

EXECUTIVE

Date: Tuesday 9th November, 2021
Time: 1.00 pm
Venue: Council Chamber

AGENDA

1. Apologies for Absence
2. Declarations of Interest
3. Minutes - Executive - 5 October 2021 5 - 12

DEPUTY MAYOR AND EXECUTIVE MEMBER FOR CULTURE AND COMMUNITIES

4. Middlesbrough's Ambition for Children: A Whole Town Strategy 13 - 18

EXECUTIVE MEMBER FOR EDUCATION

5. Annual Update: Special Educational Needs and / or Disabilities 0-25 19 - 64
6. Middlehaven - Outwood Academy Riverside 65 - 78

EXECUTIVE MEMBER FOR ENVIRONMENT AND FINANCE & GOVERNANCE

7. ECS Built Asset Capital Investment 79 - 84
8. Revenue and Capital Budget - Projected Outturn Position as at Quarter Two 2021/22 85 - 114

THE MAYOR AND LEAD MEMBER FOR CHILDREN'S SOCIAL CARE, ADULT SOCIAL CARE AND PUBLIC HEALTH

9. Medium Term Financial Plan Update and Budget Savings Proposals 115 - 134

OVERVIEW AND SCRUTINY BOARD

10. Children and Young People's Learning Scrutiny Panel's Final 135 - 162

Report - Behaviour, Discipline and Bullying in Schools -
Service Response

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

12. Exclusion of the Press and Public

To consider passing a Resolution Pursuant to Section 100A(4) Part 1 of the Local Government Act 1972 excluding the press and public from the meeting during consideration of the following item on the grounds that if present there would be disclosure to them of exempt information falling within paragraph 3 of Part 1 of Schedule 12A of the Act and the public interest in maintaining the exemption outweighs the public interest in disclosing the information.

EXECUTIVE MEMBER FOR REGENERATION

13. **EXEMPT: Strategic Town Centre Acquisition**
3

163 - 174

Charlotte Benjamin
Director of Legal and Governance Services

Town Hall
Middlesbrough
Monday 1 November 2021

MEMBERSHIP

Mayor A Preston (Chair) and Councillors B Cooper, S Hill, E Polano and M Smiles

Assistance in accessing information

Should you have any queries on accessing the Agenda and associated information please contact Chris Lunn / Georgina Moore, 01642 729742 / 01642 729711, chris_lunn@middlesbrough.gov.uk / georgina_moore@middlesbrough.gov.uk

EXECUTIVE

A meeting of the Executive was held on Tuesday 5 October 2021.

PRESENT: Mayor A Preston (Chair) and Councillors B Cooper, S Hill and E Polano

OFFICERS: C Benjamin, S Butcher, G Field, R Horniman, S Reynolds and I Wright

APOLOGIES FOR ABSENCE: Councillor M Smiles

21/57 **DECLARATIONS OF INTEREST**

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

21/58 **MINUTES - EXECUTIVE - 21 SEPTEMBER 2021**

The minutes of the Executive meeting held on 21 September 2021 were submitted and approved as a correct record.

21/59 **YOUTH SERVICE: OVERVIEW OF PROGRESS, APRIL 2021 - JUNE 2021 (QUARTER ONE)**

An amendment was tabled, the report was for information purposes only and was not a key decision as the report had initially stipulated.

The Mayor and Lead Member for Children's Social Care, Adult Social Care and Public Health and the Director of Children's Care submitted a report for the Executive's consideration. In June 2020, the Executive had granted approval to develop a new Youth Service. The purpose of the report was to provide an update and overview of the actions undertaken to develop the service.

Following approval from Executive in June 2020, a commissioning process commenced in July 2020 which invited bids from key voluntary and community sector organisations to deliver Youth Services in partnership with the Council. Bids were identified and prioritised on the basis of match funding, tangible community benefits, youth work quality and outcomes with a specific focus on supporting young people through Early Help, with key transition points and positive activities.

The work required identification of a number of youth centres across Middlesbrough, which included community hubs and community centres. Allocated space had now been identified for young people to access youth club activities. In addition, spaces within buildings operated by the voluntary and community sector organisations had also been identified.

There were three key elements to the Middlesbrough Youth Service model, including universal, targeted and transition youth work.

- Universal Youth Work - delivered by The Linx Youth Project (see further information at paragraph 4 of the submitted report)
- Targeted Youth Work - delivered by The Junction Foundation (see paragraph 5); and
- Targeted Transition Youth Work - delivered by Middlesbrough Football Club Foundation (see paragraph 6).

ORDERED

That the overview of progress made by the new Youth Service, which was given approval to be established by Executive in June 2020, be noted.

REASON

It was important that members of the Executive had a line of sight into the strategic and operational work being undertaken in line with the Multi Agency Children's Services Improvement Action Plan 2020/21.

21/60

COMMUNITY ENVIRONMENTAL INITIATIVES

The Executive Member for Environment and Finance & Governance and the Director of Environment and Community Services submitted a report for the Executive's consideration. The purpose of the report was to seek funding for ancillary equipment and support to assist community and volunteer initiatives throughout Middlesbrough.

Community groups and volunteers provided important additional environmental support to the Council's services and were increasingly valued. Their work was integral to keeping Middlesbrough's environment to a good standard and further encouraging community participation. That was especially important as Middlesbrough moved forward on its green agenda, striving to reach carbon neutrality and increase the level of biodiversity in the Town.

Providing a supportive approach was leading to growing numbers of volunteers, who were now networking with each other, leading to far reaching linked projects across the town. As well as promoting the groups projects/initiatives via social media, the Council could offer resource assistance by way of purchasing and holding a stock of consumable supplies. That would enable those groups to readily access tools, equipment and technical support to deliver initiatives, which were of benefit to the environment, improving aesthetics and the well-being of residents.

Key milestones to enable a measurement of performance against the intended outcomes, included:

- developing a communications and marketing plan;
- developing an education plan to raise awareness of responsible waste management and recycling;
- developing a plan to work with community groups and volunteers; and
- providing continual support and provision of equipment as required.

OPTIONS

To not supply equipment, advice and support to community and volunteer groups was not an option. It would have impacted on the Council's green agenda and groups would lose heart and faith in the Local Authority and eventually lose interest in improving Middlesbrough.

ORDERED

That £150,000 revenue (£50,000 per annum over three years) be approved to support community involvement in wide reaching environmental Initiatives, to improve local environmental standards across their communities and across Middlesbrough.

REASON

The proposed changes planned to support the Council's commitment to working with its communities and partners to ensure that ideas and resources were shared to achieve joint goals. It would also assist in meeting the Council's aims detailed in its 2020-2023 Strategic Plan:

- **working with communities and other public services to improve the lives of our residents;**
- **working with communities to improve local health and wellbeing, focusing in particular on tackling obesity, poor mental health and substance misuse; and**
- **working with local communities to redevelop Middlesbrough's disadvantaged estates, and introduce locality working with our partners, placing services at the heart of communities.**

COUNCIL TAX REDUCTION SCHEME 2022/23

The Executive Member for Environment and Finance & Governance and the Director of Finance submitted a report for the Executive's consideration. The purpose of the report was to request permission to undertake a consultation (a requirement of schedule 1A of the Local Government Finance Act 1992) with both the public and the Major Precepting Authorities in respect of proposed changes to the Council's CTR Scheme with effect from 1 April 2022.

It was proposed that an alternative approach be taken from 2022/23, through the redesign of the scheme to address all of the main areas highlighted in the submitted report.

Work had been ongoing since early 2021 on a proposed alternative scheme, which was now complete. Consultation now needed to be undertaken with the public and the Major Precepting authorities. If accepted by the Council, the proposed alternative scheme would take effect from 1 April 2022.

The proposed alternative scheme had a number of features, which were included at paragraph 17 of the submitted report. Paragraph 18 provided details of how the proposed alternative scheme planned to address the problems with the current scheme.

OPTIONS

The alternative to introducing a proposed alternative scheme for CTR from 2022/23 was to leave the existing scheme in place. That would have been a short-term option; leading to increasing costs of administration; and in the longer term, would have significantly affected the collection of Council Tax and the effectiveness of the scheme to support households within the Council's area.

Modelling (see table below) had also been done on an alternative 'income grid' scheme with 85% maximum support and 100% maximum support. The principles of that scheme were exactly as described earlier in the report (see paragraph 17), however, given weight to the options appraisal/rationale (Appendix C) those were not recommended.

Option	Scheme / Support	Cost / Saving to the Council	Support	Recommended / Not Recommended
1	Income Banded Scheme – 85% maximum support	£700,000 saving	85% - similar to existing support	Not recommended – See Appendix C
2	Income Banded Scheme – 90% maximum support	£70,000 saving	90% - 5% increase on existing support	Recommended – See Appendix C
3	Income Band – 100% maximum support	£1,000,000 cost to the council	100% - 15% increase in support	Not recommended – See Appendix C.

ORDERED

That the commencement of consultation on a maximum Council Tax Reduction Scheme of 90%, be approved, with the following:

- with Major Preceptors on the proposed changes to the working age Council Tax Reduction (CTR) scheme with effect from 1st April 2022 (as required by the Local Government Finance Act 1992); and
- with the public on the proposed changes to the working age Council Tax Reduction (CTR) scheme with effect from 1st April 2022 (as required by the Local Government Finance Act 1992).

REASON

The proposed changes, planned to simplify a complicated scheme, further assist low income households and support the collection of council tax, whilst also fulfilling the

obligations on local authorities to support the roll out of Universal Credit.

Any changes to the existing scheme were subject to full consultation which would likely run from the middle of October 2021 for a period of 6 weeks and would inform the scheme from 1 April 2022.

Attached as Appendix B of the submitted report were examples of the likely consultation areas/options.

21/62

FOUNTAIN COURT REFURBISHMENT AND FIT-OUT BUDGET

The Executive Member for Regeneration, the Executive Member for Environment and Finance & Governance, the Director of Regeneration and Culture and the Director of Finance submitted a report for the Executive's consideration. The purpose of the report was to provide information on the building fit-out costs for the Fountain Court refurbishment.

The Executive report, submitted on 16 March 2021, had highlighted that further due diligence and survey work would be required to fully understand the costs of the Fountain Court refurbishment. A condition survey by Billingham George and Partners had identified that although the building was in generally sound condition, there were a number of expensive defects which required attention in the short-to-medium term, such as full window replacement and an upgrade of the Mechanical and Electrical (M&E) system.

In summary, the survey and design work had identified that £7m was required to refurbish and fit out the building. That planned to allow for the works identified to be addressed and a high-quality furniture and fixtures fit out, which would incorporate the following:

- new furniture and fixtures which promoted the Council's values and aligned with the new blended working arrangements;
- raised access floors for services, needed for flexibility to future proof the building;
- replacement and enlarged windows (the current windows were nearing the end of their life);
- new internal and external doors;
- new floor and ceiling finishes;
- lift refurbishment/replacement;
- new toilets and kitchen areas;
- ICT fibre connections and equipment;
- signage;
- drainage;
- M&E installation; and
- consultant's fees.

In the report to Executive on 16 March 2021, it had been anticipated that the cost of the purchase and fit out of Fountain Court could be accommodated within the fit out budget for One Centre Square, which was £5m. However, the report acknowledged that detailed due diligence and survey work was required.

The due diligence and survey work had confirmed that a budget of £7m was required. That included an 8% contingency of £520,000, which was required to account for the market fluctuations that were currently being experienced throughout the U.K.

With regard to utilising the £5m budget for One Centre Square, approximately £600,000 had already been spent on survey, consultant works and purchasing the furniture for the demonstration neighbourhood area, which left a budget of £4.438m. The table, below paragraph 11 of the submitted report, provided a breakdown of the expenditure for Fountain Court against that budget.

In summary, the total costs for the refurbishment and fit out of Fountain Court were £7m, the available budget from One Centre Square was £4.438m so the additional budget requested, when considering the £300,000 saving from the demolition of the Civic Centre, was £4,138,596.

OPTIONS

The Council could:

Do nothing:

- a) The principle that the Council should relocate to Fountain Court had been established by previous Executive direction. The building was not fit for purpose in its current format and was unfurnished, hence a budget was required for its fit out.

Continue to proceed with the remaining budget:

- b) The remaining budget (£4.438) minus the acquisition of Fountain Court (£1.84m) left a budget of £2.59m. That budget would have been insufficient to fit out the building to a good standard. All that could have been achieved within that allocation was a very basic redecoration and furniture fit out. It would not have addressed the defects highlighted in the condition report, such as the windows being at the end of their life. That would have postponed money being spent on the building now, but the issues would have needed to be addressed in the short-to-medium term hence resources would still have been required for that purpose. It would have also resulted in a raised access floor being omitted, which was required for flexibility and future proofing the building.

ORDERED

That an additional £4.138m be allocated to the Fountain Court project, giving a total budget of £7m to refurbish and fit-out the building, enabling Council staff to relocate there in 2022.

REASON

The Executive report, submitted on 16 March 2021, had identified that further due diligence and survey work would need to be undertaken to fully understand the costs of Fountain Court's refurbishment and fit out. It was anticipated that the cost of the purchase and fit out of the building could be accommodated within the fit out budget for One Centre Square, which was £5m. It stated that if detailed due diligence subsequently identified that the project could not be achieved for £5.2m, a request for an additional allocation of funding would be made prior to work starting. The survey work had highlighted that the fit out cost was £7m and as only £4.438m remained in the One Centre Square budget (when discounting the One Centre Square expenditure), an additional £4.138m was requested. That planned to ensure the building was fitted out to a high standard in line with the new blended working arrangements and Council's values, ready for staff to relocate there.

21/63

MIDDLESBROUGH DEVELOPMENT COMPANY (MDC): BUSINESS PLAN UPDATE

The Executive Member for Regeneration, the Executive Member for Environment and Finance & Governance, the Director of Regeneration and Culture and the Director of Finance submitted a report for the Executive's consideration. The purpose of the report was to provide a review of MDC's activities over the past year and to set out the priorities and anticipated expenditure for the next 12 months.

As it had now been 12 months since the approval of the MDC Strategic Plan, it was considered an appropriate time for the company to provide the Shareholder with a Business Plan Update, which was attached at Appendix 1 of the submitted report.

Paragraphs 8 to 11 of the submitted report provided a brief outline of progress since September 2020.

Construction of the Boho Village and Newbridge Court developments were both scheduled for completion by the end of September 2022 and work would now commence on the Empty Homes Partnership and CSI scheme.

In addition, the Business Plan Update provided details of a number of pipeline projects that MDC was developing in its capacity as a developer or development enabler, which were being considered for delivery over the next year, subject to Board and MBC Executive approval:

- a) Eyesore sites - development of vacant and unsightly plots of land/buildings around the town.
- b) Middlehaven - developer or development enabler for several vacant plots in or around the area.
- c) Former Captain Cook Pub - development enabler to bring forward various options. The Council intended to market the building and would, on completion of the remedial work in December 2021, seek interest from developers on a wide variety of proposals.
- d) Centre North East - development enabler to facilitate a 200 unit apartment scheme.

It was anticipated that MDC would draw down between £10m and £15m in funding from the Council over the next 12 months to progress the Boho Village, Newbridge Court, Empty Homes Partnership and CSI projects.

ORDERED

That the contents of the MDC Business Plan Update, attached as Appendix 1, be noted.

REASON

The Shareholder Agreement required MDC to provide the Council with a report setting out the progress of the company in relation to the objectives and/or milestones set out in the Business Plan.

21/64

CENTRE SQUARE INVESTMENT OPPORTUNITY - PART A

The Executive Member for Regeneration, the Executive Member for Environment and Finance & Governance, the Director of Regeneration and Culture and the Director of Finance submitted a report for the Executive's consideration. The purpose of the report was to propose that to facilitate the development of 6 Centre Square, Middlesbrough Council provided Tees Valley Combined Authority (TVCA) with:

- i. a capital grant of £2,000,000; and
- ii. retained business rates in respect of 6 Centre Square to TVCA, ceasing the earlier of a 15-year term, or, when the Government changes the business rates mechanism.

In anticipation of relocating businesses and further inward investment enquiries, Ashall Developments secured planning approval for Building 6 Centre Square (see appendices 1 and 2 of the submitted report) in March 2021; following which a revised masterplan (see appendix 3) for the remaining plots received planning approval in July 2021.

Ashall Developments owned the site of the former Melrose House Building and had cleared the site in preparation for development of 6 Centre Square. Ashall led on the development of phase one at Centre Square in Middlesbrough, demonstrating the demand and quality for the facilities.

In May 2021, the Executive had approved a report entitled 'Towns Fund and Future High Streets Fund', which had allocated £2m towards an "additional 40,000 sq. ft. office". Therefore, the proposals within the submitted report provided an opportunity to realise the previously agreed objective.

TVCA had also approved a sum in excess of four times that of the Council to provide a full development budget for the construction of 6 Centre Square. TVCA aimed to secure a long-term return on investment which could support the delivery of major investments into the future.

TVCA's investment was also subject to the transfer of retained business rates (49% of the levy) outlined in Part B of the report. It should be noted that the proposals contained within the report did not result in the Council losing business rates income, as without the proposed funding package and resultant construction of 6 Centre Square, there would be no such income to collect.

OPTIONS

Options	Strategic Fit	Achievability	Affordability	Value for Money	Conclusion
Do nothing	No	Yes	No	No - would lead to significant job loss in the local community.	Discard
Middlesbrough Council covers entire development cost	No – high leverage for Middlesbrough Council at Centre Square.	No	No	No - high risk for Middlesbrough Council to proceed with scheme as sole liable party.	Discard
TVCA act as lead investor with supporting grant funding from Middlesbrough Council	Yes	Yes	Yes	Yes - significant Value for Money return in event of prudent occupancy assumptions.	Proceed

ORDERED

1. That the information contained in Part A of the report be noted.
2. That the decision be taken once all the financial or exempt information contained in Part B of the report had been considered.

REASON

Economic Growth - In addition to significant job retention, the prospective anchor tenant was planning the creation of an additional 100-220 jobs in Middlesbrough.

Costs - Provided all jobs were safeguarded, the Towns Fund grant of £2m, by itself, equated to a cost per job of £4,167. That was considered good value for money in line with existing capital grant schemes.

Benefits - The retention of a significant town centre employer would be critical to the recovery of the high street in the post pandemic period, protecting 480 jobs.

Stakeholders - Heads of Terms had been agreed with the prospective anchor lessee at Centre Square. The success of the first phase was demonstrative that the development met the accommodation requirements of professional businesses. Residential stakeholders were engaged as part of the planning process which approved both the revised masterplan and 6 Centre Square specifically.

21/65

EXCLUSION OF THE PRESS AND PUBLIC

The resolution to exclude the press and the public was agreed.

21/66

EXEMPT - CENTRE SQUARE INVESTMENT OPPORTUNITY - PART B

The Executive Member for Regeneration, the Executive Member for Environment and Finance & Governance, the Director of Regeneration and Culture and the Director of Finance submitted a report for the Executive's consideration.

ORDERED

That the recommendations of the report be approved.

REASONS

The decision was supported by the following reason:

For reasons outlined in the report.

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

Report of:	Deputy Mayor and Executive Member for Culture and Communities - Councillor Mieka Smiles Executive Director of Children's Services - Sue Butcher
Submitted to:	Executive - 9 November 2021
Subject:	Middlesbrough's Ambition for Children: A Whole Town Strategy

Summary

Proposed decision(s)
<i>That Executive endorses the Middlesbrough Children Matter (MCM) approach and priorities, and that those priorities form part of a town-wide children's strategy which outlines Middlesbrough's ambition for all children within the town, directly linked to our (MCM) vision and mission.</i>

Report for:	Key decision:	Confidential:	Is the report urgent? ¹
<i>Decision</i>	Yes	No	No

Contribution to delivery of the 2021-24 Strategic Plan		
People	Place	Business
<p><i>The strategy will have an impact on almost all priorities within the council's strategic plan but from the lens of children and young people.</i></p> <p><i>For example this will support our strategic priority of 'children and young people' by showing them that they matter through the development of a town-wide children's strategy, co-</i></p>	<p><i>The strategy will have an impact on almost all priorities within the council's strategic plan but from the lens of children and young people.</i></p> <p><i>For example this will support our strategic priority of 'physical environment' as we will be working with children and young people to ensure they feel safe,</i></p>	<p><i>The strategy will have an impact on almost all priorities within the council's strategic plan but from the lens of children and young people.</i></p> <p><i>For example this will support our strategic priority of 'Culture' through providing a focus on activities and leisure.</i></p>

¹ Remove for non-Executive reports

<i>produced with children and young people.</i>	<i>proud of where we live, and have a chance to do well.</i>	
---	--	--

Ward(s) affected
<i>As the MCM priorities and supporting children and young people's strategy will be town-wide, all wards will be affected.</i>

What is the purpose of this report?

1. The purpose of the report is to seek endorsement from Executive of the MCM brand and priorities.
2. To develop a town-wide children's strategy and supporting delivery plan setting out Middlesbrough's ambition for all children, directly linked to our MCM vision, mission and priorities. This will be a strategy informed and co-produced with children and young people.

Why does this report require a Member decision?

3. As per the executive scheme of delegation terms of reference, an executive decision is required as this is a change to existing policies and procedures which is likely to have a significant impact on service provision.
4. It is important that members endorse our MCM approach and fully support the delivery of the priorities across the town. Through supporting the development of a town-wide ambition for all children, we will further strengthen our ongoing improvement journey for all of Middlesbrough's children, young people and their families.
5. Having a clear strategy for children and young people of the town will also allow informed member challenge and the ability to hold officers to account against delivery of agreed priorities as appropriate.

Report Background

6. The Corporate Reference Group is made up of key partners from across all Directorates and was established to provide a whole council response to delivering against our Children's Services Improvement Programme.
7. The group have an established work plan which outlines how each directorate can contribute to the delivery of the Children's Services Improvement Programme and this is monitored within monthly meetings.
8. As the Improvement Programme focusses solely on our response to Ofsted findings and has a clear set of priorities and outcomes to deliver against, it was agreed that through the Corporate Reference Group a wider offer would also be created.
9. This wider offer will be the endorsement of our MCM priorities through the development of a corporate Children's and Young Person's Strategy, which will focus on improving the lives of all children of Middlesbrough and not just those who are impacted by our ongoing improvement journey.

10. Our current MCM mission is 'to show Middlesbrough Children that they Matter'. The priorities which sit below this are:
 - a. Place – *We feel safe, proud of where we live, and have a chance to do well*
 - b. Work – *We have help to find work opportunities*
 - c. Community – *Making Middlesbrough a community that we feel part of and we are proud of*
 - d. Family and Relationships – *We are important and deserve to be supported to have healthy and safe relationships with the people that are important to us*
 - e. Wellbeing – *We will be given the opportunity to be healthy, physically and emotionally.*
 - f. Activities and Leisure – *Middlesbrough has lots of things that we want to do*
 - g. Communication and Connectivity – *Our voice is important, and we feel that we are heard*
 - h. Learn and Achieve – *We have a mix of opportunities for education and training*
 - i. Best Start in Life – *Our families are supported to give us the best start in life*
11. To ensure our Children and Young Person's Strategy is co-produced with our children and young people, we are proposing to undertake a town-wide consultation of our priorities. This will therefore be a strategy informed and developed with our children and young people, and for our children and young people.
12. The two work streams of the Corporate Reference Group will run in parallel and complement each other in their delivery by having our core improvement programme focusing on the key service improvements, and our MCM Children and Young Person's Strategy encompassing the wider vision for the town.

What decision(s) are being asked for?

13. That Executive endorses the Middlesbrough Children Matter (MCM) approach and priorities, and that those priorities form part of a town-wide children's strategy which outlines Middlesbrough's ambition for all children within the town, directly linked to our (MCM) vision and mission.

Why is this being recommended?

14. The decision is recommended as this will further support our ongoing Children's Services improvements by setting an ambition for all children within the town, which includes direct input from children and young people. This will allow Middlesbrough Council to have a focus on how we improve the lives of all children and young people and also extend our collaborative working through MCM by bringing key partners in to support a shared vision. As the strategy will be informed by a town-wide consultation, the associated cost to deliver, benefits and risks are not fully known. These will all be confirmed during the strategy development.

15. Internal engagement with the Corporate Reference Group was undertaken to determine the decision. This was not statutorily required. The outcomes of the consultation found that all directorates supported the proposal of a children's strategy outlining Middlesbrough's ambition for all children.

Other potential decisions and why these have not been recommended

16. Another option would be to do nothing. This is not recommended as it would mean that Middlesbrough do not have a clear strategy aimed solely at improving the lives of all children and young people within the town that is directly co-produced with children and young people of the town.

Impact(s) of recommended decision(s)

Legal

17. The report has been considered by legal and there are no legal implications for the Council.

Financial

18. The initial cost associated with the consultation is £28,000 which will be funded from existing Children's Services budgets, initially from Change Fund but will be discussing contributions from other directorates. This will cover the cost of recruiting, training and supporting 25 Young Researchers. The Young Researchers will undertake the town-wide consultation aiming to seek the views of 5000 children and young people across Middlesbrough, be responsible for the cleansing and analysis of the data, and co-produce the findings into Middlesbrough's Children's Strategy.
19. Once the strategy is developed further work will be required to understand full costs, benefits and risks associated with the delivery of all identified priorities.

Policy Framework

20. This decision does not have any impact of the council's policy framework.

Equality and Diversity

21. The consultation does not require an impact assessment. Following the development of the draft strategy, an impact assessment will be undertaken.

Risk

22. The relevant risks this decision would influence are cited below, with an explanation as to why they are relevant and how it would affect each risk.

Risk No	Risk Description	How it impacts on each risk
O9-019	If the town wide Children and Young People's Strategy is not delivered then this will lead to an uncoordinated and disjointed approach with partners to provide services for children which	The Town Wide and Children and Young People's Strategy seeks to provide a coordinated and linked approach with partners to the delivery of the services to

	may result in children not reaching their potential, possible intervention from regulatory bodies and reputational damage to the Council.	all Children and Young People. The proposal will have a positive impact on this risk.
O5-025	If the Council fails to deliver the Improvement Plan and to remain on track this may lead to services for children and families remaining inadequate resulting in increased scrutiny from DfE/Ofsted and ultimately that MBC does not have capacity to improve. The minister would consider alternative delivery models such as a Children's Trust and this would damage the Council's reputation.	By improving the delivery of service to all Children and Young People this will support the delivery of the Council's overall Improvement Plan. The proposal will have a positive impact on this risk.
O4-007	If Children's Service experiences ineffective partnership working, then this will impact on ability to deliver priorities.	The strategy is seeking to consult with Children and Young people to ensure that their experiences are known. The information will be utilised to inform services and this will include partners in the development of this work. The proposal will have a positive impact on this risk.
O13-005	Failure to engage effectively with local communities in the development and delivery of public services, leading to poor decisions, a deterioration in the relationship between the Council and local communities, the potential for decisions to be challenged and / or overturned, and the resulting significant reputational and financial impacts of this.	Children and Young People are part of our communities and consultation is being undertaken to obtain their views for the Town Wide and Children and Young People's Strategy so they can help shape the service requirements. The proposal will have a positive impact on this risk.
O8-008	If effective partnership working is not achieved, then this will reduce the Council's ability to deliver strategic priorities and key services, resulting in reduced outcomes for local communities.	Partnership working is included within the Town Wide and Children and Young People's Strategy which will ensure that there is a coordinated approach to delivering priorities and providing the outcomes that are required by communities. The proposal will have a positive impact on this risk.

Actions to be taken to implement the decision(s)

23. The governance for the delivery of the report will be managed via the Corporate Reference Group and project exception reports will be submitted to the meeting on a monthly basis.
24. Key milestones include:
- Recruit and train Young Researchers – Nov-21 to Dec 21
 - Undertake town-wide children and young person's consultation – Jan 22 to Feb 22
 - Consultation data cleansing and analysis – Mar 22
 - Co-production of Ambition For Children strategy – Apr 22 – Sept 22 (TBC)
 - Strategy launch – Sept 22 (TBC)
 - Develop strategy delivery plan – Sept 22 to Dec 22 (TBC)

Appendices

25. None.

Background papers

26. No background papers were used in the preparation of this report.

Contact: Sue Butcher
Email: Sue_Butcher@middlesbrough.gov.uk

MIDDLESBROUGH COUNCIL

Report of:	Executive Member for Education - Councillor Stephen Hill Director of Education and Partnerships - Rob Brown
-------------------	--

Submitted to:	Executive - 9 November 2021
----------------------	-----------------------------

Subject:	Annual Update: Special Educational Needs and / or Disabilities 0-25
-----------------	---

Summary

Proposed decision(s)
N/A

Report for:	Key decision:	Confidential:	Is the report urgent?¹
Information	N/A	N/A	No

Contribution to delivery of the 2020-23 Strategic Plan		
People	Place	Business
Ensuring Middlesbrough has the very best schools		

Ward(s) affected
N/A

What is the purpose of this report?

1. To provide an update to members re Special Educational Needs and or Disabilities 0-25 in Middlesbrough since the local area revisit in July 2019 and since the last Executive report in November 2020.

Why does this report require a Member decision?

2. This report is for information only.

Report Background

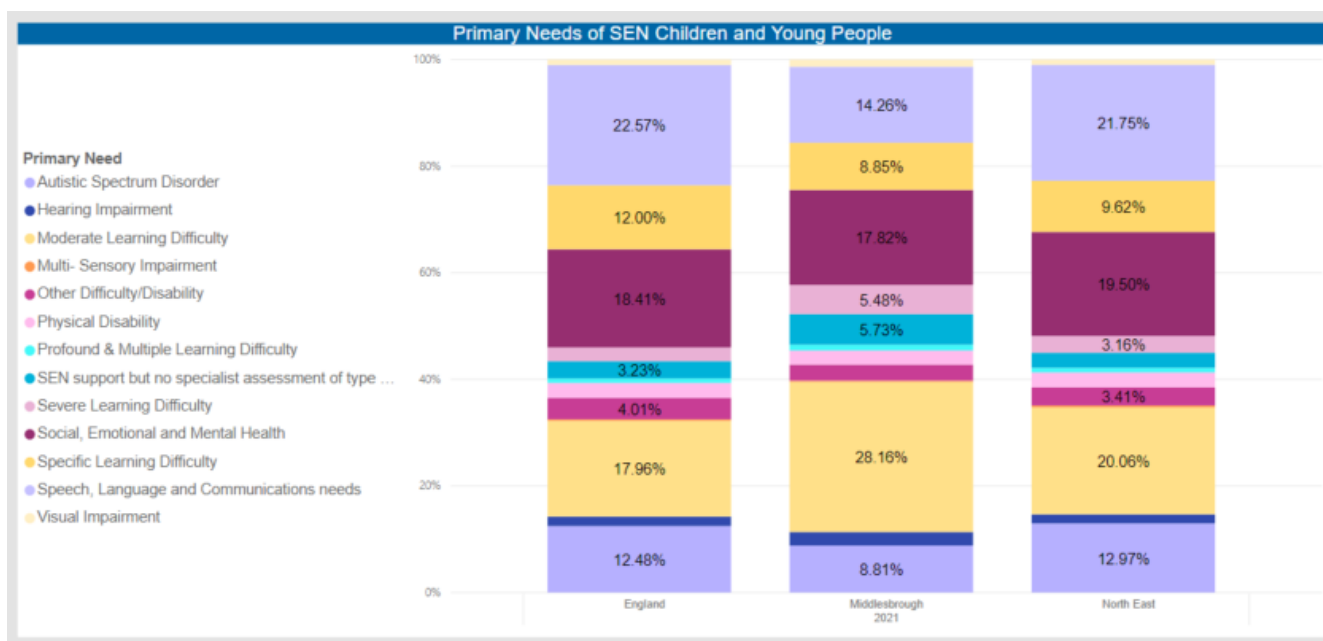
3. The Children and Families Act and the Special Educational Needs and Disabilities Code of Practice (2015) pushed forward the Government's commitment to improve services for vulnerable children and young people and support strong families.
4. The Children and Families Act transforms the system for disabled children and young people and those with Special Educational Needs, so that services consistently support the best outcomes for them. The reforms created a system from birth to 25 through the development of coordinated assessment and single Education, Health and Care Plans; improving cooperation between all services responsible for providing education, health or social care; and giving parents and young people greater choice and control over their support.
5. The majority of statutory duties in relation to Special Educational Needs and or Disabilities rest at a local area level, predominantly with local authorities but now also with Clinical Commissioning Groups. The Children and Families Act 2014 strengthens local authorities' key duties in respect of children and young people with Special Educational Needs and or Disabilities across the 0-25 age range, regardless of where they are educated. It places duties on health and education settings to use their best endeavours to meet the needs of children and young people with Special Educational Needs and or Disabilities; and requires local authorities and other listed bodies to have regard to the statutory guidance set out in the Special Educational Needs and or Disabilities Code of Practice: 0-25 years.

Local Picture

6. Within Middlesbrough there are approximately 4800 children and young people classes as SEN of which approximately 1300 children and young people have an Education, Health and Care Plan. This figure continues to rise as it does year on year across the country. We are also seeing a significant rise in requests for an ECH assessment as a result of COVID
7. Breakdown of the EHCP cohort by age range shows that, although there are some small differences, Middlesbrough is broadly comparable with national and regional figures.

Age Range	Middlesbrough	North East	England
Under 5	4.6%	3.5%	3.8%
5- 10	31.9%	32%	33%
11-15	34.4%	37%	35.2%
16-19	22.7%	21.6%	21.1%
20-25	6.4%	5.9%	6.9%

8. Breakdown of the SEN cohort (combined SEN Support and EHCP – approx. 4800 children in total) shows that children and young people with a primary need of social, emotional and mental health needs, moderate learning difficulties and autism make up a significant proportion of the total cohort of children and young people with SEND in Middlesbrough (at around 60%).
9. The majority of the data relating to primary needs in Middlesbrough is broadly comparable with national and regional levels. However, the percentage of children with autism as a primary need in Middlesbrough is lower than national and regional levels and the percentage of children with moderate learning difficulties as a primary need in Middlesbrough is higher than national and regional levels.



10. Further analysis and use of this information will be used, as outlined in the strategic priorities below, to ensure that there is sufficient local educational provision which is both reflective of and responsive to local need.

Local Area Inspection Framework

11. Through the implementation of the SEND Code of Practice we seen nationally the creation of a new inspection framework.
12. In March 2017 Middlesbrough Local Area was inspected by Ofsted and the Care Quality Commission (CQC) as part of a new SEND inspection process, for the quality of our Special Educational Needs and Disabilities provision for children and young people. The inspection included scrutiny of the contribution of Education, Social Care and Health in ensuring that children and young people with Special Educational Needs and Disabilities make good progress and have their needs met in a timely manner. The outcome of the inspection in 2017 resulted in a Written Statement of Action to address significant concerns
13. In July 2019 the same Ofsted and CQC inspection team revisited the local area to inspect the sustained progress since March 2017 and to identify if sufficient progress had been made on each of the four areas for development. The Lead HMI Inspector explained that the inspection team observed sufficient progress in each of

the four areas and that Middlesbrough (LA and Health) no longer needed formal monitoring.

14. As yet not all local areas have been inspected through the current inspection framework, however we know that the inspection framework is being updated and we should be notified of the updated framework sometime in the autumn term.

Funding

15. To support meeting the needs of children and young people the local authority receives a High Needs Budget. This budget is used to support children and young people with SEND to access education provision and to have their identified needs met.
16. High Needs Budgets are under significant pressure nationally and many local authorities are significantly overspent. Nationally work is underway to review the High Needs funding formula.
17. Within Middlesbrough the High Needs Budget has been under significant pressure for several years due to the increase in children and young people requiring specialist support, the number of children permanently excluded and requiring Alternative Provision, use of Independent provision and the increasing number of children and young people moving into the area with complex needs.
18. The current High Needs Budget deficit stands at £3,902,164 as of 31st March 2021. This is not a council budget and is classified as unusable reserves to reflect the changes in legislation and is now not able to charge to general funds.
19. The Local Authority works closely with the Department for Education and the Education Funding Agency to monitor the increasing pressures on the High Needs Budget. There is also a plan in place to reduce the deficit over the coming years.
20. Alongside this the local authority has received this year a capital budget which can be used to create new places in schools, academies, colleges and early years settings. The funding will improve existing provision to create modern, fit-for-purpose spaces suited to a wider range of pupil needs. This funding is part of the government's commitment to ensuring pupils with SEND receive the specialist support they need to get an excellent education.

Key Developments

21. Across Middlesbrough we continue to move forward with key developments to ensure that the needs of children and young people with SEND 0-25 are met. To support this work we have:
- a. Ensured during COVID that children and young people with SEND have been supported across Education, Health and Social Care through receiving timely support.
 - b. Worked with families seeking feedback on provision and support within the local area. This work included and continues to include
 - i. working with our local parents forum Parents4Change

- ii. membership of parents on key work streams to support coproduction and key priorities
 - iii. feedback surveys
 - iv. parent virtual drop-in sessions
 - v. implementation of our parent's partnership across Middlesbrough which supports the voice of all parent groups across the town.
- c. Implemented our new Outcomes Framework which was developed to collect data on progress for children and young people with an Education, Health and Care Plan (EHCP) around softer outcomes. The framework has been well received by settings locally and is embedded within our Annual Review paperwork and processes. The impact of the framework has been reviewed and we are able to identify clearly the progress of a child or young person with an EHCP. We are also able to identify support for professionals regarding the writing of outcomes. This new model has been recognised as an example of good practice and was shared at the Council for Disabled Children conference in December 2020. This model and the impact of the model will be shared at our next SEND Regional Group in November 2021.
- d. In October 2019 we led on a Free School bid for a Tees Valley Free School for children and young people with Social Emotional Needs and for those with Autism. This bid was successful and the new school will be based in Redcar. Work is currently underway and we hope to see this open in October 2022. Between now and then, River Tees Multi-Academy Trust deliver an interim provision for students with these needs, and these students will join the new school when it opens. We will have 12 students attending in September, who would have attended out of area independent schools without this interim arrangement.
- e. We have worked with our partners in Tees Valley Education to build a Free School on the site at Natures World which is called Discovery Special Academy and is currently based at Tees Valley Education's site at Brambles Primary Academy. This is for children with severe learning difficulties, some children who may also have needs in more than one area such as a physical disability or sensory difficulties and will be open on the new site in September 2022.
- f. We have worked with secondary colleagues to develop secondary mainstream Autism provision. A new base has been built on the Acklam Grange School site which now has 7 young people accessing this provision. This will rise to 16 over the next 3 years.
- g. We have worked with Outwood Academy Acklam to make provision for students with Autism. This will create up to 20 places for students with Autism Spectrum Conditions.

- h. Horizons Multi-Academy Trust have developed a satellite from the Abbey Hill School which is part of the wider Trust within the campus on the Hollis Academy site. This will have 16 ASD students from September 2021 that need specialist ASD provision and would have gone to out of area independent schools if these places had not been developed locally. This satellite is set to take on 8 new students per year, up to 40 students in total. This new provision has been named by the young people as Fairfax.
- i. We continue to work closely with Post-16 providers to develop a range of provision which fully supports our young people as they move into adulthood. By doing so we have increased the range of Post 16 opportunities for young people with special needs. Feedback from young people has identified that they feel listened too and are accessing the provision which they feel meets their needs and prepares them for adulthood.
- j. We have further restructured a number of services through consultation with staff and stakeholders to provide greater support to children, young people, schools and settings at the earliest of stages. This includes our Early Years Specialist Support Service, Alternative Provision Service, Inclusion, Assessment and Review Service and our Resources Team. This new service includes increased capacity and a seamless model of delivery. The new model is currently in a phased implementation.
- k. We have continued to invest in our Educational Psychologist service to ensure greater support is available to our most vulnerable children and young people. Our Educational Psychologists are providing a range of support to schools and settings as a result of COVID. The service continues to develop its traded arm to their delivery model where schools can purchase additional support through a service level agreement. Through these arrangements children and young people are receiving a range of specialist support.
- l. Through COVID we implemented new ways of working to ensure the needs of children, young people and their families are met. This included putting in place a Lead Professional model which ensured all children and young people with an Education, Health and Care Plan had their plan risk assessed in line with government requirements. This model supported any changes to the plans and required support.
- m. We have maintained good completion rate of Education Health and Care Plans during COVID which ensures that children and young people with SEND are assessed within the required timeframe. In the recently published national 2020 SEN2 data it should that Middlesbrough's completion rate was 99%, which was 9th nationally. This is a significant achievement considering the increased pressures as a result of COVID.
- n. We have worked with the new Designated Clinical Officer within Health to strengthen support systems and improve ways of working. This support has

been invaluable during COVID as we have ensured those children with complex health care needs are monitored and get the support they require.

- o. We have relocated and renamed our Early Years Specialist Support Service which was based in James Cook Hospital. This will now be called our Early Years and Primary Outreach and Inclusion Specialist Support Service. This will be based permanently at Hemlington Initiative Centre.
 - p. We are currently in the process of developing a SEND/Inclusion Hub which will also be based at Hemlington Initiative Centre. The Hub will be used for families to access training and support. There will also be an accessible kitchen for young people who are visually impaired to support with independent skills as they move into adulthood.
 - q. We have worked with Health to develop a new neurodevelopmental pathway which will be implemented in September 2021. This pathway will provide greater support for families of children who are on the autistic spectrum without the need for waiting for a diagnosis.
 - r. We are currently working with Health to review Speech and Language support across Middlesbrough. A new model of delivery will be in place from April 2022.
 - s. We have recently strengthened our SEND Strategic Leadership Group to include representation and oversight of Alternative Provision which we believe will be part of the new inspection framework.
 - t. We are currently awaiting the National SEND Peer Review which should be published later this year. This review will provide feedback regarding the impact of the SEND Code of Practice since implementation and propose some further changes.
22. Through the ongoing improved local area strategic governance and oversight from our SEND Strategic Group which reports to the Children's Trust, feedback from families, alongside the regular contact with our lead SEND advisors both within the Department for Education and Health we can see that provision, opportunities and outcomes for children and young people with SEND have improved and continue to improve across the local area. There are a greater range of opportunities for children and young people and our improved data systems are supporting strategic planning arrangements.
23. To provide further scrutiny and oversight SEND is a focus for the Local Authority Elective Members Scrutiny Panel for Education and Partnerships for the academic year 2021/2022.

Next Steps/Key Areas of Development

24. Within the local area we have recently updated our SEND Strategy (see Appendix 1 SEND Strategy) to support our key areas for development. Within the strategy it outlines our current priorities which are linked to our identified areas for development. These priorities are:

- a. To further develop **strategic leadership** across Education, Health and Social Care and identify and remove barriers to learning and support which have been a result of COVID.
 - b. To ensure **greater involvement of children, young people and families** to support coproduction and ensure that their voice is heard regarding the services and support they need.
 - c. To ensure greater analysis and use of information to ensure that there is sufficient **local educational provision** and to drive improvement in provision through the use of **data** and improve systems for capturing **softer outcomes** for children and young people who have special educational needs and/or disabilities
 - d. To further improve strategic planning to support **jointly commissioning** services across Education, Health and Social Care.
 - e. To improve processes and opportunities for children and young people in **preparation for adulthood.**
 - f. To have a **trained and competent** workforce in understanding how to meet the needs of children and young people with SEND
25. These key priorities and areas for development will be monitored through our SEND Strategic Group ensuring all action plans from the key work streams are on track through our performance monitoring framework.
26. We will also monitor this work closely through our engagement and feedback with families and our parent's forum.
27. We will continue to use information gathered from our SEND Strategic Group, key stakeholders, families and young people to regularly update our local area self-evaluation which will high-light our strengths and areas of development. This information will be fed into our key work streams to ensure areas of development are addressed.

What decision(s) are being asked for?

28. This report is for information only and to provide an update on progress within the local area since the 2017 Written Statement of Action, the local area revisit in July 2019 and the Executive Annual Report 2020. The report provides oversight of the Local Authorities statutory duties in relation to SEND and informs members of possible changes to the local area inspection as well as the pending SEND Review.

Why is this being recommended?

29. N/A

Other potential decisions and why these have not been recommended?

30. N/A

Impact(s) of recommended decision(s)

31. N/A

Legal

32. The report will assist the Council in meeting its statutory duty under the SEND Code of Practice.

Financial

33. There is no financial impact associated with this paper

Policy framework

34. N/A

Equality and Diversity

35. N/A

RISKS

36. N/A

Actions to be taken to implement the decision(s)

37. A further report to Executive will be brought in 2022 to again provide an update and oversight of SEND developments

Appendices

38. SEND Strategy 2021-2024

Background papers

39. No background papers were used in the preparation of this report.

Contact: Caroline Cannon: Strategic Lead of Inclusion and Specialist Support Services

Email: caroline_cannon@middlesbrough.gov.uk

This page is intentionally left blank

Special Educational Needs and Disability Strategy 2021 - 2024



in partnership with



Page 27



Contents

Introduction.....	3	Key Commitments.....	14
Who does the strategy support?.....	4	Our Vision.....	16
Definition of Special Education Needs	5	What has changed as a result of our 2018-2020 strategy?	18
Definition of Disability.....	6	Key priorities 2021-2024.....	22
National Context	7	How we will achieve our priorities?	24
Key Policy Drivers.....	8	How the Special Educational Needs and or Disability strategy links to other key strategies?	30
Local Context.....	10	How we will monitor this strategy?	32
Numbers of children and young people with special educational needs and disabilities.....	11	When will this strategy be reviewed?	32
What is an Education Health and Care Plan?.....	12	Appendices	34
What is a SEN Support Plan?	13		

Introduction

Middlesbrough Council and its partners recognise that “Middlesbrough Children Matter” and are the next generation who will ensure the success and prosperity of the town. It is therefore imperative that we invest in their development and create an environment in which they can grow and prosper.

Who does this strategy support?

This strategy supports children and young people with special educational needs and or disabilities aged 0-25

This strategy demonstrates through a clear vision how partners across Education, Health and Care will ensure improvements are made in how we deliver provision, support and develop services to meet the needs of children and young people aged 0-25.



Definition of Special Educational Needs

(as written within the SEND Code of Practice 2014)

Children have special educational needs if they have a learning difficulty which calls for special educational provision to be made for them.

Children have a learning difficulty if they:



A Have a significantly greater difficulty in learning from the majority of children of the same age; or



B Have a disability which prevents or hinders them from making use of educational facilities of any kind generally provided for children of the same age in schools within the area of the Local Authority;



C Are under compulsory school age and fall within the definition at A or B above or would so do if special educational provision was not made for them.

Definition of Disability

The Equality Act 2010 states a person has a disability if:

- A They have a physical or mental impairment; and**
- B The impairment has a substantial and long term adverse effect on their ability to carry out normal day-to-day activities**

The Government guidance states that the term substantial means more than minor or trivial. The term physical and mental impairment implies that a disability can arise from a wide range of impairments such as:

- Long term medical conditions such as asthma and diabetes.
- Fluctuating or progressive conditions such as rheumatoid arthritis or motor neurone disease.
- Mental health conditions such as bipolar disorder or depression.
- Learning difficulties such as dyslexia.
- Learning disabilities such as Down's syndrome and autistic spectrum conditions.
- Cancer.
- Multiple sclerosis.
- HIV / AIDS.
- People with severe disfigurement will be protected as disabled without needing to show that it has a substantial adverse effect in day to day activities.

National Context

The Special Educational Needs and or Disabilities (SEND) Code of Practice came into force on the 1st September 2014. The code covers the 0-25 age and sets out the statutory guidance on duties, policies and procedures for all organisations who work with and support children and young people with special education needs and disabilities.



Key Policy Drivers



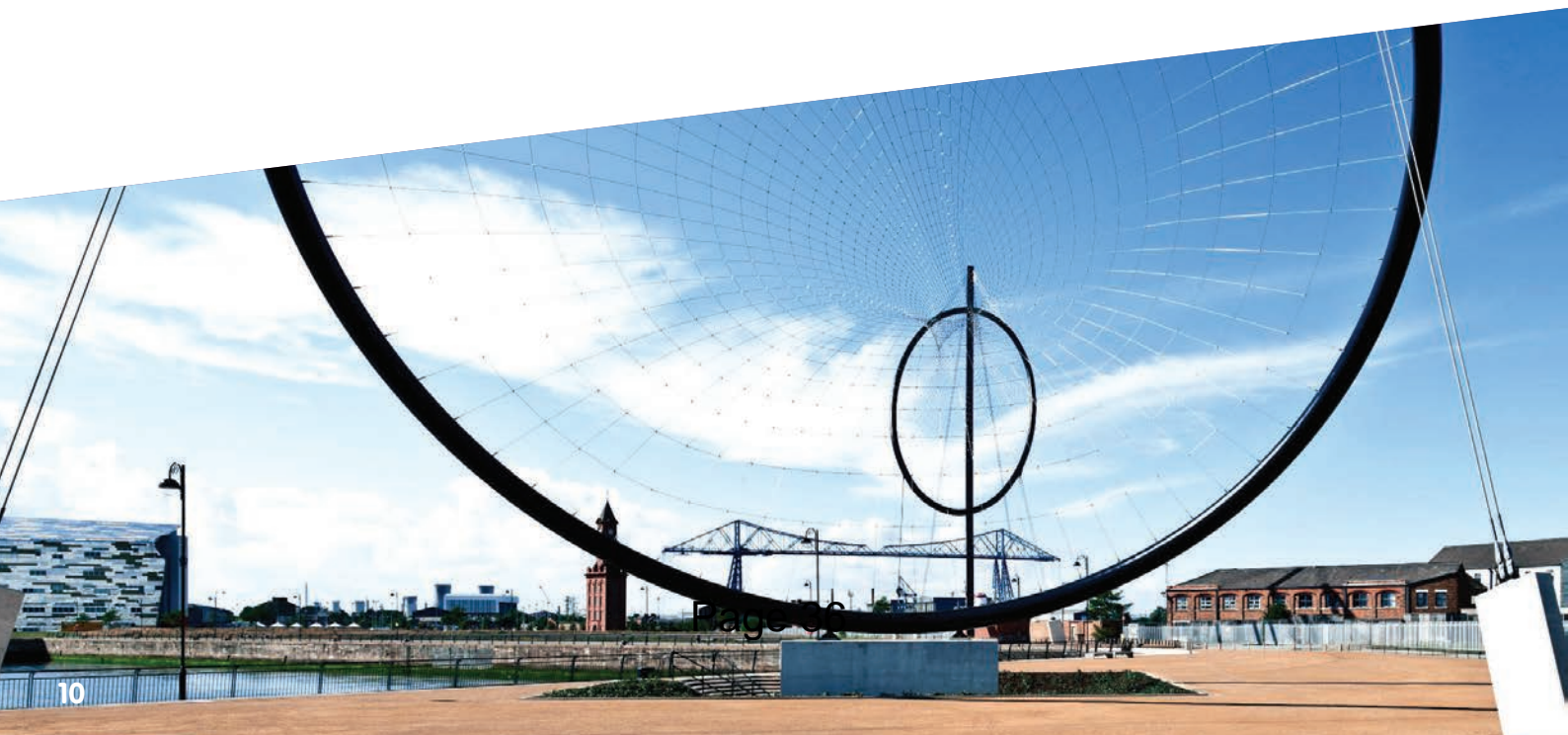
The Children and Families Act 2014, the Care Act 2014 and the Single Equalities Act 2010 form the backbone to the Special Educational Needs and or Disabilities reforms. Together they identify:

- Children and young people with more complex needs will access a coordinated assessment process.
- Education, Health and Care Plans (0-25 years) replace statements and Learning Difficulty Assessments.
- Coordinated support should meet the identified needs of children and young people, improving their outcomes, as they seek to reach their aspirations.
- All children and young people are encouraged to make decisions about their future, their support and to participate in designing services.
- Planning for adulthood should begin from the earliest opportunities to promote independence and full participation in their community.
- Children, young people and their families are given the option to receive a personal budget or direct payment to pay for their support or services.
- Public bodies have a duty to proactively meet the needs of disabled children and young people and ensure they are not disadvantaged.
- Local authorities must have an online 'Local Offer' detailing all support available for children and young people who have special educational needs.
- Services should be jointly planned and commissioned by the Local Authority and Clinical Commissioning Groups.
- Parents are able to ask for a carers assessment in their own right and receive appropriate support for identified needs.

Local Context

Situated on the North-East coast of England, Middlesbrough is at the heart of the Tees Valley. The minority ethnic population of the town is one of the highest in the region. It is very diverse with 55 different languages being spoken from 49 different countries, a factor that must be reflected and considered when designing and planning services for children and young people.

The town currently has a range of early years settings, 41 primary schools, 8 secondary schools, 5 special schools, an Alternative Provision Academy and a range of post-16 provision including Middlesbrough College and Northern School of Art.



There is also a number of specialist provision within mainstream settings which deliver support to meet the needs of children and young people with Special Educational Needs and or Disabilities. All settings have a duty to adhere to the Special Educational Needs Code of Practice and to ensure that they are as inclusive as possible



Numbers of children and young people with Special Educational Needs and or Disabilities (SEND) 0-25 in Middlesbrough: 4,800 (approx)

1,300
children and young people have a have an Education, Health and Care Plan

3,500
children and young people 0-25 have a SEN Support Plan

What is an Education, Health and Care Plan?

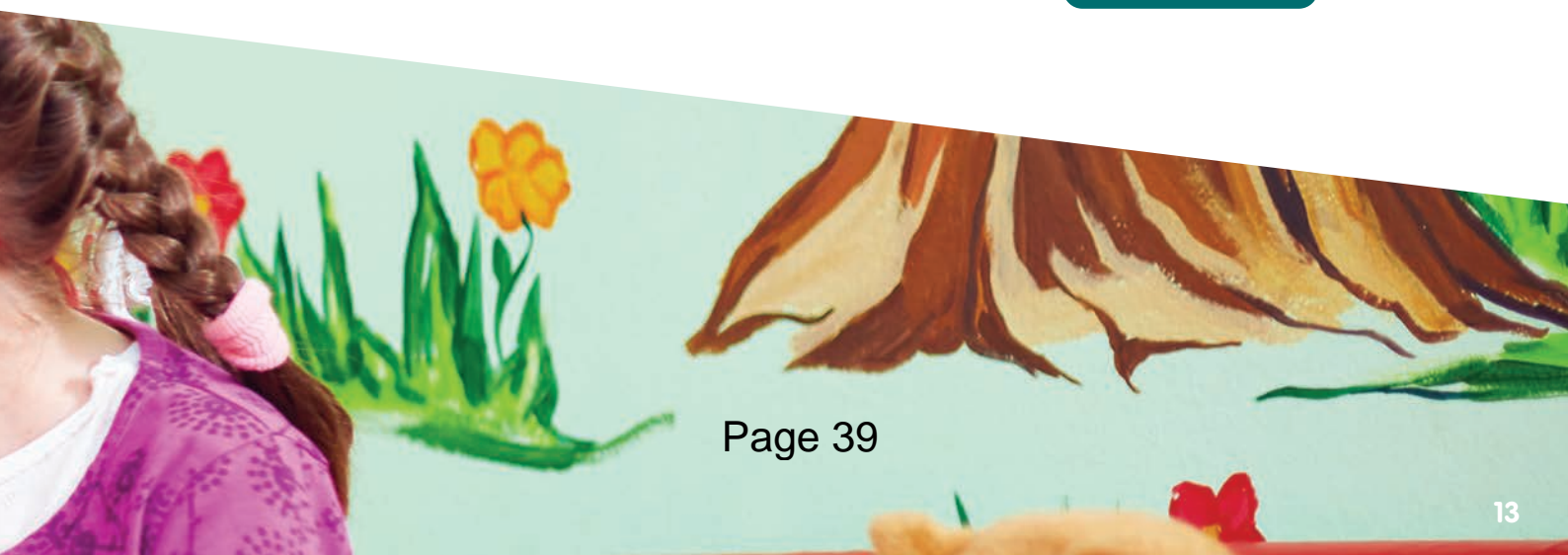
An Education Health and Care Plan is for children and young people aged up to 25 who need more support than is available through special educational needs support. It is a legal document that describes a child or young person's special educational, health and social care needs. It explains the extra help that will be given to meet those needs and how that help will support the child or young person to achieve what they want to in their life.



What is a SEN Support Plan?

A SEN Support Plan is a non-statutory plan which supports settings to evidence how they utilise their existing resources to support a child or young person. The plan will show a graduated response in terms of the support offered, prior to a request for an EHCP assessment. SEN plans are portable and will follow a child or young person between settings, reducing the need for them or their family to tell their story more than once. We have our own template which was developed in partnership with settings and which captures the needs of the child or young person. Additional resources through the SEN High Needs Funding Matrix can be made available if a need is identified and evidenced in the plan. Admission to High Needs Bases / Units in mainstream settings can also be accessed on the basis of SEN support details plus recommendations of professionals e.g. Educational Psychologists.

For further information regarding Education, Health and Care Plans and SEN Support Plans please see **Appendix 1: The Graduated Support Model (page 34)**



Key commitments across Education, Health and Social Care



We have an agreed set of commitments across Education, Health and Social Care. Through these we will ensure that:



Children and young people have the best start in life.



Children and young people are not disadvantaged as they move into adulthood as a result of COVID.



Children and young people with special educational needs and or disabilities and their families, are fully involved in discussions and decision making about the services and the support they receive through meaningful and ongoing co-production.



All children and young people with special educational needs and or disabilities will have equitable access to services through a review of the support planning and the Education, Health and Care Planning (EHCP) process, including robust quality assurance and moderation of plans and evidence of partnership working.



We have a clearly defined system of governance and accountability.



Our strategic leaders and staff at all levels have a clear understanding of the needs of children and young people with special educational needs and or disabilities through strategic leadership, robust data sharing across Education, Health and Care and through an embedded culture of effective training.



Our strategic planning is more responsive to local need through strong partnership working across Education, Health and Social Care.



Provision for children and young people is needs led, flexible and responsive and will provide choice and control.



Everything we do has the child, young person and their family at the centre.



We have integrated children's service provision that offers planned services responsive to need rather than diagnosis.



We improve the overall quality, responsiveness and equity of access of our services to meet all needs of children within an appropriate setting.

Our Vision



Underpinning our vision is a set of principles that we will uphold when developing and delivering services for children and young people, which are:



Working and committing resources together to effectively deliver improved outcomes for children and young people and their families.



Together we will work with integrity, trusting each other in an open and honest manner, exercising moral courage in all that we do.



We will be creative and develop new ideas to deliver a better future for children and young people and their families.



We will make services and learning opportunities available for all children in the community that respond to their different needs whilst focusing relentlessly on their communication and language skills and social and emotional development.



Commissioning budgets from all organisations will be utilised more effectively to monitor and evaluate outcomes of services and the impact they have on the target group.



Through continuous improvement, we will develop the best and most effective services for children and young people.

What has changed
as a result of our
2018-2020 strategy?



Through working together we developed:

- A new integrated early years model which has increased the number of children with special needs able to access mainstream provision getting the health and education support they need.
- A Single Point of Contact through which parents and professionals can receive the information they require.
- Improved data systems which have supported our planning of required provision.
- Improved Local Offer and made it more accessible for families and professionals.
- Improved ways for capturing the voice of children and young people to ensure that we can use this information to support developments.
- A range of training opportunities which have been delivered for parents and developed key information which families find useful.
- A new and improved Speech and Language offer which means a much more personalised approach.
- A new Inclusion model which supports early identification of need to ensure children and young people with SEND receive the support they require in a timely and coordinated way.

Through our Strategic Leadership we:

- Increased the number of children and young people accessing mainstream provision with an EHCP which means these children and young people have the opportunity to have their needs met in mainstream where mainstream is appropriate to offer the inclusive support identified in their EHCP rather than moving into specialist provision.
- Ensured all schools and Post 16 settings took part in a SEND Peer Review which helped everyone understand what they needed to further develop.
- Delivered a range of training to staff who shared that they feel more confident in their role and understanding the needs of children and young people with SEND.
- Improved the quality of Education, Health and Care Plans.
- Received a positive outcome in the July 2019 Local Area revisit where inspectors found that we had made good progress against the areas identified within the Written Statement of Action.

We developed our data systems across Education, Health and Care to ensure all agencies understood the needs and changing needs of children and young people with special educational needs and/or disabilities. We used this information to develop local provision where gaps were identified.

This included:

- Improved support within our Early Years Specialist Support Service
- Increase in the number of local specialist placements including the development of a secondary autism base within a mainstream setting resulting in more children and young people accessing the support they need within the local area
- Approval for a new Free Special School which will be open in September 2022 which will provide additional capacity
- Increase in the number of Supported Internships which has resulted in more young people accessing the most appropriate Post 16 pathways
- Health Data dashboard developed to monitor the number of children accessing A&E and therapy services with an Education Health and Care plan, this will improve monitoring of incidents, involvement and inform future commissioning



Through our work around Joint Commissioning we have:

- Developed a Joint Commissioning Strategy in partnership with children, young people and their families
- Established a young commissioners panel
- Jointly commissioned a Speech and Language therapy service with agreed performance outcomes, which is jointly monitored and captures the views of the children engaging in the service
- Developed a children's equipment service
- Developed an all age autism strategy. A needs-led neurodevelopmental pathway has been developed and is planned for implementation throughout South Tees in September 2021
- Completed a review of Occupational therapy support for 0-25, this review resulted in all OT provision being provided by the same organisation
- Regular contract reviews of joint service provision through the joint commissioning panel with South Tees authorities and clinical commissioning group representatives, exploring future opportunities of joint working

We increased the number of people using our Local Offer. This was achieved through:

- Advertising the Local Offer on a range of Billboards across the town
- Ensuring posters of the Local Offer were visible across a range of settings
- Engaging with families to understand how we could improve the Local Offer
- Offering Drop in Sessions to families
- Running competitions

The impact of this work has supported more families and professionals to understand what support is available within the local area.

Key Priorities 2021-2024



To support development across the Local Area the key priorities within Middlesbrough are:



To develop **strategic leadership** across Education, Health and Social Care and identify and remove barriers to learning and support which have been a result of COVID.



To ensure **greater involvement of children, young people and families** to support coproduction and ensure that their voice is heard regarding the services and support they need.



To ensure greater analysis and use of information to ensure that there is sufficient **local educational provision** and to drive improvement in provision through the use of **data** and improve systems for capturing **outcomes** for children and young people who have special educational needs and/or disabilities.



To further improve strategic planning to support **jointly commissioning** services across Education, Health and Social Care.



To improve processes and opportunities for children and young people in **preparation for adulthood**.



To have a **trained and competent** workforce in understanding how to meet the needs of children and young people with SEND.

How will we achieve these priorities?



We will achieve these priorities through:

Strategic Leadership

We will build on the already strong partnerships and shared vision across Education, Health and Care at a strategic level to ensure that children and young people with special educational needs and or disabilities have access to a range of services and that all agencies understand their responsibilities.

What will this mean for you?

Children and young people with special educational needs and/or disabilities will be supported by competent and knowledgeable staff. Their needs will be identified and outcomes in place which will support them to achieve and meet their aspirations.

Parents and carers will receive the support and information they require to ensure the needs of their children are met.



We will achieve these priorities through:

Greater involvement of children, young people and families

Children, young people and their families will be at the centre of the planning and development of services from the start. Services will be co-produced by parents and young people and resources will be designed with and for young people.

What will this mean for you?

Children, young people and their families will be involved in the planning, delivery and evaluation of services. Services will be flexible and accessible to ensure that the child is at the centre of all planning and that their voice is heard throughout the process.



Sufficient local educational provision through the use of data and improved systems for capturing holistic outcomes

We will continue to analyse our data and ensure that we develop the required educational, health and care provision within the local area based on identified needs. We will use our data to identify commissioning opportunities to inform what provision is required and ensure we have robust systems in place to capture holistic outcomes of children and young people with SEND.

What will this mean for you?

Children and young people will access local provision which meets their identified needs. This provision will support them to achieve their identified outcomes across education, health and social care.

Joint Commissioning

We will further improve Joint Commissioning in partnership with children, young people and their families. Joint commissioning of services will continue to improve outcomes for children and young people.

What will this mean for you?

Children, young people and their families will see a more co-ordinated approach accessing the right services at the right time.



We will achieve these priorities through:

Preparation for adulthood

We will further develop the pathways and provision available for young people at post 16 to ensure that young people achieve their outcomes when they finish their education, and that they are prepared for employment, independence and remain in good health.

What will this mean for you?

Young people will be able to access a range of support and provision to help prepare them to progress to greater employment and independence and make a positive transition to adult life.

Trained and competent workforce

Staff across Education, Health and Social Care through effective training will fully understand their responsibilities towards children and young people with special educational needs and or disabilities.

What will this mean for you?

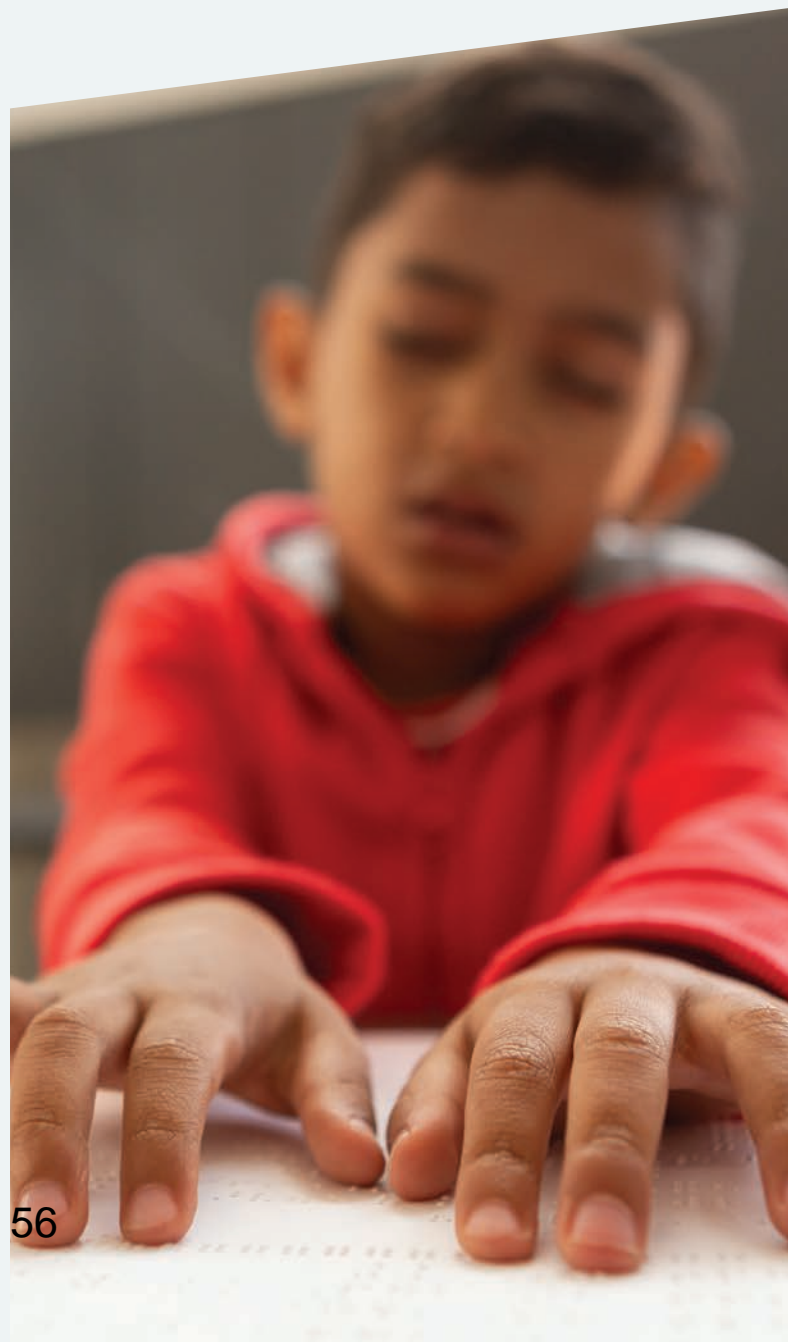
Children and young people with special educational needs and / or disabilities will be supported by competent and knowledgeable staff. Their needs will be identified and outcomes in place which will support them to achieve and meet their aspirations and identified outcomes.



How does the Special Educational Needs and Disability strategy link to other key strategies?

This strategy and vision links to the Council's Strategic Plan and Tees Valley CCG Children and Young People's Plan.

The table opposite demonstrates the links between these three plans.



Middlesbrough Council Strategic Priorities	TVCCG Children and Young People Plan	Special Educational Needs and or Disabilities priorities 2021-2024
<p>We will show Middlesbrough's children that they matter and work to make our town safe and welcoming and to improve outcomes for all children and young people.</p>	<p>Further refine needs assessment and gap analysis.</p>	<p>We will further develop strategic leadership across Education, Health and Social Care and ensure that children and young people achieve their identified outcomes.</p>
<p>We will work to address the causes of vulnerability and inequalities in Middlesbrough and safeguard and support those made vulnerable.</p>	<p>Continue to develop effective and meaningful data flow to improve strategic understanding of current and future cohorts for children and young people with SEND, based on Data Sharing agreements, EHCP cohort data and key performance indicators.</p>	<p>We will continue to involve children, young people and families around discussion and coproduction of the services and support they need</p>
	<p>Children's equipment pathways to be considered for joint commissioning opportunities. Continue to develop Tees Community Equipment Stores.</p>	<p>We will ensure further improvement of strategic planning to support jointly commissioning services across Education, Health and Social Care.</p>
	<p>Undertake review of therapy services including speech and language, occupational therapy, physiotherapy and learning disability physiotherapy and jointly commission.</p>	<p>We will work with young people, their families, local partners and national leads to further improve processes and opportunities which will support young people as they move into adulthood.</p>
	<p>Work with Local Authority and Education Partners to improve outcomes for children and young people with SEND via workstreams.</p>	<p>We will ensure that we have a trained and competent workforce across Education, Health and Social Care.</p>
	<p>Work with Local Authority and Education partners to identify and pursue other joint commissioning opportunities</p>	

How will this strategy be monitored?

There will be a clear action plan in place which will support the delivery of the Special Educational Needs and Disability Strategy. This action plan will be monitored through the SEND Strategic Group and Children's Trust Board.

Feedback on delivery of the strategy will be sought from children and young people and their families using a variety of formats to ensure the needs of children and young people are met and that local changes are made to ensure children and young people achieve their outcomes and aspirations.

Where will you find out about the progress of this strategy?

Updates on progress against the priorities within this strategy will be published on the Local Offer website. Information will also be published in the Disabilities Matters newsletter, Parents4change newsletter and key service updates and newsletters.

When will this strategy be reviewed?

The Special Educational Needs and Disability Strategy will be reviewed and updated every 12 months.

For further information please contact

Single Point of Contact

**Middlesbrough House, Elm Street,
Middlesbrough, TS1 9FZ**

Tel: (01642) 201831

Page 58
sen@middlesbrough.gov.uk



Appendix 1

Graduated Response

The reforms included a greater emphasis on SEN Support for children/young people in educational settings and the recommendation of the use of a SEN Support Plan.

Good SEN Support Plans can be valuable tools to help evidence the graduated response.

A well written SEN Support Plan demonstrates effective practice and evidence of steps taken and progress made as part of a Graduated Response including any Early Help Assessment. It demonstrates an awareness and evidence of the use of SEND processes in the SEND Code of Practice.

SEN Support Plans are flexible non statutory working plans which will be written and reviewed by educational settings, facilitate portability between settings, and follow a child or young person when there is movement between educational settings.

Education Health and Care Plans

The majority of children and young people with special educational needs will have their needs met in the child's local mainstream school or setting, sometimes with the help of outside specialists. In some cases, children attend specialist bases in mainstream schools or special schools depending upon the needs of the individual child.

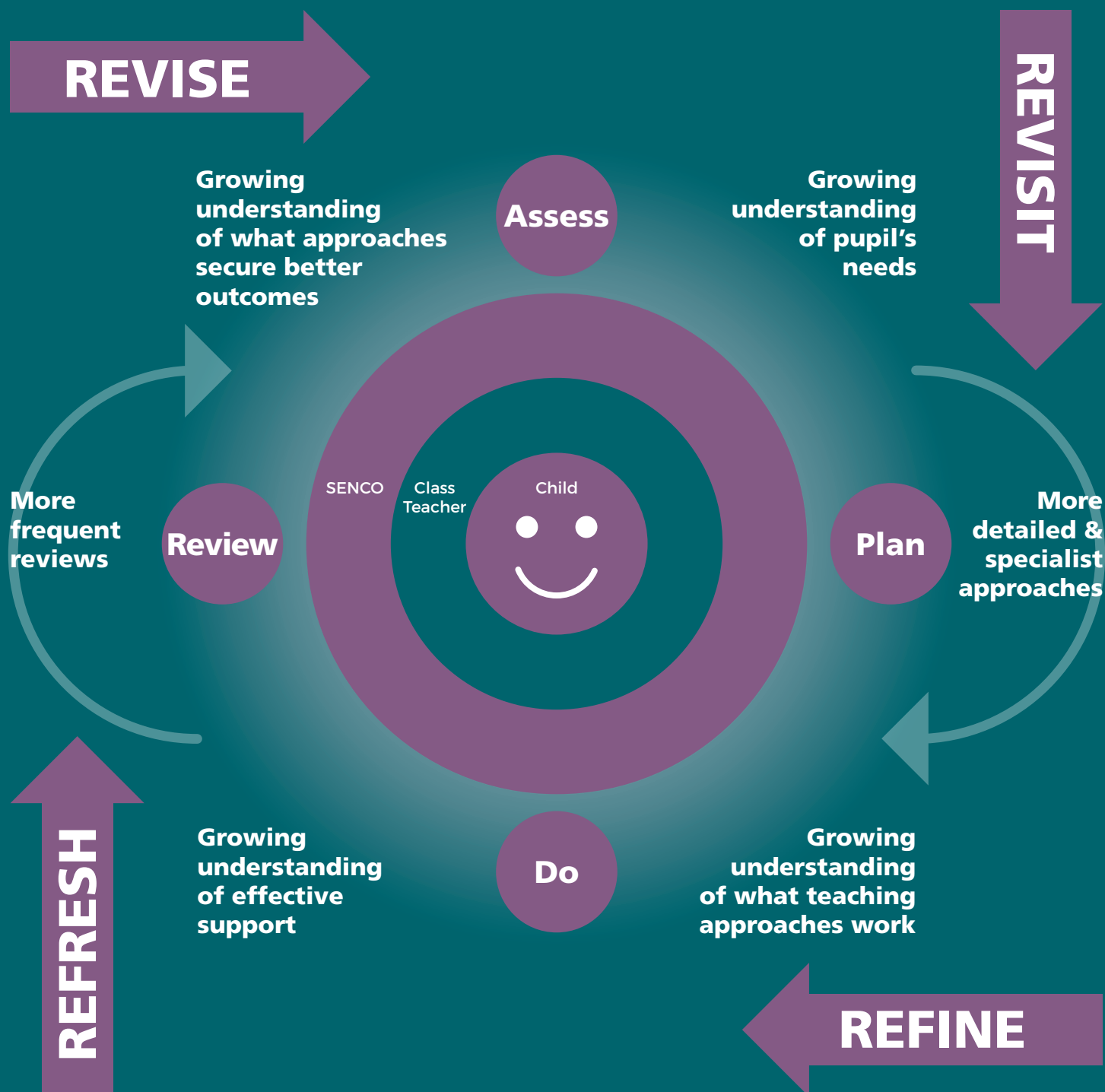
Most children and young people will have their needs met without the need for an EHCP however they may have a SEN Support Plan produced by a setting in dialogue with other professionals and parents, carers and children/young people, which identifies need, appropriate outcomes and support.

For those with the most complex needs, a statutory (EHC) assessment may be requested via an appropriate referral from a setting, professional, parent/young person. The statutory assessment of SEN covers a child/young person's education, health and care needs however in all cases, children/young people must be identified as having a special educational need to have an EHC assessment. The assessment is coordinated by the Local Authority's Inclusion, Assessment & Review Team.

Timescales for making assessments & issuing Education Health and Care Plans (EHCP)

The process of EHC assessment and EHC plan development must be carried out in a timely manner. Local authorities must ensure that they have planned sufficient time for each step of the process, so that wherever possible, any issues or disagreements can be resolved within the statutory 20 week timescale.

Graduated Support Model



Middlesbrough Local Offer

Useful information for children and young people with special educational needs and disabilities (SEND) and their families.

Who is it for?

- Children and young people with special educational needs and/or disabilities (SEND) from birth to 25 years
- Parents, carers and families
- Professionals



www.middlesbrough.gov.uk/localoffer



Report of:	Executive Member for Education - Councillor Stephen Hill Executive Member for Environment and Finance & Governance - Councillor Barrie Cooper Director of Education and Partnerships - Rob Brown Director of Finance - Ian Wright
-------------------	--

Submitted to:	Executive - 9 November 2021
----------------------	-----------------------------

Subject:	Middlehaven - Outwood Academy Riverside
-----------------	---

Summary

Proposed decision(s)
That Executive approves the sale of the subject land to the DfE for the sum of £1,211,596 (plus fees) to enable the construction of a new secondary school to be used as the permanent location for Outwood Academy Riverside. That capital funds up to the sale value of the land plus a further sum of up to £1.7m be utilised to assist the DfE in remediating the site, subject to the DfE providing robust evidence of the costs.

Report for:	Key decision:	Confidential:	Is the report urgent?¹
Decision	Yes – exceeds the £150K threshold.	No	No

Contribution to delivery of the 2021-24 Strategic Plan		
People	Place	Business
The delivery of the proposed secondary school will deliver on the Council's statutory duties, ensure that pupils can access a quality school place and reduce travel distances for children and their families.	The development of the subject parcel of land for secondary school use as proposed, will bring a vacant and underused Council asset into far more beneficial future use.	The proposal to dispose of the land will generate significant third party capital investment in the town's education infrastructure, and also deliver associated local employment opportunities.
Ward(s) affected		
The subject parcel of land is situated within the Central Ward and the respective Ward Members have been consulted with no adverse comments received.		

¹ Remove for non-Executive reports

What is the purpose of this report?

1. The purpose of the report is to set out the case for the proposal to dispose of the Council's freehold interest in land at Middlehaven, in order to facilitate the delivery of a new secondary free school in Middlesbrough.

Why does this report require a Member decision?

2. The proposal relates to the disposal of an asset deemed to be surplus at a value in excess of the £150K threshold, together with a requirement for capital investment in school infrastructure in excess of £150k.

Report Background

3. Executive considered a report on 8 October 2019 setting out the case to dispose of the Council's freehold interest in land at Middlehaven.
4. In 2019 Outwood Grange Academy Trust (OGAT) received approval from the Government's Free School Programme of funding to establish a new 1,050 place secondary school to serve central Middlesbrough. The Department for Education (DfE), which is responsible for delivering the scheme, approached Middlesbrough Council seeking a suitable site to use as the permanent school location.
5. The report explained that the statutory duty to ensure there are sufficient school places sits with Middlesbrough Council. The proposed school would therefore form a central pillar of the Council's approach to planning secondary school provision as, without it, there would be insufficient places to meeting rising demand. Support for the proposal was included as a priority in the School Place Planning Strategy, approved by Executive on 21 January 2020.
6. To meet rising demand for places, the DfE proposed opening the school in temporary accommodation in the first instance, allowing for due diligence, design, procurement and delivery of the new school to take place by the academic year 2021/22.
7. The Executive approved the proposal to proceed with the disposal of the Council's freehold interest in the land and requested that a further report be brought forward prior to sale of the land, in accordance with the Council's Asset Disposal Policy.

Remediation of the site

8. Following the report, initial site investigations conducted by Middlesbrough Council revealed that, despite remediation being undertaken as part of the exchange of the land with the Homes and Communities Agency (HCA) in 2017, there were still concerns about significant levels of contamination remaining on the site. Part of the site was also identified as being in an Environment Agency flood zone, further constraining the site in terms of its development.
9. It was identified that further detailed investigations of the site were required and that a remediation strategy would need to be devised for what was emerging as an increasingly complex site. The timescales were subsequently slipped to 2023/24 to allow this work to take place, with plans to provide more substantial temporary accommodation for the school for the first three years of operation.
10. Early DfE estimates of the cost of remediating the site to the standard required, at approximately £6.9m, raised its concerns that the scheme was becoming unaffordable. Alongside the cost of preparing a temporary site, the estimated project costs escalated considerably and drew ministerial attention.

11. Without an affordable and deliverable solution to developing the site, the Regional School Commissioner (RSC) indicated that an Academy Funding Agreement for the school could not be agreed. At this point the school was at risk of not opening.
12. With the prospect of the school not opening in September 2020, the Council would not be able to provide enough school places to meet demand. The result would have been 100 pupils unable to secure a secondary school place in September 2020 and increasing numbers in the following years. No other options to expand existing schools to meet the scale of this unmet demand were available.
13. The DfE proposed the cost of remediation be shared with Middlesbrough Council. It was agreed in principal that the cost should be deducted from the value of the site, and that this should be the final price paid by the DfE. In the event that the remediation costs are greater than the site value, the additional cost is to be shared equally by the DfE and Middlesbrough Council up to a maximum cap of £1.7m each. The Council would only agree to pay the costs of remediation that the DfE can evidence are required to build the school.
14. Following receipt of an independent third party site valuation, commissioned jointly by the DfE and Middlesbrough Council, Heads of Terms were subsequently agreed on this basis.
15. To ensure that only the most necessary and cost-effective remediation solution is secured an open book arrangement has been agreed, whereby the Council can interrogate, challenge and agree each stage of the process. Following more detailed site investigations, the DfE has revised the indicative remediation costings to £4.33m. Under the mechanism agreed this would mean a Council contribution of £1.55m over and above the value of the site, which is below the cap of £1.7m.
16. The Council is currently checking these costs and the remediation strategy that underpins them. Alternative approaches to the remediation are also being investigated with a view to reducing the costs and timescales involved. This includes reviewing procurement routes and responsibility for undertaking the works, encouraging the DfE to engage with their contractor on the basis of a remediation led solution to retain arisings on site and set the finished levels to respond to the arisings generated, and considering neighbouring development sites to source and dispose of ground materials. As a result of this, and as more design work is undertaken by the DfE on a final detailed building and site layout, the indicative costings are subject to change.

Establishment of Outwood Academy Riverside

17. The Academy Funding Agreement was signed on 27 February 2020, with Outwood Academy Riverside opened to pupils the following September.
18. Operating initially from accommodation at 2 Queen Square with 100 Year 7 pupils on roll, the school relocated to fully refurbished accommodation at 100 Russell Street in April 2021 with capacity for 450 pupils. The school will offer a further 150 Year 7 places in September 2021 and September 2022.

Land at Middlehaven

19. Shown edged on the plan attached as Appendix A of this report, the subject parcel of land held by the Council measures @ 8.44 Acres (3.41 Hectares)].
20. With proximity to the nearby Middlesbrough College, the subject site lies to the south of Cleveland Street, with frontage to Pioneering Way, Commercial Street, Lower East Street, Lower Feversham Street and Gray Street.
21. In order to take the scheme design forward, the DfE has sought changes to the site area that was initially identified. Firstly, an area of land to the north of Commercial

Street, known as the Jap Euro Auto Spares (JEAS) site has since been excluded from the site due to the envisaged cost/benefit of remediation being prohibitive.

22. Secondly, an additional parcel of land bound by Cleveland Street, Lower East Street and Lower Feversham Street has been incorporated within the site area so as to facilitate the satisfactory orientation and design of the proposed school building.
23. The design of the school facility will require the Buyer to stop up a section of Lower East Street in order to be able to deliver the development proposed.

What decision(s) are being asked for?

24. That Executive approves the sale of the subject land to the DfE for the sum of £1,211,596 (plus fees) to enable the construction of a new secondary school to be used as the permanent location for Outwood Academy Riverside.
25. That capital funds up to the sale value of the land plus a further sum of up to £1.7m be utilised to assist the DfE in remediating the site, subject to the DfE providing robust evidence of the costs.

Why is this being recommended?

26. To meet the Council's requirements to generate capital receipts and bring a vacant, unused parcel of land into far more beneficial use in the future.
27. Disposal would facilitate the construction of the Riverside Outwood Academy, creating additional secondary school capacity to assist the Council in its statutory duty to ensure there are sufficient places to meet rising demand.
28. Without an appropriate site on which to permanently locate the new school, its continued operation would not be possible. The school is currently operating out of temporary accommodation until the new building is completed, and would otherwise reach full capacity by 2022/23 and be unable to accept any more pupils.
29. The proposal supports delivery of the Council's Medium Term Financial Plan.

Stakeholder Engagement

30. The subject parcel of land is situated within the Central Ward and the respective Ward Members have been consulted.
31. No adverse comments have been received.
32. Members will be further consulted on any subsequent proposal made as part of the normal planning process.
33. The scheme proposal has received regular press coverage since the DfE announced its intentions to develop a new school on the site in 2019.

Other potential decisions and why these have not been recommended

Re-use for operational purposes

34. No Council operational service requirement has been identified.

Other uses

35. Although the site is capable of being used for other purposes, future use for the development of a secondary school is preferred.

36. Use of the subject land for any other purpose would leave the Outwood Academy Riverside with no site on which to develop a permanent school building.

Do nothing

37. The property would remain in its present state.
38. Whilst the subject land would be retained for potential Council use in the future, the liability and responsibility for maintaining and holding the property would remain with the Council in the interim.

Impact(s) of recommended decision(s)

Legal

39. The property would be disposed of freehold with vacant possession in accordance with standing protocol.
40. The Buyer has submitted a conditional offer for the subject land – the implications of this being that any resulting transaction would be subject to a delayed delivery timeframe for exchange and legal completion.
41. Assuming that the proposed disposal can be progressed without obstruction, or delay, the transaction as proposed should reach exchange of contracts within 6 months of notification of Council approval.
42. The Buyer will apply for planning permission and legally complete the transaction upon the grant of a satisfactory planning consent, subject to a longstop date of 18 months from the date that planning consent is granted.
43. The decision would assist the Council in meeting its statutory duty, under Section 14 of the Education Act 1996, to ensure there are sufficient school places to meet demand.

Financial

44. The Council would receive a capital receipt plus fees without the need to incur any further marketing costs.
45. The disposal of the subject site would remove the Council's liability for any future maintenance or holding costs whilst the property remains unused.
46. The Council has committed to reinvest the proceeds of the land sale, and a further investment of up to £1.7m of additional capital (if required) to help the DfE remediate the subject site and deliver the new school facility as proposed.

Policy Framework

47. No Policy Framework implications have been identified.
48. The report is in-line with the emerging vision for the repopulation of the town centre.
49. The decision aligns to the Mayor's Vision by:
- a) Facilitating fair access to secure, well paid jobs and meaningful training by working with local schools and other partners to ensure that local people have access to the best education to enable them to achieve the right qualifications and skills;
 - b) Ensuring safer, independent lives for our young people - ensuring our children are protected;

- c) Strengthening our town through bold and innovative regeneration.

Equality and Diversity

50. A Level 1 (Initial Screening) Impact Assessment (IA), attached at Appendix C, was undertaken and accompanied the 8 October 2019 Executive report.
51. The impact assessment found that the proposal would have a positive impact on the local community and would not represent a concern to equal rights, disability discrimination or the impingement of human rights.
52. The decision being sought aims to positively affect educational outcomes for young people aged 11-16, removing the need for these children to travel to schools outside of the town to access appropriate education, or be without an education.

Risk

53. The relevant risks this decision would influence are cited below, with an explanation as to why they are relevant and how it would affect each risk.

Risk No	Risk Description	How it impacts on each risk
O4-025	In June 2019 the DfE announced that Middlesbrough would receive funding to build a new Free Secondary school. This investment is dependent on agreement with the DfE for the cost and siting of the land of the new school. If agreement cannot be reached, pupils will not be admitted to the new school for September 2020 (albeit in temporary accommodation). This will result in further costs to the council in needing to find places for children for September 2020 and each successive year thereafter. The limited resource available and land on current school sites to build on will make this increasingly difficult and could jeopardise the viability of the new school.	The report details the arrangements for the land transaction and remediation costs. The proposal has a positive impact on this risk.
O4-026	There may be insufficient year 7 school places available to meet demand over the next 5 years which could result in Middlesbrough children not being able to attend school in the town, leading to a failure to fulfil our statutory obligations, and placing a financial burden for funding additional places. It could also damage our reputation and lead to dissatisfied	The building of a permanent location for the new secondary school will provide the school places needed to meet demand, having a positive impact on this risk.
O8-104	If the Asset Disposal Policy Framework fails to deliver sound business management practices then this may lead to the Council being unable to demonstrate best value and open and transparent dealings in asset disposal resulting in damage to the Council's reputation from negative publicity and potential financial consequences.	This report is being brought forward prior to the sale of the land to ensure compliance with the Council's Asset Disposal Policy which will have a positive impact on this risk.

Actions to be taken to implement the decision(s)

54. Subject to Executive Committee approval, the Council moves to:

- a. Proceed with the disposal of the subject property to the DfE for the sum of £1,211,596 (One Million Two Hundred & Eleven Thousand Five Hundred & Ninety Six Pounds) plus fees, to enable the construction of a new secondary school to be used as the permanent location for Outwood Academy Riverside.
- b. That the sale value of the land and a further sum of up to £1.7m of capital funds be utilised to assist the DfE in remediating the site if required and where evidence is provided to support it.
- c. Confirm a satisfactory timeframe for delivery of the proposed development scheme with the Buyer, requiring them to:
 - i. Exchange contracts within 6 months of notification of the grant of Council approval.
 - ii. Use reasonable endeavours to legally complete the transaction within 6 months of the date that planning consent is granted.
- d. Grant the Director of Finance delegated authority to authorise any variation from the price stated in Paragraph 54(a) of less than £150,000, if required.

Appendices

Appendix A – Site plan

Appendix B – Asset Disposal Business Case

Appendix C – Impact Assessment

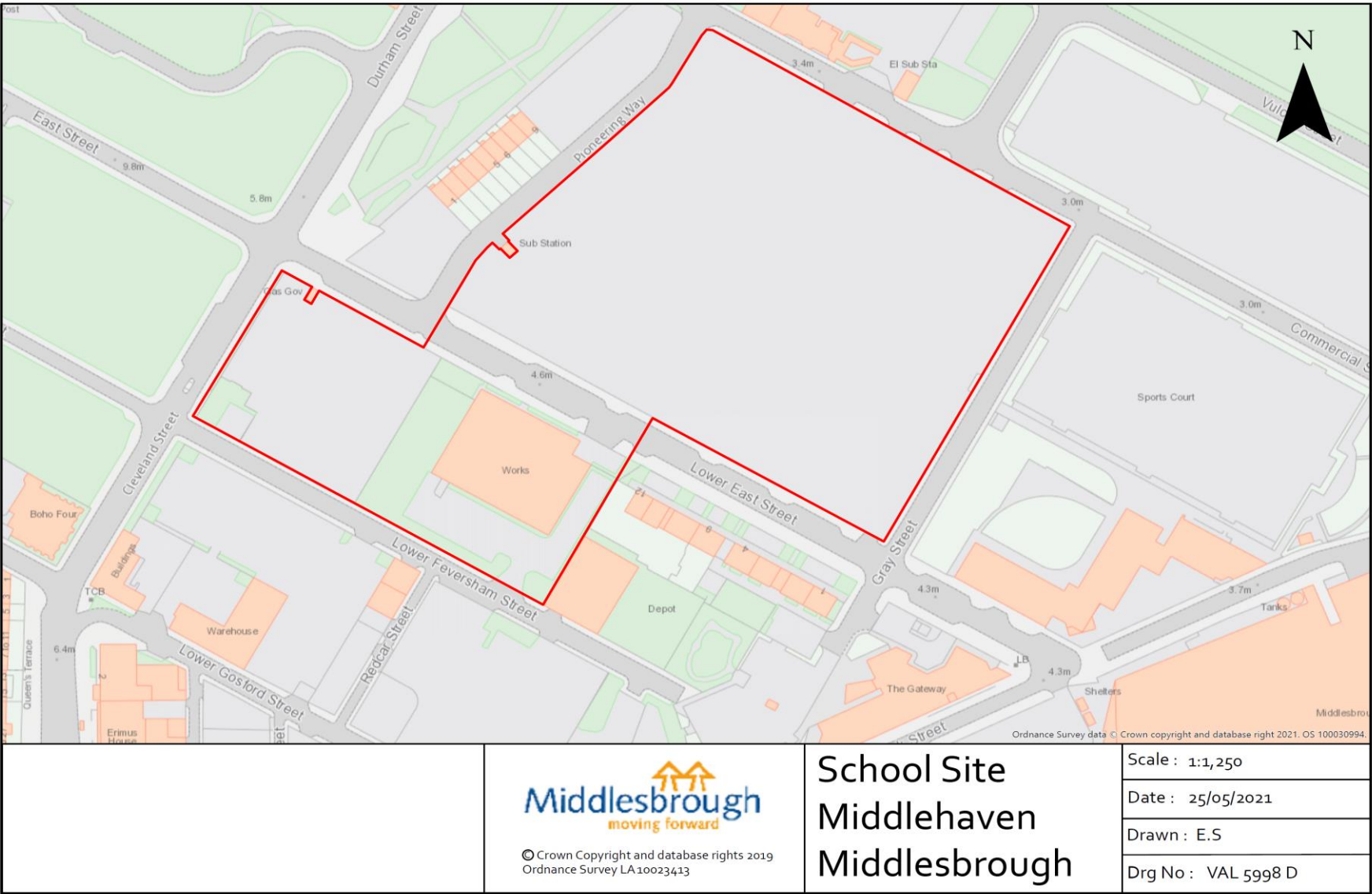
Background papers

Body	Report title	Date
Executive	Middlehaven - Potential Site for a Secondary Free School	8 October 2019
Executive	School Place Planning Strategy 2020-25	21 January 2020

Contact: Gary Maddison, Strategic School Planning Manager

Email: gary_maddison@middlesbrough.gov.uk

Appendix A – Site Plan



Appendix B – Asset Disposal Business Case

Asset Disposal Business Case:

Name of Asset:	Free School Site - Plot A, Gray Street, Middlehaven, Middlesbrough TS2 1DH
Asset Register Number:	18001
Current Use:	Vacant & cleared development site – the property was 'Not In Use' by the Council as at the date of valuation.
Valuation at Current Use (Asset Register):	£2,077,000
Reason for Disposal:	<p>Disposal of @ 9.44 Acres [3.82 Ha] of surplus Council land shown edged on the plan attached, in order to facilitate the delivery of a new Secondary Free School for up to 1,050 pupils aged 11-16 years.</p> <p>Delivery of the school would assist the Local Authority in meeting its statutory duty to ensure that there are sufficient school places in the secondary sector, where demand is forecast to outstrip supply.</p> <p>Outwood Grange Academy Trust (OGAT) has secured approval from the Secretary of State for Education to establish the school, subject to securing a suitable site in Middlesbrough, and demonstrating value for money. The school would serve the north and predominantly the centre of Middlesbrough. Middlesbrough's young people would be the main beneficiaries.</p> <p>OGAT, having had their bid approved by the Secretary of State for Education, are the only Trust able to deliver this school in partnership with the Department for Education (DfE). Delivery of the school would help to ensure that there are sufficient secondary school places to meet demand in a local school, run by a nationally recognised high-quality provider.</p>
Latest Valuation (Proposed Disposal):	£2,077,000 – pending confirmation of the site area & the agreement of any allowable development and abnormal cost deductions identified following the completion of the requisite site investigations & diligence.

Asset Disposal Stream (Please Select):

Generate Capital Receipt	v [02]
Stimulate Economic Activity	v [03]
Support Communities	v [01]

(In the event of more than one stream being relevant please rank in order of importance)

Officer requesting Disposal:

Name:	Gary Maddison
Position:	Strategic School Planning Manager

Could the asset be disposed of for an alternative use that may give greater benefits to the Council?

(To be completed by Valuation and Estates):

Yes		No	v
-----	--	----	---

If yes please outline potential use:

N/A

Estimated Value at Alternative Use:	N/A
-------------------------------------	-----

Key factors to be considered when assessing potential disposals:

1.	Potential fulfilment of the Borough's local Plan Framework education requirement
2.	Capital receipt generated
3.	Potential education service budget saving as a result of generating third party provision

Any additional financial factors to be considered other than immediate capital receipt:

As currently proposed, the transaction to dispose of the asset will deliver:

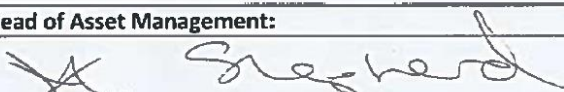
- Third party capital investment into Middlesbrough's education infrastructure in excess of an estimated @ £15 million to provide a school facility of the proposed nature and size;
- Employment of teaching staff, support staff and contracted services;
- Reduction in, and avoidance of future increased costs to the Home to School Transport budget, arising from the increased ability of families to secure school places within walking distance of their homes and a reduction in the need to place pupils in out-of-area provision.
- A sustainable and viable development scheme capable of regenerating the subject site, whilst also stimulating economic activity and facilitating associated redevelopment of the surrounding area.

As the DfE's chosen partner, only OGAT is able to establish and operate the proposed school development. If the Council's objective is to see a school delivered on this site, then the sale of the land must be via private treaty with the DfE/ESFA/Secretary of State for Housing, Communities and Local Government as the only partners able to deliver this.

Preferred Method of Marketing (to be completed by Valuation & Estates):

Formal / Informal Offers	
Private Treaty	v
Auction	
Community Asset Transfer Process	

Approved to proceed:

Head of Asset Management:	Date:
	14/8/19

Method for Final Approval:

Estimated Value:	Approval Required:	Authorised:	Date:
Less than £50,000	Head of Financial Planning and Support		
Between £50,00 and £100,000	Strategic Director of Finance, Governance and Support		
More than £150,000	Executive Property Sub Committee		

Appendix C – Impact Assessment Level 1: Initial Screening Assessment

Subject of assessment:	Potential Location for a new Secondary Free School			
Coverage:	Service specific to Children's Services			
This is a decision relating to:	<input type="checkbox"/> Strategy	<input type="checkbox"/> Policy	<input checked="" type="checkbox"/> Service	<input type="checkbox"/> Function
	<input type="checkbox"/> Process/procedure	<input type="checkbox"/> Programme	<input type="checkbox"/> Project	<input type="checkbox"/> Review
	<input type="checkbox"/> Organisational change	<input type="checkbox"/> Other (please state)		
It is a:	New approach:	<input checked="" type="checkbox"/>	Revision of an existing approach:	<input type="checkbox"/>
It is driven by:	Legislation:	<input type="checkbox"/>	Local or corporate requirements:	<input checked="" type="checkbox"/>
Description:	<ul style="list-style-type: none"> • Key aims, objectives and activities – To facilitate the establishment of a new Secondary Free School in order to create additional secondary school places to meet increased demand from September 2020. • Statutory drivers – the Council has a statutory duty to secure sufficient school places to meet demand, under the Education Act 1996 • Differences from any previous approach - The establishment of new secondary school provision in Middlesbrough would allow the Council to commission more local school places and avoid having to places pupils in out-of-area provision, or pupils having no school place at all. This would be the first Secondary Free School established in Middlesbrough. Middlesbrough Council no longer has the powers required to establish a new school itself – all new schools have to be Free schools. • Key stakeholders and intended beneficiaries – <ul style="list-style-type: none"> • Pupils and Parents of Pupils starting secondary school for the first time in September 2020; • Local ward members; • Outwood Grange Academy Trust (OGAT) • Department for Education. • Intended outcomes – <ul style="list-style-type: none"> • The establishment of an additional 1,050 secondary school places in Middlesbrough; • Meet the needs and preferences of pupils to receive an education in a Middlesbrough secondary school; • Improve educational standards and opportunities for pupils by ensuring that all pupils can secure a secondary school place. • Reduce the need to secure school placements in out-of-area provision, reducing travel times for students and home-to-school travel costs for Middlesbrough Council; • Secure a capital receipt to be re-invested into the Council's capital programme 			
Live date:	Discussions around the potential sale of the land would start as soon as the DfE had confirmed the site, following its options appraisal of available sites in Middlesbrough. The DfE and OGAT, in partnership, would establish the school in temporary accommodation in September 2020 subject to Heads of Terms being agreed on the site and the Regional School's Commissioner agreeing a Funding Agreement. The DfE would aim to complete the construction of the new school accommodation during the academic year 2021/22.			

Lifespan:	There is no end date to the proposal and the changes are intended to be permanent.
Date of next review:	Conditional upon successful negotiations with the DfE a further report would be brought to Executive, in line with Council's Asset Disposal Policy, to agree the final sale via private treaty. The proposed new-build scheme would be subject to the normal planning process.

Screening questions	Response			Evidence
	No	Yes	Uncertain	
Human Rights Could the decision impact negatively on individual Human Rights as enshrined in UK legislation?	☒	☐	☐	<p>There is no evidence to suggest that the decision would negatively impact upon any individual's human rights. The decision does facilitate these rights including:</p> <ul style="list-style-type: none"> the right to an education. <p>The proposal will positively impact on this right, increasing education provision in the local area.</p> <p>Evidence used to inform this assessment includes analysis of projected demand and the local provision of places, alongside feedback from schools and parents in Middlesbrough.</p>

Screening questions	Response			Evidence
Equality Could the decision result in adverse differential impacts on groups or individuals with characteristics protected in UK equality law? Could the decision impact differently on other commonly disadvantaged groups?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>The Public Sector Equality Duty (PSED) requires that when exercising its functions the Council must have due regard to the need to:-</p> <ul style="list-style-type: none"> eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act; advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and foster good relations between persons who share a relevant protected characteristic and persons who do not share it. <p>In having due regard to the need to advance equality of opportunity, the Council must consider, as part of a single equality duty:</p> <ul style="list-style-type: none"> removing or minimising disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic; taking steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of people who do not share it; and encouraging people who share a protected characteristic to participate in public life or in any other activity in which participation is low. <p>As this proposal relates to school-age children it is relevant to the equality duties and the protected characteristic of age. The proposal would have a positive impact on this group, increasing the availability of school places within the town, ensuring that more appropriate placements can be made and reducing the number of children required to travel greater distances to placements outside the borough, or be without an educational placement.</p> <p>Evidence used to inform this assessment includes analysis of projected demand and the local provision of places, alongside feedback from schools and parents in Middlesbrough.</p>
Community cohesion Could the decision impact negatively on relationships between different groups, communities of interest or neighbourhoods within the town?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<p>No negative impact is anticipated. The proposal would impact positively on community cohesion, increasing the availability of school places in the town and removing the need for pupils to have to travel to other schools outside the town, or be without a school place.</p> <p>Evidence used to inform this assessment includes analysis of projected demand and the local provision of places, alongside feedback from schools and parents in Middlesbrough.</p>
Assessment completed by:	Gary Maddison			Head of Service: Andrea Williams
Date:	22 August 2019			Date: 22 August 2019

MIDDLESBROUGH COUNCIL



Report of:	Executive Member for Environment and Finance & Governance - Councillor Barrie Cooper Director of Environment and Community Services - Geoff Field
Submitted to:	Executive - 9 November 2021
Subject:	ECS Built Asset Capital Investment

Summary

Proposed decision(s)
It is recommended that Executive: <ul style="list-style-type: none"> a) Approves capital funding for works to The Town Hall, Municipal Buildings, Resolution House, and Central Library to ensure the ongoing condition of these assets for future operational and community use.

Report for:	Key decision:	Confidential:	Is the report urgent? ¹
This report seeks an Executive decision to approve capital expenditure.	Yes - over the financial threshold and more than 2 wards will be affected.	This report is not confidential.	For the purposes of the call-in procedure, this report is not urgent.

Contribution to delivery of the 2020-23 Strategic Plan		
People	Place	Business
Ensure the people of the town have access to cultural venues and in respect of Resolution House improve the quality of the workplace for employees.	Investment in the Town Hall, Municipal Buildings & Central Library will contribute to the regeneration of the Historic Quarter. Investment in Resolution House will improve the quality of the council's main operational depot.	Capital investment in these assets will contribute to the wide regeneration of the town.

¹ Remove for non-Executive reports

Ward(s) affected
Investment in these assets will be of benefit to all Wards throughout Middlesbrough.

What is the purpose of this report?

1. The purpose of the report is to inform Executive of the current arrangement for allocated capital funds in the council 'Built Asset portfolio'.
2. In line with the current arrangement request an additional £5,195,650 of capital funding to be allocated to enable essential investment to be undertaken to the Assets.

Why does this report require a Member decision?

3. The decision requires Executive approval as the requested funding is in excess of £150,000.

Report Background

4. In 2009 the Building Improvement Programme (BIP) was set up as a £30,000,000 programme designed to address the maintenance backlog of Council properties in a planned way over 10 years.
5. In 2013 BIP was replaced with the Critical Compliance and Investment Works (CCIW) as part of the councils 'Work smart' strategy. In 2021 CCIW was renamed 'Property Asset Investment Strategy with a reduced allocation. The focus of this strategy was changed with a renewed emphasis on:-
 - Cyclical Statutory Planned Preventative Maintenance (CSPPM) required to ensure safety and compliance of the Built Assets.
 - To respond to unplanned urgent works due to failures of a building element, plant, or equipment to ensure the Built Asset Portfolio remains operational until such time that a strategic decision is made on the future requirements of each asset.
 - Major investments, classed as one-off capital projects to be administered as separate requests outside of the Property Asset Investment Strategy.

This report outlines four requests for investment in Resolution House, the Town Hall, Municipal Buildings, and Central Library.

6. **Resolution House:** - The cost advice to replace the cladding and associated Building Services to the Workshops is estimated at £1,500,000 to £2,000,000. This is subject to a further detailed survey of the Electrical & Mechanical services and confirmation from the operational services on the unit's suitability. As Middlesbrough has the benefit of sole occupation of the site, previous attempts to secure funding for works to the depot from the other custodian authorities have been unsuccessful, however due to the estimated costs to address the condition of the workshops, new negotiations will commence, but this will be time limited to 3 months due to the need to address the condition of the roof as soon as possible. It should also be noted that although replacement of the cladding system is urgent, measures have been put in place to mitigate risk allowing the building to remain operational in the short to medium term.

Table 1 advises on the estimated costs to each authority on the assumption that the principals of the custodian agreement is applied.

Local Authority	%	Contribution	Contribution
Hartlepool	16.5	£ 247,500	£ 330,000
Middlesbrough	25.9	£ 388,500	£ 518,000
Redcar & Cleveland	25.9	£ 388,500	£ 518,000
Stockton	31.7	£ 475,500	£ 634,000
Total	100	£ 1,500,000	£ 2,000,000

7. Middlesbrough Council currently pays an annual rent of £87,410 (£64,771 net) it is however expected that the other custodian authorities will require a significant rent increase and a formal long term lease if they are to contribute to the cost of the project.
8. **Resolution House:** - The site is the council's main operational depot and requires the installation of a passenger lift to allow a means of accessible access to the first and second floors of the main office block.
9. **Municipal Building and Town Hall:** - The condition of the slate tiled roof, associated lead flashing and stonework is well documented, with the conclusion that major investment is required over the coming years to minimise further deterioration to one of the town's heritage assets. In addition works to the internal building elements, fire compartmentation, and fire detection systems are required.
10. **Central Library:** - The introduction of a ground floor accessible toilet and baby change will provide a much needed facility to allow a wider demographic of the community to visit and utilise the resources within the library.

What decision(s) are being asked for?

11. It is recommended that the Executive Member approves the requested £5,195,650 capital funding to carry out the identified works.

Why is this being recommended?

12. To ensure that these assets are structurally stable and remain suitable for operational and community use.

Other potential decisions and why these have not been recommended

13. Structural reports have confirmed that capital investment is required to address the existing condition of the Town Hall, Municipal Buildings & Resolution House. Any further delay to action these recommendations would increase the risk of a building element failing and could result in a breach of Health & Safety Legislation, putting the council as risk of legal action being taking.

Impact(s) of recommended decision(s)

14. The impact of approving the report will result in ensuring the noted building elements on these assets remain in a safe & suitable condition.

Legal

15. Any legal requirements associated with the planning and delivery of works will be managed through the Council's policies and procedures.

Financial

16. The Table advises on the individual assets that have been identified as requiring Major Investment and includes proposed years for funding to be drawn down.

	21/22	22/23	23/24	24/25	Total
Town Hall		£ 1,000,000	£ 1,000,000		£ 2,000,000
Municipal Building Roof & associated external fabric			£ 1,000,000	£ 1,000,000	£ 2,000,000
Municipal Building Internals	£ 250,000	£ 250,000			£ 500,000
Resolution House Workshops (M'bro cont'n @25.9% of total £2,000,000 cost)	£	£ 518,000			£ 518,000
Resolution House Lift (M'bro cont'n @ 25.9% of total £350,000 cost)	£ 90,650				£ 90,650
Central Library Accessible WC	£ 87,000				£ 87,000
Total	£ 427,650	£ 1,768,000	£ 2,000,000	£ 1,000,000	£ 5,195,650

17. The financing cost of the above is shown below:

Financial year	£
2021/22	15,798
2022/23	65,313
2023/24	73,883
2024/25	36,942
Total Cost to Capital Financing	191,936

There is revenue budget to cover the financing costs within the current financial year (2021/22), however future years will need to be factored into the Council's MTFP.

Policy Framework

18. The Approval of the recommendations will not affect any part of the Council's Policy Framework.

Equality and Diversity

19. There will be no negative, differential impact on diverse groups and communities associated with this report.

Risk

20. If the works are not carried out the following risks may apply:-

- In the event of a substantial failure of a building element that caused death or injury, there would be a HSE investigation that could result in criminal prosecution and civil proceeding if the Authority was found to be at fault.
- Deterioration of the external building elements and damage to internal building elements and fixtures.
- Reputational damage to the Council and a detrimental impact on the Town's recovery post COVID with the potential of loss to the Community, Education, Tourist, and Cultural offer provided by the Town Hall & Municipal Buildings.
- The unplanned closure of the workshops in Resolution House would result in the Council's vehicle fleet, plant, and machinery not being maintained. This would have a detrimental effect on the delivery of critical front line services.

Actions to be taken to implement the decision(s)

21. To deliver the programme of works Asset Management will work in collaboration with other services to review internal project arrangements, carry out the necessary tender/procurement exercise through appropriate channels, allocate financial resource, and manage the works programme.

Appendices

22. There are no appendices to this report.

Background papers

23. There are no background papers to this report.

Contact: David Jamison Head of Property & Commercial Service

Email: david_jamison@middlesbrough.gov.uk

This page is intentionally left blank

MIDDLESBROUGH COUNCIL	
------------------------------	--

Report of:	Executive Member for Environment and Finance & Governance - Councillor Barrie Cooper Director of Finance - Ian Wright
-------------------	---

Submitted to:	Executive - 9 November 2021
----------------------	-----------------------------

Subject:	Revenue and Capital Budget - Projected Outturn position as at Quarter Two 2021/22
-----------------	---

Summary

Proposed decision(s)
<ul style="list-style-type: none"> That the Executive notes the 2021/22 revenue budget Quarter Two total projected outturn of £4.155m, representing a £2.605m (2.2%) overspend on non-Covid-19 elements, and the estimated financial effect of Covid-19 in 2021/22 of £1.550m, and the proposed actions to address this. That the Executive notes the proposed use of the following Reserves to fund the total projected overspend of £4.155m in 2021/22 : <ul style="list-style-type: none"> - Social Care Demand Reserve (£0.5m) - Children's Services Demand Reserve (£0.732m) - Covid Recovery Reserve (£2.923m) That the Executive notes the 2021/22 capital budget Quarter Two predicted outturn of £64.814m against a budget of £82.029m, and approves the proposed revised Investment Strategy to 2023/24 at Appendix 1.

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.		

Ward(s) affected
None.

What is the purpose of this report?

1. This report advises the Executive of the Council's financial position at Quarter Two 2021/22, 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 as at Quarter Two 2021/22;
 - position statements in relation to the Council's borrowing and prudential indicators, and its reserves and provisions; 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. There are no virements over £150,000 which require Executive approval at Quarter Two.
5. A revised Investment Strategy for the period to 2023/24 is attached at Appendix 1 for the Executive's consideration and approval.

Report Background

Revenue Budget Quarter Two Outturn 2021/22

6. As reported in previous reports, the Covid-19 pandemic is continuing to have a significant impact on the Council's financial position. This has made the management of the Council's finances more difficult due to the constantly evolving situation and also the level of uncertainty regarding the financial effects of Covid-19 in 2021/22 and future years. Covid-19 financial pressures are being monitored separately from the normal non-Covid-19 financial position, and these are reported separately in paragraphs 50 to 78 below.
7. The 2021/22 Revenue budget for the Council is £116,492,035. During Quarter One there were a number of transfers of services between Directorates due to managerial changes, and the financial position is reported against the new Directorate budgets. The Council's outturn position for 2021/22 for non-Covid-19 elements is projected to be an overspend of £2.605m (2.2%). The split by Directorate is shown in the table below, with the Quarter One position also included for information :

Directorate	2021/22 Full Year Budget £'000s	2021/22 Q2 Projected Outturn (excluding Covid-19) £'000s	2021/22 Q2 Projected Over / (under) spend (excluding Covid-19) £'000s	FOR INFORMATION Q1 Projected Over / (under) spend (excluding Covid-19) £'000s
Regeneration and Culture	3,464	2,579	(885)	(910)
Environment and Community Services	18,773	19,990	1,217	1,036
Public Health	(2,820)	(3,229)	(409)	(459)
Education & Partnerships	480	574	94	11
Children's Care	38,209	46,094	7,885	7,043
Adult Social Care and Health Integration	41,336	41,443	107	15
Legal and Governance Services	9,429	9,576	147	127
Finance	33	(1,186)	(1,219)	(625)
Central Budgets	7,588	3,256	(4,332)	(4,521)
Revenue Outturn	116,492	119,097	2,605	1,717

8. This when added to the estimated Covid-19 pressures of £1.550m detailed in paragraphs 50 to 78 results in a total projected outturn pressure at year-end 2021/22 of £4.155m, an increase of £402,000 from the position reported at Quarter One.
9. It is proposed that the total projected overspend in 2021/22 will be covered by the full utilisation of the Social Care Demand Reserve of £0.5m and the Children's Services Demand Reserve of £0.732m, which were created at the end of 2020/21. It is proposed that the remaining £2.923m of the total projected outturn pressure is funded from the £4.512m Covid Recovery Reserve, which was created during 2020/21 to cover the potential costs arising from the Covid-19 recovery in 2021/22 and future years.
10. The level of Reserves remaining after the use of these Reserves is shown in the Reserves and Provisions Section of this report (paragraphs 113 and 114) and in Appendix 2.

Progress against budget savings

11. £1.9m of additional budget efficiency savings were approved by Council on 24 February 2021 as part of the 2021/22 budget setting. There were also approximately £1m of savings approved in previous years relating to 2021/22.
12. As reported at Quarter One it has not been possible to achieve one of the budget savings due to Covid-19 and this is detailed in paragraph 65 below.
13. In addition, as reported at Quarter One 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 fully achieved in 2021/22, due to delays in implementing the projects partly caused by the effects of Covid-19. These savings were approved in previous years and are part of the budget set for 2021/22. These savings have been allocated to Directorates. A total of £265,000 of the Digital project and mileage savings are projected to be achieved in 2021/22. The remaining £1,009,000 of the savings required will be fully covered by temporary one-off efficiency savings for 2021/22 that have been proposed by Directorates. These savings do not have a material effect on service delivery, and include the following main areas:

- Keeping posts vacant / delaying recruitment to vacant posts
- Further reducing the use of agency staff within Children's Care
- Reducing discretionary supplies and services and exam and courses fees expenditure
- Reviewing the amounts charged to grants in line with grant conditions
- Maximising the amounts that are charged to corporate Ofsted Improvement Fund and Change Fund funding within Children's Services
- Utilising surpluses held in joint arrangements budgets
- Savings arising from predicted reduced demand for services during 2021/22 following further analysis
- Deferring expenditure relating to Streetworks permit set up costs until 2022/23, where they can be covered by income to be received
- Utilising up to £233,000 of the Adult Social Care Recovery Reserve, which was created at year end 2020/21 for the potential effects of increased service demand, as it is currently predicted that the full amount will no longer be required

14. The above temporary one-off efficiency savings for 2021/22 will mean that there is no financial effect on the projected outturns for Directorates in 2021/22 due to the unachieved Digital and mileage savings.
15. It should be noted that it is expected that the full amount of savings relating to Digital will be fully achieved from 1 April 2022 as per the original intended methods. A decision will be made regarding the £180,000 saving to "reduce staff mileage rates across the Council" by Executive as part of the MTFP Update report to be submitted to this Executive and then to Council on 24 November 2021.

Directorate variances

16. The detail of the variances contained in the table in paragraph 7 are set out below. At Quarter Two, 29 areas are projected to be spent +/- £150,000 of the agreed budget. Where appropriate, the on-going effects of variances will be considered as part of future updates of the Council's Medium Term Financial Plan.

Regeneration and Culture

17. As reported at Quarter One, car parking income is projected to be below budget in 2021/22 due to the effects of Covid-19 lockdown and the recovery period throughout the rest of the year following the removal of lockdown restrictions. The pressure arising from this in 2021/22 is shown in the Covid-19 Reduction of Income section of the report (paragraph 62).
18. Grant income of £850,000 is predicted to be received from the Tees Valley Combined Authority (TVCA) in 2021/22 for the provision of 2 to 3 hour free parking across the Tees Valley. £68,000 of the TVCA grant relating to the Captain Cook Car Park, where the Council provides 3 hour free parking, has been used, as per the scheme guidance, to mitigate the effects of the lost income for the first quarter of 2021/22 to be reported under the Covid-19 Sales, Fees and Charges lost income scheme.

Environment and Community Services

19. The Property Services budget is currently projected to be overspent by £611,000 at year-end. Within this budget there is an anticipated pressure against the Running Costs budget of £150,000, primarily due to the rising costs of energy. This is subject to change and the final pressure at year-end will be funded from the Central Pay and Prices Contingency budget. 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 £200,000. In addition, an overspend of £170,000 is currently predicted against the Integrated Transport Unit, an increase from the £60,000 pressure reported at Quarter One. This is due to an increase in demand during the school year commencing September 2021. In addition, there is a predicted increase in external contract prices caused by a shortage of drivers which is increasing wages, and due to a rise in fuel prices. In some cases, external providers have pulled journeys, resulting in a requirement to seek more expensive alternative providers. This pressure could further increase or decrease as the year progresses.
20. The Environment Services budget is currently showing an anticipated pressure totalling £651,000. This is mainly as a result of the need to secure an alternative contractor to process kerbside recycling material following the previous contractor entering into administration. Currently, the increased cost is predicted to be £500,000 in this financial year, but this may change following the tender process for a new contractor, which is planned to be completed by the end of October 2021. The final pressure at year-end will be funded from the Central Pay and Prices Contingency budget. There also a number of other pressures within the Service below £150,000, including Catering (£66,000) due to the rising cost of food & drink supplies, Pest Control (£68,000) due to an income shortfall, and Waste Collection (£66,000) due to the purchase of vehicle wraps as part of the initiative to improve recycling rates in line with the Council's Green Strategy. These pressures have been partially offset by salary savings elsewhere within the Service.

Public Health

21. There are projected savings on Public Health budgets totalling £409,000, with £208,000 of the projected savings being due to reduced activity for some demand led services, such as Stop Smoking, NHS Healthcheck programme, rehabilitation, and prescribing costs as a result of Covid-19, and the remainder being due to staff and supplies and services savings.

Children's Care

22. The projected overspend on the Children's Care budget has increased by £842,000 from that reported at Quarter One to a projected overspend of £7,885,000 as at Quarter Two. The split of the projected overspend between the individual budgets within Children's Care and the changes from the Quarter One reported position are detailed in the paragraphs below.
23. The external residential agency placements budget is currently projected to be £2,482,000 (25%) overspent at year-end. This is an increase of £840,000 from the Quarter One projection. The number of external residential placements has significantly reduced to 48 at the end of Quarter Two from 65 at the end of 2020/21,

due to various initiatives introduced such as the Innovate Team, the Futures for Families Programme, and Daniel Court. There has however been increased costs for some of the remaining placements due to the complex nature of the remaining young people, and also rising costs within the market generally.

24. There was also an increased pressure due to the assumption for the re-opening of the internal provision at Rosecroft that was made at Quarter One being more optimistic than the actual position that was achieved. This has led to some increased costs than forecast at Quarter One being incurred until young people were placed in Rosecroft.
25. It should be noted that this increase should not affect the on-going plan to reduce Children's Care expenditure in future years, as a large proportion of the current increased cost is short-term in nature whilst reduced cost long-term permanent placements are being finalised, and also some of the young people involved will turn 18 years old soon and therefore should not result in any further cost to the Children's Care budget. In addition, Phase 2 of the Innovate programme has started, but it will take time to fully progress the placement moves of the complex young people and achieve further financial savings.
26. The above has however been partly offset by projected additional income from the Clinical Commissioning Group (CCG) of £220,000 (18%) above the budget for the contribution from Health towards the increased cost of placements due to the complex needs of the young people.
27. Further work is also being led by the Directors within Children's Services to review all the young people in Residential Agency Placements and ensure that appropriate levels of funding are received from both the CCG for Health and from Dedicated Schools Grant (DSG) for Education contributions. Due to the fact that the complexity of the Council's young people has increased along with the average placement costs, the Health and Education contributions should therefore also increase appropriately. This should improve the position in the remainder of the year, and this will be reported as part of the Quarter Three budget monitoring report.
28. The in-house fostering services budget is currently projected to be £985,000 (34%) overspent at year-end, broadly similar to the Quarter One projection. There has been an increased number of placements/cases by 12 from the start of the year (from 164 to 176 currently). An increase in this budget should be positive as a whole as the cost per child is less expensive than other demand budgets, and the Service are working to further increase capacity over the next few years.
29. The Independent Fostering Agency (IFA) placements budget is projected to be £1,190,000 (22%) overspent at year-end, again broadly similar to that reported at Quarter One. The number of placements / cases has reduced to be currently at 156, but this is still significantly above the budget. 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 in-house fostering provision, the Independent Fostering Agency budget pressure would have increased significantly more than it has.

30. There has been a significant reduction in the projected overspend on the Family and Friends Allowances budget with the overspend now currently projected to be £717,000, which is a reduction of £415,000 from the projected overspend of £1,132,000 reported at Quarter One. It should be noted that demand on this budget is expected to continue to grow over the next few years as the Council continue to improve outcomes for Middlesbrough young people and make improvements to services. The costs associated with payments made under this budget are however significantly lower than those in other budgets, such as those in external residential agency placements or Independent Fostering Agency (IFA) placements. A working group is continuing to investigate processes and payments, and there is a plan to increase benefit claim checks in order to attempt to mitigate this pressure.
31. There is currently a predicted overspend of £1,412,000 (24%) on the Safeguarding, Care Planning and Referral and Assessment teams budget, which is a minor increase of £37,000 from that reported at Quarter One. Despite charging some costs to Covid-19, the projected overspend is mainly due to staff agency costs in 2021/22 to cover sickness and vacant posts. It remains 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.
32. The projected overspend on the Review and Development budget has slightly reduced from the £359,000 reported at Quarter One to a current projection of £327,000 overspend. The pressure on this budget is 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.
33. Children Looked After teams are projecting a £398,000 (17%) overspend at year end. Similar to Safeguarding, Care Planning and Referral and Assessment teams budget, this is mainly due to agency staffing costs to fill vacancies and cover absences, and to support the Ofsted Improvement Plan. This is a slight reduction of £34,000 from the projected overspend reported at Quarter One. As stated in paragraph 31 the reliance on agency staff, is a significant risk to the Council in the medium to longer term.
34. The Internal Residential Services budget is currently projecting an overspend of £298,000 (11%) at year-end, an increase of £120,000 from the £178,000 reported at Quarter One. The pressure is mainly due to increased staffing costs required to staff the Fir Tree extension for a complex young person. This will avoid a significant external residential cost for this young person. There have also been the need to recruit agency staff due to challenges in recruiting permanent staff.
35. It should be noted that the pressures reported on the Directorate's management budgets in previous years have now been removed following senior staff moving from agency contracts to permanent contracts.

Adult Social Care and Health Integration

36. There are projected staff savings across the Service totalling £348,000 mainly due to staff turnover and delayed recruitment to vacancies. Similar to Children's Care (as detailed in paragraph 31), there are emerging difficulties within Adult Social Care relating to the recruitment of permanent social work staff, and the Service are having to consider recruiting agency staff to fill vacant posts.
37. Quarters One and Two of 2021/22 have seen a net growth in purchased care costs (mainly residential care) of £763,000, with further growth of £450,000 forecast to the year-end. It should be noted that this forecast could vary significantly as Covid-19 restrictions ease and overdue reviews of care packages are undertaken during the remainder of the financial year. This pressure is offset by a corresponding increase in service user's contributions to care of £500,000 in excess of budgeted income. Other projected savings of £204,000, including additional health income and reductions in the cost of some care packages, are predicted to reduce the total overall pressure on the purchasing budget to £509,000.
38. In addition, there are a number of budget areas within Adult Social Care which have variances below £150,000, and these account for the overall £107,000 total projected overspend on the Adult Social Care budget.

Legal and Governance Services

39. As reported at Quarter One there is an overspend expected against the budget for Middlesbrough's contribution to the Coroners Service, currently projected by £157,000. This is due to a rise in the number of cases, and also an increase in pathology and post-mortem costs.

Finance

40. As reported at Quarter One continued successful lettings at Tees Advanced Manufacturing Park (TAMP) have resulted in unbudgeted net additional revenue income, currently estimated to be £332,000. This is now reported under the Commercial Rents income budget which, following the inclusion of the additional income from TAMP, is projecting an overall surplus of £83,000 at year-end, which is an improved position from the £39,000 pressure reported at Quarter One.
41. There is additional unbudgeted income of £500,000 estimated to be received by year-end due to rental income from the recent purchase of the Captain Cook Shopping Centre. This is an increase from the £300,000 surplus income reported at Quarter One due to successful recovery of rent owed from a number of tenants.
42. The Revenues and Benefits budget is projected to be underspent by £425,000 at year-end, an increase of £45,000 from that reported at Quarter One, mainly due to an increase in unbudgeted new burdens grant funding from the Government for additional work arising from the distribution of Covid-19 grants to business and individuals.
43. There is a projected pressure of £100,000 on the Insurance budget for Middlesbrough's contribution to the potential cost of historic claims relating to Cleveland County Council.

44. In addition, there are a number of budget areas within Finance which have variances below £150,000, and these account for the overall £1,219,000 total projected underspend on the Finance budget.

Central Budgets

45. As part of the budget for 2021/22 approved by Council on 24 February 2021 a central contingency budget of £3m was created in 2021/22 only, to provide for the potential continuing effect of Covid-19 and recovery in 2021/22 above the funding provided by the Government. Pressures have been reported against individual Directorates and within the Covid-19 costs, and therefore the £3m is reported as a projected saving in Central Budgets.
46. The central contingency budget for Pay and Prices is currently projected to underspend by £931,000 at year-end based on the current expected calls on the budget during 2021/22. However, this may change dependant on the outcome of the final settlement of the local government pay award for 2021/22 for which 2% (equating to £1.8m) has been provided in 2021/22, and where negotiations between employers and the trade unions are still continuing, and also if any other calls on the budget come to light for the remainder of the year. It should also be noted that it is expected that the pressures currently reported within Environment and Community Services relating to Kerbside Recycling and Energy will be funded from the Pay & Prices budget by year-end. This budget will be closely monitored and updates will be provided in future reports.
47. The Capital Financing budget is currently projected to be underspent by £87,000 at year-end, due to expected delays on projects and reduced interest rates. This budget will be closely monitored during the remainder of 2021/22 and updates will be provided in future reports.
48. There is predicted rental income of £310,000 above the budget for Centre Square Buildings 1 and 2 following the successful lettings of these buildings. However, there are non-rent pressures of £47,000 predicted in 2021/22 relating to business rates and service charges for Centre Square Buildings 1 and 2, which the Council will have to incur in 2021/22 whilst tenants are not in place. The total net excess rental income on Centre Square Buildings 1 and 2 is therefore currently projected to be £263,000 in 2021/22, based on confirmed tenants for the buildings. Tenants who have signed contracts but have not yet occupied the buildings will do so throughout the remainder of the financial year following fit out of the buildings.
49. There is a potential £183,000 saving on the remaining £322,000 ongoing contingency pressures budget in 2021/22, due to Legal Services not requiring all the available funding in 2021/22 allocated for increased childcare cases demand. This budget will be fully utilised in 2022/23.

Covid-19

50. As reported during 2020/21 in the quarterly budget monitoring and year-end reports and the Medium Term Financial Plan Update and Budget reports to Executive and Council and in the 2021/22 Quarter One budget monitoring report to Executive on 7 September 2021, the Covid-19 pandemic has had and will continue to have a significant impact on the financial position of all local authorities, including

Middlesbrough. The ongoing pandemic continues to pose a number of challenges and uncertainties for local authorities going forwards. Whilst the service and financial risk is not fully known and it could be potentially be severe for the country and local government sector, the Council is well prepared for these risks as part of its financial planning over the medium term.

51. The paragraphs below provide an update of the position as at Quarter Two 2021/22 detailing the current estimated costs of Covid-19 and the grant funding provided by the Government in 2021/22. The table contained in Paragraph 75 summarises the overall projected financial position for 2021/22, along with a breakdown of the funding split between the Government grant funding and the Council. It should be noted that this is a constantly changing position and therefore estimates are subject to change, and are dependent on any potential further outbreaks and the impact of any potential further local and/or national lockdowns which currently are not expected to occur but will further increase the Covid-19 costs if they occur.

Government funding

52. 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.
53. The Revenue Budget, Council Tax, Medium Term Financial Plan and Capital Strategy 2021/22 report to Council on 24 February 2021 detailed the funding likely to be available to Middlesbrough in 2021/22 relating to the Covid-19 pandemic. This is summarised below:
- Covid-19 Expenditure Pressure Grant, which provides general support funding totalling £5.310m for 2021/22.
 - Sales, fees and charges (SFC) – the SFC compensation scheme for lost income is to be continued for the first three months of 2021/22, using 2020/21 budgeted income as the baseline. It is currently estimated that Middlesbrough will receive funding of approximately £733,000 in 2021/22 from the scheme. It should be noted that the SFC scheme does not cover commercial income lost from investment activities and rental income.
 - A further allocation of Contain Outbreak Management Fund (COMF) funding of £1.370m in 2021/22 to provide funding to local authorities to support public health activities, such as local enforcement and contact tracing.
 - Local Tax Income Guarantee – the Government also confirmed that Government funding would be provided to compensate councils for an element of the Collection Fund deficit, based on a methodology which was provided to councils that 75% of any losses below a pre-determined level would be funded. However, due to improved collection rates later in 2020/21, under the method of the calculation Middlesbrough Council will not qualify for any compensation funding from this in 2021/22.
 - Local Council Tax Support Grant – The allocation for Middlesbrough is £2.592m in 2021/22. In the Revenue Budget, Council Tax, Medium Term Financial Plan and Capital Strategy 2021/22 report to Council on 24 February 2021 it was

approved that this funding would be used over the MTFP period to mitigate pressures on the council tax base.

Costs

54. It is currently estimated that there will be approximately £4.6m of additional costs associated with Covid-19 in 2021/22 and these cover a wide range of areas and services. It should be noted that this is a constantly changing position and therefore estimates are subject to change, and are dependent on any potential further outbreaks and the impact of any potential further local and/or national lockdowns which currently are not expected to occur but will further increase the Covid-19 costs if they occur.
55. Adult Social Care – there are total projected additional costs of approximately £0.4m, mainly due to the additional staffing that is required in Social Care to deal with the effects of the Covid-19 recovery on services provided.
56. Children’s Social Care Costs – there are currently estimated to be approximately £1.9m of total additional costs within Children’s Social Care, mainly due to delays in placements of children (approximately £0.2m) and increased staffing and agency staffing costs (approximately £1.5m) 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.
57. Other expenditure relating to Children’s Services is predicted, in particular around Legal Childcare case backlogs (estimated to be £0.03m) and costs within Education & Partnerships (estimated to total £0.4m) which mainly relate to additional Education Psychologists that are required to provide additional capacity for mental health support to young people and various additional costs relating to early years support.
58. Environment and Community Services – there are projected total additional costs estimated to be approximately £0.4m for a wide range of areas, including estimated increased costs of £0.1m relating to increased costs of waste collection and disposal due to increased tonnages of waste.
59. Direct Covid-19 Costs - a number of direct costs associated with the current situation are predicted in 2021/22, such as the procurement of various expenditure within marketing and communications relating to additional signage and leaflets in order to provide messages to the public relating to the Covid-19 pandemic (currently estimated to be £0.07m), and other costs of approximately £0.1m relating to the storage of Personal Protective Equipment (PPE). There has also been increased payments to providers of Bed & Breakfast accommodation, estimated to be £0.04m, due to the requirements to house people during the Covid-19 pandemic.
60. Other Covid-19 costs –Additional staff costs of approximately £0.12m are estimated within Legal Services due to the need to recruit agency staff to help with backlogs in cases and difficulties in recruiting permanent staff caused by the Covid-19 pandemic. Additional staff costs of approximately £0.11m are predicted within HR for additional counselling and Health and Wellbeing services for staff following the Covid-19

pandemic. There is also additional IT expenditure for additional equipment and licences, currently estimated to be approximately £0.075m.

61. SLM Leisure Trust – As detailed in 2020/21 in previous quarterly and year-end reports and in the Quarter One budget monitoring report, significant payments have been made to SLM, the Council's provider of leisure facilities. Following the reopening of leisure facilities SLM have not been able to operate to their normal subsidy, with the effects of a restricted operation following the end of lockdown restrictions and the post Covid-19 recovery period impacting on their current levels of income. It is currently estimated that payments to SLM will total approximately £872,000 in 2021/22. The Department of Culture, Media and Sport (DCMS) announced the "National Leisure Recovery Fund" to which the Council were awarded a grant of £305,542. £164,473 of the grant was utilised in 2020/21 and therefore £141,069 of grant is remaining for use in 2021/22 to offset any payments to be made to SLM, meaning that currently there is predicted to be a net pressure of approximately £731,000 in 2021/22. This is an improvement of £128,000 on the position reported at Quarter One. Detailed discussions are currently taking place with SLM in order to reduce as far as possible the financial pressure to the Council in 2021/22 and any potential pressures in future years, and updates will be provided in future reports regarding this.

Reduction in income

62. The impact of the lockdown and closure of facilities and services and the recovery period following the end of restrictions has resulted in for the first two quarters of 2021/22 and will result in for the rest of 2021/22, 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 2021/22:
- Car Parking (£1.0m)
 - Cultural activities (Town Hall, Middlesbrough Theatre, Museums, Newham Grange Country Park, Parks) (£0.5m)
 - Catering income from schools (£0.1m)
 - Adult Social Care - In house day centre care provision (£0.5m)
 - Libraries and Community Hubs – room hire, book sales, and fines (£0.1m)
 - Council run Nurseries (£0.2m)
 - Bus station – departure charges and loss of income from toilets (£0.1m)
 - Capital Finance – Rent and Interest (£0.1m)
 - SLM – expected loss of profit share in 2021/22 (£0.2m)
63. 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 £2.9m in 2021/22.
64. As mentioned in paragraph 53 it is currently estimated that the Council will receive approximately £0.7m from the SFC scheme in 2021/22.

Unachievable savings

65. It has not been possible to fully achieve a budget saving of £313,000 relating to a review of cleaning, caretaking, security and facilities management (ECS02), due to the inability to reduce cleaning hours and standards and additional cleaning required

because of Covid-19. It is currently projected that £82,000 of the saving is at risk of not being achieved, and it is proposed that this be charged to Covid-19 costs in 2021/22.

Council Tax and Business Rates Income

66. 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 Medium Term Financial Plan (MTFP) at the appropriate time.
67. During 2020/21, there were a number of issues, which resulted in significant pressures on Council Tax and Business Rates income. Within the Revenue Budget, Council Tax, Medium Term Financial Plan and Capital Strategy 2021/22 report to Council on 24 February 2021 it was noted that the overall financial impact of Covid-19 on Council Tax and Business Rates income to the Council in 2020/21 was estimated to be £3.696m. It is normal practice that any arising deficit would need to be fully funded in 2021/22. However, the Government announced that this could be spread over the next three years meaning that it was estimated that there would be an effect of £1.232m p.a. in 2021/22, 2022/23, and 2023/24. The final outturn positions for Council Tax and Business Rates were much improved from the statutory amounts incorporated into the budget setting in February 2021 by approximately £0.4m per year over the 3-year spread period to 2023/24. The improved amounts will be incorporated into the next refresh of the Council's Medium Term Financial Plan.
68. As mentioned in paragraph 53 Government funding was provided to compensate councils for an element of the 2020/21 deficit, based on a methodology which was provided to councils that 75% of any losses below a pre-determined level would be funded. However, due to improved collection rates later in 2020/21, under the method of the calculation Middlesbrough Council will not qualify for any compensation funding from this in 2021/22.
69. Whilst full complete information is not yet available this financial year it is already clear that there are a number of issues which may result in pressures continuing on Council Tax and Business Rates income during 2021/22 and potentially in future years.
70. The phasing out of the furloughing scheme from the start of July 2021 and the ending at the end of September 2021 may mean that there are a number of residents who will struggle to pay their Council Tax bills in the future. This may mean that there will be 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. This will be closely monitored through 2021/22.
71. Our budgeted Council Tax base includes assumptions on housing growth. If there is reduced growth in housing numbers, this will impact on income levels.
72. The Government provided support for businesses through increased business rates reliefs and grants in 2020/21. These largely remained in place during the first quarter of 2021/22 but will reduce throughout the remainder of 2021/22. Following the

reduction in the level of this support, businesses may struggle to pay their business rates, and therefore there is a risk that Business Rates revenue reduces if businesses fail or are unable to pay.

73. 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.
74. The position relating to Council Tax and Business Rates income for 2021/22 and the effects on the Collection Fund are being closely monitored, and updates will be provided in future budget monitoring reports.

Summary of Covid-19 Financial Pressures

75. The projected financial impact of the Covid-19 pandemic in 2021/22, based on experience in the first six 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 paragraph 53:

<u>see also note on Other Covid Grants below</u>			
	<u>Grant Allocation</u> <u>2021/22</u>	<u>Projected</u> <u>2021/22</u>	<u>Projected Council</u> <u>Cost 21/22</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>
Extraordinary costs incurred		4.636	
Commercial income losses		0.080	
Non-SFC income losses		0.172	
Unachievable Change Programme savings		0.082	
Total Covid-19 Main grant (2021/22)	5.310	4.970	-0.340
Sales, Fees and Charges (SFC) income loss grant (2021/22) (note only receive grant for 1st quarter of 2021/22)	0.733	2.623	1.890
DRAFT PROJECTED NET COST OF COVID TO COUNCIL 2021/22			1.550

<u>NOTE - OTHER COVID GRANTS</u>			
	<u>Grant Allocation</u> <u>2021/22</u>	<u>Projected Spend</u> <u>2021/22</u>	<u>Projected Grant</u> <u>Remaining 2021/22</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>
Clinically Extremely Vulnerable (CEV) - see Note 1	0.198	0.198	0.000
Test And Trace - see Note 2	0.341	0.341	0.000
Contain Outbreak Management Fund (COMF) - see Note 3	1.246	1.246	0.000
Total Other Covid Grants	1.785	1.785	0.000
NOTE 1			
For CEV Grant - no new allocation in 2021/22, but £198k of remaining grant from 2020/21 was carried forward for use in 2021/22.			
NOTE 2			
For Test & Trace - no new allocation for 2021/22 but £687k of remaining grant from 2020/21 was carried forward for use in 2021/22 (£530k) and 2022/23 (£157k) .			
NOTE 3			
For COMF - the Council received £1.37m for 2021/22, however £124k of funding is likely to be required in 22/23 for the continuation of Public Protection schemes.			

76. 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 any potential further outbreaks and the impact of any potential further local and/or national lockdowns which currently are not expected to occur but will further increase the Covid-19 costs if they occur.

77. The above table indicates that there will be a potential financial pressure due to Covid-19 of £1.550m in 2021/22, which is a decrease of £486,000 from the £2.036m pressure reported at Quarter One, mainly due to a grants review exercise undertaken recently, and a review of the amounts estimated to be paid to SLM following further information being received (as detailed in paragraph 61).
78. It is intended that this pressure will be funded from the Covid Recovery Reserve of £4.512m set aside for this.

Revenue budget spending controls

79. As previously reported to the Executive, a number of controls were implemented from 2019/20 to minimise overspending across the Council in-year and these remain in place for 2021/22, specifically:
- a vacancy control process overseen by the Leadership 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.
80. 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. The use of additional recruitment and retention packages to support the reduction of use of agency staff in future years. Monthly reports on agency costs are reported to senior managers for consideration.
81. A number of plans have been put in place for 2021/22 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.
 - Development of Stronger Families teams within Early Help and Prevention to increase skills to support additional work and complexity at this level to prevent future young people entering care.
 - Development of the Middlesbrough Multi Agency Children's Hub to secure the consistency of thresholds and increasing step-downs to early help and more timely support for children and young people.
 - Utilising two specialist project teams to support referral and assessments at the front door of Children's Care.
 - Continuing to keep internal residential places at a high occupancy level. Re-opening Rosecroft in late summer, once registered, will produce a further 5 places. Plans to increase Fir Tree by 1 place later in 2021/22. Other Internal Residential opportunities are to be reviewed as invest to save models when

identified and assessed. Potential sale of any spare places that are not occupied with Middlesbrough young people to neighbouring Tees Valley Local Authorities.

- 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 increasing the number of internal foster placements achieved over the past 2 years, 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.
- Maximising, where appropriate, health contributions from Clinical Commissioning Group (CCG) and education contributions from the Dedicated Schools Grant.

82. While the mitigations above will be progressed, the experience in 2020/21 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.

83. 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.

84. As mentioned in the budget report to Council of 24 February 2021 the Council has set aside approximately £1.6m of Council funding for 2021/22, to support the Ofsted Improvement Plan. This will be combined with £188,000 of unspent funding carried forward from 2020/21, and funding from a separate Childrens Services Improvement Reserve of £175,000 created at the end of 2020/21 to further improve Childrens Services. 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 Two Outturn 2021/22

85. As part of the Quarter One report to Executive on 7 September 2021, Executive approved a revised capital budget for 2021/22 of £82.029m. Following a further review and the inclusion of new additional schemes, increases to existing schemes,

and the reductions to existing schemes (as detailed in paragraphs 87 to 90), it is currently predicted at Quarter Two that the Council will spend £64.814m at year-end.

86. The revised Investment Strategy to 2023/24 is included at Appendix 1 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.
87. No schemes are currently proposed to be removed from the Investment Strategy. Also, no schemes over the £150,000 threshold were transferred between Directorates.
88. It is proposed to add the following scheme above £150,000, to the revised Investment Strategy, set out at Appendix 2 for consideration and approval :
- On 11 May 2021 Executive approved the report “Teesside Archives”, specifically;
 - The transfer of Teesside Archives stock to commercial storage
 - The relocation of Teesside Archives staff to the Dorman Museum
 - Approval of up to £325,000 from any subsequent sale of Exchange House to be used for the relocation of Teesside Archives staff
 - Approval for the pursuit of external funding for the longer term development of new archive storage attached to the Dorman Museum.

The Archives function is a joint arrangement with Hartlepool Council, Redcar and Cleveland Council and Stockton Council, and the £325,000 cost is shared amongst the authorities, with the direct cost to Middlesbrough Council being £81,000.

89. The following addition to schemes in the current Investment Strategy which have been recently approved by Executive are also included in the revised Investment Strategy, set out at Appendix 1 for consideration and approval :
- On 5 October 2021 Executive approved the “Fountain Court Refurbishment and Fit-Out” report. This follows the Executive report of 16 March 2021 “Council Future Office Accommodation – Preferred Option”, which identified Fountain Court as the preferred option whilst highlighting that detailed due diligence was required with respect to the building and if required an secondary report would be prepared requesting any additional funding required. The due diligence has been undertaken resulting in the need for additional capital investment to refurbish and fit-out the building to enable Council staff to relocate there in 2022. £4,438,000 of additional funds have been added to the Investment Strategy within the New Civic Centre Campus budget. Savings of £300,000 as described in paragraph 90 have reduced the overall request to £4,138,000.
90. One scheme within the current Investment Strategy has been reduced by over £150,000:
- £900,000 of the De-Risking Sites scheme includes an allocation for the demolition of the Civic Centre should it be determined that this is the correct course of action for the building. The estimations have been revisited and revised to £600,000, which has enabled £300,000 to be removed from the

Derisking Sites allocation within the Investment Strategy as part contribution to the additional funds required for the refurbishment and fit-out of Fountain Court.

91. 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 sixteen 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	2021/22 Investment Strategy Budget (as per 21/22 Q1 report to Executive £'000	2021/22 Projected Investment Strategy Outturn £'000	2021/22 Projected Investment Strategy Outturn Variance £'000	MEMO	
				New, increased & reduced Schemes / transfers £'000	Real outturn variance excluding new, increased, & reduced schemes / transfers £'000
Regeneration and Culture	46,145	43,820	(2,325)	325	(2,650)
Environment and Community Services	11,823	10,920	(903)	0	(903)
Public Health	0	0	0	0	0
Education & Partnerships	12,224	3,238	(8,986)	0	(8,986)
Children's Care	690	690	0	0	0
Adult Social Care and Health Integration	3,621	3,517	(104)	0	(104)
Legal and Governance Services	3,685	2,288	(1,397)	0	(1,397)
Finance	3,841	341	(3,500)	(300)	(3,200)
Total	82,029	64,814	(17,215)	25	(17,240)

Regeneration

92. Town Centre Related Projects – £364,000 of funds expected to be expended in 2021/22 are now required to be re-profiled into 2022/23 primarily due to the following;
- Delays in the design stage of the Grange Road project delaying the tender process, which will result in the project now completing in 2022/23.
 - The Middlesbrough Mural project has been cancelled, and the planned expenditure of £120,000 has been returned to the block budget and will be reallocated as and when required in 2022/23.
93. Linthorpe Road Cycleway – The Council has undertaken extensive consultation with local stakeholders and businesses in respect of the project. This has resulted in a delay in the originally planned programme with the works now expected to conclude in Spring 2022, consequently £498,000 of grant funding has been re-profiled into 2022/23.
94. Housing Growth – A total of £701,000 of anticipated expenditure has been re-profiled into 2022/23. The majority of the re-profiling is with regard to the following two sites
- Nunthorpe Grange – The Council continues to be in negotiations with the housing developers with respect to an agreement for the allocation of costs for the construction of the required roundabout. The works will commence by the

end of this financial year in order to comply with the planning application, however, due to the extended negotiations the greater majority of the works are now anticipated to complete in 2022/23, and £551,000 of resources have therefore been transferred into 2022/23 accordingly.

- Newham Hall – Work on this project is dependent upon the decision regarding the construction of the Stainsby spine road. £161,000 of funds, predominantly associated with the master plan have been re-profiled into 2022/23.

95. New Civic Centre Campus – Preliminary works on the building, such as window replacements were going to be undertaken outside of the main contractual works. However, due to a lead in time of twelve weeks the decision has been made to include them within the main contract. This decision has resulted in £575,000 of planned expenditure being transferred into 2022/23.
96. Local Transport Plan – Due to cost volatility within the construction industry a number of small scale projects have been held back to ensure that the cost of the current programme remain within the wider Local Transport Plan budget. This, coupled with minor delays, has resulted in £248,000 of funds slipping into 2022/23.

Environment and Community Services

97. Street Lighting Maintenance – The Council will undertake a full evaluation of the street lighting columns prior to works associated with column replacements. This will result in a delay in previously planned expenditure with £185,000 of funds being redirected into 2022/23.
98. Bridges and Structures (non Local Transport Plan) – A delay in the principal inspections of some larger projects have resulted in the need to defer works until 2022/23. Some of these delays were as a result of Covid-19 due to a backlog within the external company the Council employs to carry out the inspections. In addition, complications around tenders and joint working with Redcar and Cleveland Borough Council have also contributed towards the requirement to re-profile £886,000 of resources.
99. Local Transport Plan – Highways Maintenance – A grant bid to the Tees Valley Combined Authority has been submitted, the success of the bid will determine the extent of works of the A66, and this has delayed expenditure. Additionally plans for certain other works require finalising. Both of these issues combined have resulted in the need to transfer funds of £300,000 into 2022/23.
100. Purchase Of New Vehicles – In order to meet the increased demand on the Integrated Support Unit it was proved to be more cost effective to purchase additional buses for the service as opposed to contracting out to external providers. In addition, following the decision to bring the Street Lighting service back in-house it has been necessary to purchase vans for officer's use rather than continue with the more expensive hiring of vehicles. In order to fund the acquisitions, £400,000 has been brought forward into 2021/22 from 2022/23 and future years.

Education and Partnerships

101. Block Budget Grants – The 2021/22 programme of works for grant funded projects within Education has been agreed and fully costed. The following balances of block budget grants are not required to fund in-year expenditure and have been re-profiled to fund expenditure in 2022/23 and future years;
- £5,883,000 of the Basic Needs grant
 - £760,000 of the High Needs Provision Capital Allocation grant
 - £696,000 of the School Condition Allocation grant
102. Schemes In Special Schools - £150,000 of funds have transferred into 2022/23 in relation to the Relocation of the Cleveland Unit project. The date of relocation has been deferred, due to the extension of the lease of the building currently occupied.
103. Schemes In Secondary Academies - £1,465,000 of funds relating to the Kings Academy Expansion Scheme have been transferred into 2022/23. This scheme, managed by the school, but fully funded by the Council, is to address a shortage of school places. At the time of agreeing the funding the phasing of the scheme had not been fully worked through. In order to minimise disruption to learning, the school has determined to undertake the bulk of the work in Summer 2022, without impacting on the supply of places required by the Council.

Legal and Governance Services

104. ICT Essential Refresh & Licensing – The ongoing effects of the Covid-19 pandemic have impacted upon planned expenditure, in particular the refreshing of networks and amendments to some server hardware refresh roadmaps, resulting in £1,032,000 being transferred into 2022/23.

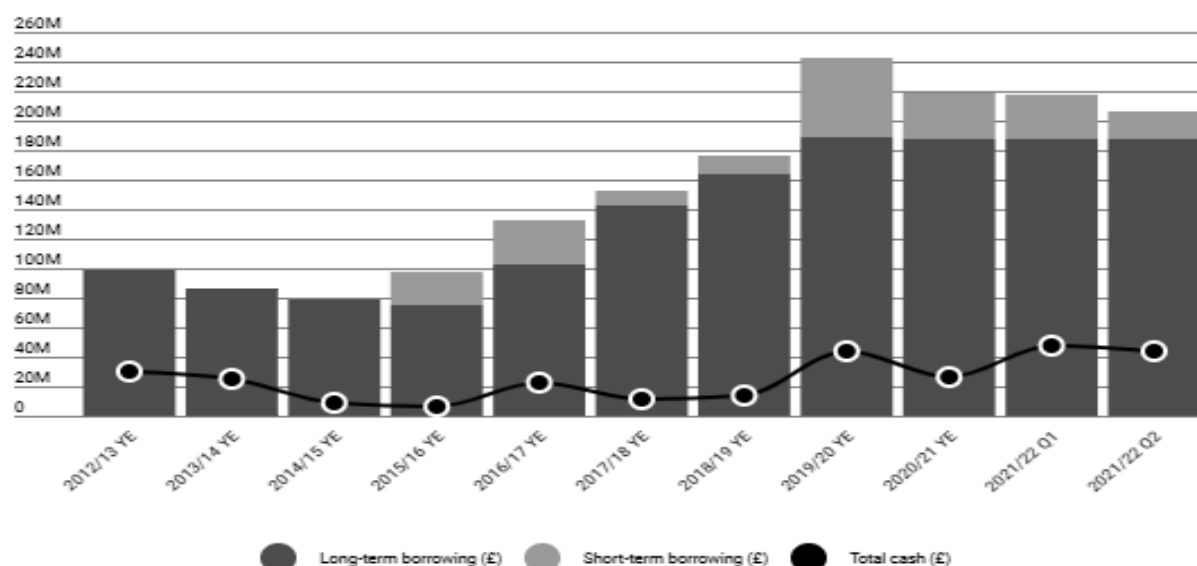
Finance

105. Capitalisation of Property Finance Lease Arrangements - The Chartered Institute of Public Finance and Accountancy (CIPFA) has deferred the requirement to capitalise finance lease arrangements in their statement of accounts by one financial year, due to pressures on local finance teams due to Covid-19. This has resulted in £3,500,000 as the initial implementation cost for the change in accounting policy delayed into 2022/23.

Borrowing and prudential indicators

106. The Council's total borrowing decreased from £217.8m at 30 June 2021 to £206.2m at 30 September 2021. This decrease of £11.6m reflects the repayment of short-term borrowing of £10m out of current cash balances, plus principal amounts on existing annuity loans held by the Council. No external borrowing was required for the Investment Strategy or cash flow purposes during the quarter. This is due to cash balances still being healthy with residual Covid-19 funding available for use plus other income in advance balances yet to be spent during the financial year.
107. The ratio of short-term to long-term borrowing has changed slightly during the quarter. £10m of short-term loans were repaid on 31 July 2021 plus some other loan maturities later in the year, which has eliminated most of this short-term element from

the debt portfolio. This is in line with the Treasury Management Strategy for the Council that is to lock in as much long term borrowing as possible whilst interest rates remain low.



108. The affordability and sustainability of the Investment Strategy and its total level of external borrowing and capital financing costs is self-regulated by the Council through a set of prudential indicators. These thresholds are set as part of the integrated annual budget setting process in late February each year. CIPFA and Government view this approach as best practice in ensuring resources are allocated prudently to capital schemes.
109. The table below gives a summary comparison of the budget against the actual position as at Quarter Two 2021/22 on each of the prudential indicators adopted by the Council.

Prudential Indicators - 2021/22 Quarter 2		
	<u>Budget</u> <u>(£m)</u>	<u>Actual</u> <u>(£m)</u>
Capital Expenditure	93.716	64.814
<u>Financing</u>		
External Sources	57.114	41.695
Own Resources	12.103	13.382
Debt	24.499	9.737
Capital Financing Requirement	255.164	250.612
External Debt	248.100	206.203
Investments	15.000	44.660
Capital Financing	9.518	9.431
Cost as a % of revenue budget	8.2%	8.1%

110. The total capital spend & level of financing has reduced by £28.9m since the original budget was set for 2021/22. This is explained in more detail in the Investment Strategy section of the report but essentially reflects reprofiling of scheme requirements to later years due to the ongoing impact of the pandemic, changing needs on individual schemes and low contractor availability. The reduction is a mix of borrowing and grant funding being deferred into future years.
111. The Council's total under borrowed position (external debt compared to the capital-financing requirement – or underlying need to borrow) is £44.4m at 30 September 2021. As cash balances reduce during the remainder of the financial year, with Covid-19 amounts and reserves planned to be spent, plus the borrowing requirements within the Investment Strategy. Around £35m of this under borrowing will be required to ensure the Council has enough liquidity to meet its cash commitments over the last six months of the year.
112. The amount of external debt at £206.2m and the total underlying need to borrow of £250.6m are both well below the Council's authorised debt limit of £320m. This is the threshold above which any borrowing would be illegal. The cost of capital financing to the Council is slightly lower than set as part of the budget process as interest rates continue to remain at low levels. The levels of borrowing are also lower than the original budget assumptions. Any impact of this will be managed in future years as part of the medium term financial plan due to how minimum revenue provision charges are calculated.

Reserves and Provisions

113. The table below sets out a summary of the balance of reserves and provisions at the start of 2021/22 and the projection as at year-end and further detail is provided in Appendix 2. The projected year-end balance assumes the use of Reserves (as detailed in paragraphs 9 and 116) to cover the projected total 2021/22 revenue budget overspend.

Reserves and Provisions	Opening Balance	Proposed Use in Year	Additional Contributions	Transfers between reserves	Transfers from General Fund	Proposed Transfers to fund projected outturn	Projected Balance at Year End
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
General Fund Reserve	10,500	0	695	(195)	0	0	11,000
Covid Recovery Reserve	4,512	0	0	0	0	(2,923)	1,589
Earmarked Reserves	28,970	(12,576)	275	382	0	(1,232)	15,819
Earmarked Reserve - Dedicated Schools Grant (DSG)	(3,291)	0	0	0	0	0	(3,291)
School balances	4,864	0	0	0	0	0	4,864
Provisions	2,555	0	0	(187)	0	0	2,368
TOTAL	48,110	(12,576)	970	0	0	(4,155)	32,349

114. It should be noted that Full Council approved on 20 October 2021 a Flexible Use of Capital Receipts Strategy which if fully utilised would potentially increase the Council's level of Reserves by approximately £5.2m. Full details of the effect of this on the levels of Reserves will be included in the Quarter Three budget monitoring report following approval by Full Council.

What decisions are being asked for?

115. That the Executive notes the 2021/22 revenue budget Quarter Two total projected outturn of £4.155m, representing a £2.605 m (2.2%) overspend on non-Covid-19 elements, and the estimated financial effect of Covid-19 in 2021/22 of £1.550m, and the proposed actions to address this.

116. That the Executive notes the proposed use of the following Reserves to fund the total projected overspend of £4.155m in 2021/22 :

- Social Care Demand Reserve (£0.5m)
- Children's Services Demand Reserve (£0.732m)
- Covid Recovery Reserve (£2.923m)

117. That the Executive notes the 2021/22 capital budget Quarter Two predicted outturn of £64.814m against a budget of £82.029m, and approves the proposed revised Investment Strategy to 2023/24 at Appendix 1.

Why is this being recommended?

118. 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

119. Not applicable.

Impact(s) of recommended decision(s)

Legal

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

Financial

121. The Council's revenue outturn position for 2021/22 for non-Covid-19 elements is projected to be an overspend of £2.605m (2.2%). This, when added to the estimated Covid-19 pressures of £1.550m, detailed in paragraphs 50 to 78 results in a total projected outturn pressure at year end 2021/22 of £4.155m. It is proposed that the total projected overspend in 2021/22 will be covered by the full utilisation of the Social Care Demand Reserve of £0.5m and the Children's Services Demand Reserve of £0.732m, which were created at the end of 2020/21. It is proposed that the remaining £2.923m of the total projected outturn pressure is funded from the £4.512m Covid Recovery

Reserve, which was created during 2020/21 to cover the potential costs arising from the Covid-19 recovery in 2021/22 and future years.

122. The predicted 2021/22 capital budget outturn at Quarter Two is £64.814m, which if approved will become the revised Investment Strategy budget.

Policy framework

123. The revenue and capital 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

124. As reported to Council on 24 February 2021, no negative differential impact on diverse groups and communities are anticipated from the Council's planned budgetary expenditure.

Risk

125. 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 2021-24 – Progress at Quarter Two 2021/22 report.

Actions to be taken to implement the decision(s)

126. Mitigating activity set out in the main body of the report will continue to be applied by Directorates as stated.
127. The actions outlined within the body of the report in relation to overspending within Children's Services will continue to be implemented.
128. If approved the revised Investment Strategy included at Appendix 1 will be adopted.

Appendices

- 1 Proposed revised Investment Strategy to 2023/24
2. Detail of projected reserves and provisions as at Quarter Two 2021/22

Background papers

24/02/21	Council	Strategic Plan 2021-24
24/02/21	Council	Revenue Budget, Council Tax, Medium Term Financial Plan and Capital Strategy 2021/22
7/09/21	Executive	Revenue and Capital Budget – Projected Outturn position as at Quarter One 2021/22

Contact: Andrew Humble, Head of Financial Planning & Support
Email: andrew_humble@middlesbrough.gov.uk

Appendix 1: Proposed revised Investment Strategy to 2023/24

	Total Funding Required					Council Funding	External Funding
	2020/21	2021/22	2022/23	2023/24	TOTAL	£'000	£'000
Regeneration and Culture	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Town Centre Related Projects	592	1,508	1,200	204	3,504	2,625	879
Middlehaven Related Projects	139	65	500	-	704	704	-
Housing Growth	91	823	2,845	-	3,759	3,708	51
BOHO X	1,112	8,724	16,111	-	25,947	1,362	24,585
BOHO 8	2,428	34	-	-	2,462	-	2,462
Brownfield Housing Fund	-	3,320	3,972	630	7,922	-	7,922
Towns Fund	-	3,451	18,140	309	21,900	-	21,900
Future High Streets Fund	-	8,170	6,000	-	14,170	-	14,170
Acquisition of Town Centre Properties	9,619	6	1,000	-	10,625	10,625	-
New Civic Centre Campus	1,863	1,500	5,513	-	8,876	8,876	-
Middlesbrough Development Company	865	9,229	14,076	-	24,170	19,203	4,967
Teesside Advanced Manufacturing Park	1,533	855	-	-	2,388	2,005	383
Local Authority Delivery 2 Green Homes Grant	-	1,091	-	-	1,091	-	1,091
Capitalisation Of Major Schemes Salaries	530	530	530	530	2,120	2,120	-
Capitalisation of Planning Services Surveys	-	40	40	40	120	120	-
Affordable Housing Via Section 106	-	-	1,339	-	1,339	830	509
Highways Infrastructure Development Section 106	-	-	2,010	-	2,010	-	2,010
Stainton Way Dixon Bank Junction - Section 106	15	-	-	-	15	15	-
The Big Screen	-	20	-	-	20	20	-
A66 Throughabout	2,630	2	-	-	2,632	-	2,632
Mandale Interchange	397	62	-	-	459	-	459
Tees Amp Footway / Cycleway	293	-	-	-	293	-	293
Linthorpe Road Cycleway	-	1,496	498	-	1,994	-	1,994
Replacement of Ticket Machines	-	-	189	-	189	189	-
LED Street Lighting Upgrade (Phase 2)	348	69	-	-	417	417	-
Joint Air Quality Unit (JAQU) - All schemes	529	-	-	-	529	-	529
Members Small Schemes	26	38	-	-	64	29	35
Grove Hill Joint Venture Projects	-	14	-	-	14	-	14
Gresham Projects	779	16	-	-	795	795	-
North Ormesby Housing Joint Venture - Section 106 funded	66	355	-	-	421	-	421
Empty Homes 2015 to 2018	-	281	-	-	281	-	281
Local Transport Plan	900	1,313	546	-	2,759	-	2,759
Town Hall Venue Development	48	59	-	-	107	107	-
Cultural Transformation	-	8	13	-	21	21	-
Theatre Winches / Lifts	4	20	19	-	43	43	-
Dorman Museum	2	19	-	-	21	21	-
Contribution To Public Arts Projects	-	17	-	-	17	17	-
Public Art Work	23	35	-	-	58	58	-
Newham Grange Leisure Farm	113	-	-	-	113	113	-
Leisure Trust Investment - Equipment	-	75	-	-	75	75	-
Town Hall Telephone Kiosks Upgrade	15	-	-	-	15	15	-
Stewart Park Section 106	-	-	45	-	45	-	45
Investment In Parks	-	50	50	-	100	100	-
Teessaurus Park	-	200	50	-	250	250	-
Archives Relocation	-	325	-	-	325	81	244
Total Regeneration and Culture	24,960	43,820	74,686	1,713	145,179	54,544	90,635

	Total Funding Required				
	2020/21	2021/22	2022/23	2023/24	TOTAL
Environment and Community Services	£'000	£'000	£'000	£'000	£'000
Purchase of New Vehicles	298	1,330	600	1,200	3,428
Capitalisation of Wheeled Bin Replacement	100	100	100	100	400
Capitalisation of Street Furniture / Dog Fouling & Litter Bins	55	55	55	55	220
Capitalisation of Highways Maintenance	575	575	575	575	2,300
Property Services Building Investment	340	340	340	340	1,360
Parks Improvement	-	83	-	-	83
Nunthorpe Playing Fields Section 106	57	-	-	-	57
Local Transport Plan - Highways Maintenance	1,412	3,147	300	-	4,859
Street Lighting-Maintenance	401	460	653	468	1,982
Urban Traffic Management Control	202	291	-	-	493
Flood Prevention	237	11	-	-	248
Department For Transport Pothole Fund	1,100	-	-	-	1,100
Members Small Schemes	2	139	60	60	261
Property Asset Investment Strategy	1,177	797	761	1,200	3,935
Nunthorpe Sports Facilities	-	100	-	-	100
East Middlesbrough Community Hub	178	851	-	-	1,029
Christmas Lights	350	-	-	-	350
Section 106 Ormesby Beck	-	15	-	-	15
Section 106 Cypress Road	-	20	-	-	20
Hostile Vehicle Mitigation	196	374	-	-	570
Transporter Bridge	476	251	-	-	727
Bridges & Structures (non Local Transport Plan)	-	1,140	886	-	2,026
Henry Street	-	13	-	-	13
CCTV	-	50	-	-	50
Captain Cook Public House	-	538	-	-	538
Outer Area Shopping Centres	-	40	-	-	40
Waste Procurement Project	368	-	-	-	368
Lighting Up The Town	-	200	-	-	200
Total Environment and Community Services	7,524	10,920	4,330	3,998	26,772

Council Funding	External Funding
£'000	£'000
3,428	-
400	-
220	-
2,300	-
1,360	-
83	-
-	57
-	4,859
1,982	-
-	493
-	248
-	1,100
261	-
3,870	65
-	100
1,029	-
350	-
-	15
-	20
570	-
364	363
2,026	-
-	13
50	-
538	-
40	-
368	-
200	-
19,439	7,333

	Total Funding Required				
	2020/21	2021/22	2022/23	2023/24	TOTAL
Public Health and Public Protection	£'000	£'000	£'000	£'000	£'000
Health & Wellbeing Hub	-	-	756	-	756
Total Public Health and Public Protection	-	-	756	-	756

Council Funding	External Funding
£'000	£'000
679	77
679	77

	Total Funding Required				
	2020/21	2021/22	2022/23	2023/24	TOTAL
Education and Partnerships	£'000	£'000	£'000	£'000	£'000
Block Budget (Grant) Devolved Formula Capital - Various Schools	-	157	-	-	157
Block Budget (Grant) Section 106 Avant Low Gill	-	-	35	-	35
Block Budget (Grant) School Condition Allocation	-	-	696	-	696
Block Budget (Grant) Basic Needs	-	-	5,883	1,645	7,528
Block Budget (Grant) High Needs Provision Capital Allocation (HNPCA)	-	300	760	-	1,060
Schemes in Maintained Primary Schools	2,387	1,481	198	-	4,066
Schemes in Primary Academies	195	395	-	400	990
Schemes in Secondary Academies	865	321	1,658	414	3,258
Schemes in Special Schools	544	473	333	-	1,350
Capitalisation of Salary Costs	102	104	-	-	206
Contribution to New School at Middlehaven	-	-	1,700	-	1,700
Block Budget (Grant) EFA Early Years 2 Year olds Entitlement (Trajectory	-	7	-	-	7
Total Education and Partnerships	4,093	3,238	11,263	2,459	21,053

Council Funding	External Funding
£'000	£'000
-	157
-	35
-	696
-	7,528
-	1,060
843	3,223
-	990
-	3,258
459	891
-	206
700	1,000
-	7
2,002	19,051

	Total Funding Required				
	2020/21	2021/22	2022/23	2023/24	TOTAL
Children's Care	£'000	£'000	£'000	£'000	£'000
Edge Of Care Project (Hub)	347	35	-	-	382
Edge Of Care Project (Spencerfield 117-120)	18	-	-	-	18
Edge Of Care Project (3 Broadwell)	10	-	-	-	10
Rosecroft renovations	35	150	20	-	205
34 Marton Avenue, Fir Tree - Garage Conversion	1	249	25	-	275
Contact Centre - Bus Station Unit 1	3	234	17	-	254
Willow Tree - Bathroom Refurbishment	-	22	-	-	22
Total Children's Care	414	690	62	-	1,166

Council Funding	External Funding
£'000	£'000
382	-
18	-
10	-
205	-
275	-
254	-
22	-
1,166	-

	Total Funding Required				
	2020/21	2021/22	2022/23	2023/24	TOTAL
Adult Social Care and Health Integration	£'000	£'000	£'000	£'000	£'000
Chronically Sick & Disabled Persons Act - All schemes	533	792	650	610	2,585
Disabled Facilities Grant - All schemes	2,285	2,419	999	-	5,703
Capitalisation of Staying Put Salaries	50	50	50	50	200
Home Loans Partnership (Formerly 5 Lamps)	29	50	29	-	108
Small Schemes	15	68	60	-	143
Connect / Telecare IP Digital Switchover	100	138	-	-	238
Total Adult Social Care and Health Integration	3,012	3,517	1,788	660	8,977

Council Funding	External Funding
£'000	£'000
2,513	72
816	4,887
200	-
-	108
-	143
238	-
3,767	5,210

	Total Funding Required				
	2020/21	2021/22	2022/23	2023/24	TOTAL
Legal and Governance Services	£'000	£'000	£'000	£'000	£'000
Desktop Strategy / Device Refresh	307	346	-	-	653
Enterprise Agreements	353	805	135	-	1,293
Customer Relationship Manager	19	47	49	-	115
IT Refresh - Network Refresh	4	239	-	-	243
IT Refresh - Lights On	241	320	-	-	561
IT Refresh - LCS Development Capture	7	-	25	-	32
IT Refresh - Business Intelligence	-	-	3	-	3
ICT Essential Refresh & Licensing	233	368	3,137	2,185	5,923
ICT Innovation Budget	326	20	140	-	486
GIS Replacement	38	36	93	-	167
Civic Centre Device Refresh	8	-	-	-	8
Prevention & Partnership Tablets	-	70	-	-	70
HR Pay	-	37	-	-	37
Dashboards	60	-	-	-	60
Total Legal and Governance Services	1,596	2,288	3,582	2,185	9,651

Council Funding	External Funding
£'000	£'000
653	-
1,293	-
115	-
243	-
561	-
32	-
3	-
5,923	-
468	18
167	-
8	-
70	-
37	-
60	-
9,633	18

	Total Funding Required				
	2020/21	2021/22	2022/23	2023/24	TOTAL
Finance	£'000	£'000	£'000	£'000	£'000
Former Partnership Investment (ICT Infrastructure Revenues & Benefits)	37	202	195	-	434
Business World Upgrade	30	35	-	-	65
Derisking Sites	412	104	200	1,442	2,158
Capitalisation of Property Finance Lease Arrangements	-	-	3,500	1,000	4,500
Total Finance	479	341	3,895	2,442	7,157

Council Funding	External Funding
£'000	£'000
434	-
65	-
2,158	-
4,500	-
7,157	-

	Total Funding Required				
	2020/21	2021/22	2022/23	2023/24	TOTAL
ALL DIRECTORATES	£'000	£'000	£'000	£'000	£'000
Total ALL DIRECTORATES	42,078	64,814	100,362	13,457	220,711

Council Funding	External Funding
£'000	£'000
98,387	122,324

	Total Funding				
	2020/21	2021/22	2022/23	2023/24	TOTAL
FUNDED BY:	£'000	£'000	£'000	£'000	£'000
Borrowing	18,228	9,737	32,012	2,115	62,092
Finance Leases	-	-	3,500	1,000	4,500
Capital Receipts	6,374	12,838	5,015	6,895	31,122
Grants	16,418	36,448	56,019	3,047	111,932
Contributions	1,052	5,247	3,693	400	10,392
Revenue Resources	6	544	123	-	673
Funding from Reserves	-	-	-	-	-
Total FUNDING	42,078	64,814	100,362	13,457	220,711

Council Funding	External Funding
£'000	£'000
62,092	-
4,500	-
31,122	-
-	111,932
-	10,392
673	-
-	-
98,387	122,324

Appendix 2: Detail of projected reserves and provisions as at Quarter Two 2021/22

Reserves and Provisions	Opening Balance	Proposed Use in Year	Additional Contributions	Transfers between reserves	Transfers from General Fund	Proposed Transfers to fund projected outturn	Projected Balance at Year End
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
General Fund Reserve	10,500		695	(195)			11,000
Covid Recovery Reserve	4,512					(2,923)	1,589
Earmarked for specific purposes							
Public Health Reserves	438	(201)					237
Adult Social Care Covid Recovery Reserve	1,598	(303)					1,295
Ofsted Support Reserve	188	(188)					0
Children's Services Improvement Reserve	175	(175)					0
Children's Services Demand Reserve	732					(732)	0
Social Care Demand Risk Reserve	500					(500)	0
Business Rates Deficit Reserve	10,555	(10,555)					0
Business Rates Risk Reserve	1,670						1,670
Business Rates Relief Reserve	49						49
Change Fund	445	(1,102)	275	382			(0)
Investment Fund	0						0
Insurance Fund (MBC)	270						270
CCC Insurance Fund	35						35
Insurance Fund (Fire)	0						0
Capital Refinancing Reserve	175						175
Other Reserves & Provisions	12,140	(52)					12,088
Earmarked Reserves	28,970	(12,576)	275	382	0	(1,232)	15,819
Earmarked Reserve - Dedicated Schools Grant (DSG) Reserve	(3,291)						(3,291)
School balances	4,864						4,864
Provisions	2,555			(187)		0	2,368
TOTAL	48,110	(12,576)	970	0	0	(4,155)	32,349

This page is intentionally left blank

MIDDLESBROUGH COUNCIL



Report of:	The Mayor and Lead Member For Children's Social Care, Adult Social Care and Public Health - Andy Preston Director of Finance - Ian Wright
-------------------	---

Submitted to:	Executive - 9 November 2021
----------------------	-----------------------------

Subject:	Medium Term Financial Plan Update
-----------------	-----------------------------------

Summary

Proposed decision(s)
<ul style="list-style-type: none"> That the Executive notes the updated Medium Term Financial Plan position for 2021-25. That the Executive endorses the proposed budget for 2022/23, and the proposed total Council Tax increase of 2.99% for 2022/23 (comprising of a 1.99% increase in general Council Tax and a 1% Adult Social Care Precept). That this report is presented to Council on 24 November 2021, allowing consultation on the budget and the proposed Council Tax increase to commence, with any required changes arising from the discussion of the report at the Executive delegated to the Executive Member for Finance and Governance, as advised by the Director of Finance.

Report for:	Key decision:	Confidential:	Is the report urgent?
Decision	Yes – over the financial threshold (£150,000) and affects more than two wards	No	No

Contribution to delivery of the 2021-24 Strategic Plan		
People	Place	Business
The revision of the Council's Medium Term Financial Plan for 2021-25 plays a fundamental role in ensuring that the Strategic Plan is delivered effectively.		

Ward(s) affected
The proposed budget and Council Tax increase will potentially affect all wards.

What is the purpose of this report?

1. This report provides an update to Executive of the Council's Medium Term Financial Plan (MTFP) for the period to 2024/25, reflecting and supporting delivery of the Strategic Plan.
2. The report sets out to Executive the proposed Council Tax increase for 2022/23, and notes that following Council on 24 November 2021 the proposals will be, where required, subject to public consultation.

Why does this report require a Member decision?

3. The Council has a legal obligation in relation to setting a balanced budget and to meet the challenging financial targets faced in the MTFP. The setting of the budget is part of the policy framework and therefore requires Full Council approval.

Report Background

Medium Term Financial Plan to 2025

4. The "Refreshing the Strategic Plan for the 2021-24 period" report to Council on 24 February 2021 revised the Council's strategic priorities, with the revised priorities being as follows:
 - children and young people;
 - vulnerability;
 - crime and anti-social behaviour;
 - climate change;
 - Covid-19 recovery;
 - physical environment;
 - town centre;
 - culture; and
 - quality of service.
5. The Council maintains a Medium Term Financial Plan (MTFP) that sets out the financial envelope that is necessary to achieve those aims and the savings necessary for living within those financial plans (budget savings). The MTFP :
 - accurately analyses the current financial climate and the medium-term horizon, including the range of spending pressures facing the Council;
 - addresses the budget savings requirements for the MTFP period;
 - focuses investment on growing the town's economic base to improve local prosperity, and secure a robust and independent income stream to fund the Council's services.
6. The Medium Term Financial Plan to 2024 was included as part of the Revenue Budget, Council Tax, Medium Term Financial Plan and Capital Strategy 2021/22 report presented to Council on 24 February 2021. Since the report to Council in February 2021, there have been a number of changes which require the Council's

MTFP to be updated. As reported previously in the 2021/22 Quarter One Projected Outturn report to Executive on 7 September 2021, and in the 2021/22 Quarter Two Projected Outturn report to this Executive, the Covid-19 pandemic is continuing to have and is likely to have in the future a significant impact on the Council's financial position.

7. A number of meetings have been held with political groups during August/September 2021 to provide all elected members with an overview of the MTFP and to brief them as to the areas requiring further work to refresh the MTFP.
8. This report provides an update report to Executive, and then to Council on 24 November 2021, as part of the usual annual budget setting process. The report details the anticipated changes to the Council's financial position in the period to 2024/25 since the budget report to Council in February 2021, along with the main assumptions and risks contained within the updated MTFP.
9. The table below summarises the updated position of the anticipated changes to the Council's financial position in the period to 2024/25 since the budget report to Council In February 2021, with further details being included in the paragraphs below.

	2022/23	2023/24	2024/25	Total 2022-2025
		(indicative only)	(indicative only)	
	£m	£m	£m	£m
Budget gap - February 2021	0.000	3.103	0.000	3.103
<i>Add:</i>				
Covid-19 Ongoing Pressures (car parking income, Town Hall income, SLM, "Covid scarring")	1.602	(0.934)	(0.046)	0.622
Spending Pressures (including increased NI contributions, energy inflation, Living Wage & Children's Social Care)	4.024	0.160	4.672	8.856
Additional Income (TAMP and Captain Cook Square)	(0.248)	0.000	0.000	(0.248)
Additional Investment (Community Safety & Environmental Enforcement staff, events, additional capital financing costs)	0.934	0.674	0.237	1.845
Technical Changes (removal of Fair Funding Review contingency)	(1.400)	0.000	0.000	(1.400)
Other Changes (Collection Fund, Council Tax Base Growth, 24/25 added)	(1.029)	(0.612)	(0.235)	(1.876)
	3.883	2.391	4.627	10.901
<i>Add:</i>				
Previous Years' Saving Removed (reduction in staff mileage rate)	0.180	0.000	0.000	0.180
Change to planned use of Reserves	0.593	(0.593)	0.000	0.000
Budget (surplus) / gap	4.656	1.798	4.627	11.081
Estimated additional local government funding (as announced in Autumn Budget & Spending Review October 2021)	(4.050)	0.000	0.000	(4.050)
Council Tax - Adult Social Care Precept of 1.00% applied in 2022/23 (making total Council Tax increase of 2.99%)	(0.606)	(0.012)	(0.012)	(0.630)
REVISED POSITION (SURPLUS) / GAP	0.000	1.786	4.615	6.401

10. It should be noted that an additional year (2024/25) has been added to the MTFP as part of this further update. This is only provided as an indicative guide at this stage due to the high level of financial uncertainty surrounding future local government funding, and at this stage no additional budget savings are proposed to cover the budget gap in 2024/25 until further information is received and estimates are more robust. The estimates and the potential requirement for any further budget savings in

2023/24 and 2024/25 will be reviewed again in the budget report to Council in February 2022.

11. Executive Members have held a number of discussions regarding the MTFP and the changes that have occurred, and the need for any potential additional budget savings and/or changes to the assumptions relating to the Council Tax increase in 2022/23, in order to enable a balanced budget to be set in 2022/23. Executive are currently proposing an increase in the Council Tax from the 1.99% increase assumed in the previous MTFP to a 2.99% total increase for 2022/23 (which includes 1% Adult Social Care precept for 2022/23). This is in line with Government expectations as announced in the Spending Review on 27 October 2021 (see paragraph 32 below for further details). This will mean that there will be no requirement for additional budget efficiency savings in 2022/23, and therefore there will be no effect on front line service delivery levels. Further detail on the proposed increase in Council Tax is provided in paragraphs 25 to 33. These proposals are brought forward for consideration by this Executive and then by Council on 24 November 2021, after which public consultation on the budget and the proposed total Council Tax increase of 2.99% for 2022/23 will commence.
12. The above approach demonstrates that the Council has considered the issues strategically and has a deliverable plan to ensure the Council's financial sustainability. However, it should be noted that due to Covid-19 and uncertainty around future Government funding this is a constantly moving situation, and this means that the financial position and Council Tax increase and the potential need for additional budget savings are subject to change. The reports to Executive and Council in February 2022 will provide a further update of the MTFP incorporating any further information which has become available, including the impact of the Local Government Finance Settlement which is expected to be provisionally received in early December 2021 and then finalised in February 2022.

Assumptions

13. The budget report to Council in February 2021 detailed the key assumptions made in the MTFP, and this report shows the major changes since February 2021, with the following paragraphs providing details.

Covid-19

14. The current update of the MTFP assumes the level of estimated financial pressure from Covid-19 and the assumed Government grant funding for Covid-19 in 2021/22 will be the same as detailed in the 2021/22 Quarter Two Projected Outturn report to this Executive. It currently does not assume any further financial effect of a potential major further wave of Covid-19 locally or nationally, or takes account of any required future increased lockdowns locally or nationally.
15. In the updated MTFP it has been recognised that there is a potential continuing effect of Covid-19 and recovery beyond 2021/22. There are a number of service areas across the Council that could potentially see budget pressures as a result of the continuing effect of Covid-19 and recovery both in 2021/22 and beyond. Paragraphs 53 to 60 provide further details of the areas affected and the additional funding proposed. This is based on currently available information and this is an evolving situation and will be further updated in the budget report to Council in February 2022.

16. It is highly likely that there will be no further Government funding provided for the effects of Covid-19, and in this MTFP update none has been assumed.
17. There is also a potential risk to the Council's finances that the future economic climate caused by Covid-19 adversely affects the Council's finances, in particular the Council Tax and Business Rates Bases and the corresponding income received by the Council over the MTFP period, and that this is not compensated for by additional Government grant funding. In the MTFP update provided to Council in February 2021 an amount of £1.3m was provided in 2022/23 for the potential financial effect of this. Following further review, it is now likely that this will no longer be required in the longer term, and it is therefore proposed to transfer this to a more general "Covid scarring" contingency budget, as detailed in paragraph 60, for 2022/23 only. The position relating to Council Tax and Business Rates income and the effects on the Collection Fund will be closely monitored and updates will be provided in future reports. It should also be noted that the Government announced in the Spending Review on 27 October 2021 a number of measures relating to Business Rates in order to support businesses, and these are outlined below in paragraph 20. Local authorities will be fully compensated for all these measures, and these measures may help the Council to improve its collection rate for Business Rates.

Government funding

18. The Autumn Budget and Spending Review 2021 (SR21), published by the Government on 27 October 2021, set out the Government's spending plans for the lifetime of the parliament.
19. Whilst SR21 provided a number of indications of the level of funding that will be available for local government over the period (as detailed in paragraph 20), it did not provide full details of the funding mechanism, or confirm that a multi-year funding settlement would be provided to local authorities. It also did not provide individual funding allocations for each local authority. The amount of funding for local government will be confirmed and the allocation to individual local authorities will be announced as part of the Local Government Finance Settlement which is expected to be provisionally published in early December 2021 (no date has yet been announced) and confirmed in February 2022. This level of uncertainty means that future funding still remains one of the most significant risks to the Council.
20. The following provides a summary of the major announcements that were made in the SR21 regarding future local government funding, and their potential estimated effect on the MTFP :
 - £3.6 billion will go directly to local government over the SR21 period to implement the cap on personal care costs and changes to the means test within adult social care. This funding will also help local authorities better sustain their local care markets by moving towards a fairer cost of care. No method of the allocation to individual local authorities was announced and this will be set out by the Government in due course. Currently it has been assumed in the updated MTFP that all income received from this additional funding will be fully utilised to cover the increased costs arising from this.

- £1.6 billion of new grant funding for local authorities in each of the next three years (£4.8 billion over SR21 period), on top of the funding to implement social care reform mentioned above. Approximately £0.1 billion of this relates to additional grant funding to Supporting Families programmes, cyber security challenges, and to strengthen local delivery and transparency. The Department for Levelling Up, Housing and Communities (DLUHC) have advised that from the remaining £1.5 billion per year local authorities will have to meet their own increased employee costs as part of the 1.25% increase in National Insurance contributions, increased supplier National Insurance costs (including those in Social Care), and the cost of the National Living Wage. A very rough estimate of the amount that Middlesbrough will receive from this is £4.050m in 2022/23; this has been calculated using the Council's Core Spending Power as a percentage of the total national Core Spending Power. This has currently been assumed in the updated MTFP along with the additional costs which will have to be paid from this additional funding. It should be noted that at this stage this is a very rough estimate and will be updated following the notification of the actual amount to be received by Middlesbrough, which should be received as part of the provisional Local Government Finance Settlement in early December.
- Public Health grant to be maintained in real terms. It has been assumed that any additional income received from this will be fully utilised to cover increased costs which are likely to arise.
- A number of announcements were made relating to Business Rates, following the conclusion of the Government's review of the Business Rates system. These include the freezing of the multiplier for 2022/23, a new one year Retail, Hospitality and Leisure Business Rates relief (of 50% rates relief, up to maximum of £110,000), and support for investment in property improvements and green technology. SR21 announced that local authorities will be fully compensated for all the measures announced in the review, and therefore there is no effect on the MTFP. These measures may help the Council to improve its collection rate for Business Rates.

21. Currently the following other assumptions regarding government funding have been made in the updated MTFP:

- That there will be no increase or decrease to the current levels of Revenue Support Grant (RSG) and Business Rates Top Up Grant in 2022/23, 2023/24 and 2024/25.
- That currently there are no changes to any other grant assumptions outlined in the report to Council in February 2021.

22. The estimates of government funding will be revised when further information is available from the provisional Local Government Finance Settlement, which is expected in early December 2021, and will be updated in the 2022/23 budget report to Council in February 2022 upon receipt of the final confirmed Local Government Finance Settlement for 2022/23.

23. As mentioned in previous MTFP update reports the potential re-set of business rates retention of 75% (from the current 50%) and the introduction of a new “fair funding” formula for local government have been delayed. The Government have not yet formally announced when these will be implemented but it has indicated that that this will be further deferred to at least 2023/24, and potentially will be included as part of the Government’s “levelling-up” agenda when further details of this are provided. The key for Middlesbrough, as with other local authorities, will be the detail of the new systems and in how the new formulae are derived. The extent to which deprivation is recognised as a key cost driver for service need, in particular for adults and children’s social care and public health, will be vital. Current indications of the way forward by the Government suggest that there is low risk that Middlesbrough sees further reductions in funding both in real terms and in relation to other local authorities, and there is a potential for Middlesbrough to gain from such an approach. The MTFP presented to Council in February 2021 included a provision of £1.4m from 2022/23 for the potential impacts on Middlesbrough, however based on the current indications it has been determined that this will now not be likely to be required. This assumption will remain under review as further information emerges.
24. Notwithstanding the high levels of uncertainty regarding future Government funding, the Council’s budgetary assumptions are based on the most up to date reliable information.

Local funding increases

25. The Revenue Budget, Council Tax, Medium Term Financial Plan and Capital Strategy 2021/22 report to Council on 24 February 2021 assumed that the Council would apply a 1.99% increase per year in the core general element of Council Tax in both 2022/23 and 2023/24.
26. In SR21 the Government have indicated that the Adult Social Care Precept, which was allowed in previous years, will apply again in 2022/23, 2023/24 and 2024/25 (at a maximum increase of 1% per year). This in previous years has allowed Councils with Adult Social Care responsibility to increase their Council Tax by a set amount to help pay for the increased costs of Adult Social Care. This is in line with the plan contained in the Health and Social Care Act, alongside the increase in National Insurance contributions.
27. The 2021/22 Final Local Government Finance Settlement (LGFS) published on 4 February 2021 confirmed the continuation of the Adult Social Care Precept at 3%, and allowed it to be split over 2021/22 and 2022/23. Middlesbrough Council only increased Council Tax for the Adult Social Care Precept by 0.76% in 2021/22, and therefore there is still potentially 2.24% of the allowable Adult Social Care Precept of 3.00% announced in the 2021/22 LGFS, which could be applied to the 2022/23 Council Tax increase. However, at this stage, it is not proposed to utilise in 2022/23 the remaining 2.24% allowed from this.
28. Therefore following discussions regarding the Council Tax increase for 2022/23, Executive Members have indicated that their current recommendation is that the Council adopts a 1.99% increase in the core general Council Tax for 2022/23, and also an increase of 1% for the Adult Social Care Precept, meaning a total proposed Council Tax increase of 2.99% in 2022/23. This is an increase from the previous

assumption of a 1.99% increase, but is in line with Government expectations as announced in SR21.

29. Executive Members have made this decision in order to ensure that no additional budget savings are required to be made in setting the budget for 2022/23. Also it reflects the fact that the Government are likely to assume that the Council will increase its Council Tax by this amount in their calculation of the Council's Core Spending Power, which is a measure of how much the Government believes the Council can raise from Council Tax and that it has available to spend.
30. The proposed total increase in Council Tax to 2.99% in 2022/23 will mean that a balanced budget can be set in 2022/23 without the need to make any additional budget savings. It should be noted that each 1% increase in Council Tax produces estimated additional income to the Council of approximately £600,000.
31. The effect of the proposed total Council Tax increase to 2.99% in 2022/23 on the Middlesbrough Council only element of the Council Tax (excluding Fire, Police and Parish precepts) for Band A and Band D properties is shown in the table below:

Band	2.99% increase	
	Annual (£)	Weekly (£)
A	35.03	0.67
D	52.54	1.01

32. In SR21 the Government announced that the referendum threshold for increases in Council Tax is expected to remain at 2% per year for 2022/23, 2023/24 and 2024/25. In addition, local authorities with social care responsibilities are expected to be able to increase the Adult Social Care precept by up to 1% per year over this period. The Department for Levelling Up, Housing and Communities (DLUHC) will set out full details of the Council Tax referendum principles and proposed approach to allocating grant funding through the Local Government Finance Settlement for 2022/23. The proposed 2.99% total increase in Council Tax in 2022/23 is assumed to be within any referendum limits that may be set by the Government. Any change to this will mean that the level of proposed Council Tax increase for 2022/23 will have to be reviewed.
33. Whilst the indications are that there may be the ability for councils to apply an Adult Social Care Precept in 2023/24 and 2024/25, at this stage, no assumption has been made of the use of this in 2023/24 and 2024/25. The previous assumptions of a 1.99% increase in both 2023/24 and 2024/25 therefore currently remain unchanged. These will be reviewed at a later date.
34. There is estimated to be an increase in Council Tax income in 2022/23 and 2023/24 of approximately £1,300,000 per annum and £700,000 in 2024/25 due to a predicted increase in the Council's Tax Base resulting from projected Housing Growth over the period. These estimates have been reviewed from those contained in the previous MTFP, following information received as part of the Council Tax Base return submitted to Government in October 2021. These estimates will continue to be

reviewed on a regular basis in light of the potential effect of Covid-19 on delays to house building, and will be updated as part of the budget report to Council in February 2022 when further information is available.

35. At this stage for prudence purposes no inflationary increase or growth in the Local Share of Business Rates in 2022/23, 2023/24 and 2024/25 has been assumed.
36. During 2020/21, there were a number of issues, which resulted in significant pressures on Council Tax and Business Rates income. Within the Revenue Budget, Council Tax, Medium Term Financial Plan and Capital Strategy 2021/22 report to Council on 24 February 2021 it was noted that the overall financial impact of Covid-19 on Council Tax and Business Rates income to the Council in 2020/21 was estimated to be £3.696m. It is normal practice that any arising deficit would need to be fully funded in 2021/22. However, the Government announced that this could be spread over the next three years meaning that it was estimated that there would be an effect of £1.232m per annum in 2021/22, 2022/23, and 2023/24. The final outturn positions for Council Tax and Business Rates were much improved from the statutory amounts incorporated into the budget setting in February 2021 by £365,000 per annum over the 3-year spread period to 2023/24. The final amounts have been incorporated into this refresh of the Council's MTFP, therefore improving the financial position.

Pay awards and inflation

37. No agreement has yet been reached between the National Employers and the NJC Trade Unions as to the pay award for 2021/22 for Local Government Services employees effective from 1 April 2021. The National Employers have made a full and final offer of 1.75% for 2021/22. The current assumptions in the MTFP are for a 2% pay award each year, and based on current information these assumptions are still valid and have therefore not been changed. As well as the uncertainty caused by the delay in finalising the 2021/22 pay award, there is also a high level of uncertainty around local government pay awards in future years, and therefore the assumptions made in the MTFP for future years will be constantly reviewed. It should be noted that each 1% increase in pay equates to approximately £900,000 additional cost per annum.
38. As mentioned in paragraph 20 the Council will have to pay from 2022/23 increased National Insurance contributions for its own staff, and also any potential costs relating to this from its suppliers. It has been estimated that the cost of the increased National Insurance contributions for Council employed staff will be approximately £1m per annum. An amount of £1m per annum has also been provided in the MTFP for both the potential increased costs charged by suppliers for the effect of the increase in National Insurance contributions and other potential inflationary increases from suppliers, and it is proposed that this is held in a separate contingency budget until further information is received of the potential increased costs from suppliers.
39. Contractual inflation has been provided in the MTFP period. The level of contractual inflation will be reviewed again in the budget report to Council in February 2022. No provision has been made for inflation for general supplies and services; it is expected that any inflationary pressures in this area will be met from efficiency savings.

40. Income from fees and charges has been assumed to increase on average by approximately 1% per annum over the MTFP period. There is no increase currently assumed for car parking charges and statutory charges over the MTFP period. The level of income inflation will be reviewed again in the budget report to Council in February 2022. Due to Covid-19, a number of budget areas have suffered income losses and funding has been provided in this update of the MTFP in order to ensure that realistic achievable budgets are now set for these areas. Further details are provided in paragraphs 54 to 56. All income will be closely monitored for performance against income targets and reviewed as necessary.

Energy inflation

41. As extensively reported nationally there are currently hyper-inflationary increases in the cost of energy and this is likely to exist in the medium term. The extent to these increases is not yet fully known, but in light of this and using estimates based on latest available information, provision of £371,000 per annum has been made in the updated MTFP from 2022/23 for the potential effects of this.

Living Wage

42. Increases in the National Living Wage, will impact upon organisations – principally adult social care providers – who are contracted to carry out functions on behalf of the Council. Currently increases in the National Living Wage do not have an impact on Council employed staff as the current pay rates paid to Council staff are above the current National Living Wage rates.
43. In SR21 the Government announced that it remains committed to raising the National Living Wage in order so that it reaches two-thirds of median earnings, and that the National Living Wage will increase from £8.91 to £9.50 an hour effective from 1 April 2022 (a 6.6% increase). Following this announcement the amounts that are allocated in the MTFP to cover the increases in cost expected as a result of this have been revised, and it is currently assumed that the National Living Wage will increase incrementally to £10.50 by 2024/25, and an amount of £4.4m has been allocated for this over the MTFP period.
44. As with future pay awards there is a high level of uncertainty around this and whether the Government will further change the levels of increase for future years, and therefore this will reviewed again in the budget report to Council in February 2022.

Spending pressures –Children's Social Care

45. As reported previously Children's Social Care, remains the biggest area of financial concern for the Council. The Council has an Ofsted Improvement Plan in place, and the financial situation is being closely monitored jointly by the Service and Finance, and a three year plan has been drawn up to ascertain the estimated outturn position for the current and future financial years and therefore the potential MTFP impact.
46. Given the improvements required by Ofsted and the timescales for implementing these, a prudent financial planning approach has been taken, and a number of contingencies and reserves have been identified which should enable the pressure to be covered in the current and future financial years, assuming it stays at around the

same level. However, in the longer term, Children's Services will need to work towards balancing their budget from the end of 2023/24 onwards or there will be an MTFP impact.

47. Children's Services have requested additional funding which will be required from 2024/25 in order to achieve a steady state for the Service, and ensure that the improvements currently being made in Children's Social Care are not compromised, and also in order so that the Service is on a firm financial footing with an appropriate budget which can be managed within. The additional funding requested comprises of £910,000 for increased demand, £1.454m for increased staffing, and £1m to provide an appropriate agency budget to enable the Service to manage any temporary gaps in staffing. This additional funding is included in this MTFP update.
48. This will mean that the Ofsted Improvement Plan will be properly funded in the medium term. This will be closely monitored in real time and any amendments required to the level of funding provided will be made as appropriate.
49. It should be noted that this will mean that Children's Social Care will have reduced expenditure from over £9m projected spend in excess of their current budget in 2021/22 to just over £3m in 2024/25, approximately a £6m reduction in expenditure per annum by 2024/25.
50. As reported previously, in line with national trends Children's Social Care continues to be an area of financial pressure to the Council. The costs of these pressures in respect of increased level of need in relation to children in care and the increase in the cost of providing care is constantly being monitored.
51. Whilst the Local Government Finance Settlement in 2021/22 provided additional funding for Social Care there is still a significant risk of additional increased level of need in relation to children in care and the increased in the cost of providing care and that in the event of this, sufficient additional Government funding is not provided to mitigate this. Along with funding uncertainty, the continued pressure of demands on Children's Social Care is the most significant financial risk to the Council.
52. Further Children's Social Care demand increases and any delays to the implementation of the Council's Ofsted Improvement Plan continue to be a major potential risk to the Council and this is being constantly monitored, and further updates will be provided in future quarterly budget monitoring reports to Executive and in the budget report to Council in February 2022.

Covid-19 ongoing pressures

53. As outlined in paragraph 15, there are a number of service areas across the Council that could potentially see budget pressures as a result of the continuing effect of Covid-19 and recovery both in 2021/22 and beyond.
54. A major area where there is likely to be continuing effect is in income generating areas for the Council, such as parking, cultural and leisure facilities (as noted in paragraph 40). Provision has therefore made in the MTFP for the potential effects of this, with the following paragraphs detailing the additional funding provided to enable

these budget areas to cope with the financial ongoing effects of Covid-19, and ensure that realistic achievable budgets are now set for these areas.

55. As mentioned in the quarterly budget monitoring reports to Executive car parking income has reduced due to the effects of Covid-19 lockdown and the recovery period following the removal of lockdown restrictions. It is expected that this will continue in the medium term, due to effects of increased home working following lockdown and the reductions in people using the retail provision in the town centre. The pressure can be covered in 2022/23 from grant income received from the Tees Valley Combined Authority (TVCA) for the provision of 3 hour free parking across the Tees Valley. However, from 2023/24 there is an estimated pressure arising from this of £677,000 and a further £87,000 pressure in 2024/25, and these have been accounted for in this update of the MTFP.
56. Another budget area where income has suffered due to Covid-19 is cultural events and activities provided at the Town Hall. This has also been compounded by the potential effect on income due to the Globe Theatre opening nearby in Stockton. Provision of £230,000 per annum has been provided in the MTFP from 2022/23 for the effects of both these factors.
57. As detailed in 2020/21 and in the Quarter One and Two 2021/22 budget monitoring reports, significant payments have been made to SLM, the Council's provider of leisure facilities. Following the reopening of leisure facilities SLM have not been able to operate normally, with the effects of a restricted operation following the end of lockdown restrictions and the post Covid-19 recovery period impacting on their current levels of income. It is currently proposed that the Council do not provide any further subsidy support beyond 2021/22 relating to the Covid-19 ongoing impacts on SLM's income.
58. As part of the contract with SLM, the Council were due to receive funding from SLM in the form of a "profit share" in future years. However, in light of the recovery from Covid-19 and the proposed ending of the subsidy support payments outlined above, it is currently assumed that it will be difficult for SLM to achieve a profit in the medium term. Therefore, it has been assumed in this revised MTFP that it will not be possible for SLM to fully pay the "profit share" due under the contract in the medium term, and that an incremental approach is made to SLM achieving their contracted "profit share" by 2025/26. This has not had a negative effect on the MTFP, as the MTFP presented to Council in February 2021 had taken a prudent approach due to the potential ongoing effects of Covid-19, and did not include any assumptions of "profit share" payments from SLM for 2023/24 and 2024/25.
59. Detailed discussions are currently taking place with SLM in order to reduce as far as possible the financial pressure to the Council in both 2021/22 and in future years, and updates will be provided in future reports regarding this.
60. There is potential ongoing future "Covid scarring", in particular within the Care Sector. In this update of the MTFP, additional provision of £1,034,000 has been made for this in 2022/23, reducing to £856,000 from 2023/24. As mentioned in paragraph 17 this will be combined with the £1.3m previously set aside for the potential future impact of Covid-19 on Business Rates and Council Tax income for 2022/23 only, to create a

total contingency budget for the potential effects of “Covid scarring” of £2,334,000 in 2022/23 and £856,000 from 2023/24.

Other Spending pressures

61. As detailed in the Quarter Two 2021/22 budget monitoring report there are a number of ongoing spending pressures within Environment and Community Services, which are likely to continue in the future.
62. Firstly, there is a shortfall in income due to a decrease in the number of cremations following the opening of a crematorium in Stockton. This is expected to result in an ongoing financial pressure of £200,000 per annum to the Bereavement Services budget. The Service have however, proposed mitigation of £50,000 from efficiency savings resulting from the reduced volume of cremations, and therefore a total of £150,000 per annum has been built into the updated MTFP.
63. There is also an anticipated pressure currently estimated to be £500,000 per annum, as a result of the need to secure an alternative contractor to process kerbside recycling material following the previous contractor entering into administration, and this has been assumed in this updated MTFP. This may change following the tender process for a new contractor, which ended at the end of October 2021, with the results of the tender exercise currently being evaluated, and any revisions to the level of additional funding required will be included in the budget report to Council in February 2022.
64. In addition, there is also an ongoing pressure anticipated against the Integrated Transport Unit budget. This is due to anticipated increased numbers of children qualifying for home to school transport. In addition, there is a predicted increase in external contract prices caused by a shortage of drivers which is increasing wages, and also due to the increase in fuel prices. In some cases, external providers have pulled journeys, resulting in a requirement to seek more expensive alternative providers. £120,000 per annum from 2022/23 has therefore been provided in the updated MTFP for this. This budget will be closely monitored and updates provided in future reports.
65. Additional provision of £484,000 has been made within the Education and Partnerships budget for the funding of Inclusion/Specialist Support Services to young people. This has previously been funded from the Dedicated Schools Grant (DSG) which the Council receives, but following a review it has now been determined that this should be funded from Council revenue budgets in the future. In addition, following a review, it has also been determined that the level of Education contributions from DSG towards the cost of external residential agency placements is lower than it should be. Therefore, the additional costs arising from the above can be fully mitigated by £750,000 of predicted additional income from DSG for Education contributions. This was outlined in paragraph 27 of the Q2 budget monitoring report to this Executive, and is due to the fact that the complexity of the Council’s young people has increased along with the average placement costs, and therefore the Education (and Health) contributions should also increase appropriately.

66. Provision has been made in the updated MTFP from 2022/23 for the following service demand pressures which have been identified :
- £160,000 for ongoing increased costs in the Coroners Service due to a rise in the number of cases, and also an increase in pathology and post-mortem costs
 - £41,000 for an additional post within Education and Partnerships to develop and expand the Fifty Futures Programme
 - £76,000 for additional posts within the Freedom of Information (FOI) team to deal with an increase in the number and complexity of FOI requests received by the Council
 - £50,000 per annum for 3 years for Community Environmental Initiatives as approved by Executive on 5 October 2021
 - £100,000 additional per annum in both 2022/23 and 2023/24 for the potential additional costs arising from the Insurance Review

Additional income

67. Additional rental income above the current budget is estimated to be received from developments that the Council has made in the town. Additional annual income of £48,000 above that already assumed for 2022/23 (making a total of £330,000 additional income in 2022/23) is predicted due to the continued success of Tees Advanced Manufacturing Park (TeesAMP). In addition, additional unbudgeted income of £200,000 per annum from Captain Cook Square is assumed from 2022/23. Both these developments, along with the Centre Square Buildings 1 and 2 development, have provided additional income to the Council, after deducting capital financing costs, which has negated the need for the Council to make budget reductions to front line services.

Additional Investment

68. Additional revenue funding of £600,000 per annum has been provided from 2023/24 for additional Community Safety and Environmental Enforcement staff. This helps to continue the provision of these services following the end of a grant from the Tees Valley Combined Authority (TVCA), which has helped to provide these services.
69. Revenue funding of £200,000 has been provided for 2022/23 only to provide additional support for the provision of events in the town. This will help with the recovery of Middlesbrough following the Covid-19 pandemic.
70. The Mayor and Executive have expressed a desire to provide additional investment for front line services, principally within Environment and Community Services, but at this current time it is not possible to do so because of the financial constraints. This will be a high priority for the Mayor and Executive should further additional funding become available to the Council.
71. The following additional revenue provision has been made in respect of the estimated additional capital financing costs associated with potential projects, outlined in paragraph 89, which subject to approval by Executive will be added to the Council's agreed Investment Strategy in future years :

- Highways Maintenance Programme - £200,000 per annum in each of the years 2022/23, 2023/24 and 2024/25 (total of £600,000 over the 3 years)
- Transporter Bridge structural improvements - £80,000 from 2022/23
- Built Assets Improvement Programme - £81,000 in 2022/23, £74,000 in 2023/24 and £37,000 in 2024/25 (total of £192,000 over 3 years)

72. It should be noted that the additional capital financing costs will be ongoing beyond the current MTFP period and these ongoing costs will be built in future MTFP updates.
73. Following approval by Council on 5 October 2021 of the Fountain Court Refurbishment and Fit-Out Budget report there is a requirement to provide additional revenue provision of £165,000 per annum to the Capital Financing budget for additional capital financing costs arising from the net additional increase of £4.138m in the budget for the project.
74. Following approval by Executive on 20 October 2021 of the Flexible Use of Capital Receipts Strategy report there is a requirement to add additional revenue provision of £208,000 per annum to the Capital Financing budget for potential additional capital financing costs arising from this.
75. The Capital Financing budget will be closely monitored and any required changes will be reflected in future refreshes of the MTFP.

Adequacy and use of Financial Reserves

76. The Director of Finance has reviewed the proposed level of balances held in the General Fund Reserve and advised that he considers it is appropriate to currently continue to maintain a minimum of £11m over the medium term. This advice is based on an assessment of financial risks against criteria set out by the Chartered Institute of Public Finance and Accountancy and the extent to which specific provisions are available to meet known and expected liabilities.
77. The current estimated level of the General Fund Reserve at the end of 31 March 2022 is £11m as reported in the Revenue and Capital Budget – Projected Outturn position as at Quarter Two 2021/22 report to this Executive.
78. In the budget report to Council in February 2021, it was intended to use £593,000 of reserves to balance the budget in 2022/23. In order to keep the level of the General Fund Reserve to the minimum level this is no longer assumed in this update of the MTFP.
79. This updated MTFP, including the proposed Council Tax increase for 2022/23, should enable the level of the General Fund Reserve to remain above the minimum recommended level throughout the MTFP period.
80. The approval by Council on 20 October 2021 of the Flexible Use of Capital Receipts Strategy report will allow the Council to potentially increase the level of reserves that the Council holds by a maximum of £5.2m, at this time of high financial uncertainty with minimal impact on the Council Tax payer. This will help support the significant and continued transformation work taking place within the Council, which will deliver

improvement and efficiencies. Further details of the effect on the level of reserves will be provided in the Quarter Three 2021/22 budget monitoring report.

81. Further work will be carried out on the appropriate level of reserves for 2022/23 onwards following the receipt of the provisional Local Government Finance Settlement in early December and the latest financial performance in 2021/22, and will be updated in the budget report in February 2022.
82. The Council intends to allocate an additional £100,000 in 2022/23 only to its Change Fund in order to support transformational activity to deliver its Strategic Plan. It is estimated that only a negligible amount will be remaining within the Change Fund from 2023/24, in light of the need to invest in transformational activity in the meantime.

Budget Savings requirement and proposals

Budget Savings already assumed in the current MTFP

83. As noted in paragraph 15 of the Quarter Two 2021/22 budget monitoring report to this Executive there is a £180,000 saving related to “reducing staff mileage rates across the Council” which will not be achieved in 2021/22 and has been replaced by alternative one-off savings for 2021/22 only. In light of the recovery from Covid-19 and the potential effect on staff, Executive are proposing that this saving is now removed from the MTFP from 2022/23.

Proposed Additional Budget Savings

84. As noted in paragraph 11 this refreshed MTFP identifies that there is currently no requirement for additional budget savings in 2022/23, due to the proposal by Executive to increase Council Tax by 2.99% in 2022/23, in order to protect front line service delivery.
85. However, as shown in the table in paragraph 9 there is still a projected £1.8m budget gap in 2023/24 and a projected £4.6m budget gap in 2024/25. As mentioned in paragraph 33 at this stage no decision has been made regarding further Council Tax increases in 2023/24 and 2024/25, and therefore potentially the budget gap may need to be funded from additional budget savings in the future. The requirement for any future years’ savings proposals will be outlined in future MTFP update reports and will be subject to full consultation.
86. During 2022/23, it is intended that a full and proper efficiency review is undertaken across all Directorates and Services within the Council. This review will be led by Finance and undertaken in conjunction with the Directors, and a timetable will be drawn up for this. The aim of the review is to ensure that the Council is operating as efficiently as possible, and the review will seek to identify potential future additional budget savings for consideration at a future date if required.

Investment Strategy

87. The Investment Strategy has been further revised as part of the Revenue and Capital Budget – Projected Outturn position as at Quarter Two 2021/22 report to this Executive.
88. The Council's Investment Strategy is updated each quarter via the quarterly budget monitoring reports, and also a full revision of the Investment Strategy for the MTFP period, including 2024/25, will be included in the budget report to Council in February 2022.
89. As mentioned in paragraph 71 the following proposed projects are potentially to be added to the Council's agreed Investment Strategy in future years :
- Highways Maintenance Programme - £5m p.a. for 3 years (total £15m)
 - Transporter Bridge structural improvements - £2m in 2022/23 only
 - Built Assets Improvement Programme - £2.2m in 2022/23, £2.0m in 2023/24 & £1.0m in 2024/25 (total of £5.2m over 3 years)
90. The above projects will only be added to the Council's Investment Strategy following the submission to and approval by Executive of separate reports for each project.
91. If approved these additions to the Investment Strategy will enable the Council to invest in its own assets and provide for adequate maintenance of assets in order to ensure that they remain fit for purpose in the future

What decision(s) are being asked for?

92. That the Executive notes the updated Medium Term Financial Plan position for 2021-25.
93. That the Executive endorses the proposed budget for 2022/23, and the proposed total Council Tax increase of 2.99% for 2022/23 (comprising of a 1.99% increase in general Council Tax and a 1% Adult Social Care Precept).
94. That this report is presented to Council on 24 November 2021, allowing consultation on the budget and the proposed Council Tax increase to commence, with any required changes arising from the discussion of the report at the Executive delegated to the Executive Member for Finance and Governance, as advised by the Director of Finance.

Why is this being recommended?

95. To enable the Council to meet its statutory responsibility to set a balanced revenue budget and to ensure that a proper framework is in place for the medium term financial management of the Council, which will enable the Council to take a systematic, coherent and controlled approach to addressing ongoing financial

challenges over the medium-term, while maximising its contribution to the Mayor's priorities for Middlesbrough.

Other potential decisions and why these have not been recommended

96. The Council has no option but to monitor its financial position, addressing any potential financial pressures and any budget savings required, to ensure the Council's financial position is balanced. The updated Medium Term Financial Plan for 2021-25 will provide the means to achieve this in a proactive and systematic manner, while continuing to reshape the Council to lead the delivery of the priorities for Middlesbrough.

Impact(s) of recommended decision(s)

Legal

97. The Council is required under legislation to set a balanced budget for each year. The Medium Term Financial Plan and revenue and capital budgets form part of the Council's policy framework, as set out in its constitution. The approach outlined within the document will enable the Council to operate within the resources available and continue to meet its many statutory duties.
98. Elected members (individually and collectively) have a fiduciary duty to local taxpayers and so duty to facilitate, rather than frustrate, the setting of a lawful budget, and not to do so would bring damaging legal, financial, operational and reputational consequences for the Council, and precepting authorities such as the police, fire service and local parish councils. It may also give rise to personal liability for individual members for misfeasance in public office, negligence or breach of statutory duty, should they be found to be purposely failing to set a lawful budget.

Financial

99. It is proposed that for 2022/23 Council Tax will increase by a total of 2.99% (comprising of a 1.99% increase in general Council Tax and a 1% Adult Social Care Precept), and then by 1.99% in each of the years 2023/24 and 2024/25 (see paragraphs 25 to 33 for details).
100. The final proposed 2022/23 budget will be presented to Executive on 14 February 2022, and then to Council for approval on 23 February 2022.
101. In the event that significant changes to the Council's financial position come to light in the interim then the proposed Council Tax increase in 2022/23 may need to be revised ahead of the budget report to Council on 23 February 2022. In addition, there may be a requirement to revise the requirement for no budget savings to be proposed for 2022/23.

Policy Framework

102. The revenue and capital budgets form part of the Council's Policy Framework and as such must be agreed by Full Council.

Equality and Diversity

103. The Council must ensure that, in line with the Public Sector Equality Duty, that any budget saving proposals or Council Tax increases thought to impact on those with protected characteristics are assessed, mitigated where possible and/or justified. As stated in paragraph 11 there are no additional budget savings proposed for 2022/23, and therefore the budget consultation will be regarding the proposed Council Tax increase only.
104. As such impact assessments for the budget and Council Tax increase will be completed prior to consideration by the appropriate decision-making body, where required. This will be prior to the presentation of the 2022/23 budget report to Council in February 2022.

Risk

105. The proposed approach will ensure that the Council has adequate governance processes in place (08-054) to ensure it complies with the statutory duties to set a balanced budget for the forthcoming year (08-055). The MTFP has been reviewed to ensure that the correct assumptions are made to ensure that there are no unforeseen/unmitigated funding gap (08-059) exists in future years.

Actions to be taken to implement the decision(s)

106. Consultation in respect of the proposed budget and Council Tax increase for 2022/23 will, following Council on 24 November 2021, commence on 25 November 2021 and conclude on 23 January 2022, with appropriate impact assessments undertaken considering responses to the consultation.
107. It is planned that the budget consultation will be undertaken this year as part of an “annual conversation” with local communities and the Council’s stakeholders on the direction of travel and future plans (including spending plans), an approach which is being embedded within the Council’s emerging locality working approach. The “annual conversation” will build on the success of the previous years’ budget consultations, closely involving elected members in proactively engaging stakeholders in the development of the Council’s plans and spending decisions. It will have a clear brand identity and be promoted across social media and other channels, gathering both quantitative and qualitative information that will provide both real insight for the Council and real influence for respondents. The aim is to encourage more people to take part in the annual budget consultation.
108. It is planned that the consultation will include:
- a dedicated internet page on the Council’s website;
 - a general public survey on the Council’s website, with hard copies distributed across hubs and libraries;
 - a general consultation email address;
 - an increased level of digital promotion and increased public engagement through social media;
 - short explanatory films by the Mayor and Director of Finance regarding the planned budget;

- potential public meetings attended by senior politicians and managers;
- other opportunities for residents who are not digitally enabled to take part and give their views;
- designed postcards delivered to households/community venues with key questions and freepost address to return;
- promotional posters and adverts in key footfall and community locations;
- consultation with the Council's Overview and Scrutiny Board;
- consultation with the Council's partners and the local business sector, including a meeting with the town's Chamber of Commerce; and
- greater involvement of elected members in the process overall, including briefings with Elected Members.

109. The output of the consultation process will then be reported to Executive on 14 February 2022 and Council on 23 February 2022, which will:

- again refresh the MTFP following the Local Government Finance Settlement, set the 2022/23 budget and any required associated budget savings and targets, and set the Council Tax level for 2022/23;
- comply with the Public Sector Equality Duty and set out any impacts identified from the proposals for 2022/23 and future years.

Appendices

- None

Background papers

24/02/21	Council	Strategic Plan 2021-24
24/02/21	Council	Revenue Budget, Council Tax, Medium Term Financial Plan and Capital Strategy 2021/22
07/09/21	Executive	Revenue and Capital Budget – Projected Outturn position as at Quarter One 2021/22
20/10/21	Council	Flexible Use of Capital Receipts Strategy
09/11/21	Executive	Revenue and Capital Budget – Projected Outturn position as at Quarter Two 2021/22

Contact: Andrew Humble, Head of Financial Planning and Support
Email: andrew_humble@middlesbrough.gov.uk

Report of:	Executive Member for Education - Councillor Stephen Hill Director of Education and Partnerships - Rob Brown
Submitted to:	Executive - 9 November 2021
Subject:	Final Report of the Children and Young People's Learning Scrutiny Panel - Behaviour, Discipline and Bullying in Schools - Service Response

Summary

Proposed decision(s)
That Executive approves the department's response and accompanying action plan to the Children and Young People's Learning Scrutiny Panels final report on addressing Behaviour, Discipline and Bullying in School.

Report for:	Key decision:	Confidential:	Is the report urgent?¹
Decision	No	No	For the purpose of the call in procedure, this report is not urgent.

Contribution to delivery of the 2021-24 Strategic Plan		
People	Place	Business
Ensuring Middlesbrough has the very best schools		

Ward(s) affected
All

What is the purpose of this report?

1. The reports provides the department's response and accompanying action plan to the Children and Young People's Learning Scrutiny Panels final report on addressing Behaviour, Discipline and Bullying in School

Why does this report require a Member decision?

2. Within the executive scheme of delegation there is a requirement for Executive to formally consider the final reports of the Councils scrutiny panel and agree departmental service responses and accompanying action plans

Report Background

3. During 2020 and 2021 the Children and Young People's Learning Scrutiny panel investigated the topic of Behaviour, Discipline and Bullying in Schools.
4. The purpose of the investigation by the Children and Young People's Learning Scrutiny Panel was to:
 - a. Identify the powers and duties of schools to manage behaviour and discipline pupils.
 - b. Investigate the Local Authority's role in supporting schools with behaviour management and the impact of its work.
 - c. Examine the causes of pupil behaviour problems e.g. unmet educational or other needs.
 - d. Identify the challenges faced by schools in dealing with poor behaviour and bullying and to examine the reasons some schools have higher rates of fixed-term and permanent exclusions.
 - e. Investigate the types of sanctions used by schools that can impact on a pupil's educational outcomes and life chances.
 - f. Examine the successful and proactive strategies and solutions used by schools to promote positive behaviour, manage poor behaviour and prevent and tackle bullying.
5. Schools are responsible for ensuring and supporting behaviour and discipline within schools and having in place systems to tackle bullying,
6. In 2019, Ofsted published a new education inspection framework, which introduced a new behaviour judgement. This was to provide reassurance for parents on the issues of bullying. As stated at the time by Ofsted's Director of Corporate Strategy "disruptive behaviour and bullying is the number one concern for parents when they look through school inspection reports".
7. In July 2020, the Government re-published guidance on how school leaders and staff can develop a school behaviour policy, this includes checklists to support full school opening following the coronavirus (COVID-19) outbreak. The guidance provides advice to head teachers and school staff on developing the school behaviour policy and explains the powers members of staff have to discipline pupils. It is for individual schools to develop their own best practice for managing behaviour in their school.
8. Inspectors now make a judgement on behaviour and attitudes in schools by evaluating the extent to which:

- a. The provider has high expectations for learners' behaviour and conduct and applies these expectations consistently and fairly. This is reflected in learners' behaviour and conduct;
 - b. Learners' attitudes to their education or training are positive. They are committed to their learning, know how to study effectively and do so, are resilient to setbacks and take pride in their achievements;
 - c. Learners have high attendance and are punctual;
 - d. Relationships among learners and staff reflect a positive and respectful culture; and
 - e. Leaders, teachers and learners create an environment where bullying, peer-on-peer abuse or discrimination are not tolerated. If they do occur, staff deal with issues quickly and effectively, and do not allow them to spread.
9. To support behaviour management and greater inclusion in schools, the Local Authority has recently developed a new service model that focuses on early intervention and identification. This model offers support at the earliest of stages through a "Team around the School Approach".
- a. The new model was established in September 2020 had been developed to tackle the high number of exclusions, the pressures on local placements in terms of Alternative Provision (AP), the increasing numbers of children and young people with Education Health Care Plans (EHCP), the increasing number of requests for Education Health Care Assessments (EHCA) and significant pressures on the Council's High Needs Budget.
 - b. The High Needs Budget is funding that the Local Authority receives to support children and young people with SEND. Nationally there are significant pressures on the High Needs Budget due to the increasing needs of children and young people.
10. Schools are enthusiastic regarding the new model and it is anticipated that the support offered through the new model will reduce the number of children and risk of exclusion and reduce the number of children referred for an Education, Health and Care Assessment
11. In addition to the support delivered through the new model, the Local Authority offers advice and guidance to school leadership teams and governing bodies to help ensure that they follow the exclusion legal framework correctly and, where applicable, apply the Managed Moves Protocol.
12. Across the schools in Middlesbrough there are examples of good practice which are used to support children and young people at risk of exclusion and for those at risk of bullying.
13. Through the investigation of the scrutiny panel a number of key recommendations have been identified which key service areas will take forward to ensure further areas for developed will be addressed as well as analysing the impact of the new Inclusion Model.

What decision(s) are being asked for?

14. That Executive approves the department's response and accompanying action plan to the Children and Young People's Learning Scrutiny Panels final report on addressing Behaviour, Discipline and Bullying in School

Why is this being recommended?

15. The Children and Young People's Learning Scrutiny Panel's final report and subsequent action plan on addressing Behaviour, Discipline and Bullying in School and the impact on learning will be used to further support schools to meet the needs of children and young people at risk of exclusions.

Other potential decisions and why these have not been recommended

16. The other potential decision would be to not consider the recommendations by the Children and Young People's Learning Scrutiny Panel. This has not been considered as this would have an impact on children and young people achieving their outcomes and progressing well in education.

Impact(s) of recommended decision(s)

17. Following on from the Children and Young People's Learning Scrutiny Panel's greater understanding of the key issues and impact on learning outcomes for children and young people will be considered to ensure that actions secure improvement.

Legal

18. The Education Act 2002 Section 175 placed a legal duty on maintained schools and Local Authorities to safeguard and promote the welfare of children, and Section 89 of the Education and Inspections Act 2006 states that maintained school must have measures to encourage good behaviour and prevent all forms of bullying amongst pupils. The response and action plan will support schools in meeting this duty.

Financial

19. None identified

Policy Framework

20. The proposed actioned has no impact on the Council's policy framework

Equality and Diversity

21. The purpose of the Children and Young People's Learning Scrutiny panel's report is to consider the effects of Behaviour, Discipline and Bullying in School with a focused aim to mitigate the effects on children and young people. An impact assessment of the proposed response is not required at this time.

Risk

22. The implementation of the Children and Young People's Learning Scrutiny panel recommendations will support the Council in ensuring that our children and young

people will be afforded opportunities and required support enabling them to succeed.

Actions to be taken to implement the decision(s)

23. The following actions will be taken to implement the decisions:

- a. Undertake a full and comprehensive evaluation on the impact of COVID to include feedback from children and young people
- b. Prepare a detailed and comprehensive report of findings to report back to Children and Young People's Learning Scrutiny Panel
- c. To ensure systems are in place to support schools identify early identification
- d. Collate exclusion data from all schools and submit a comprehensive report of exclusions to the Scrutiny Panel on a 6 monthly basis
- e. Fully implement the Inclusion and Outreach model which has been further reviewed based on initial feedback.
- f. Develop and deliver training to staff and settings to support greater inclusion
- g. Share good practice across settings
- h. Develop an Inclusion and Alternative Provision Strategy
- i. Review and update key guidance

Appendices

24. Children and Young Peoples Learning Scrutiny Panel Final Report: Behaviour, Discipline and Bullying in Schools

25. Action Plan: Behaviour, Discipline and Bullying in Schools

Background papers

Body	Report title	Date
Children and Young People's Learning Scrutiny Panel	Final Report – Behaviour, Discipline and Bullying in Schools	26 th July 2021 Approved by Overview and Scrutiny Board 8 th September 2021

Contact: Caroline Cannon: Strategic Lead for Inclusion and Specialist Support Service.

Email: caroline_cannon@middlesbrough.gov.uk

This page is intentionally left blank

MIDDLESBROUGH COUNCIL

Final Report Children and Young People's Learning Scrutiny Panel

Behaviour, Discipline and Bullying in Schools

CONTENTS

THE AIM OF THE SCRUTINY REVIEW	Page	2
TERMS OF REFERENCE	Page	2
BACKGROUND INFORMATION	Page	2
SUMMARY OF EVIDENCE		
Term of Reference A - To identify the powers and duties of schools to manage behaviour and discipline pupils.	Page	3
Term of Reference B - To investigate the Local Authority's role in supporting schools with behaviour management and the impact of its work.	Page	4
Term of Reference C - To examine the causes of pupil behaviour problems e.g. unmet educational or other needs.	Page	7
Term of Reference D - To identify the challenges faced by schools in dealing with poor behaviour and bullying and to examine the reasons some schools have higher rates of fixed-term and permanent exclusions.	Page	7
Term of Reference E - To investigate the types of sanctions used by schools that can impact on a pupil's educational outcomes and life chances.	Page	9
Term of Reference F - To examine the successful and proactive strategies and solutions used by schools to promote positive behaviour, manage poor behaviour and prevent and tackle bullying.	Page	10
Additional Information	Page	14
Conclusions	Page	15
Recommendations	Page	16
Acknowledgments	Page	16
Acronyms	Page	17

THE AIM OF THE SCRUTINY REVIEW

1. The purpose of the review was to examine the key principles to help improve behaviour in schools. The review aims to assist the Local Authority in achieving its strategic priority:
 - ***People - Ensuring Middlesbrough has the very best schools.***

TERMS OF REFERENCE

2. The terms of reference, for the scrutiny panel's review, were as follows:
 - a) To identify the powers and duties of schools to manage behaviour and discipline pupils.
 - b) To investigate the Local Authority's role in supporting schools with behaviour management and the impact of its work.
 - c) To examine the causes of pupil behaviour problems e.g. unmet educational or other needs.
 - d) To identify the challenges faced by schools in dealing with poor behaviour and bullying and to examine the reasons some schools have higher rates of fixed-term and permanent exclusions.
 - e) To investigate the types of sanctions used by schools that can impact on a pupil's educational outcomes and life chances.
 - f) To examine the successful and proactive strategies and solutions used by schools to promote positive behaviour, manage poor behaviour and prevent and tackle bullying.

BACKGROUND INFORMATION

3. In July 2020, the Government re-published guidance on how school leaders and staff can develop a school behaviour policy, this includes checklists to support full school opening following the coronavirus (COVID-19) outbreak. The guidance provides advice to headteachers and school staff on developing the school behaviour policy and explains the powers members of staff have to discipline pupils. It is for individual schools to develop their own best practice for managing behaviour in their school.
4. In 2019, Ofsted published a new education inspection framework, which introduced a new 'behaviour' judgement to provide parents with reassurance on bullying. Luke Tryl, Ofsted's Director of Corporate Strategy, stated that "disruptive behaviour and bullying is the number one concern for parents when they look through school inspection reports".¹
5. Inspectors now make a judgement on behaviour and attitudes in schools by evaluating the extent to which:
 - the provider has high expectations for learners' behaviour and conduct and applies these expectations consistently and fairly. This is reflected in learners' behaviour and conduct;
 - learners' attitudes to their education or training are positive. They are committed to their learning, know how to study effectively and do so, are resilient to setbacks and take pride in their achievements;
 - learners have high attendance and are punctual;
 - relationships among learners and staff reflect a positive and respectful culture; and
 - leaders, teachers and learners create an environment where bullying, peer-on-peer abuse or discrimination are not tolerated. If they do occur, staff deal with issues quickly and effectively, and do not allow them to spread.
6. There is sufficient evidence to suggest that there is enough of a problem nationally with behaviour for it to be a matter of concern. The existence of some very good practice should not encourage complacency, but it can also catalyse and encourage our ambitions to raise

¹ <https://www.independent.co.uk/news/education/education-news/schools-bullying-behaviour-pupils-classroom-ofsted-inspection-framework-rolling-a8729301.html>

standards even further, reassured by the existence of living demonstrations that improvement is possible.²

SUMMARY OF EVIDENCE

Term of Reference A - To identify the powers and duties of schools to manage behaviour and discipline pupils.

7. In January 2016, the Department for Education (DfE) published guidance entitled 'Behaviour and discipline in schools - Advice for headteachers and school staff'.
8. The key points identified in the guidance include:
 - Teachers have power to discipline pupils for misbehaviour which occurs in school and, in some circumstances, outside of school.
 - The power to discipline also applies to all paid staff (unless the headteacher says otherwise) with responsibility for pupils, such as teaching assistants.
 - Headteachers, proprietors and governing bodies must ensure they have a strong behaviour policy to support staff in managing behaviour, including the use of rewards and sanctions.
9. In respect of the school behaviour policy, for maintained schools, the law states:
 - The headteacher must set out measures in the behaviour policy which aim to:
 - promote good behaviour, self-discipline and respect;
 - prevent bullying;
 - ensure that pupils complete assigned work; and which
 - regulate the conduct of pupils.
 - When deciding what these measures should be, the headteacher must take account of the governing body's statement of behaviour principles. The headteacher must have regard to any guidance or notification provided by the governing body which may include the following:
 - screening and searching pupils;
 - the power to use reasonable force and other physical contact;
 - the power to discipline beyond the school gate;
 - when to work with other local agencies to assess the needs of pupils who display continuous disruptive behaviour; and
 - pastoral care for staff accused of misconduct.
 - The headteacher must decide the standard of behaviour expected of pupils at the school. He or she must also determine the school rules and any disciplinary penalties for breaking the rules.
 - Teachers' powers to discipline include the power to discipline pupils even when they are not at school or in the charge of a member of staff.
 - The headteacher and governing body must publicise the school behaviour policy, in writing, to staff, parents and pupils at least once a year.
 - The school's behaviour policy must be published on its website (School Information (England) Regulations 2008). Where they do not have a website the governing body should make arrangements for the behaviour policy to be put on a website and to make the address and details (of the website) known to parents.

²Tom Bennett, Independent review of behaviour in schools, Creating a Culture: How school leaders can optimise behaviour (2017)

10. In respect of academy schools:

- The proprietor of an academy school is required to ensure that a written policy to promote good behaviour among pupils is drawn up and effectively implemented. The policy must set out the disciplinary sanctions to be adopted if a pupil misbehaves. The proprietor is also required to ensure that an effective anti-bullying strategy is drawn up and implemented. Information about the school's behaviour policy must be made available to parents on request.
- While academies are not required by law to publish their behaviour policy on their website, it is good practice to do so.
- Parental engagement. After the Deregulation Act 2015, Schedule 16 paragraph 2 is commenced in January 2016 schools will no longer have a statutory obligation to have in place home school agreements. Home-school relations are important but schools can determine how best to foster these relationships. If schools choose they can have voluntary home school agreements.³

11. Further information on the powers and duties of schools to manage behaviour and discipline pupils can be found in the minutes and associated documentation for the meeting of the Children and Young People's Learning Scrutiny Panel, which was held on 9 November 2020.

Term of Reference B - To investigate the Local Authority's role in supporting schools with behaviour management and the impact of its work.

12. To support behaviour management and greater inclusion in schools, the Local Authority has recently developed a new service and model that focuses on early intervention and support at the earliest of stages.
13. In July 2020, the Special Educational Needs and Disabilities (SEND) Assessment Team and Alternative Provision Team were restructured to create one single Inclusion, Assessment and Review Service which is located in the wider Inclusion and Specialist Support Service.
14. The new model had been established to tackle the high number of exclusions, the pressures on local placements in terms of Alternative Provision (AP), the increasing numbers of children and young people with Education Health Care Plans (EHCP), the increasing number of requests for Education Health Care Assessments (EHCA) and significant pressures on the Council's High Needs Budget. The High Needs Budget is funding that the Local Authority receives to support children and young people with SEND.
15. Feedback from schools was used to inform the development of the new model. The model aims to increase the capacity and resources available to support early intervention work in schools, further develop the quality and range of alternative provision options and identify special educational needs and support at the earliest point.
16. There has been additional investment within the service to support the new model. The management of the service is the responsibility of the newly appointed Head of Inclusion, Assessment and Review Service and three additional Inclusion Officers have been appointed to provide support and assistance to schools. In addition, the capacity of the Educational Psychology Team has been increased, to provide enhanced support to the secondary school sector.

³ Department for Education - Behaviour and discipline in schools - Advice for headteachers and school staff (January 2016).

17. Schools have been enthusiastic about the changes to the service. It is anticipated that the new model will help reduce the level of exclusions in schools, ensure optimal utilisation of the 'high needs funding' available to schools for children with SEND and improve the quality of referrals for education, health and care assessments.
18. To support the implementation of the new service structure, the Inclusion, Assessment and Review Service has introduced a 'Team Around the School' approach which has been in place since September 2020. The model is based on the following approach:



19. The 'Team Around the School' approach involves early identification, curriculum alternatives and Pupil Inclusion Panels. The previous model had a Pupil Inclusion Panel for the secondary sector, however, the new model has a Pupil Inclusion Panel for both primary and secondary sectors. The Pupil Inclusion Panels examine referrals from schools to identify strategies, support and alternative placements that would assist in meeting the needs of pupils at risk of exclusion. The Pupil Inclusion Panel for the primary sector was introduced in November 2020 and has been well received by headteachers.
20. In terms of the secondary sector, a start of year joint planning meeting takes place. The aim of the meeting is to develop a shared understanding of the school context, identify school priorities (whole school, smaller group and individual pupil level) and devise a multi-agency plan to address needs/concerns. The main objectives of the meeting are to understand, identify and plan.
21. A number of key representatives are involved in the start of year joint planning meeting, including key school staff, the Educational Psychologist, the Inclusion Officer and the Head of the Inclusion, Assessment and Review Service. Each school has been assigned an Educational Psychologist and Inclusion Officer to ensure continuous support. Staff who deliver learning and language support, wellbeing services (such as Headstart, CAMHS etc.) and other support services, relevant to the needs of the school, may also provide input at the meeting.
22. Each meeting is facilitated (and recorded) by the Educational Psychologist using information from school staff and information shared within the meeting. Members of the 'Team Around the School' devise an action plan, which can include actions for the whole school, small groups/cohorts and individual pupils. Follow-up meetings are held following the initial planning meeting to ensure that actions are monitored and remain on track. Solutions to address any barriers or delays encountered, in respect of implementation, will also be discussed.

23. In terms of strategic outcomes, the new model is promoting collaborative and partnership working across Middlesbrough, ensuring the effective delivery of services, delivering a co-ordinated approach to support, developing inclusive practices, promoting the social and educational inclusion of children and young people, assisting with ensuring that children and young people are on the appropriate pathways, providing better planning for AP places and reducing exclusions.
24. Since the implementation of the new model, positive feedback has been received from schools. To enable the development of the 'Team Around the School' approach, regular meetings have been held to review and improve the model and remove any barriers encountered with its implementation in schools. In an attempt to assess the impact of the new model, data from the current academic year has been compared to the previous academic year.
25. In terms of permanent exclusion figures:
- in November 2019, 15 pupils had been excluded; and
 - in November 2020, 9 pupils were excluded.
26. In terms of fixed-term exclusion figures:
- in November 2019, there had been 1023 days of fixed-term exclusions; and
 - in November 2020, there had been 583 days.
27. In terms requests for EHCPs, from September 2019 to November 2019, there had been 49 and for the same period during the current academic year, 38 requests had been received.
28. Preliminary data demonstrates the positive impact of the new model on exclusion rates and requests for EHCPs, however, there is a need to be mindful of the possible impact of COVID-19 on the figures.
29. It was planned that the staffing structure of the model would be reviewed in January 2021 and a full review of the service would take place in July 2021. The full review would involve gaining feedback from children, young people, families and schools to ensure a full and comprehensive evaluation of the model.
30. In addition to the new model:
- The Local Authority offers advice and guidance to school leadership teams and governing bodies to help ensure that they follow the exclusion legal framework correctly and, where applicable, apply the Managed Moves Protocol properly. The Local Authority checks the legality of every permanent exclusion.
 - The Local Authority offers training to support schools, for example, training sessions have been delivered to schools, free of charge, in respect of Attachment Theory and classroom practice.
 - For parents of pupils who are permanently excluded, the Local Authority has a dedicated member of staff who offers independent advice/guidance and provides key information. In addition, as some parents find challenging a headteacher a daunting prospect, the member of staff also represents parents when appealing against a permanent exclusion. To ensure that parents are aware of the support available, a letter is written to parents that contains the contact details for the Local Authority's independent officer.
 - Work is being undertaken to reshape the role of the Ethnic Minority Achievement Team (EMAT) Manager to become an interfacing role with schools. With this change, it is

envisaged that the EMAT will visit schools to actively work with classroom practitioners to develop the level of support offered to pupils with English as an Additional Language (EAL). The service level agreement will remain, enabling schools to buy-in bespoke packages of teaching support for their pupils. The role of the Ethnic Minority Achievement Team (EMAT) Manager will be more focused on upskilling and reviewing and monitoring the impact of training.

- The Local Authority is looking to recruit a SEND Advisor, who will work within schools to address any attainment gaps across primary and secondary sectors. In 2019, 21% of the student population had SEND. Further work will be undertaken to track the attainment of SEND pupils and record information and data in respect of SEND pupils with EHCPs and those without. The SEND Advisor will also look at the quality of education for the SEND cohort.

31. Further information on the Local Authority's role in supporting schools with behaviour management can be found in the minutes and associated documentation for the meetings of the Children and Young People's Learning Scrutiny Panel, which were held on 9 November and 7 December 2020.

Term of Reference C - To examine the causes of pupil behaviour problems e.g. unmet educational or other needs

Term of Reference D - To identify the challenges faced by schools in dealing with poor behaviour and bullying and to examine the reasons some schools have higher rates of fixed-term and permanent exclusions.

32. Term of Reference C and Term of Reference D will be considered collectively in this section, as they are both closely linked.
33. The nature of the influences on behaviour are both complex and interactional. A range of characteristics may interact with other factors, resulting in the permanent exclusion of a child or young person. The child characteristics that appear to impact on permanent exclusions include being a boy, having SEN, being looked after by the Local Authority and being involved with social services. However, those characteristics, in isolation, do not mean that a child or young person will be at risk of exclusion, exclusion occurs when those characteristics interact with other factors.
34. Other factors include:
- **Family** - family circumstances e.g. living in poverty, levels of deprivation, conflict within the family.
 - **Peers** - peer groups being poor role models and becoming more influential e.g. displaying antisocial behaviour, drug-taking or criminality.
 - **School** - the child or young person's relationship with their school e.g. the philosophy of the school and its leadership style.
 - **Community/wider systems** - high levels of poverty and unemployment within a population and how communities perceive education.
35. All of the above factors can interact with each other increasing the likelihood of exclusion for the child or young person.
36. In terms of developmental experiences, for a child with SEN, difficulty with learning can impact over time and school can be perceived as a place where they experience failure. That can then lead to disaffection and poor behaviour, impacting on the child's relationship with their school and ultimately resulting in exclusion.

37. In terms of secondary schools, the common themes identified when considering the challenges faced in dealing with poor behaviour and bullying include:
- deprivation;
 - diverse communities (religion, race, culture);
 - SEND;
 - looked after children; and
 - 'hard to reach' parents.
38. The challenges identified do not provide justification for poor behaviour, however, they can be perceived to be contributory factors. The more variable factors that a school has in its community and cohorts, the greater the need for the school to focus on strong management and delivery of engaging and effective teaching and learning.
39. Children may misbehave because of a number of factors, such as - being influenced by other children they associate with, because they have unmet needs or have suffered trauma. The reasons associated with poor behaviour is complex, as it is often a combination of factors that cause pupils to misbehave.
40. One particular school in Middlesbrough has been responsible for approximately 90% of the fixed-term exclusions of Looked After Children. The Local Authority is working with the school to address the issue, however, there is a need for the Local Authority to hold schools to account more transparently for their exclusion rates.
41. In respect of Outwood Academy Acklam, there had been a number of pupils with unidentified SEND. The school had recently been inspected by Ofsted who reported *"Over time, exclusions have been too high, particularly for pupils with SEND. As a result of the new behaviour policy, exclusions have reduced considerably compared to the same point last year. The exclusion of pupils with SEND has reduced to less than a quarter of what it was. The number of pupils being repeatedly excluded has also reduced. However, there are still too many pupils who experience difficulty in moderating their behaviour and, as a consequence, are excluded for a fixed period."*
42. In terms of the reasons for excluding pupils, categories have been identified for reporting, by the Department for Education. For the period September 2019 to December 2020, data demonstrated that the main reason for permanent exclusion was disruptive behaviour. For that period, 45 pupils had been excluded. In terms of the characteristics of those pupils, 10 were registered as having SEN and 8 pupils were open to social care services.
43. In terms of determining whether exclusion rates are highest for those schools located in the most deprived areas of Middlesbrough, a lot of Middlesbrough's schools have a catchment area that includes children and young people from deprived areas of Middlesbrough. However, without doing an in-depth analysis of data, the Local Authority is unable to predict which postcode areas result in higher exclusion rates. It is acknowledged, however, that the schools located in the most deprived areas do experience higher rates of exclusion. Unity City Academy has been successful over the past year/18 months in significantly reducing the number of fixed-term exclusions, as the school has adopted a different approach to behaviour management. That suggests that the management and leadership approaches adopted by schools do impact on exclusion rates. Recently, schools have been exploring the possibility of using alternative strategies and methods to exclusion.
44. Further information on causes of pupil behaviour problems and the challenges faced by schools can be found in the minutes and associated documentation for the meetings of the Children and Young People's Learning Scrutiny Panel, which were held on 18 January and 22 March 2021.

Term of Reference E - To investigate the types of sanctions used by schools that can impact on a pupil's educational outcomes and life chances.

45. When poor behaviour is identified, sanctions should be implemented consistently and fairly in line with the behaviour policy. Good schools will have a range of disciplinary measures clearly communicated to school staff, pupils and parents. These can include:

- a verbal reprimand;
- extra work or repeating unsatisfactory work until it meets the required standard;
- the setting of written tasks as punishments, such as writing lines or an essay;
- loss of privileges - for instance the loss of a prized responsibility or not being able to participate in a non-uniform day (sometimes referred to as 'mufti' days);
- missing break time;
- detention including during lunch-time, after school and at weekends;
- school based community service or imposition of a task - such as picking up litter or weeding school grounds; tidying a classroom; helping clear up the dining hall after meal times; or removing graffiti; and
- regular reporting including early morning reporting; scheduled uniform and other behaviour checks; or being placed "on report" for behaviour monitoring.⁴

46. In more extreme cases schools may use temporary or permanent exclusion, which are the most severe sanctions available to a headteacher. Both sanctions are underpinned by a legal framework, which the Local Authority has oversight of:

- A fixed-term exclusion is an exclusion from school whereby the pupil is not allowed to attend the school for a predetermined period. In general, fixed-term exclusions are very rarely more than 5 days. During that period the child has to stay at home. Fixed-term exclusion is used a lot in some of Middlesbrough's secondary schools. If a child is displaying persistent disruptive behaviour and school regularly imposed fixed-term exclusions, it suggests that the sanction is not improving behaviour. If a school imposes a number of fixed-term exclusions on one pupil that results in the pupil missing 45 days (or more) of school, during an academic year, the child will automatically be permanently excluded by law.
- Permanent exclusion is the most severe sanction whereby the pupil will no longer be a member of that school's community and the pupil will need to be educated elsewhere. Schools will only tend to use permanent exclusion when a pupil has committed a really severe or significant transgression. The child will be effectively removed from the school's roll and the pupil will become the responsibility of the Local Authority. There is a requirement for the Local Authority to provide full-time education for the pupil, to begin no later than the sixth day after the permanent exclusion.

47. Excluded children can develop a range of mental disorders, such as depression and anxiety as well as behavioural disturbance. The impact of excluding a child from school on their education and progress is often long term, and their mental health may also deteriorate. For children who really struggle at school, exclusion can be a relief as it removes them from an unbearable situation with the result that on their return to school they will behave even more badly to escape again. As such, it becomes an entirely counterproductive disciplinary tool as for these children it encourages the very behaviour that it intends to punish. By avoiding exclusion and finding other solutions to poor behaviour, schools can help children's mental health in the future as well as their education.⁵

⁴ Department for Education - Behaviour and discipline in schools - Advice for headteachers and school staff (January 2016).

⁵ https://www.exeter.ac.uk/news/featurednews/title_595920_en.html

48. Rates for permanent exclusion are high in Middlesbrough, approximately twice as high as the national average. That presents a challenge for the individual child and for the Local Authority. For pupils who are permanently excluded, the probability that they will enter the criminal justice system, struggle with employment and have significantly reduced life chances, greatly increases. In addition, the chances of the pupil achieving 5 GCSEs and going on to further education is greatly reduced. Permanent exclusion has a significant detrimental impact on a pupil's life and life chances.
49. Feedback from children and young people demonstrates how exclusion impacts on their social, emotional and mental health. Children often feel like they have failed and are unable to succeed in education. Feedback also suggests that children do not fully understand the reasons for being excluded and the process that follows a permanent exclusion. In an attempt to address these issues, the feedback has been conveyed to schools via the meetings of the Pupil Inclusion Panels.

Term of Reference F - To examine the successful and proactive strategies and solutions used by schools to promote positive behaviour, manage poor behaviour and prevent and tackle bullying.

Clear policies and practices

50. In respect of policy, schools that demonstrate best practice have clear policies on behaviour expectations with detail of procedures to ensure this, or respond to poor behaviour. The key features are that policies are clearly articulated and simple to implement, understand and follow; often collaboratively developed and delivered across the school to foster buy-in and have clear red lines that are well understood and consistently applied.
51. In terms of developing clear policies written on behaviour, Unity City Academy has taken a proactive approach. During the school's most recent inspection, Ofsted identified that the Leadership Team had *"taken action to reduce the use of exclusion. The rate of permanent exclusion fell substantially during the previous academic year, compared with the year before. The rates of fixed-term exclusion and repeat fixed-term exclusion have also reduced since the previous inspection. The effective implementation of the behaviour policy has been instrumental in bringing about this improvement"*.
52. During the most recent inspection of The King's Academy, Ofsted reported that *"As a result of the high expectations you have, and the work to ensure that staff carry out the school's behaviour policy consistently, pupils' behaviour and attitudes to learning in lessons are usually good. Actions taken to help pupils take responsibility for their own behaviour as part of the school's 'character' work to develop their readiness for their future lives, contribute successfully to the improvement in behaviour."*
53. Schools have clear behaviour policies (included on the school website) that provide details of the school ethos, why good behaviour is important and the rewards and sanctions used. These make it very clear what the steps in the process will be, and who will be involved at each point.

Structures

54. Several schools have introduced structural changes to better manage behaviour.
55. Several schools have specific staff with non-teaching time to allow them to take the lead on monitoring and supporting behaviour, to focus on relationship development and building rapport with students, and to oversee or enact early intervention. Many have brought in a layer of staff at senior level who have 'pastoral' roles.

56. The development of AP opportunities is seen as extremely positive and assists in ensuring the delivery of a varied curriculum to meet the needs of pupils.
57. Acklam Grange School has its own off-site provision, which is managed by the school and provides pupils (at risk of exclusion) with the opportunity to work in a different place and in a smaller group on key skills, for a short period of time. The provision has a positive roadmap to ensure reintegration of the pupil back into the mainstream setting. During the most recent inspection, Ofsted commented that *“Initiatives such as the school’s own alternative education provision and integrated pupil support services are meeting the individual needs of pupils and helping them to achieve better outcomes while reinforcing good behaviour.”*

Behaviour management practices and approaches

58. In terms of general behaviour management practices and approaches, there is a wide range of different general practices for behaviour management. All of these have been introduced as a way of keeping behaviour in classrooms positive, preventing escalation of issues and maintaining structures within which the school can operate most beneficially for all. These include school or classroom rules; school motto or ethos statement; pupils given positions of responsibility; classroom seating allocations/learning environment; curriculum; personal, social, health and economic education (PSHE)/tutor time; teachers being prepared and having well-planned, innovative, engaging and differentiated lessons.
59. Good behaviour is almost always linked to high-quality teaching, the delivery of interesting and exciting lessons and positive relationships between the staff and the pupils. Good behaviour and high levels of engagement are a factor of many variables, but the quality of teaching and the strength of adult relationships with the children are the most significant. For schools demonstrating these qualities, the risk of poor or challenging behaviour is greatly reduced.
60. During the most recent inspection of Outwood Academy Acklam, Ofsted reported that *“Pupils usually behave well. Their behaviour continues to get better. This has been helped by teachers’ more personal approach this academic year. There is a strong emphasis on developing positive relationships in school.”* Reference was also made to *“strong teacher–pupil relationships”*.
61. Schools generally have a school motto, code of conduct, approach or ethos statement that is well-known, documented and visible across the school.

Positive praise and rewards

62. Schools are clear that creating a positive approach to behaviour management is at the centre of their approach. Positive practice, praise and rewards are used to encourage good behaviour much more than fear of sanctions or threat of response if behaviour is not good.
63. The key strategies adopted by schools include:
- **praise** - starting everyday “as a new day” and praising the good behaviours and achievements rather than focussing on the negative;
 - **role models (virtual and actual)** - several schools have varying systems for creating role models in school;
 - **reward systems** - schools have documented rewards systems and strategies for celebrating achievement. These also focus on praise.
64. North Ormesby Primary Academy has a virtual school mascot called Tim. Tim represents the school, sets an example as the school’s star pupil and encourages the children to make their best, even better. Tim is a star pupil because he is always on time; he looks after others, himself and the school; he always listens to and respects others opinions; he loves a new

challenge; he always does his homework and he always tries his best, no matter what. Children are intrinsically motivated to be like the school mascot, Tim, who demonstrates all the traits required to prepare young people for the wider world. During the school's most recent inspection, Ofsted had reported that *"There is no reliance on reward systems; instead pupils are expected to develop an intrinsic desire to behave and learn well. They do this by looking up to the academy mascot 'TIM', who is the perfect pupil. Pupils constantly try to copy his positive attitudes, resilience and determination. This imaginative approach to behaviour management is extremely successful"*.

Managing disruptive behaviour and sanctions

65. Schools have clear, documented processes for dealing with disruptive behaviour. These are known to all members of the school and parents. Teaching staff feel confident to implement them and pupils and parents have to be sure that these processes will be followed fairly and with the express intention to keep all of the school working together for achievement.
66. Strategies employed by schools to manage disruptive behaviour include effective classroom practice; sanctions; de-escalation strategies; restorative practices; targeted interventions; strategies for dealing with challenging behaviour and exclusion.
67. Consequence systems provide a staggered response when dealing with poor behaviour in the classroom. Each level within the system carries with it a more severe sanction. These systems aim to provide pupils with the opportunity to change their behaviour when it is at low level. There is a need, however, to ensure that consequence systems are applied fairly and consistently. Consequence systems appear to be most successful when paired with reward systems. However, if there is disparity in how these systems are applied by teachers, they can be counterproductive.
68. Withdrawal systems involve a pupil being removed from the classroom for a certain period of time, to enable them to reflect on their behaviour, before they are reintegrated. Approaches vary, however, successful withdrawal systems always ensure pupils are treated with dignity and respect.
69. Report systems are used to enable teachers to comment on the behaviour of certain pupils throughout the school day. These comments are then often shown to the Head of Year and/or parent/s. Report systems, which are delivered in a positive way, can be effective.

Data

70. Schools have strong processes for capturing and using data to manage behaviour. Whilst the mechanisms used to record and capture data varies across schools, it is used to monitor and, importantly, to address and manage behaviour.

Parents and other agencies

71. There is an identified need to have parents on board, not only to support decisions and follow up at home, but also because the home circumstances of pupils affects their behaviour in school. Parents need to understand the benefits of strategies used to manage behaviour and the school approach.
72. Some schools feel a greater need to model acceptable behaviour as this is not always being instilled at home. Likewise, there are instances of needing to involve other agencies to best support pupils in their school and home-life.
73. Strategies to engage parents include: usual - open door; parent inductions; parent sessions (phonics, maths); parents being given access to behaviour monitoring information; traditional

and innovative methods to communicate with parents; collaborative activities and external programmes.

74. Park End Primary School positively engages with parents. The school's engagement with parents has been referenced in its most recent Ofsted inspection report, which states that *"an overwhelming majority of parents have commented positively about the care that the school gives to their children. Parents are positive about the information they receive about their child's learning and appreciate how welcome they feel when visiting the school and talking about any concerns they may have. Parents also commented that the school's emphasis on good behaviour is having a positive effect on their child outside school."*

Culture and ethos

75. A key aspect is the need for a strong school ethos and culture. In respect of developing a strong culture and ethos, schools focus on knowing and valuing the child; fostering positive learning behaviours, not just behaviour management; nurturing pride, self-respect and self-esteem and encouraging pupils to take ownership of, and responsibility for, their own behaviour; having processes and systems for reflection and development that are embedded in the school approach; being consistent but flexible.

Consistency

76. In terms of consistency, all schools highlighted its importance - in approach to, and application of, behaviour management.
77. A consistent approach across all members of the school facilitates self-regulation by pupils; clear parameters and expectations that can be adhered to by all; teaching boundaries and understanding of consequences.⁶
78. In summary, schools demonstrating best practice provide a welcoming environment and each child/young person is provided with excellent academic and pastoral support. The headteacher and members of school staff provide a positive, safe and happy learning environment in which everyone is inspired and empowered to achieve the highest standard of which they are capable, in all aspects of their life. The school offers a broad, balanced, stimulating curriculum in which all progress is recognised, developed and celebrated.
79. For secondary schools, key aspects of best practice include:
- building effective relationships with parents;
 - making good behaviour part of the school's ethos;
 - teaching and modelling good behaviour;
 - involving external agencies to access support, e.g. CAMHS / SEND Team / Virtual School;
 - investing in a high-quality pastoral team;
 - investing in staff training - quality of teaching;
 - providing extensive mental health and therapeutic support;
 - providing bespoke AP opportunities;
 - using rewards systems;
 - using consequence systems with clear sanctions;
 - using withdrawal of students from class and withdrawal areas; and
 - using report systems.
80. In addition to the above:

⁶ Amy Skipp and Dr. Vicky Hopwood - ASK Research, Case studies of behaviour management practices in schools rated Outstanding - Research Report (2017)

- early engagement and development of relationships with parents, before their child transitions from primary school to secondary school, is seen as extremely positive;
- responsibility is placed on the student body to take ownership of their actions and to overtly think about how their actions affect everyone around them;
- in Middlesbrough there is a number of support systems and networks, which can be accessed by schools to enable them to meet the needs of their pupils;
- the willingness of schools to invest greatly in providing pastoral support seemingly impacts on how successful they are in managing behaviour; and
- providing access to mental health and therapeutic support is key to the promotion of positive mental health and supporting pupils with particular needs.

81. Further information on the successful and proactive strategies and solutions used by schools can be found in the minutes and associated documentation for the meetings of the Children and Young People's Learning Scrutiny Panel, which were held on 22 March 2021 and 19 April 2021.

ADDITIONAL INFORMATION

82. During the course of the scrutiny panel's investigations, information came to light which, while not directly covered by the terms of reference, is relevant to the work of the panel on this topic. This related to:

Use of language

83. Language used by schools is extremely important and stereotypical views/statements pertaining to any cohort or group should be avoided. The use of negative language can cause damage and have a detrimental impact by changing perceptions and attitudes. There is a need for all school staff to be mindful of the language used and how it could be interpreted.

Use of data

84. The Local Authority had recently undertaken work to define a data sharing agreement with schools, which allows for non-statutory levels of information to be shared amongst the school community. One of the successes that has been developed is a transition document, which is led by primary schools and feeds into secondary schools. The document provides secondary schools with in-depth knowledge of the pupils they are due to receive in Year 7. The document provides information on what has made the pupil successful in primary school and what support is required to ensure they remain successful in education. This work has now been extended to take place for children transitioning from nursery to primary education. Information sharing between all settings plans to ensure that pupils are successful in their learning and education.

CONCLUSIONS

85. Based on the evidence, given throughout the investigation, the scrutiny panel concluded that:

- a) All schools have their own behaviour policies, which set out their definition and expectation of good behaviour, and how breaches of the policy will be responded to. The way in which policies are developed is dependent on the ethos of the school, its beliefs and what is fundamentally important to it. Whilst in general terms, there are similarities in policies as there is a reasonable and common understanding of what good behaviour looks like, how that is interpreted by each school differs.

- b) Although early indications demonstrate that new Inclusion, Assessment and Review Service and 'Team Around the School' approach is having a positive impact, it is too early to evaluate its full impact. A full and comprehensive evaluation is required, which takes into account the impact of COVID-19 and the risk management controls currently in place within schools. Once complete, there is a need for key findings, outcomes and outputs to be reported to the Children and Young People's Learning Scrutiny Panel. The views of children and young people are of particular interest.
- c) The nature of the influences on behaviour are both complex and interactional. The common themes identified when considering the challenges faced by schools in dealing with poor behaviour include deprivation, diverse communities (religion, race, culture), 'hard to reach' parents and identifying and supporting the needs of pupils with SEND and looked after children. The challenges identified do not provide justification for poor behaviour, however, they can be perceived to be contributory factors. The more variable factors that a school has in its community and cohorts, the greater the need for the school take a proactive approach to behaviour management and focus on the delivery of engaging and effective teaching and learning.
- d) When poor behaviour is identified, there is a need for schools to ensure sanctions are implemented consistently and fairly - in line with the behaviour policy. There are a range of disciplinary measures available to schools, however, temporary or permanent exclusion are the most severe sanctions. Excluded children can develop a range of mental disorders, such as depression and anxiety as well as behavioural disturbance. Permanent exclusion has a significant detrimental impact on a pupil's life and life chances. Exclusion (fixed-term and permanent) should be considered as a last resort. Exclusion should not necessarily be a consequence for persistent bad behaviour but a sanction for when a line has been crossed - typically because pupils or staff are at risk of, or have been subject to, harm or abuse. There is a need for the Local Authority to hold schools to account more transparently for their exclusion rates.
- e) What is common across schools, demonstrating best practice, is the overarching approach to behaviour management - balancing positive reinforcement and modelling of good behaviours for learning with clearly communicated approaches for dealing with poorer behaviour. This is situated within a supportive culture and ethos within the school and is underpinned by high-quality teaching and a curriculum tailored to the needs of the school context. In order to identify common threads, the Local Authority regularly examines school behaviour policies. However, further work is required to identify and share good practice examples with schools. It would also be beneficial for a guidance document to be developed and circulated to schools on the importance of language and its influence on changing perceptions and attitudes.

RECOMMENDATIONS

86. The Children and Young People's Learning Scrutiny Panel recommends to the Executive:

- a) In respect of the new Inclusion, Assessment and Review Service and the 'Team Around the School' approach, that:
 - i. a full and comprehensive evaluation is undertaken, which takes into account the impact of COVID-19 and the risk management controls currently in place within schools; and
 - ii. the key findings, outcomes and outputs of the evaluation are reported to the Children and Young People's Learning Scrutiny Panel, including feedback received from children and young people.
- b) That the Local Authority holds schools to account more transparently for their exclusion rates by:
 - i. monitoring, analysing and recording exclusion data at a school-level;

- ii. undertaking regular focussed visits to those schools with high rates to assist with putting measures in place to reduce fixed-term and permanent exclusions; and
 - iii. reporting exclusion data to the Children and Young People's Learning Scrutiny Panel on a 6 monthly basis.
- c) That, where exclusion rates are high, the Local Authority:
 - i. provides an enhanced bespoke package of support to assist schools in identifying and meeting the needs of children with SEND and additional vulnerabilities; and
 - ii. delivers training to demonstrate the detrimental impact of exclusion on a pupil's life and life chances.
- d) That the Local Authority shares good practice with schools by facilitating peer reviews and providing case study illustrations of good behaviour management practices.
- e) That a guidance document is developed and circulated to schools on the importance of language and its influence on changing perceptions and attitudes.
- f) That schools are encouraged to undertake an anonymous survey of staff and students about their views on behaviour, discipline and bullying and that feedback is utilised to improve behaviour management practices.

ACKNOWLEDGEMENTS

87. The Children and Young People's Learning Scrutiny Panel would like to thank the following individuals for their assistance with its work:

- Rob Brown, Director of Education, Prevention and Partnerships, Middlesbrough Council;
- Sue Butcher, Executive Director of Children's Services, Middlesbrough Council;
- Caroline Cannon, Strategic Lead for Inclusion and Specialist Support Services, Middlesbrough Council;
- David Collingwood, Specialist Senior Educational Psychologist, Middlesbrough Council;
- Emma Cowley, Head of Inclusion, Assessment and Review Service, Middlesbrough Council;
- David Dawes, Headteacher/Principal, Kings Academy;
- Trevor Dunn, Head of Access to Education and Alternative Provision, Middlesbrough Council;
- Mark Gray, Headteacher/Principal, Outwood Academy Acklam;
- Michael Laidler, Headteacher/Principal, Acklam Grange School;
- Craig Nicholson, Headteacher/Principal, North Ormesby Primary Academy;
- Andrew Rodgers, Headteacher/Principal, Unity City Academy;
- Julia Rodwell, Headteacher/Principal, Park End Primary;
- Karen Smith, Head of Achievement, Education, Prevention and Partnerships, Middlesbrough Council; and
- Michelle Stelling, Assessment and Quality Assurance Manager, Middlesbrough Council.

ACRONYMS

88. A-Z listing of common acronyms used in the report:

- AP - Alternative Provision
- CAMHS - Child, Adolescent and Mental Health Services
- DfE - Department for Education
- EAL - English as an Additional Language
- EHCP - Education Health Care Plans

- EHCA - Education Health Care Assessments
- EMAT - Ethnic Minority Achievement Team
- EWO - Education Welfare Officer
- SEN - Special Educational Needs
- SEND - Special Educational Needs and Disabilities

BACKGROUND PAPERS

89. The following sources were consulted or referred to in preparing this report:

- Reports to, and minutes of, the Children and Young People's Learning Scrutiny Panel meetings held on 9 November 2020, 7 December 2020, 18 January 2021, 22 March 2021 and 19 April 2021.

COUNCILLOR DENNIS MCCABE CHAIR OF THE CHILDREN AND YOUNG PEOPLE'S LEARNING SCRUTINY PANEL

Membership 2020/2021 - Councillors S Hill (Chair), P Storey (Vice-Chair), A Hellaoui, T Higgins, D Jones, T Mawston, M Nugent, M Saunders and G Wilson

Membership 2021/2022 – Councillors D McCabe (Chair), L Mason (Vice-Chair), A Hellaoui, D Jones, T Mawston, M Nugent, M Saunders, P Storey and G Wilson

Contact Officer:

Georgina Moore
Democratic Services Officer
Legal and Governance Services
Telephone: 01642 729711 (direct line)
Email: georgina_moore@middlesbrough.gov.uk

This page is intentionally left blank

**CHILDREN AND YOUNG PEOPLE'S LEARNING SCRUTINY PANEL
BEHAVIOUR, DISCIPLINE AND BULLYING IN SCHOOLS - ACTION PLAN**

9 NOVEMBER 2021

SCRUTINY RECOMMENDATION	PROPOSED ACTION	POST TITLE	BUDGET COST	TIMESCALE
<p>a) In respect of the new Inclusion, Assessment and Review Service and the 'Team Around the School' approach, that:</p> <ul style="list-style-type: none"> i. a full and comprehensive evaluation is undertaken, which takes into account the impact of COVID-19 and the risk management controls currently in place within schools; and ii. the key findings, outcomes and outputs of the evaluation are reported to the Children and Young People's Learning Scrutiny Panel, including feedback received from children and young people. 	<p>Undertake a full and comprehensive evaluation on the impact of COVID to include feedback from children and young people</p> <p>Prepare a detailed and comprehensive report of findings to report back to Children and Young People's Learning Scrutiny Panel</p>	Strategic Lead for Inclusion and Specialist Support Services	Nil	<p>May 2022</p> <p>July 2022</p>
<p>b) That the Local Authority holds schools to account more transparently for their exclusion rates by:</p> <ul style="list-style-type: none"> i. monitoring, analysing and recording exclusion data at a school-level; ii. undertaking regular focussed visits to those schools with high rates to assist with putting measures in place to reduce fixed-term and permanent 	<p>The Access to Education team will collate exclusion data on a school by school basis, and use it to generate a summary report for each school. These summary reports will compare the school's performance with the average for Middlesbrough, allowing the school to benchmark itself. The data will also be shared more widely within the Headteacher forum (subject to group consent) to help support a wider debate about the use of exclusion in Middlesbrough</p>	<p>Head of Access to Education</p> <p>Strategic Lead for Inclusion and Specialist Support Services</p>	<p>Nil</p> <p>Nil</p>	<p>July 2022</p> <p>July 2022</p>

iii.	exclusions; and				
	reporting exclusion data to the Children and Young People's Learning Scrutiny Panel on a 6 monthly basis.	Head of Inclusion and Assessment to ensure robust systems are in place which supports schools to further develop early identification, intervention and support for children considered at risk of exclusion. Schools who have high numbers of fixed term or permanent exclusions are offered support and guidance.	Head of Inclusion and Assessment	Nil	Every 6 months
		Access to Education team to collate exclusion data from all schools and submit a comprehensive report of exclusions to the Scrutiny Panel on a 6 monthly basis.	Head of Access to Education	Nil	Every 6 months
c)	That, where exclusion rates are high, the Local Authority:				
i.	provides an enhanced bespoke package of support to assist schools in identifying and meeting the needs of children with SEND and additional vulnerabilities; and	Fully implement the Inclusion and Outreach model which has been further reviewed based on initial feedback.	Strategic Lead for Inclusion and Specialist Support Services	Nil	January 2022
ii.	delivers training to demonstrate the detrimental impact of exclusion on a pupil's life and life chances.	Develop and deliver training to staff and settings to support greater inclusion	Strategic Lead for inclusion and Specialist Support Services	Nil	July 2022
d)	That the Local Authority shares good practice with schools by facilitating peer reviews and providing case study illustrations of good behaviour management practices.	Share good practice regarding school leadership of SEND and Inclusion with school leaders via the Behaviour Partnership and other key forums	Strategic Lead for Inclusion and Specialist Support Services	Nil	April 2022
		Develop an Inclusion and AP Strategy	Strategic Lead for Inclusion and Specialist Support Services	Nil	January 2022
e)	That a guidance document is developed and circulated to schools on the importance of language and its influence on changing	Review all guidance documents circulated to schools and settings to ensure clear and	Strategic Lead for Inclusion and Specialist Support	Nil	April 2022

perceptions and attitudes.	consistent language is evidenced.	Services/Head of Access to Education		
f) That schools are encouraged to undertake an anonymous survey of staff and students about their views on behaviour, discipline and bullying and that feedback is utilised to improve behaviour management practices.	<p>Prepare and distribute an anonymous survey to be issued to all schools to be completed by both staff and students</p> <p>Feedback used to prepare a report to be shared with School leaders and to influence improvements to behaviour management practices</p>	Strategic Lead for Inclusion and Specialist Support Services	Nil	April 2022

This page is intentionally left blank

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank