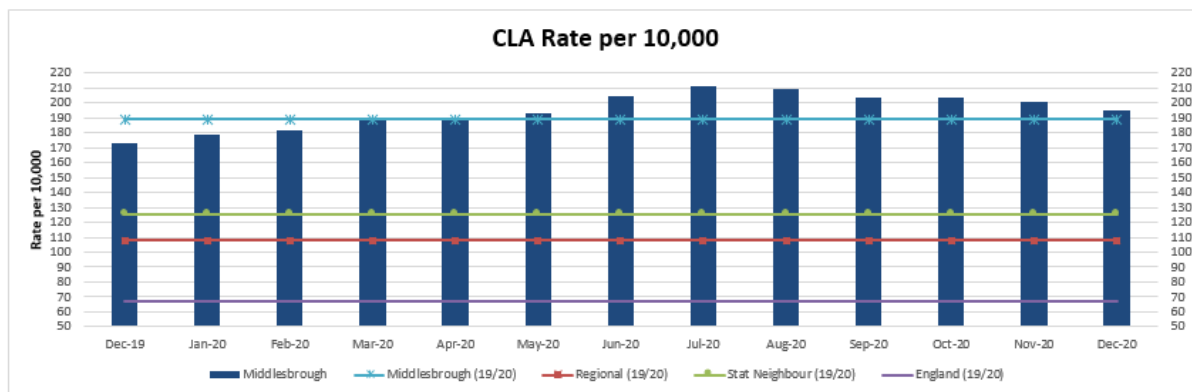
22. The proportion of household waste in Middlesbrough sent for reuse, recycling or composting was 33.7% during the previous quarter, up from 29.5% recorded in Quarter One. While this is an improvement it is expected that the figures for Quarter Three will see a reduction, as green waste collections stopped for the winter.
23. On 24 November 2020, the Executive approved the introduction of fortnightly refuse collections. At a subsequent meeting, following further information in respect of the Council's financial position, a decision was agreed to not introduce these measures at this time. A separate report is presented to this meeting of the Executive, outlining an enhanced recycling engagement approach.
24. After planting more than 700 trees last year across the town last year as part of the emerging Green Strategy, it has been taken one step further by offering free trees to residents to coincide with National Tree Week.
25. On 1 September 2020, the Executive approved consultation on the adoption of an emerging Green Strategy to deliver on the Council's obligations to address climate change. Consultation was originally due to close in mid-January 2021, but was extended to the end of that month. A report outlining findings from the consultation and next steps will be presented to the Executive in March.

**Promoting the welfare of and protecting our children, young people and vulnerable adults / Transforming Children’s Services**

26. The Child Protection (CP) Plan rate rose from 178.4 per 10,000 to 201.6 at Quarter Three, while the rate of children looked after (CLA) by the Council decreased from 204.0 per 10,000 at Quarter Two to 194.5 (as shown in the graphs below). This increase in CP is an ongoing trend, at Year-end 2019/2020 it was 116.5 per 10,000. While the decrease in the rate of CLA by the Council is positive, both CP and CLA rates continue to be the highest in the North East.



	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
Middlesbrough's No. of CPP	323	319	350	382	440	471	536	542	572	585	615	657	661
Middlesbrough's Rate of CPP	98.5	97.3	106.7	116.5	134.2	143.6	163.4	165.3	174.4	178.4	187.5	200.3	201.6



	Dec-19	Jan-20	Feb-20	Mar-20	Apr-20	May-20	Jun-20	Jul-20	Aug-20	Sep-20	Oct-20	Nov-20	Dec-20
Middlesbrough's No. of CLA	568	587	596	618	623	634	670	692	686	669	667	659	638
Middlesbrough's Rate of CLA	173.2	179.0	181.7	188.4	190.0	193.3	204.3	211.0	209.2	204.0	203.4	201.0	194.5

27. The declining rate of children looked after by the authority since its high of 211.0 per 10,000 in July 2020 can be attributed to improvement work being undertaken within the service. Following the OFSTED inspection thresholds have been reviewed and re-aligned, and new strategies to help reduce the number of children in care are starting to bear fruition, examples of which are detailed below. A good indicator that improvement work is having results can be seen when comparing our figures with those of other local authorities, where they are seeing a continuing rise in CLA.

- The threshold and response to new admissions to care have been realigned to reduce reactive care admissions as a result of family breakdown. This is supported by a revised approach from the service and from the additional support from the Futures for Families (FFF) model. While showing initial improvement of overall care admissions, the Safeguarding and Care Planning service will need to refer automatically where there is a risk of care admission as a result of family breakdown. This will become more challenging in the months ahead as the FFF

service reaches its capacity and creative wrap-around packages will be put into place to continue the current trajectory.

- The revised approach to pre-proceedings and gateway means that the number of urgent applications being made to court is reducing as a more focused pre-proceedings approach is taken, and improved 'front loading' of cases will start to emerge. This is in the infancy of its implementation and the impact will be measured going forward taking into account court comparator data from CAFCASS.
- Innovate Children and Young People's Services was commissioned in July 2020 to provide a team of social workers to progress 90 children subject to a Care Order. The aim of the intervention was to provide permanence for children, achieve placement stability, and support children out of residential placements back into family life, thus improving outcomes for children and reducing Middlesbrough's CLA population.

28. The continuing increase in the rate of children subject to CP also demonstrates a re-alignment of thresholds, and the continuing efforts of the Council to ensure that children receive the right level of support for their needs. Schools have reported a greater level of complexity in cases, partly due to the lack of available earlier interventions during the first national lockdown, which prevented the escalation of risk. One third of assessments completed have domestic abuse as a factor, due to a higher level of need presented, which reaches a social care threshold as a result of the lockdown and a reduced early intervention offer.

29. While significant work remains to do to improve the quality of practice for children and young people in other areas, there are pockets of improvement emerging:

- Key compliance performance figures are improving, such as contact to referral in 24 hours, which reached 95% by the end of the Quarter, and all other contacts were at 93%, in line with performance targets, with improvements sustained over two months. Incremental target setting has been successful in the Directorate performance clinic and the service has responded to this.
- Audits shows improvements in practice as overall judgements of grades have improved and we are seeing particularly improvement practice is key practice areas such as the voice of the child.

30. The Children's Services improvement programme continues to be scrutinised by the Department for Education and Ofsted. A recent independent report (November 2020) commissioned by the Children's Minister Vicky Ford identified the right improvements were being driven by the Directorate and the comprehensive improvement plan is addressing the failures Ofsted identified in the December 2019 inspection.

***Working with communities to improve local health and wellbeing / Joining up health and social care***

31. It is clear that COVID-19 will have a negative impact on health inequalities, which are already pronounced within Middlesbrough, particularly around obesity, mental health and substance misuse, and healthy life expectancy.

32. As reported during Quarter Two, the Council has developed a health inequalities toolkit to support COVID-19 recovery planning and ensure proper consideration was given to the impact the virus has and will continue to have on groups and individuals

and where these impacts might be greater. This toolkit was approved during Quarter Three, and Health Scrutiny has acknowledged it as a key tool for developing inclusive economies. Advanced public health practitioners have been allocated to support each of the recovery work streams in the identification and mitigation of health inequalities as part of recovery. This work has led to some positive engagement on the inequalities agenda, including:

- incorporating health care infrastructure into town centre design as part of the refreshed Town Centre Strategy, alongside ensuring that local developments take into context the health and care needs of communities; and
- an invitation for Public Health to join a bid team with Regeneration and Teesside University for research regarding strategic developments in housing and area 'liveability'.

33. The council is continuing to provide support to the health and social care sectors. During Quarter Three it has worked closely with the NHS to support hospital discharges as part of efforts to ensure the NHS is not overwhelmed by cases during the current wave of the pandemic. It is also continuing to act as a co-ordinator for PPE supplies for the care sector, and education. In addition, during Quarter Four it will be co-ordinating vaccine access to social care front line staff within the Council and the wider sector.

### ***Working with local communities to redevelop Middlesbrough's disadvantaged estates***

34. Locality working is now operating in both localities agreed by the Executive during Quarter Two, with a small number of operational staff physically using the locality hubs and a wider multi-agency team working remotely. A strategic Design and Implementation Group is meeting monthly to oversee the development of action plans based on community-led priorities.
35. Community involvement work has been delayed by the current COVID-19 lockdown, however communication with key community members has enabled locality managers to plan community projects that will resume as soon as restrictions lift. In addition, significant work has taken place in Newport linked to 'safer streets' and this is having positive impacts on the neighbourhood.



## **Place**

### ***Transforming our town centre (Mayoral priority)***

36. Town centre footfall decreased by 11% in Quarter Three from Quarter Two (from 2,610,000 to 2,311,000). The decrease was primarily driven by reduced footfall in November, at just under half a million. Footfall in December, with Christmas and late night shopping, increased to 1,048,000 – the highest monthly figure since recording commenced in February 2020. However, the continued closure of some premises, national consumer confidence and most particularly the continued absence of the office-based town centre workforce will continue to have an impact on footfall within the town centre.

### ***Building more town centre homes – and protecting our green spaces (Mayoral priority)***

37. Ninety two houses were completed during Quarter Three, increasing performance from 33% to 35% of the overall Investment Prospectus target.
38. During the quarter the Council received £14.1m from the Government's Future High Streets Fund to boost population and create a regional leisure hub. The bid envisages 650 new homes to be built in the town centre for around 1,500 residents.

### ***Making Middlesbrough look and feel amazing (Mayoral priority)***

39. The 20-week initiative to purge Middlesbrough's potholes was successfully completed during the quarter. The scheme repaired 5,350 defects (equivalent to 26,750 individual potholes), with 13,898m<sup>2</sup> patches completed and 17,663m<sup>2</sup> of carriageway surfacing undertaken by the Council's main contractor.

### ***Implementing our cultural strategy***

40. The Council's performance venues remained closed in Quarter Three in line with COVID-19 restrictions, however Middlesbrough Mela 2020 received national recognition in being named as a winner in the 'Best Online Mela' category by the UK Bhangra Awards 2020.
41. The impact of COVID-19 on the Council's culture ambitions will continue to be a key focus of its Recovery Plan when activity is resumed.

### ***Improving Middlesbrough's rail connectivity***

42. As reported at Quarter One, a £35m local partnership has been formed to transform Middlesbrough station, with support from train operators. The scheme will deliver more train services to the town, including a direct rail link to London, platform extensions to accommodate longer trains and major customer service improvements. It will be a major contributor to the regeneration of the surrounding area, with accompanying business units on Zetland Road, with works to commence in January 2021 with the extension of platform 2.

### ***Developing Middlehaven as a residential, leisure and commercial centre***

43. New plans for the flagship development at the heart of Middlesbrough's Digital City, Boho X, were submitted in December 2020. Part-funded by £26.5 million from the Tees Valley Mayor and Combined Authority, the development will bring 60,000 sq. ft. of high-quality Grade A office space for the digital and creative sector.



## **Business**

### ***Winning investment and creating jobs (Mayoral priority)***

44. Commercial and housing investment in Middlesbrough remains in line with targets, with 52.2% of the overall Investment Prospectus targets achieved at the end of the quarter – up from 50.7% at the end of Quarter Two. As with previous quarters, the rate of growth remains low given the ongoing pandemic.

45. The number of new jobs attributable to the Investment Prospectus increased to 26.2% of the overall Investment Prospectus target (up from 25.1% at the end of Quarter Two), again this reflects the impact of the pandemic, but remains significantly above target.
46. The overall employment rate for Middlesbrough dropped slightly from 65.1% at the end of Quarter One, to 64.2% at the end of Quarter Two. Data is released a quarter in arrears, so the impact of COVID-19 will not be fully seen in the figures until Quarter Three at the earliest.
47. The rise in unemployment as a result of COVID-19 poses a significant risk to living standards – claimant count in Middlesbrough for November remains at 10.2%, 3% above the regional, and 3.9% above national averages. Following recent restrictions and the subsequent lockdown, this is only expected to increase in December and January data.
48. A major focus of the Council's Recovery Plan will therefore be to support those sectors hardest hit by COVID-19, preserving local businesses and jobs, and supporting the unemployed once recovery activity is resumed.

***Introducing a new era of transparency and openness (Mayoral priority)***

49. COVID-19 has expedited the transparency agenda significantly, with all Council committees currently being broadcast live on social media.
50. Over 935 datasets are now available on the Council's Open Data site. The site is refreshed on a weekly basis with additional data added in response to request from residents, members, regulators, and others.
51. The Council launched 'Let's Talk' in December 2020 to seek the views of residents and businesses on proposed revisions to its strategic priorities and approach to the 2020/21 revenue budget. The outcome of this consultation is set out in separate reports to this meeting of the Executive on those matters.

***Creating positive perceptions of our town on a national basis (Mayoral priority)***

52. A Marketing and Communications Delivery Plan for 2021-23 continued to be developed during Quarter Three. Once finalised this plan will guide the Marketing and Communications team work in relation to the refreshed Strategic Plan. The delivery plan will be presented to the Corporate Management Team and the Ad-Hoc Scrutiny Panel during Quarter Three for their views.

***Developing and delivering balanced budgets every year***

53. The Revenue and Capital Budget / Projected Outturn Position at Quarter Three 2020/21 report presented to the Executive today outlines the current financial position facing the Council, with a total projected outturn pressure on the revenue budget at year end 2020/21 of £2.796m, comprising of a non-COVID underspend of £294,000 against the revenue budget, and £3.090m relating to COVID-19 pressures. This is a reduction to the total projected outturn pressure from the £4.405m reported at Quarter Two. The overspend in 2020/21 will be covered by the General Fund Reserve, as approved by Council on 2 September 2020.



54. The Council's spending with local businesses reduced below target in Quarter Three to 31% of overall expenditure, largely as a result of the ongoing pandemic. The 'Buy Boro' campaign continued to be promoted in the quarter to protect and promote Middlesbrough's small businesses through the COVID-19 outbreak and beyond.
55. The number of customer transactions undertaken online during Quarter Three was 59% higher than Quarter Two at 264,000, largely as a result of new services being available online such as COVID-19 Winter Grant Application forms, and Household Waste Recycling Centre bookings. Numbers to date are cumulatively 41% over the target for the year to date.

***Making sure our management practices compare with those of the best***

56. During Quarter Three the Council's External Auditors, EY, provided their assessment of the Council to Corporate Affairs and Audit Committee. They issued an unqualified opinion on the financial statements made by the Council. The Value for Money opinion was qualified on the grounds they were 'unable to conclude that the Council had proper arrangements in place to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people within its children's social care services during 2019/20 given the significant findings raised by the Ofsted inspection published in January 2020.'
57. The Council is addressing these matters through the Children's Services Improvement Plan, as outlined within this report.

***Becoming recognised as a good employer***

58. Employee sickness absence increased from an average of 3.6% of working time at the end of Quarter Two to an average of 4.7% during Quarter Three, reflecting primarily the increase in COVID-19-related absence. At the same point in 2019/20 employee sickness stood at 4.2%.
59. The Council continues to support its workforce through the pandemic through the provision and effective utilisation of remote working technologies and a range of individual support initiatives, including face-to-face counselling. While under current restrictions employees must work at home wherever possible, an exceptions process is in place to allow employees access to office space in view of their household or personal circumstances, subject to a robust managerial risk assessment.
60. While disrupted by the current lockdown, planning for the eventual large-scale reoccupation of office space has continued, with building layouts being redesigned against agreed design standards.

**What decisions are being asked for?**

61. That the Executive notes progress made in implementing the Council's Strategic Plan 2020-23 in Quarter Three 2020-21 and the ongoing and likely future impact of COVID-19 on strategic objectives where they are known at this stage.
62. That in light of the above, the Executive notes the Council's updated Strategic Risk Register at Appendix 1.

### **Why is this being recommended?**

63. To enable the effective management of performance and risk in line with the Council's Local Code of Corporate Governance.

### **Other potential decisions and why these have not been recommended**

64. Not applicable.

### **Impact(s) of recommended decision(s)**

#### **Legal**

65. The proposed recommendations are consistent with and will promote the achievement of the Council's legal duty to achieve Best Value.

#### **Financial**

66. There are financial implications relating to some performance issues and COVID-19 recovery activity outlined in this report. These are summarised in the Revenue and Capital Budget / Projected Outturn Position at Quarter Three 2020/21 report considered by Executive at this meeting.

#### **Policy framework**

67. The Strategic Plan and associated budgets form part of the Council's Policy Framework.

#### **Equality and diversity**

68. As reported to Council in January 2020, no negative differential impact on diverse groups and communities is anticipated from the direction of travel set out in the Strategic Plan 2020-23.
69. As reported to the Executive in June 2020, no negative differential impacts on diverse groups and communities within Middlesbrough are anticipated from the delivery of activity set out within the COVID-19 Recovery Plan, which in part aims to address the assumed increase in local inequalities in income, health, educational attainment and other areas arising from COVID-19.

#### **Risk**

70. In line with the Council's Risk and Opportunity Management Policy, the corporate Strategic Risk Register (SRR) was reviewed in the quarter.
71. At Quarter Three 2020/21, the total number of risks on the SRR remained at 35 (23 red, 11 Amber and one green) but with some movement. The SRR is summarised at Appendix 1.
72. Three risks have reduced to a level below the SRR threshold and will be monitored at Directorate level:

- insufficient Year 7 school places to meet demand, due to the opening of the new school at Middlesbrough College and allocation of places;
- failure of Centre Square development to provide expected returns, as lettings have advanced beyond business case assumptions; and
- failure of TeesAMP development to provided expected benefits and returns, as over 50% of the development is now let, or in contractual positions, beyond business case assumptions.

73. Three new risks were added:

- failure to achieve full reimbursement from Government for costs incurred responding to COVID-19 to date;
- the risk of business continuity being impacted by a 'No Deal' BREXIT has been closed following the UK / EU Trade and Security Agreement in December 2020, and replaced with a new risk focused on the risk of the agreement and ensuing discussions on matters including data protection adversely affecting Council operations in future; and
- corporate procurement policies not being adhered to – a risk that was identified as part of work to strengthen risk recording within the Finance directorate, rather than because of a new, emerging risk.

74. The severity of five existing strategic risks reduced during Quarter Three:

- external factors (e.g. Brexit, COVID-19) impacting Middlesbrough's economy *reduced* as a late trade deal was agreed with the EU at the end of 2020, which has improved the circumstances for mitigated trade disruption and the depth of any future economic shock;
- inaccurate MTFP resulting in funding gap requiring further savings has *reduced* as more certainty for 2021/22 following the provisional Local Government Finance Settlement;
- the risk of a terrorist incident (reflects National Threat Level) has *reduced* in the short term due to a reduction in the likelihood of large gatherings occurring;
- limited or no partnership involvement due to COVID-19 with the Children's Service Safeguarding Improvement Plan has *reduced* as partners now involved via Strategic Board, supported by Children's Trust, and COVID planning incorporates partners; and
- poor skills profile of school leavers has *reduced* as NEET figures remain low for Middlesbrough, and strong links between CLC / Middlesbrough College and schools to ensure avoidance of NEET.

### **Actions to be taken to implement the decision(s)**

75. Mitigating activity set out in the main body of the report will continue to be applied by Directorates as stated.

### **Appendices**

1 Summary Strategic Risk Register at Quarter Three 2020/21

## Background papers

15/01/20	Council	Priorities of the Elected Mayor and Strategic Plan 2020-2023
18/02/20	Executive	Strategic Plan 2019-22 – Progress at Quarter Three 2019/20
16/06/20	Executive	Strategic Plan 2020-23 – Progress at Year-end 2019/20
18/08/20	Executive	Revenue and Capital Budget / Projected Outturn Position at Quarter One 2020/21
18/8/20	Executive	Strategic Plan 2020-23 – Progress at Quarter One 2020/21
24/11/20	Executive	Strategic Plan 2020-23 – Progress at Quarter Two 2020/21

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## Appendix 1: Summary Strategic Risk Register at Quarter Three 2020/21

The table below sets out high and medium risks to the achievement of the Council's strategic priorities at Quarter Three 2020/21 in order of severity, with impacts ranging from insignificant to extreme, and likelihood ranging from rare to almost certain to happen.

In line with its Risk and Opportunity Management Policy, the Council aims (where possible) to manage down High risks to the lowest practicable level immediately and Medium risks to the lowest practicable level within three months.

Risk Level	Risk	Likelihood	Impact	Trend
High	Failure to control expenditure within Children's Services (MFTP pressure).	Likely	Extreme	→
High	Failure to achieve full reimbursement from Government for costs incurred in responding to COVID-19 to date and risks of further costs being incurred as a result of local outbreaks (MFTP pressure).	Possible	Extreme	→
High	Insufficient funding to meet increased expenditure that might be incurred from increased demand as a result of COVID-19 (MFTP pressure).	Possible	Extreme	→
High	Failure to adapt service delivery to COVID-19 Secure guidelines.	Possible	Extreme	→
High	External factors (e.g. Brexit, COVID-19) impacting Middlesbrough's economy.	Likely	Major	↓
High	Retail market distress impacting Middlesbrough town centre.	Likely	Major	→
High	Breach of data rights due to untimely response to information requests.	Likely	Major	→
High	High residential voids / low sale values within Middlesbrough.	Likely	Major	→
High	Inadequate safeguarding practices lead to children and young people being at risk.	Likely	Major	→
High	UK / EU Trade and Security Deal adversely affecting Council operations.	Possible	Major	<b>NEW</b>
High	Historical investigations requiring changes to social work practice.	Possible	Major	→
High	Inaccurate MFTP resulting in funding gap requiring further savings.	Possible	Major	↓
High	Partners' funding position impacting the Council (MFTP pressure).	Possible	Major	→
High	Children impacted by social care transformation.	Possible	Major	→
High	New historic child abuse claims.	Possible	Major	→
High	Failure to maintain adequate corporate governance.	Possible	Major	→
High	Failure to align operations and culture within strategic objectives.	Possible	Major	→

Risk Level	Risk	Likelihood	Impact	Trend
High	Decline in new housebuilding impact on Council income.	Possible	Major	→
High	Failure to adequately plan for new COVID-19 wave or subsequent pandemics.	Unlikely	Extreme	→
High	Failure to comply with statutory duties.	Unlikely	Extreme	→
High	Terrorist incident (reflects National Threat Level).	Rare	Extreme	↓
High	Failure to adhere to corporate procurement policies.	Likely	Moderate	<b>NEW</b>
High	Disruption from national / local elections.	Likely	Moderate	→
Medium	Failure to develop effective partnerships.	Unlikely	Major	→
Medium	Data protection law breach – failure of staff to complete training.	Unlikely	Major	→
Medium	National Waste Review (MTFP pressure).	Unlikely	Major	→
Medium	Future waste disposal contract costs (MTFP pressure).	Unlikely	Major	→
Medium	Reduction in frontline policing impacting on crime / community resilience.	Possible	Moderate	→
Medium	Failure to recruit and / or retain key staff.	Possible	Moderate	→
Medium	Limited or no partnership involvement due to COVID-19 with the Children's Service Safeguarding Improvement Plan.	Possible	Moderate	↓
Medium	Poor skills profile of school leavers.	Unlikely	Moderate	↓
Medium	Inward migration increasing demand for services.	Unlikely	Moderate	→
Medium	Insufficient primary school places in central Middlesbrough.	Unlikely	Moderate	→
Medium	Poor quality of services provided by health partners impacting / increasing demand for Council services.	Possible	Minor	→
Low	Insufficient year 7 school places available to meet demand over the next 5 years	Unlikely	Moderate	→

<b>MIDDLESBROUGH COUNCIL</b>	
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<b>Report of:</b>	Ian Wright - Director of Finance Cllr. Chris Hobson - Executive Member for Finance & Governance
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<b>Submitted to:</b>	Executive - 16 February 2021
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<b>Subject:</b>	Revenue and Capital Budget – Projected Outturn position as at Quarter Three 2020/21
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**Summary**

**Proposed decision(s)**

- That the Executive notes the 2020/21 revenue budget Quarter Three total projected outturn of £2.796m, representing a £294,000 (-0.25%) underspend on non-Covid-19 elements, and the estimated financial effect of Covid-19 in 2020/21 of £3.090m, and the proposed actions to address this.
- The Executive notes the proposed use of the General Fund Reserve, as approved by Council on 2 September 2020, to fund the total projected overspend in 2020/21.
- That Executive approves the proposed revenue budget virements over £150,000 (Appendix 1).
- That the Executive notes the 2020/21 capital budget Quarter Three predicted outturn of £45.195m against a budget of £50.363m, and approves the proposed revised Investment Strategy to 2022/23 at Appendix 2.

Report for:	Key decision:	Confidential:	Is the report urgent?
Decision	Yes - over the financial threshold (£150,000)	No	No

**Contribution to delivery of the 2021-24 Strategic Plan**

People	Place	Business
Quarterly monitoring, review and action planning plays a central role in ensuring that the Strategic Plan is delivered effectively.		

<b>Ward(s) affected</b>
None.

## **What is the purpose of this report?**

1. This report advises the Executive of the Council's financial position at Quarter Three 2020/21, including the projected effect of Covid-19 on the Council's finances.

## **Why does this report require a member decision?**

2. The Council's Scheme of Delegation gives the Executive collective responsibility for corporate strategic performance and financial management / monitoring, together with associated action. Standing Orders and Financial Procedures require the Executive's approval for major virements between revenue budgets, and in-year changes to the Council's capital Investment Strategy.
3. This report provides the necessary information to enable the Executive to discharge its financial management responsibilities, setting out:
  - projected revenue and capital budget outturns for Quarter Three 2020/21;
  - position statements in relation to the Council's borrowing and its reserves; and
  - actions that the Council has taken and plans to address the issues raised.
4. Standing Orders and Financial Procedures require the Executive's approval of the proposed revenue budget virements over £150,000 (Appendix 1).
5. A revised Investment Strategy for the period to 2022/23 is attached at Appendix 2 for the Executive's consideration and approval.

## **Report Background**

### **Revenue Budget Quarter Three Outturn 2020/21**

6. As reported in previous reports, the Covid-19 pandemic is having a significant impact on the Council's financial position. Covid-19 financial pressures are being monitored separately from the normal non-Covid-19 financial position, and these are reported separately in paragraphs 44 to 72 below.
7. The 2020/21 Revenue budget for the Council is £116,397,000. A revised senior management structure within the Council was implemented during Quarter One and the financial position is reported against this new structure. The Council's outturn position for 2020/21 for non-Covid-19 elements is projected to be an underspend of £294,000 (-0.25%). The split by Directorate is shown in the table below.



Directorate	2020/21 Full Year Budget  £'000s	2020/21 Projected Outturn (excluding Covid-19) £'000s	2020/21 Projected Over / (under) spend (excluding Covid-19) £'000s
Regeneration	3,249	2,322	(927)
Environment and Community Services	19,055	18,629	(426)
Public Health and Public Protection	(2,346)	(3,019)	(673)
Education & Partnerships	2,082	1,676	(406)
Children's Care	36,846	40,881	4,035
Adult Social Care and Health Integration	40,295	40,074	(221)
Legal and Governance Services	7,600	8,087	487
Finance	1,258	1,110	(148)
Central Budgets	8,358	6,343	(2,015)
<b>Revenue Outturn</b>	<b>116,397</b>	<b>116,103</b>	<b>(294)</b>

8. This when added to the estimated Covid-19 pressures of £3.090m detailed in paragraphs 44 to 72 results in a total projected outturn pressure at year end 2020/21 of £2.796m. This is a reduction in the total projected outturn pressure of £1.609m from the £4.405m reported at Quarter Two. The overspend in 2020/21 will be covered by the General Fund Reserve as approved by Council on 2 September 2020.
9. The detail of the variances is set out below. At Quarter Three, 35 areas are projected to be spent +/- £150,000 of the agreed budget.

#### *Regeneration*

10. There has been one additional letting at Tees Advanced Manufacturing Park (TAMP) following the Quarter Two report, creating additional unbudgeted rental income at the site, with a total of £358,000 unbudgeted additional income expected to be received in 2020/21. There is firm interest in other units on the site, which will result in a further positive effect in the income should any leases be agreed prior to the end of the financial year.
11. An underspend of £359,000 is projected for staff savings within the Cultural Services budgets pending a review of the wider Cultural Services.
12. In addition to the above, there are a number of budget areas within Regeneration which have projected variances below £150,000 and these account for the overall £927,000 total underspend on the Regeneration budget projected at year end 2020/21.

#### *Environment and Community Services*

13. The Property Services budget is now projected to be overspent by a total of £77,000 at year end, compared to a £10,000 projected underspend reported at Quarter Two. Within this budget there are projected savings of (£321,000) on building running costs due mainly to reduced occupation of buildings during Covid-19 in addition to a reduction in energy costs, in particular electricity where wholesale prices through the

NEPO arrangement have reduced. Savings of (£190,000) are also predicted due to vacant posts within Building Cleaning. However there is a projected overspend on the Integrated Transport Unit budget of £100,000 due to the level of demand from Children's Services and an increase in the number of low income families entitled to Home to School Transport assistance. This overspend has decreased from Quarter Two due to drop in the anticipated demand on the service. A shortfall in income due to a decrease in the number of cremations following the opening of a crematorium in Stockton is expected to result in a pressure totalling £275,000, and an overspend of £164,000 is estimated in 2020/21 due to the ongoing closure of the Transporter Bridge. Both of these overspends have increased since Quarter Two.

14. The Transport and Infrastructure budget is projected to be underspent by £263,000, a slight increase from Quarter Two, mainly due to staff savings from vacant posts, and efficiencies from the Streetlighting contract returning in-house.
15. The Environment Services budget is predicted to produce a total saving of £221,000. This is primarily due to an underspend on salary costs due to vacant posts within Catering totalling £149,000. In addition, a saving of £72,000 is expected across the Places and Spaces budgets.

#### *Public Health and Public Protection*

16. There are projected savings on Public Health budgets totalling £216,000 mainly due to reduced activity for some demand led services, such as Stop Smoking, NHS Healthcheck programme and prescribing costs, as a result of Covid-19. Also there are staff and supplies and services savings in Public Protection totalling £427,000, partly as a result of charging staffing costs for work undertaken in relation to Covid-19 to Covid-19 grants.

#### *Education & Partnerships*

17. As reported at Quarter Two the Tackling Troubled Families budget is projected to be underspent by £150,000 (18%) at year-end, due to a projected over-achievement in completing and closing cases, thereby maximising grant income over and above the amount required to finance expenditure.
18. There are also projected staff savings of £179,000 within Education services. There is potential for further savings at year end relating to school contributions to capital schemes, which if agreed can be funded from other sources will create a revenue saving.

#### *Children's Care*

19. Following approval by Executive on 24 November 2020 the £2.913m 2020/21 budget for ongoing demand pressures has been transferred to Children's Care. This has been allocated across the budget headings within Children's Care, with £350,000 being allocated to the Independent Fostering Agency (IFA) placements budget, £500,000 to the in-house fostering budget, £1m to the Family and Friends Allowances budget, and the remainder to the centrally held efficiency budgets. The variances outlined below are shown against the revised budgets for the budget headings.

20. The external residential placements budget is projected to be £955,000 (9%) overspent at year end. This is a reduction of £296,000 from the overspend reported at Quarter Two due to delays in placements being charged to Covid-19 costs. The number of external residential placements has reduced to 64 at Quarter Three, due to initiatives such as the Innovate Team, the Futures for Families Programme, and the provision of 9 places at Daniel Court at which is planned to be fully occupied by the end of March 2021. Phase 2 of the Innovate programme is starting in Quarter Four, but this will take time to fully implement and achieve further financial savings.
21. The Independent Fostering Agency (IFA) placements budget is projected to be £1,141,000 (21%) overspent at year-end, which is a decrease from the £1,859,000 reported at Quarter Two. As reported at Quarter Two this is due to an increased number of placements / cases in 2020/21 and the full year effect of 2019/20 increases. Whilst capacity has been maximised within the internal in-house fostering service, an overspend will still exist on this budget to ensure that higher cost external residential placements are minimised. Without the increase in places in fostering in-house provision, the Independent Fostering Agency budget pressure would have increased significantly more than it has.
22. The in-house fostering services budget is projected to be £460,000 (14%) overspent at year-end, compared to the £840,000 overspend reported at Quarter Two. There has been increased demand in 2020/21, in addition to the full year effect of 2019/20 increases. An increase in this budget should be positive as a whole as the cost per child is less expensive than other demand budgets.
23. Demand on the Family and Friends Allowances budget continues to grow and this budget is still projected to have a significant overspend of £1,153,000 (55%) in 2020/21, even after the increase in budget. This is due to a large increase in the number of cases in 2020/21 along with the full year effect of 2019/20 increases. A working group is continuing to investigate processes and payments and there is a plan to increase benefit claim checks to attempt to mitigate this pressure.
24. There is a predicted overspend of £585,000 (17%) on the Assessment and Care Planning and Children in Need teams budget. Despite charging some costs to Covid-19, the projected overspend is mainly due to staff agency costs in 2020/21 to cover sickness and vacant posts. It is currently a challenge to recruit and retain social workers, and a strategy for this is included within the Ofsted Improvement Plan, and supported by the Council's management team. The recruitment of permanent Social work staff is a major challenge to the Council, with the continued reliance on the use of significant levels of agency staff being a significant risk to long term finances of the Council.
25. There is a projected overspend of £269,000 (45%) on the Review and Development budget, due to increased staffing costs to support the reduction in caseloads of social workers to more manageable levels, and the recruitment of agency staff to fill vacant posts due to challenges in recruiting to social worker positions across Children's Services.
26. Internal Residential services is projecting to underspend by £690,000 (24%) at year-end, due to a slower than anticipated implementation of new initiatives and the maximisation of grant funding. Daniel Court and Future for Families are both now

open and increasing occupancy and caseload levels will generate future savings and cost avoidance.

27. Children Looked After teams are projecting a £308,000 (15%) overspend at year end. Similar to Assessment and Care Planning and Children in Need teams, this is mainly due to agency staffing costs to fill vacancies and cover absences. As stated in paragraph 24 the reliance on agency staff, is a significant risk to the Council in the medium to longer term.

#### *Adult Social Care and Health Integration*

28. There are projected staff savings across the Service totalling £275,000 due to turnover of staff. Also, there are supplies and services savings of £240,000 across the Service projected at year end.
29. As a result of the Covid-19 pandemic, there is a projected overall reduction in the cost of care packages (mainly residential care) of £525,000. In addition, service user's contributions to community care packages continue to be received in excess of budgeted income, resulting in a projected underspend of £311,000 at year end.
30. A High Court ruling is anticipated in respect of payments for sleep-in shifts, it is expected the ruling will cost £629,000 in backdated payments (with £195,000 relating to 2019/20). There will be a potential on-going recurring pressure of £434,000 due to this and this will be addressed in the budget set for future years.
31. There is also currently a projected additional saving of £500,000 per annum in the budget requirement for long term residential care due to lower demand. This is after offsetting increased costs of Short Term care, Independent Supported Living, supporting people with Learning Disabilities and pressures on hospital social work. This saving has been included in the MTFP update presented to this Executive. It is proposed that the projected saving in 2020/21 is transferred at year end to an Earmarked Reserve for future use against any potential future demand increases during the Covid-19 recovery period, and the outturn position currently assumes the transfer of £500,000 to the Earmarked Reserve.

#### *Legal and Governance Services*

32. The Legal Services Childcare Costs budget is projected to overspend by £217,000 at year end, due to an increase in court referrals relating to the safeguarding of children and increased agency staffing costs to address the increased caseload. This is a slightly improved position from that reported at Quarter Two. This budget is being closely monitored and efforts are being made to reduce the use of agency staff and the overspend, and updates will be provided in future budget monitoring reports.
33. There is a projected overspend on the Strategic, Information and Governance budget totalling £158,000. This comprises of an overspend of £100,000 on the main Strategic, Information and Governance budget and also an overspend of £58,000 on the Mail and Print budget, with both overspends mainly being due to unachievable income targets. The removal of the unachievable income targets has been included as part of the Revenue Budget, Council Tax, Medium Term Financial Plan and Capital Strategy 2021/22 report to this Executive.

34. An overspend of £170,000 is expected against the budget for Middlesbrough's contribution to the Coroner's Service. This is due to a rise in the number of cases, and also an increase in medical fees and toxicology reports.

#### *Finance*

35. An overspend of £200,000 is estimated on the Support Services Income budget which was not reported at Quarter Two, due to lower levels of income being able to be recharged to external bodies such as the Pension Fund. This estimate is based on the outturn position of 2019/20 and further work is required to determine the actual outturn in 2020/21.
36. The Strategic Commissioning and Procurement main budget is projected to underspend by £193,000 at year end, mainly due to increased income from the NEPO contract rebate, in particular relating to the electricity contract and also staff savings generated from an internal review of the service.
37. There is additional unanticipated income of £200,000 estimated to be received by year end due to rental income from the recent purchase of the Captain Cook Shopping Centre.
38. It should be noted that two areas where variances +/- £150,000 were reported at Quarter Two now have variances less than +/- £150,000. These are the Insurance and Risk Management budget which is now projected to overspend by £100,000, rather than the £200,000 reported at Quarter Two. Also the Revenues and Benefits budget is now projected to overspend by £69,000, rather than the £337,000 underspend reported at Quarter Two, due mainly to an increase in the bad debt provisions for income from court costs and housing benefits overpayments and decreases in staff savings due to the filling of vacant posts.

#### *Central Budgets*

39. The Capital financing budget is currently projected to be underspent by £200,000 at year-end, due to expected delays on projects and reduced interest rates. This budget will be closely monitored during the remainder of 2020/21 and the final year end position will be reported in the end of year outturn report.
40. At Quarter Two it was reported that there were non-rent pressures of £228,000 in 2020/21 relating to business rates and service charges for Centre Square Buildings 1 and 2 which the Council will have to incur in 2020/21 due to tenants not being in place. These have reduced to £30,000 due to the recent receipt of confirmation from the Valuation Office that business rates will not be charged on areas of the buildings that are not being occupied, whereas previously it was assumed that rates would be payable for the whole of the two buildings with effect from July 2020. The total pressure on Centre Square Buildings 1 and 2 (rent and non-rent elements) due to delays in letting the buildings, is therefore currently projected to be £327,000 in 2020/21 based on confirmed tenants for the buildings, which is an improvement against the £519,000 reported at Quarter Two, due to quicker than expected lettings as well as the lower than expected non-rent costs. Tenants for the buildings have now signed contracts and will start to occupy the buildings during the remainder of the financial year following fit out of the buildings.

41. As reported at Quarter Two the Section 31 Business Rates Relief Grant budget is projected to underspend by £1,094,000 at year end due to the receipt of additional grant income.
42. The central provision for Pay and Prices is projected to underspend by £504,000 based on the current expected calls on the budget during 2020/21. This is an increased saving of £72,000 from that reported at Quarter Two mainly due to a lower than estimated cost of the staff pay award in 2020/21.

### ***Progress against budget savings***

43. A total of £6.4m of budget savings for 2020/21 were approved by Council on 26 February 2020 as part of the 2020/21 budget setting. It has not been possible to achieve a number of budget savings due to Covid-19 and these are detailed in paragraph 62 below. There are a further £674,000 of budget savings (shown in the table below) which it will not be possible to achieve in 2020/21. These have been accounted for in the projected outturns for the directorates above and form part of the overall total projected outturn for 2020/21. The unachieved savings have also been factored into the MTFP where appropriate.

Directorate	Ref	Proposal:	2020/21 £'000s
Environment and Community Services	ECS 19	Reduction in operational costs of fleet vehicles in line with planned efficiencies in services across the authority	86
Environment and Community Services	REG 06	Review of Transporter Bridge operational arrangements	40
Finance	CCC 09	Increase advertising income from Love Middlesbrough to ensure self-sufficiency	9
Public Health and Public Protection	PHPP 08	Reduced partnership contributions, decommissioning of small contracts, maintaining existing vacancies and identification of alternative funding sources (part of total saving unachieved)	100
Legal and Governance Services	DIG various	Various Digital savings	256
Regeneration	Invest to Save	Housing Delivery Vehicle	90
Public Health and Public Protection	Invest to Save	The Live Well Centre expansion	93
<b>TOTAL</b>			<b>674</b>

### **Covid-19**

44. As reported in the Quarter One and Two reports and the MTFP Update reports to Executive and Council, the Covid-19 pandemic is having a significant impact on the financial position of all local authorities, including Middlesbrough, and the reports provided key areas affected and estimates of the position for the current financial year. The paragraphs below provide an update of the position as at Quarter Three. It should be noted that this is a constantly changing position and therefore estimates are subject to change, and are dependent on further outbreaks and the impact of any local and/or national lockdowns which will further increase the Covid-19 costs.

#### ***Government funding***

45. As reported previously the financial impact of Covid-19 on local authorities has been recognised by the government and they have responded by making a number of announcements about supporting local authorities financially, indicating that Local Authorities would be fully funded for their direct relevant costs incurred. Four tranches of Covid-19 support funding totalling £15.574m have so far been received for 2020/21. As mentioned above there will be additional expenditure to be incurred if there are further outbreaks and local and/or national lockdowns.

46. As reported previously the Government also announced on 2nd July 2020 further support comprising of :
- A scheme to part fund income shortfalls
  - The ability to recover Collection Fund (Council Tax and Business Rates income) shortfalls over three years as opposed to one year
47. The Sales, Fees and Charges (SFC) scheme which part funds income shortfalls involves a 5% deductible rate, whereby local authorities will absorb losses up to 5% of their planned budgeted 2020/21 sales, fees and charges income, with the Government compensating them for 75p in every pound of relevant loss thereafter. Two claims totalling £3.3m have been made under the scheme covering the periods April to July 2020 and August 2020 to November 2020. It is estimated that Middlesbrough Council will be able to claim a total of approximately £4.7m in 2020/21 under the SFC scheme. It should be noted that the SFC scheme does not cover commercial income lost from investment activities and rental income.
48. A national allocation of Test, Track and Trace funding (£300m) was also announced in June 2020. This funding has been allocated to support local authorities in meeting their costs associated with Test, Track and Trace. The allocation for Middlesbrough is £1.566m. This grant funding is ringfenced for Test, Track, and Trace and potential local outbreaks.
49. The Government also announced on 22 October 2020 a Contain Outbreak Management Fund to provide funding to local authorities to support public health activities, such as local enforcement and contact tracing. This was originally based on an amount per head of population depending on which tier a local authority was in and has been extended for the second national lockdown in December. The total amount allocated to Middlesbrough so far is £2.115m which covers the period until the end of December 2020. The Government has announced that there will be further allocations for the remainder of 2020/21 following the national lockdown which started on January 2021, but the actual amounts to be received have not yet been confirmed along with any additional costs to be incurred.
50. In the recent Spending Review and Provisional Local Government Finance Settlement the Government announced that, as well as allowing local authorities to spread the Collection Fund deficit (council tax and business rates income losses) arising in 2020/21 over the next 3 years (2021/22, 2022/23 and 2023/24), their commitment to compensate councils for 75 per cent of irrecoverable Council Tax and Business Rates losses for 2020/21. Further details of the Government funding estimated to be received in 2021/22 for this is detailed in the Revenue Budget, Council Tax, Medium Term Financial Plan and Capital Strategy 2021/22 report to this Executive.

### *Costs*

51. It is currently estimated that there will be approximately £13.1m of additional costs associated with Covid-19 in 2020/21 and these cover a wide range of areas and services. This is an increase from the £11.3m estimated at Quarter Two, with the key areas of costs outlined in the following paragraphs below. All these costs and any further direct relevant costs should be fully reimbursed by the Government. It should be noted that this is a constantly changing position and therefore estimates are

subject to change, dependant on further outbreaks and the impact of any local and/or national lockdowns which will further increase the Covid-19 costs.

52. Adult Social Care – there are additional costs of approximately £1.3m due to the Council supporting the Care market through a temporary increase in fees in line with Government guidance, along with other costs relating to Adult Social Care estimated to be £0.4m.
53. Children’s Social Care Costs – there are currently estimated to be approx. £4.4m of total additional costs comprising mainly of delays in placements of children (approximately £1.6m) and also increased staffing and agency staffing costs (approximately £2.5m) to deal with an increased number of cases and case backlogs caused by Covid-19. There is also some emerging evidence that following the end of restrictions there may be further increases in numbers of children requiring support, but these are currently not known and will be updated in future reports.
54. There are other estimated costs relating to Children’s Services, in particular around Legal Childcare case backlogs (estimated to be £0.3m) and also within transport of children from home to school (currently estimated to be £0.3m).
55. Environment and Community Services – costs estimated to be approx. £0.5m relating to staff costs within Highways Maintenance for work undertaken relating to Covid-19. Also there are estimated increased costs of £0.5m relating to increased costs of waste collection and disposal due to increased tonnages of waste.
56. Direct Covid-19 Costs - a number of direct costs associated with the current situation such as the procurement of PPE equipment (currently estimated to be approx. £1.2m), costs of the storage of PPE, Community Hub, Shielding and food supplies etc.
57. Other Covid-19 costs – There are currently estimated to be increased costs of £0.2m relating to the costs of temporary mortuary provision at Teesside Advanced Manufacturing Park (TAMP), and increased costs for the removal of bodies. Additional staff costs of £0.2m are estimated within the Revenue and Benefits mainly for additional work undertaken in relation to the distribution of grants to businesses. There are also IT costs for additional equipment of £0.6m.
58. SLM Leisure Trust – As detailed in the Quarter Two report there have been significant payments made to SLM, the Council’s provider of leisure facilities. When leisure facilities were closed SLM furloughed the majority of their staff and the Council agreed to contribute to the remaining costs of furloughing the staff that the Government did not fund. Following the reopening of leisure facilities SLM have not been able to operate to their normal subsidy, with the effects of a restricted operation due to social distancing significantly impacting on their income. This will mean that the total pressure to the Council is estimated to be approximately £1m in 2020/21. This pressure is subject to amendment dependent on lockdown restrictions which have a direct impact on SLM’s ability to run the Centres. The Department of Culture, Media and Sport (DCMS) have announced the “National Leisure Recovery Fund” to which the Council has been awarded a notional grant of £310,000. The Council will receive formal notification of the amount awarded at the end of February 2021, and any funding received will reduce the pressure stated above.



### *Reduction in income*

59. The impact of the lockdown and closure of facilities and services has resulted in a loss of income across a broad range of areas. The following list shows the main areas and the estimated loss for each main area in 2020/21:
- Car Parking (£2m)
  - Cultural activities (Town Hall, Middlesbrough Theatre, Museums, Newham Grange Country Park, Parks) (£1m)
  - Catering income from schools (£0.7m)
  - Adult Social Care - In house day centre care provision (£0.7m)
  - Libraries and Community Hubs – room hire, book sales, and fines (£0.2m)
  - Highways : Capital Works and Street Permit income (£0.2m)
  - Education Services income from schools (£0.2m)
  - Council run Nurseries (£0.2m)
  - Council Tax Court Costs and Housing Benefits Overpayments (£1m)
  - Commercial Rents – business units, industrial estates, shops and bus station (£0.2m)
  - Capital Finance – Rent and Interest (£0.2m)
60. The overall pressure due to a reduction of income will be linked to the recovery of Council services, and in some areas economic activity, and it is currently estimated to total approximately £7.4m in 2020/21.
61. As mentioned in paragraph 47 it is currently estimated that the Council will receive approximately £4.7m from the SFC scheme in 2020/21.

### *Unachievable savings*

62. There are savings built into the Council's Change Programme totalling approximately £1.9m which are likely to be unachievable in 2020/21 due to Covid-19. These include £189,000 of Building Cleaning planned savings which are likely to be unachieved due to the inability to reduce cleaning hours and standards and additional cleaning required because of Covid-19. There are also delays in planned savings of £175,000 relating to a review of direct payments within Adult Social Care which it will not be possible to progress in 2020/21 due to Covid-19. In addition there are £1,094,000 of planned Digital project savings and a £180,000 saving to reduce staff mileage rates across the Council, which are likely to not be achieved in 2020/21 due to Covid-19. Further reviews of the unachieved savings are continuing to take place, mainly relating to the Digital and staff mileage savings, and whether the unachieved savings can be mitigated by any savings elsewhere within the Council, for example reduced mileage undertaken by staff as a result of Covid-19, and the net effect of Covid-19 on these savings will be reflected in the year end position.

### *Council Tax and Business Rates Income*

63. Income from Council Tax and Business Rates (NNDR) is accounted for within the Collection Fund. Because of the way that this works in relation to the General Fund, the financial impact of any reduction in income does not immediately affect this year's financial position, it is effectively a shortfall to be resolved next year and will need to be reflected in an updated Budget and MTFP at the appropriate time.

64. Whilst full complete information is not yet available this financial year it is already clear that there are a number of issues which will result in pressures on Council Tax and Business Rates income.
65. There has been an increase in people claiming Local Council Tax Support (LCTS) as the economic impact of the pandemic increases the number of households eligible for LCTS support. This will lead to a reduction in the overall amount of council tax assessed/collected compared to the level budgeted. Whilst the Government provided additional Covid-19 Council Tax Hardship Grant Funding of £2.832m to top up the local LCTS scheme which meant approximately 6,000 customers not having to pay any Council Tax, there will still be an effect on the estimated amount of income collected.
66. Our budgeted council tax base includes assumptions on housing growth. If there is reduced growth in housing numbers, this will impact on income levels.
67. Despite support for businesses through increased reliefs and grants, there remain a significant number who do not benefit from this support. There is a risk therefore that business rates revenue reduces if businesses fail or are unable to pay.
68. In addition the level of outstanding council tax and business rates debt is likely to rise and the Council will need to review the potential to collect that debt.
69. The current estimated overall financial impact of Covid-19 on Council Tax and Business Rates income to the Council in 2020/21 is £3.696m, but this is still to be confirmed and this is being closely monitored. It is normal practice that any arising deficit would need to be fully funded in 2021/22. However as outlined in paragraphs 46 and 50 the Government have announced that this can be spread over the next three years meaning that there will be an effect of £1.232m in 2021/22, 2022/23, and 2023/24, also that Government funding to compensate councils for an element of the deficit may be received.

#### *Summary of Covid-19 Financial Pressures*

70. The projected financial impact of the Covid-19 pandemic in 2020/21, based on experience in the first nine months of the financial year, is summarised below along with a breakdown of the estimated funding split between the Government grant funding and the Council, based on assumptions made following the Government announcements detailed in paragraphs 45 to 50:

	<u>Grant Allocation</u> £m	<u>Committed</u> £m	<u>Grant Remaining</u> £m	<u>Council Cost</u> £m
Income loss (2019/20)		0.492		
Extraordinary costs incurred (2019/20)		0.385		
Extraordinary costs incurred (2020/21)		13.130		
Commercial income losses		0.483		
Unachievable Change Programme savings		1.954		
<b>Total Covid-19 Main grant</b>	<b>15.574</b>	<b>16.445</b>	<b>0.000</b>	<b>0.871</b>
<b>Sales, Fees and Charges (SFC) income loss grant</b>	<b>4.726</b>	<b>6.946</b>	<b>0.000</b>	<b>2.220</b>
Test And Trace	1.566	1.566	0.000	0.000
Control Outbreak Management fund (COMF) (currently £15/head)	2.115	2.002	(0.113)	0.000
Clinically Extremely Vulnerable (CEV) Funding	0.103	0.103	0.000	0.000
<b>Total Other Grants</b>	<b>3.784</b>	<b>3.671</b>	<b>(0.113)</b>	<b>0.000</b>
<b>TOTAL COVID-19 ESTIMATED GRANTS AND COMMITMENTS</b>	<b>24.084</b>	<b>27.061</b>	<b>(0.113)</b>	<b>3.090</b>

71. The overall financial position is being regularly reviewed to assess impact across all areas and it is likely that this will identify additional pressures and also some potential savings. It should also be noted that this is a constantly changing position and therefore estimates are subject to change, and are dependent on further outbreaks and the impact of any local and/or national lockdowns which will further increase the Covid-19 costs.
72. The above table indicates that there will be a potential financial pressure due to Covid-19 of £3.090m in 2020/21. As approved by Council on 2 September 2020 this will be funded from the General Fund Reserve in 2020/21.

### Revenue budget spending controls

73. As previously reported to the Executive, a number of controls were implemented in 2019/20 to minimise overspending across the Council in-year and these remain in place for 2020/21, specifically:
- a vacancy control process overseen by the Corporate Management Team;
  - checks against proposed expenditure of over £5,000 by the procurement team; and
  - strong controls over staff travel, the ordering of stationery and use of first class post.
74. The Council is continuing to minimise the use of agency staff where it is appropriate to do so, but it is acknowledged that currently there will be a need for the use of agency staff within Children's Care, principally to support the Ofsted Improvement Plan and also due to the impact of Covid-19. Monthly reports on agency costs are reported to senior managers for consideration.
75. As outlined in the Quarter Four report for 2019/20 a number of plans have been put in place for 2020/21 to mitigate overspending within Children's Services. These are outlined below :
- Subjecting cases of children looked after by the Council to ongoing audit, consistent decision making processes and a solutions panel chaired by the Director of Children's Care.

- Re-establishing a Middlesbrough Multi Agency Children's Hub from 1 July 2020 to secure the consistency of thresholds and increasing step-downs to early help and more timely support for children and young people.
- Increasing internal residential capacity at the Futures for Families Middlesbrough Hub (6 places) and Daniel Court (9 places) by 15 additional places, an increase of 136% on current provision. This will mean that more young people will be able to be accommodated by the Council at a lower cost than externally procured placements.
- All external residential placements are being reviewed by a specialist project team set up by the Director of Children's Services to ensure that no children are in residential care who can be fostered or safely returned to their families or the care of relatives. In addition this team will look at all cases that are nearing requirement for residential care with the aim of making sure that all alternative options for support are fully explored before residential provision is approved.
- Work continues to build on the 30% increase in the number of internal foster placements achieved in the financial year 2019/20, allowing children to be placed in high quality, local authority foster care as an alternative to more expensive agency placements.
- An in depth review is taking place of the processes around the placement of children with friends and family to ensure that these are only made where necessary and that financial support represents value for money.

76. While the mitigations above will be progressed, the experience in 2019/20 suggests that whilst efficiencies may have been made in placement methods these will not have a positive effect on the bottom line position unless the overall numbers of children in care are brought under control.

77. The position around our numbers of children in care has been specifically referenced by the DfE Commissioner, and it is clear that for both quality of practice and financial reasons the number needs to be safely reduced. This will entail improvement of edge of care provision to support families and prevent children needing to become looked after and crucially improving practice and care planning to allow those children who are able to return home, be placed with family or friends or be adopted in as timely a manner as possible. This work is interdependent on our overall improvement journey and will not be a short term fix, however prioritisation in these areas is crucial to ensuring that our resources, both human and financial, are sufficient to deliver improvement. The position is constantly monitored and in future MTFP reviews an informed and prudent view will be taken of the length of time that will need to be allowed for this work to deliver results as well as the monitoring arrangements required.

78. The Council has set aside approximately £1.6m per annum of Council funding for 2020/21 and 2021/22 to support the Ofsted improvement plan. Progress against the plan is being monitored by the Multi Agency Strategic Improvement Board, and any variances from the budgets contained in the Ofsted improvement plan will be detailed in future budget monitoring reports.

### **Capital budget Quarter Three Outturn 2020/21**

79. As part of the Quarter Two report to Executive on 2020, Executive approved a revised capital budget for 2020/21 of £50,363,000. Following a further review and the inclusion of new additional schemes, increases to existing schemes, and reductions

to existing schemes (as detailed in paragraphs 81 to 83), it is currently predicted at Quarter Three that the Council will spend £45.195m at year-end. The underspend is mainly due to the way local authorities are now required to account for finance leases.

80. The revised Investment Strategy to 2022/23 is included at Appendix 2 for approval. It should be noted that capital receipts assumptions have been re-evaluated in light of Covid-19 and the Revised Investment Strategy takes accounts of this.
81. No schemes are currently proposed to be removed from the Investment Strategy. Also no schemes over the £150,000 threshold were transferred between services.
82. It is proposed to add the following two schemes above £150,000, to the revised Investment Strategy, set out at Appendix 2 for consideration and approval :
  - Transporter Bridge – On 22 December 2020 Executive approved the implementation of an initial repair programme and the funding requirements to ensure the ongoing structural integrity of the Transporter Bridge. £655,000 of funds have been added to the Investment Strategy, consisting of £328,000 of Council resources and a contribution of £327,000 from Stockton Council.
  - Contact Centre – £197,000 of Council resources have been added to the Investment Strategy to fund the conversion of a unit within the town centre bus station into a contact centre for Children’s Care. The total cost of the conversion is £254,000, and £57,000 of pre-existing resources have also been transferred from the De-risking Sites budget held within the Finance Directorate to fully fund the scheme.
83. The following additions to schemes in the current Investment Strategy which have been recently approved by Executive are also to be included in the revised Investment Strategy, set out at Appendix 2 for consideration and approval :
  - Highways Infrastructure Development Section 106 - £1,000,000 of external funds have been added to the Investment Strategy in 2022/23, due to Section 106 contributions being received in respect of the Grey Towers Farm housing development.
  - Highways Maintenance – On 22 December 2020 Executive approved the addition of £2,098,000 of Council resources for highways infrastructure investment in 2021/22 to enable the immediate inspection of bridges and structures and subsequent repair works to be carried out.
  - Disabled Facilities Grant – On 8 December 2020 the Ministry for Housing, Communities and Local Government announced that additional funding of Disabled Facilities Grant for 2020/2021 had been made available, the award of £269,166 to Middlesbrough Council has been added to the Investment Strategy.

84. The following reduction to an existing scheme within the current Investment Strategy is included within Appendix 2 for consideration and approval :

- Education Primary / Secondary Sufficiency Scheme - £300,000 of Council resources have been removed from the Investment Strategy. This has not had a detrimental effect on the scheme as the Council funding has been replaced by previously unallocated pre-existing Basic Needs grant.

85. It should be noted that a further year will be added to the Investment Strategy in the Revenue Budget, Council Tax, Medium Term Financial Plan and Capital Strategy 2021/22 report to this Executive, which will be presented for approval by Council on 24 February 2021.

86. The split by Directorate is shown in the table below, which also shows the “real” projected outturn variance if all of the additional new schemes, increased schemes, reduced schemes, and transfers between directorates are excluded. Explanations for variances of +/- £150,000 across five schemes are set out in the following paragraphs. These variances require movement within the Council’s four-year Investment Strategy, but do not affect the overall investment or cost of borrowing.

Directorate	2020/21	2020/21	2020/21	MEMO	
	Budget	Projected Outturn	Projected Outturn Variance	New, increased & reduced Schemes / transfers £'000	Real projected outturn variance excluding new, increased, & reduced schemes / transfers £'000
	£'000	£'000	£'000		
Regeneration	26,233	25,180	(1,053)	70	(1,123)
Environment and Community Services	8,673	8,993	320	419	(99)
Public Health and Public Protection	0	0	0	0	0
Education & Partnerships	4,618	4,912	294	(300)	594
Children’s Care	723	395	(328)	243	(571)
Adult Social Care and Health Integration	3,633	3,597	(36)	269	(305)
Legal and Governance Services	2,491	1,713	(778)	0	(778)
Finance	3,992	405	(3,587)	(57)	(3,530)
<b>Total</b>	<b>50,363</b>	<b>45,195</b>	<b>(5,168)</b>	<b>644</b>	<b>(5,812)</b>

*Regeneration*

87. Middlesbrough Development Company - The Development Company has reassessed its funding requirements following the confirmation of start dates for construction works at Tollesby Shops and Bright Ideas sites. This has resulted in £925,000 of planned funding to the company being transferred to 2021/22.

*Adult Social Care and Health Integration*

88. Disabled Facilities Grant – Demand for the service remains strong however issues associated with Covid-19, including contractor’s ability to undertake the works and concerns from clients who are shielding or those in high risk categories of contracting the virus, have delayed delivery, resulting in £264,000 being transferred into 2021/22.

## Legal and Governance Services

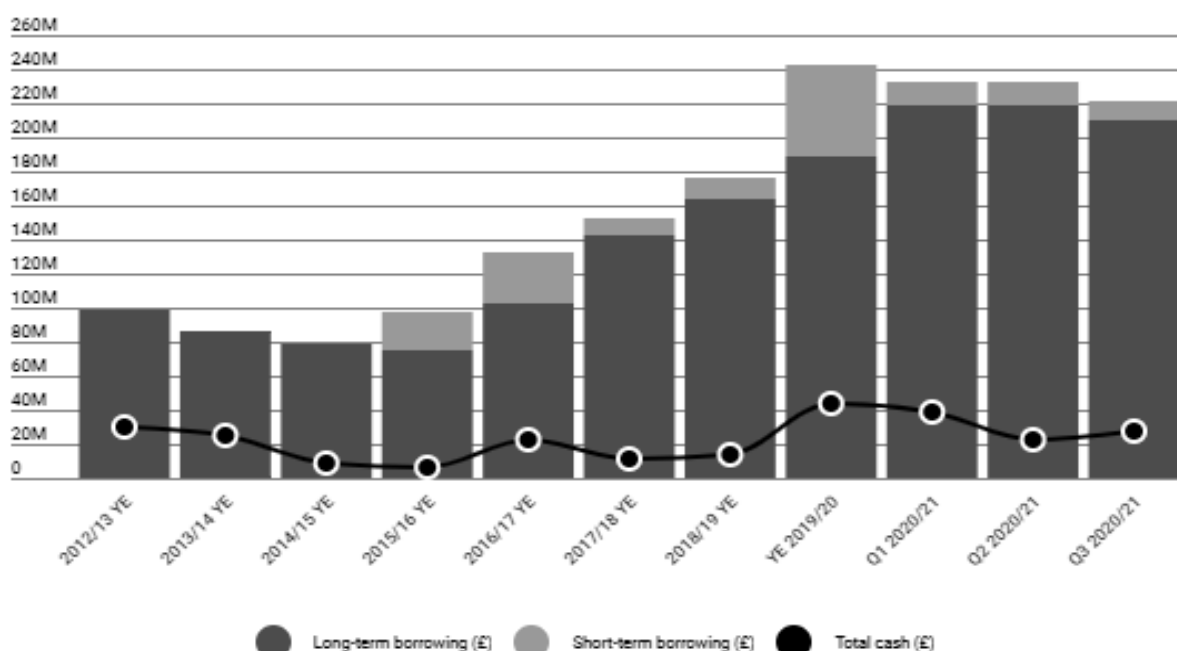
89. Desktop Strategy / Device Refresh – Due to the Covid-19 pandemic the programme of works have been re-prioritised resulting in £177,000 of planned expenditure being re-profiled into 2021/22.
90. Enterprise Agreements – Following a review of the payment profile of the agreements £361,000 of charges previously assumed to be paid in the current financial year have been transferred into 2021/22.

## Finance

91. Capitalisation of Property Finance Lease Arrangements – The Chartered Institute of Public Finance and Accountancy (CIPFA) has deferred the requirement to show finance lease arrangements for properties within capital in their statement of accounts by one year. This has resulted in £3,500,000 being transferred into 2021/22.

## Borrowing and reserves

92. The Council's total borrowing decreased by £10.3m from Quarter Two to stand at £221.7m at Quarter Three. This was due mainly to a reduction of £8.6m caused by an over recognition of the value of the finance leases for the two Centre Square buildings in the 2019/20 accounts, plus a reduction of £1.7m due to some annuity loans being repaid and the use of some internal borrowing from cash balances.



93. Borrowing is well within the legal limit of £300m set by Council for 2020/21 as detailed within the Capital Strategy Report approved by Council on 26 February 2020. All other prudential indicators also remain within the limits originally set.

94. The table below sets out a summary of the balance of reserves and provisions at the start of 2020/21 and the projection as at year-end. The projected year-end balance assumes the Council's approval of the use of General Fund Reserve to cover the projected total 2020/21 revenue budget overspend.

Reserves and Provisions	Opening Balance £000's	Use In Year £000's	Additional Contributions £000's	Transfers between reserves £000's	Transfers to General Fund £000's	Used to fund Outturn Position £000's	Balance at Year End £000's
General Fund	9,400	0	746	4,928	0	(2,796)	12,278
Earmarked Reserves	16,068	(2,355)	1,730	(4,887)	0	0	10,557
School balances	3,241	0	0	0	0	0	3,241
Provisions	2,507	0	0	(41)	(35)	0	2,431
<b>TOTAL</b>	<b>31,217</b>	<b>(2,355)</b>	<b>2,476</b>	<b>0</b>	<b>(35)</b>	<b>(2,796)</b>	<b>28,508</b>

### What decisions are being asked for?

95. That the Executive notes the 2020/21 revenue budget Quarter Three total projected outturn of £2.796m, representing a £294,000 (-0.25%) underspend on non-Covid-19 elements, and the estimated financial effect of Covid-19 in 2020/21 of £3.090m, and the proposed actions to address this.
96. The Executive notes the proposed use of the General Fund Reserve, as approved by Council on 2 September 2020, to fund the total projected overspend in 2020/21.
97. That Executive approves the proposed revenue budget virements over £150,000 (Appendix 1).
98. That the Executive notes the 2020/21 capital budget Quarter Three predicted outturn of £45.195m against a budget of £50.363m, and approves the proposed revised Investment Strategy to 2022/23 at Appendix 2.

### Why is this being recommended?

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

### Other potential decisions and why these have not been recommended

100. Not applicable.

### Impact(s) of recommended decision(s)

#### Legal

101. The proposed recommendations are consistent with and will promote the achievement of the Council's legal duty to achieve Best Value.



## **Financial**

102. The Council's revenue outturn position for 2020/21 for non-Covid-19 elements is projected to be an underspend of £294,000 (-0.25%). This, when added to the estimated Covid-19 pressures of £3.090m, detailed in paragraphs 44 to 72 results in a total projected outturn pressure at year end 2020/21 of £2.796m. The total overspend in 2020/21 will be covered by the General Fund Reserve as approved by Council on 2 September 2020.
103. The predicted 2020/21 capital budget outturn at Quarter Three is £45.295m, which if approved will become the revised Investment Strategy budget.

## **Policy framework**

104. The Strategic Plan(s) and associated budgets form part of the Council's Policy Framework. All proposed variations set out in this report are in line with authority delegated to the Executive.

## **Equality and diversity**

105. As reported to Council in January 2020, no negative differential impact on diverse groups and communities is anticipated from the direction of travel set out in the Strategic Plan 2020-23 or the Council's planned budgetary expenditure.

## **Risk**

106. In line with the Council's Risk Management Policy, the corporate Strategic Risk Register will be reported to this Executive as part of the Strategic Plan 2020-23 – Progress at Quarter Three 2020/21 report.

## **Actions to be taken to implement the decision(s)**

107. Mitigating activity set out in the main body of the report will continue to be applied by Directorates as stated.
108. The actions outlined within the body of the report in relation to overspending within Children's Safeguarding will continue to be implemented.
109. The virements detailed in Appendix 1 will be actioned in the Council's accounts following approval by Executive.
110. If approved the revised Investment Strategy included at Appendix 2 will be adopted.

## **Appendices**

- |   |   |
|---|---|
| 1 | Proposed revenue budget virements over £150,000 |
| 2 | Proposed revised Investment Strategy to 2022/23 |

## Background papers

15/01/20	Council	Priorities of the Elected Mayor of Middlesbrough and Strategic Plan 2020-2023
26/02/20	Council	Revenue Budget, Council Tax, Medium Term Financial Plan and Capital Strategy 2020/21
16/06/20	Executive	Strategic Plan 2020-23 – Progress at Year-end 2019/20
18/08/20	Executive	Revenue and Capital Budget – Projected Outturn position as at Quarter One 2020/21
02/09/20	Council	Revenue and Capital Budget – 2020/21 Quarter One Projected Outturn position and the use of reserves for in year Covid-19 Pressures
29/09/20	Executive	Medium Term Financial Plan Update
24/11/20	Executive	Revenue and Capital Budget – Projected Outturn position as at Quarter Two 2020/21
24/11/20	Executive	Refreshing the Strategic Plan for the 2021-24 period
24/11/20	Executive	Medium Term Financial Plan Update, and Budget Savings Proposals 2021/22
22/12/20	Council	Medium Term Financial Plan Update, and Budget Savings Proposals 2021/22
16/2/21	Executive	Revenue Budget, Council Tax, Medium Term Financial Plan and Capital Strategy 2021/22

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## Appendix 1 : Proposed virements over £150,000 at Quarter Three 2020/21

<i>Proposed Virement Request</i>	Regeneration £000s	Environment & Community Services £000s	Public Health and Public Protection £000s	Education & Partnerships £000s	Children's Care £000s	Adult Social Care and Health Integration £000s	Legal & Governance Services £000s	Finance £000s	Central Budgets £000s
<i>Permanent</i>									
Transfer of Mail and Print budget from Revenues & Benefits relating to cessation of Kier contract							161	(161)	
<b>Total Virement</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>161</b>	<b>(161)</b>	<b>0</b>
							<b>Total:</b>		<b>0</b>

## Appendix 2: Proposed revised Investment Strategy to 2022/23

	Total Funding Required					Council Funding £'000	External Funding £'000
	2019/20 £'000	2020/21 £'000	2021/22 £'000	2022/23 £'000	TOTAL £'000		
<b>Regeneration</b>							
Town Centre Related Projects	878	775	1,798	784	4,235	3,344	891
Teesside Media & Innovation Village	7	-	-	-	7	7	-
Middlehaven Related Projects	1,180	132	102	500	1,914	1,865	49
Housing Growth	253	406	2,155	1,201	4,015	3,711	304
BOHO 8	113	2,462	-	-	2,575	-	2,575
BOHO X	440	1,110	11,415	13,960	26,925	1,900	25,025
Acquisition of Town Centre Properties	-	10,090	-	30,000	40,090	40,090	-
Centre Square Buildings 1 & 2	12,665	-	-	-	12,665	12,665	-
Middlesbrough Development Company	700	1,745	12,158	-	14,603	9,703	4,900
Teesside Advanced Manufacturing Park	15,607	1,543	380	-	17,530	12,933	4,597
BOHO Car Park & Building Improvements	64	-	-	-	64	64	-
Capitalisation Of Major Schemes Salaries	530	530	530	530	2,120	2,120	-
Affordable Housing Via Section 106	-	-	1,255	-	1,255	830	425
Highways Infrastructure Development Section 106	-	-	730	1,000	1,730	-	1,730
Stainton Way Dixon Bank Junction - Section 106	1,348	12	-	-	1,360	12	1,348
Section 106 Longlands to Ladgate Lane Link	5	-	-	-	5	-	5
Section 106 Acklam / Hall Drive Improvements	97	-	-	-	97	-	97
Rose Cottage Pedestrian Links - Section 106	31	-	-	-	31	-	31
The Big Screen	-	-	20	-	20	20	-
A66 Throughabout	1,658	2,537	-	-	4,195	-	4,195
Mandale Interchange	72	319	100	-	491	-	491
Tees Amp Footway / Cycleway	12	293	-	-	305	-	305
Replacement of Pay & Display Parking Ticket Machines	-	-	189	-	189	189	-
LED Street Lighting Upgrade (Phase 2)	1,844	332	85	-	2,261	2,261	-
Joint Air Quality Unit (JAQU) - All schemes	849	622	-	-	1,471	-	1,471
Members Small Schemes	71	64	-	-	135	64	71
Grove Hill Joint Venture Projects	-	-	14	-	14	-	14
Gresham Projects	414	789	-	-	1,203	1,203	-
North Ormesby Housing Joint Venture - Section 106 funded	-	100	321	-	421	-	421
Empty Homes 2015 To 2018	84	-	416	-	500	-	500
Local Transport Plan	922	1,072	621	-	2,615	51	2,564
Hemlington Grange Way	318	-	-	-	318	318	-
Town Hall Venue Development	68	85	22	-	175	175	-
Cultural Transformation	-	-	35	-	35	35	-
Theatre Winches / Lifts	77	-	43	-	120	120	-
Municipal Buildings	22	-	-	-	22	22	-
Dorman Museum	48	21	-	-	69	69	-
Orange Pip Market Equipment	36	-	-	-	36	36	-
Contribution To Public Arts Projects	13	-	17	-	30	30	-
Public Art Work	22	27	31	-	80	80	-
Newham Grange Leisure Farm	890	99	-	-	989	989	-
Leisure Trust Investment - Equipment	-	-	75	-	75	75	-
Town Hall Telephone Kiosks Upgrade	-	15	-	-	15	15	-
Stewart Park Section 106	-	-	45	-	45	-	45
<b>Total Regeneration</b>	<b>41,338</b>	<b>25,180</b>	<b>32,557</b>	<b>47,975</b>	<b>147,050</b>	<b>94,996</b>	<b>52,054</b>

	Total Funding Required					Council Funding £'000	External Funding £'000
	2019/20	2020/21	2021/22	2022/23	TOTAL		
<b>Environment and Community Services</b>	£'000	£'000	£'000	£'000	£'000		
Purchase of New Vehicles	1,889	358	870	1,000	4,117	4,117	-
Capitalisation of Wheeled Bin Replacement	100	100	100	100	400	400	-
Capitalisation of Street Furniture/Dog Fouling & Litter Bins	55	55	55	55	220	220	-
Capitalisation of Highways Maintenance	575	575	575	575	2,300	2,300	-
Property Services Building Investment	340	340	340	340	1,360	1,360	-
Parks Improvement	97	83	-	-	180	180	-
Bereavement Services	412	-	-	-	412	412	-
Middlesbrough Sports Village	-	-	-	-	-	(404)	404
Nunthorpe Playing Fields Section 106	6	57	-	-	63	-	63
Local Transport Plan - Highways Maintenance	1,547	2,465	2,198	-	6,210	2,098	4,112
Street Lighting-Maintenance	358	578	468	468	1,872	1,872	-
Urban Traffic Management Control	7	393	100	-	500	-	500
Flood Prevention	206	144	-	-	350	-	350
DFT Pothole Fund	-	1,100	-	-	1,100		1,100
Members Small Schemes	25	33	108	60	226	226	-
Property Asset Investment Strategy	2,341	1,083	548	1,099	5,071	5,000	71
Nunthorpe Sports Facilities	-	-	100	-	100	-	100
East Middlesbrough Community Hub	1,367	129	900	-	2,396	2,396	-
Christmas Lights	-	350	-	-	350	350	-
Section 106 Ormesby Beck	-	-	15	-	15	-	15
Section 106 Cypress Road	-	-	20	-	20	-	20
Hostile Vehicle Mitigation	-	495	75	-	570	570	-
Transporter Bridge	-	655	-	-	655	328	327
<b>Total Environment and Community Services</b>	<b>9,325</b>	<b>8,993</b>	<b>6,472</b>	<b>3,697</b>	<b>28,487</b>	<b>21,425</b>	<b>7,062</b>

	Total Funding Required					Council Funding £'000	External Funding £'000
	2019/20	2020/21	2021/22	2022/23	TOTAL		
<b>Public Health and Public Protection</b>	£'000	£'000	£'000	£'000	£'000		
Health and Wellbeing Hub	30	-	756	-	786	679	107
Middlesbrough Alcohol Centre of Excellence	245	-	-	-	245	-	245
<b>Total Public Health and Public Protection</b>	<b>275</b>	<b>-</b>	<b>756</b>	<b>-</b>	<b>1,031</b>	<b>679</b>	<b>352</b>

	Total Funding Required					Council Funding £'000	External Funding £'000
	2019/20	2020/21	2021/22	2022/23	TOTAL		
<b>Education &amp; Partnerships</b>	£'000	£'000	£'000	£'000	£'000		
Block Budget (Grant) School Condition Allocation	-	-	124	-	124	-	124
Block Budget (Grant) Basic Needs	-	-	6,907	-	6,907	-	6,907
Block Budget (Grant) Special Provision Fund	-	-	-	-	-	-	-
Schemes in Maintained Primary Schools	2,538	2,786	930	125	6,379	1,878	4,501
Schemes in Primary Academies	11	221	28	-	260	-	260
Schemes in Secondary Academies	-	865	1,786	-	2,651	-	2,651
Schemes in Special Schools	78	936	147	-	1,161	594	567
Capitalisation of Salary Costs	102	104	106	-	312	0	312
Contribution to New School at Middlehaven	-	-	1,700	-	1,700	700	1,000
Block Budget (Grant) EFA Early Years 2 Year olds Entitlement (Trajectory Project)	-	-	7	-	7	-	7
Caldicotes 2 year old provision	56	-	-	-	56	-	56
<b>Total Education &amp; Partnerships</b>	<b>2,785</b>	<b>4,912</b>	<b>11,735</b>	<b>125</b>	<b>19,557</b>	<b>3,172</b>	<b>16,385</b>

	Total Funding Required				
	2019/20	2020/21	2021/22	2022/23	TOTAL
<b>Children's Care</b>	£'000	£'000	£'000	£'000	£'000
Edge Of Care Project (Hub)	209	336	35	-	580
Edge Of Care Project (Spencerfield 117-120)	144	11	-	-	155
Edge Of Care Project (3 Broadwell)	217	8	-	-	225
Gleneagles Alterations	14	-	-	-	14
Holly Lodge Alterations	7	-	-	-	7
Rosecroft Renovations	-	20	150	16	186
Children's Care Residential Provision	-	-	230	-	230
Contact Centre - Bus Station Unit 1	-	20	214	20	254
<b>Total Children's Care</b>	<b>591</b>	<b>395</b>	<b>629</b>	<b>36</b>	<b>1,651</b>

Council Funding	External Funding
£'000	£'000
553	27
155	-
225	-
1	13
-	7
186	-
230	-
254	-
<b>1,604</b>	<b>47</b>

	Total Funding Required				
	2019/20	2020/21	2021/22	2022/23	TOTAL
<b>Adult Social Care and Health Integration</b>	£'000	£'000	£'000	£'000	£'000
Chronically Sick and Disabled Persons Act - All schemes	740	630	735	610	2,715
Disabled Facilities Grant - All schemes	2,194	2,681	2,729	-	7,604
Capitalisation of Staying Put Salaries	50	50	50	50	200
Home Assistance Loan	8	-	-	-	8
Home Loans Partnership (formerly 5 Lamps)	0	60	21	-	81
Small Schemes	25	48	-	-	73
Connect/Telecare IP Digital Switchover	146	128	110	-	384
Purchase of 5 vehicles - Tees Community Equipment Service	207	-	-	-	207
<b>Total Adult Social Care and Health Integration</b>	<b>3,370</b>	<b>3,597</b>	<b>3,645</b>	<b>660</b>	<b>11,272</b>

Council Funding	External Funding
£'000	£'000
2,608	107
823	6,781
200	-
-	8
-	81
-	73
330	54
-	207
<b>3,961</b>	<b>7,311</b>

	Total Funding Required				
	2019/20	2020/21	2021/22	2022/23	TOTAL
<b>Legal &amp; Governance Services</b>	£'000	£'000	£'000	£'000	£'000
Desktop Strategy / Device Refresh	303	283	177	-	763
Enterprise Agreements	256	345	361	-	962
CRM	-	69	46	-	115
ICT BOHO	20	-	-	-	20
IT Refresh - Scanning	81	-	-	-	81
Early Help Module (Children's)	42	-	-	-	42
IT Refresh - Network Refresh	180	7	156	-	343
IT Refresh - Lights On	200	253	48	-	501
IT Refresh - LCS Development Capture	5	-	25	-	30
IT Refresh - Business Intelligence	-	3	-	-	3
ICT Essential Refresh & Licensing	65	341	2,339	2,185	4,930
ICT Innovation Budget	14	324	162	-	500
GIS Replacement	218	38	129	-	385
Melrose House Data Centre	116	-	-	-	116
Civic Centre Device Refresh	38	-	-	-	38
Prevention & Partnership Tablets	-	-	70	-	70
HR Pay	-	-	37	-	37
Dashboards	46	50	-	-	96
<b>Total Legal &amp; Governance Services</b>	<b>1,584</b>	<b>1,713</b>	<b>3,550</b>	<b>2,185</b>	<b>9,032</b>

Council Funding	External Funding
£'000	£'000
763	-
962	-
115	-
20	-
81	-
42	-
343	-
501	-
30	-
3	-
4,930	-
500	-
385	-
116	-
38	-
70	-
37	-
96	-
<b>9,032</b>	<b>-</b>

	Total Funding Required				
	2019/20	2020/21	2021/22	2022/23	TOTAL
<b>Finance</b>	£'000	£'000	£'000	£'000	£'000
Former Partnership Investment (ICT Infrastructure Revenues & Bene	38	74	360	-	472
Business World Upgrade	-	35	30	-	65
Derisking Sites	247	254	104	1,200	1,805
Town Centre Accommodation Strategy	143	42	-	4,396	4,581
Capitalisation of Property Finance Lease Arrangements	-	-	3,500	1,000	4,500
Middlesbrough Share in Veritau Tees Valley	20	-	-	-	20
					-
<b>Total Finance</b>	<b>448</b>	<b>405</b>	<b>3,994</b>	<b>6,596</b>	<b>11,443</b>

Council Funding	External Funding
£'000	£'000
472	-
65	-
1,805	-
4,581	-
4,500	-
20	-
<b>11,443</b>	<b>-</b>

	Total Funding Required				
	2019/20	2020/21	2021/22	2022/23	TOTAL
<b>All Directorates</b>	£'000	£'000	£'000	£'000	£'000
<b>Total All Directorates</b>	<b>59,716</b>	<b>45,195</b>	<b>63,338</b>	<b>61,274</b>	<b>229,523</b>

Council Funding	External Funding
£'000	£'000
<b>146,312</b>	<b>83,211</b>

	Total Funding				
	2019/20	2020/21	2021/22	2022/23	TOTAL
<b>Funded by:-</b>	£'000	£'000	£'000	£'000	£'000
Borrowing	28,312	18,549	13,490	10,728	71,079
Finance Leases	12,374	-	3,500	31,000	46,874
Capital Receipts	1,165	5,358	14,597	5,951	27,071
Grants	14,700	18,081	25,787	12,595	71,163
Contributions	3,158	2,140	5,750	1,000	12,048
Revenue Resources	7	1,067	214	-	1,288
Funding from Reserves	-	-	-	-	-
<b>Total Funding</b>	<b>59,716</b>	<b>45,195</b>	<b>63,338</b>	<b>61,274</b>	<b>229,523</b>

Council Funding	External Funding
£'000	£'000
71,079	-
46,874	-
27,071	-
-	71,163
-	12,048
1,288	-
-	-
<b>146,312</b>	<b>83,211</b>

#### Note

Expenditure and funding in 2019/20 has decreased by £8,461,000 from previous reports due to a change in the accounting requirement for the recognition of the Centre Square Buildings following the 2019/20 audit of the Council's accounts.

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