

OVERVIEW AND SCRUTINY BOARD

Date: Wednesday 20th October, 2021
Time: 11.00 am
Venue: Virtual meeting

Please note this is a virtual meeting.

**The meeting will be livestreamed via
the Council's YouTube channel at
[Middlesbrough Council - YouTube](#)**

AGENDA

1. Apologies for Absence
2. Declarations of Interest
3. Minutes - Overview and Scrutiny Board - 8 September 2021 3 - 10
4. Executive Forward Work Programme 11 - 24
5. Executive Member Update: Executive Member for
Regeneration 25 - 34
6. Chief Executive's Update 35 - 46
7. Scrutiny Chairs Update

Adult Social Care and Services Scrutiny Panel - Councillor J.
Platt

Children and Young People's Learning Scrutiny Panel –
Councillor D. McCabe

Children and Young People's Social Care and Services
Scrutiny Panel - Councillor D. Davison

Culture and Communities Scrutiny Panel - Councillor C.

McIntyre
Economic Development, Environment and Infrastructure
Scrutiny Panel – Councillor S. Walker
Health Scrutiny Panel - Councillor D. Coupe

- | | | |
|-----|--|-----------|
| 8. | Culture and Communities Scrutiny Panel - Final Report - Cultural Events in Middlesbrough | 47 - 68 |
| 9. | Revenue and Capital Budget – Projected Outturn position as at Quarter One 2021/2022 | 69 - 100 |
| 10. | Strategic Plan 2021-2024 – Progress at Quarter One 2021/2022 | 101 - 118 |
| 11. | Scrutiny Chairs' Training | |
| 12. | Any other urgent items which, in the opinion of the Chair, may be considered. | |

Charlotte Benjamin
Director of Legal and Governance Services

Town Hall
Middlesbrough
Tuesday 12 October 2021

MEMBERSHIP

Councillors M Saunders (Chair), T Mawston (Vice-Chair), A Bell, D Coupe, D Davison, A Hellaoui, C Hobson, D McCabe, C McIntyre, J Platt, M Storey, J Thompson and S Walker

Assistance in accessing information

Should you have any queries on accessing the Agenda and associated information please contact Caroline Breheny, 01642 729752, caroline_breheny@middlesbrough.gov.uk

OVERVIEW AND SCRUTINY BOARD

A meeting of the Overview and Scrutiny Board was held on Wednesday 8 September 2021.

- PRESENT:** Councillors M Saunders (Chair), D Coupe, A Hellaoui, C Hobson, D McCabe, C McIntyre, J Platt, M Storey, J Thompson and S Walker
- ALSO IN ATTENDANCE:** A Preston (The Mayor) (The Mayor and Lead Member for Children's Social Care, Adult Social Care and Public Health)
- OFFICERS:** C Breheny, S Butcher, T Parkinson, G Cooper, A Perriman, S Blood and A Hoy
- APOLOGIES FOR ABSENCE:** Councillors T Mawston, A Bell and L Garvey

20/27 **DECLARATIONS OF INTEREST**

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

20/28 **MINUTES - OVERVIEW AND SCRUTINY BOARD - 28 JULY 2021**

The minutes of the Overview and Scrutiny Board meeting held on 28 July were submitted and approved as a correct record.

20/29 **MAYOR'S ATTENDANCE AT OSB**

The Mayor / Executive Member for Adult Social Care and Public Protection and Lead Member for Children's Safeguarding, Mayor Andy Preston, was in attendance to update the Board on his aims and aspirations, progress made to date and to highlight any emerging issues relating to his portfolios.

The following officers were also in attendance: the Executive Director of Children's Services; the Director of Adult Social Care and Health Integration; and the Director of Public Health.

As part of his update to the Board, the Mayor discussed his portfolio under three areas – Children's Services, Adult Services and Public Protection and Mayoral.

Children's Services

- In the past Middlesbrough children were let down and it was the most vulnerable and most precious that were let down. Over two years ago OFSTED had deemed Middlesbrough's Children's Services' Department inadequate and there had been several options open to the Government.
- The Mayor advised that today, from all of the information he had available he was reassured that our Children's Services Department was now heading in the right direction. The Commissioner appointed to work with our Children's Services Department had recently recommended to the Government Minister that our Children's Services Department remain under the Council's control and an imminent decision from the Minister was anticipated.
- The Mayor expressed the view that in the future he believed Middlesbrough's Children's Services Department could be a beacon of good practice and set national standards.
- An area where improvement was needed was in the number of children absent from school. In any one day 10 per cent of Middlesbrough children were absent and this figure was not evenly spread throughout the towns demographic. This figure was far worse than the national average. The 10 per cent was frequently concentrated on those that needed the most from

education including the role models, learning and social interaction. Improvement in this area was a real priority.

- The staff in Children's Services had been fantastic over the last two years and it was acknowledged that there would always be some agency staff. However, dependency on agency staff was reducing. Huge strides had been made under the current Executive Director of Children's Services leadership.

Following the update in respect of Children's Services, Members were afforded the opportunity to ask questions.

A Member enquired as to the number of children currently in care in Middlesbrough, as previously these numbers had been in the 700's. It was also queried as to how the Council was performing in terms of Social Worker recruitment and retention. The Executive Director of Children's Services advised that the numbers of looked after children in Middlesbrough had decreased significantly. In the period since August 2020 the number had reduced to 539, a reduction of approximately 160 children, which was significant progress. It was advised that some of those children should never have been in our care. OFSTED had previously commented in their inspection, almost two years ago, that Middlesbrough was not moving children to their forever homes as swiftly as was needed. Children were now being moved onto their adoptive homes, they had also been a number of children who were placed at home on Care Orders with parents, whereby the local authority had parental responsibility and these had taken time to work through but great progress had been made. It was emphasised that the number of children looked after in Middlesbrough would always be higher than the national average, owing to Middlesbrough's unique circumstances. However, the number of children looked after would continue to decrease. It was advised that the numbers would come down more slowly now.

In terms of the numbers of Social Workers it was advised that the department had a Workforce Development Strategy and within that there was a recruitment and retention drive. A new website had been developed and the link would be forwarded to Members of the Board, which was focussed on recruiting experienced Social Workers. The aim was to bring the figures down to 15 per cent agency Social Workers and that was in line with the national benchmark. It was advised that this was being tracked on a six weekly basis by LMT. The exact percentage was unknown at this stage but this would be forwarded to the Board. It was acknowledged that this was a national issue but that significant efforts were being made to ensure Middlesbrough was an employer of choice.

A Member of the Board made reference to the increase in the number of children that were now being cared for by in-house Foster Cares and had returned to Middlesbrough, which could only be beneficial for the children. The Mayor advised that the number of looked after children being placed out of area had been reduced and baring exceptional circumstances the aim was for all Middlesbrough children to be cared for in Middlesbrough. The Executive Director of Children's Services echoed these comments and made the point that when children and young people were away from Middlesbrough and went missing they generally returned to Middlesbrough, as this was where they felt comfortable. Finding agency residential placements was extraordinarily difficult and Middlesbrough was developing its own provision, including building our own facilities and refurbishing / maximising our own residential Children's homes. There was a general drive to use our own resources. Reference was made to the proxy indicators that had been developed for the department, one of which was the reduction in the number of young people in external residential care and these would be provided to the Board.

In response to a query it was advised that the average case load per Social Worker in Middlesbrough was 19.9 FTE, which was a slight increase from 19.2 in June and a decrease from the high experience in October 2020 when it was 24.3. The highest

caseloads were 26.4 per cent had 16-20 on their caseload and 2-.6 per cent had 21-25 children open. 15.4 per cent had 26-30. One of the highest caseloads at the moment was in the Children with Disabilities Team. Caseloads in Early Help were too high at the moment, they were 31 children per worker, higher than the service target. The service was therefore working with more children at an early help level but there was a need to encourage partner agencies to become the lead professional in working with those children. Schools were a lead partner for a considerable number of children at the early help level but there was a real need to support health to undertake this role more. It was also acknowledged that post COVID demand was high for Children's Services across the board was high.

Adult Services, Public Protection and Public Health

- Reference was made to the Best Possible Start in Life and the importance of this as a key strategic priority.
- Building on the strengths of a Dementia Friendly Middlesbrough and the need to support carers in their role, as well as creating Age Friendly Communities.
- Reference was made to drugs, substance misuse and alcoholism and the Mayor expressed the view that drugs was the single biggest issue faced by the town. Although these problems were not unique to Middlesbrough the scale of the problem locally meant that Middlesbrough faced a challenging situation. Dealing with these issues via an integrated model of support for vulnerabilities of all kinds in one place would have a ripple effect across the town.
- A focus on recovery was a stated priority and many people did recover from addiction, a focus on employment and community integration was key in overcoming the challenges posed.
- The Mayor expressed the view that Department of Adult Social Care, Public Protection and Public Health was a very well managed directorate and for the scale of the challenges the town faced the Department performed very well.

Following the update in respect of Adult Services, Public Protection and Public Health, Members were afforded the opportunity to ask questions.

A Member made reference to the Heroin Addicted Treatment (HAT) programme currently delivered in the town and whether he was in favour of such programmes. The Mayor expressed the view that it was a good project, despite it being controversial, however the evidence was there that it did had a role and that the programme could help to reduce crime and help individuals recover. It also had a ripple effect on members of their family and wider community. It was not the answer to everything but there were some candidates that would benefit.

Reference was made to the backlog in hospital appointments and whether a proactive approach could be taken to offer drop-in style centres for particular ailments. The Mayor expressed the view that he was in favour of such provision and there would be a huge challenge ahead with advanced cancers and heart problems if early screening was not prioritised.

In response to a query on the proposed additional 1p on income tax to help pay for Adult Social Care the Mayor expressed the view that there was something wrong when an individual of modest means is forced to pay for care when someone who had not been as frugal was receiving it for free. In an ideal world all care would be free but currently that was a step too much too soon and therefore there was a need to scale it in, to enable people to have more assets in their house was the right thing. There had to be a line somewhere and the Government's move was a step in the right direction.

The Director of Adult Social Care and Health Integration advised that as a local authority Middlesbrough had relatively few people who funded all of their own care. Middlesbrough had high percentage of people for who the local authority paid a contribution or funded the whole cost of an individual's care. The Government was

changing the threshold so that anyone with over £23,000 would pay for their own care whereas in the future anyone with over £100,000 would be paying for all of their own care. The Government had also introduced a cap whereby no one would pay more than £86,000 for their care over their lifetime. Work would therefore need to be undertaken to establish what formulas would be applied in respect of the money allocated to individual local authorities by Government in the future and how this would impact on Middlesbrough financially.

Mayoral

- Over the last two years there had been an attempt to revitalise the centre of town because if the town centre continued to decline every single resident in every area of Middlesbrough would feel the financial and social consequences.
- The Mayor advised that he had been extremely focussed on trying to protect the jobs in retail, bring in other new jobs and reduce the need to build on Greenfield sites. Within 2 years from now there would be 1000 new homes in the central areas of Middlesbrough including the edges of Grove Hill, as well as more offices that would be full and vibrant; allowing businesses to grow.
- In addition extraordinary leisure facilities would also be developed that would attract people into the town centre on evenings and weekends. Leisure that would appeal to all different types of people. Despite COVID this would emerge.
- The Mayor advised that his mission for the next two years was to let people in communities know that Middlesbrough Council was a compassionate, caring organisation that was here for them, as well as to make people feel appreciated and supported.

Members were afforded the opportunity to ask questions.

A Member made reference to the already high level of Middlesbrough's Council Tax collection arrears and asked the Mayor for his views on this issue. In response the Mayor advised that Middlesbrough would always be challenged in respect of this issue. However, the Council had adopted a new approach through the Stop the Knock Campaign and had stopped using Bailiffs to collect Council Tax. The rate of people in arrears had declined since the new approach had been adopted. In addition the Council had undertaken work with the ethical lettings company to help tenants through difficult times. The Mayor expressed the view that non payment of Council Tax was not acceptable and intelligent ways to work with people to encourage them to pay had been adopted.

In respect of the recently approved £1m investment by the Executive to bring 125 empty homes in the town up to standard it was queried how the Mayor envisaged the scheme would work and if the funding allocated would be sufficient. The Mayor advised that in some areas there were a number of boarded up properties that needed to be dealt with, as they caused huge issues for people living on those streets. Often the properties were owned by absentee landlords and they needed to be made habitable in order to improve our local streets for all of the residents and generate income from the Council. The Mayor acknowledged that it was unknown as to whether £1m would be a sufficient level of funding to bring 125 homes up to standard but it would be a good starting point.

The view was expressed by a Member of the Board that there was also a need to improve the business / commercial stock in Middlesbrough. The Mayor acknowledged this suggestion and stated that in his view there was a need to name and shame those that failed to take action to ensure their business / commercial properties were not left in a state that brought Middlesbrough down and impacted negatively on people's mental and physical health. Action was being taken in respect of this issue and discussions were ongoing about the various options open to the local authority.

The Chair thanked the Mayor and officers for their attendance and contributions to the meeting.

AGREED that the information provided be noted, and the agreed action be undertaken.

20/30 **SCRUTINY CHAIRS UPDATE**

The Scrutiny Chairs/Vice Chairs provided updates in respect of the work undertaken by their respective panels since the last meeting of the Board.

NOTED

20/31 **CHILDREN AND YOUNG PEOPLE'S LEARNING SCRUTINY PANEL - FINAL REPORT - BEHAVIOUR, DISCIPLINE & BULLYING IN SCHOOLS**

The recommendations to be submitted to the Executive were:

- 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.

AGREED that the findings and recommendations of the Children and Young People's Learning Scrutiny Panel be endorsed and referred to the Executive

20/32 **EXECUTIVE FORWARD WORK PROGRAMME**

The Chief Executive submitted a report which identified the forthcoming issues to be considered by the Executive, as outlined in Appendix A to the report. The report provided the Overview and Scrutiny Board with the opportunity to consider whether any item contained within the Executive Forward Work Programme should be considered by the Board, or referred to a Scrutiny Panel.

NOTED

CHIEF EXECUTIVE'S UPDATE

The Chief Executive was in attendance and provided an update to the Board in respect of the following:-

- COVID-19 update
- Executive decisions, August
- Reoccupation

In terms of the latest local COVID-19 data, as at 6 September 2021 the rolling seven-day rate of cases per 100k of the Middlesbrough population was as follows:

- 92 new cases had been added to the system on 6 September 2021;
- 558 new cases had been diagnosed in the last seven days;
- 395.8 rate per 100k of population (last seven days); and
- 290.10 COVID-19 deaths per 100k population.

Reference was made to the vaccination rates and to date 66.2% of over 18's in Middlesbrough had received 2 doses of the vaccine. This compared with 84.4 % in Northumberland, which had the highest rate in the North East region. It was emphasised that the uptake rates by Council area did not take account of the age demographics. Once deprivation and BAME was considered, it became more difficult for Middlesbrough to match Northumberland.

In terms of vaccination by age range 13.2 % of young people in Middlesbrough aged 15 to 18 had received 2 doses of the vaccine and the vaccination rates increased with age. For example, 86.7 % of people aged 55 to 59 in Middlesbrough had received 2 doses of the vaccine and 90.7 % of people aged over 90 had received their 2 doses.

In relation to the Executive decisions scheduled taken in July it was noted that a number of reports had been considered. These included; a report on Community Engagement; a Corporate Debt Management Policy; the Surveillance Policy and Children's Improvement Plan.

In respect of the reoccupation of Council buildings by staff it was advised that these arrangements would be finalised in September and that a phased reoccupation was planned. Reoccupation would commence from 4 October 2021 – subject to no major increase in transmission following the return of schools – within the context of blended working and on a phased basis, over the period October to December 2021.

Following the update, Members were afforded the opportunity to ask questions.

A Member of the Board queried whether COVID testing sites were still operating in Middlesbrough. The Chief Executive advised that all of the sites were still operational and in the 7 days between the 24th and 31st August over 2,500 people in Middlesbrough had used those sites. It was also queried as to how long the testing sites would remain in place and it was advised that this information would be brought back to the next meeting of the Board.

In terms of the availability of vaccinations for students, at both Teesside University and the local colleges, it was queried as to whether any walk-in provision for students to have their vaccines was available at these sites. The Chief Executive advised that Teesside University had specific arrangements in place for their students and had utilised some of their dedicated space to provide COVID vaccinations throughout the pandemic. In respect of the college, which was drawing in students from across Teesside the arrangements were slightly different. However, on recruitment days and open days the Melissa Bus had been located at the colleges, walk-in appointments were available and this approach was set to continue.

A Member queried whether any thought had been given to the fact that infection rates elsewhere in the country were increasing and last year around October time the rates had increased in Middlesbrough substantially. The Chief Executive advised that Middlesbrough should not relax in terms of COVID, as the town's rates were high but it was unknown how transmission rates would play out over the next few months. In terms of risk there was a significant proportion of the town's adult population who had not been vaccination and a

08 September 2021

significant proportion whose immunity may wane over the next few months. In addition, the availability of staff and vaccines over the next few months was unknown, schools had only recently returned and winter time was coming up when flu would be more prevalent. It was emphasised that Middlesbrough needed to remain fixated on COVID otherwise potentially the town would face similar issues to last year. It was likely that all of these factors combined would result in an increase rather than decrease in the future prevalence rates of COVID.

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

NOTED

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Report of:	Chief Executive
Submitted to:	Overview and Scrutiny Board – 20 October 2021
Subject:	Executive Forward Work Programme

Summary

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

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

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

Ward(s) affected
All Wards affected equally

What is the purpose of this report?

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

Why does this report require a Member decision?

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

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

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

What decision(s) are being asked for?

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

Other potential decisions and why these have not been recommended

No other options were considered.

Impact(s) of recommended decision(s)

Legal

Not Applicable

Financial

Not Applicable

Policy Framework

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

Equality and Diversity

Not Applicable

Risk

Not Applicable

Actions to be taken to implement the decision(s)

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

Appendices

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

Background papers

Executive Forward Work Plan

Contact: Caroline Breheny
Email: caroline_breheny@middlesbrough.gov.uk



APPENDIX 1

FOR THE PERIOD 20 OCTOBER TO 31 DECEMBER 2021

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Council Strategy	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
The Mayor and Lead Member for Children's Social Care, Adult Social Care and Public Health							
1010893 All Wards	Middlesbrough's Ambition for Children To build upon our existing improvement journey within Children's Services and our existing Middlesbrough Children Matter priorities, to create a Corporate ambition, strategy, and priorities for the whole of the town guided and co-	Executive 9 Nov 2021		KEY	Public		The Mayor - Executive Member for Children's Safeguarding and Adult Social Care and Public Protection <i>Sue Butcher, Executive Director of Children's Services</i> <i>sue_butcher@middlesbrough.gov.uk</i>

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Council Strategy	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
	produced with children and young people.						
I011205 All Wards Page 14	Health Determinants Research Collaboration bid The National Institute of Health Research (NIHR) spends over £1 billion a year on health and social care research. As part of the NIHR, the Public Health Research (PHR) Programme commissions research in non-NHS settings – primarily evaluating activity within Local Government across the UK. A recent development is the concept of Health Determinants Research Collaborations – NIHR PHR is looking to award	Executive 9 Nov 2021		KEY	Public		The Mayor - Executive Member for Children's Safeguarding and Adult Social Care and Public Protection <i>Louise Antill</i>

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Council Strategy	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
Page 15	<p>five of these in 2022 the aim of which is to embed a culture of research within the host Local Authorities, each worth up to £1 million a year for five years. Each HDRC will lead to increased research activity and collaboration and better use of evidence in decision making. The proposal is that Public Health South Tees and Teesside University will collaborate on a bid, which will drive organisational change across the two Local Authorities to embed a culture of evidence based decision making and research activity.</p>						

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Council Strategy	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
Deputy Mayor and Executive Member for Culture and Communities							
I009413 All Wards	PSPO (Alley Gates) Supports the proposals to extend the existing town wide PSPO (previously known as gating orders) for a further 3 years.	Executive 9 Nov 2021		KEY	Public		Executive Member - Communities and Education <i>Marion Walker, Head of Stronger Communities</i> <i>marion_walker@middlesbrough.gov.uk</i>
Executive Member – Education							
I010705 All Wards	Middlehaven - Outwood Academy Riverside The report sets out the case 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.	Executive 9 Nov 2021		KEY	Public		Executive Member - Education <i>Gary Maddison</i> <i>Gary_Maddison@middlesbrough.gov.uk</i>
I010922 All Wards	Annual Update: Special Educational Needs and or Disabilities 0-25 To provide an	Executive 9 Nov 2021			Public		Executive Member - Education <i>Chloe Isaacs</i> <i>Chloe_Isaacs@middlesbrough.gov.uk</i>

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Council Strategy	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
	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 report in November 2020						
1011100 Page 17 All Wards	Children and Young People's Learning Scrutiny Panel's Final Report - Behaviour, Discipline and Bullying in Schools	Executive 9 Nov 2021			Public		Executive Member - Education <i>Rob Brown, Director of Education and Partnerships</i> <i>rob_brown@middlesbrough.gov.uk</i>
1010716 All Wards	SACRE Annual Report Annual Report	Executive 7 Dec 2021			Public		Executive Member - Education <i>Chloe Isaacs</i> <i>Chloe_Isaacs@middlesbrough.gov.uk</i>
1011298 All Wards	Peer Review of the Virtual School A panel of peers will be asked to scrutinize the work of the Virtual School, and identify	Executive 7 Dec 2021					Executive Member - Education <i>Trevor Dunn, Head of Access to Education</i> <i>trevor_dunn@middlesbrough.gov.uk</i>

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Council Strategy	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
	areas of good practice and areas for development.						
Executive Member - Environment and Finance and Governance							
1009420 All Wards	ECS Built Asset Investment Executive approval is required for the ECS Capital Asset Strategy.	Executive 9 Nov 2021		KEY	Public		Executive Member - Environment <i>Chris Bates</i> <i>Chris_Bates@middlesbrough.gov.uk</i>
1010704 All Wards	Highways Asset Infrastructure Executive approval is required for the ECS Capital Highways Infrastructure Asset.	Executive 9 Nov 2021		KEY	Public		Executive Member - Environment, Finance & Governance <i>Chris Bates</i> <i>Chris_Bates@middlesbrough.gov.uk</i>
1010196 All Wards	Medium Term Financial Plan Update and Budget Savings Proposals That the Executive notes the updated Medium Term Financial Plan position and budget savings.	Executive 9 Nov 2021		KEY	Public		Executive Member - Environment, Finance & Governance <i>Keely Trainor</i> <i>Keely_Trainor@middlesbrough.gov.uk</i>
1010195 All	Revenue and Capital Budget -	Executive 9 Nov 2021		KEY	Public		Executive Member - Environment, Finance &

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Council Strategy	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
Wards	Projected Outturn Position as at Quarter Two 2021/22 To advise the Executive of the Council's financial position at Quarter Two 2021/22.						Governance <i>Keely Trainor</i> <i>Keely_Trainor@middlesbrough.gov.uk</i>
1009723 Page 19	Strategic Plan 2021-24 – Progress at Quarter Two 2021/22 Report outlining performance against the Strategic Plan at Quarter Two 2021/22	Executive 9 Nov 2021			Public		Executive Member - Finance and Governance <i>Keely Trainor</i> <i>Keely_Trainor@middlesbrough.gov.uk</i>
1011309	Paper-lite Meetings Following the successful trial of paperless meetings of the Executive, Individual Executive Member and pre Executive meetings, Executive is requested to provide the necessary commitment to	Executive 9 Nov 2021					Executive Member - Environment, Finance & Governance <i>Keely Trainor</i> <i>Keely_Trainor@middlesbrough.gov.uk</i>

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Council Strategy	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
	achieve paper-lite meetings for all Council, Executive or any other Council meeting, Panel or Working Group by embracing the current technology available to councillors and officers.						
011316 Central Page 20	Metz Bridge - Site Management Arrangements That Executive agree to the procurement of an external supplier to manage Metz Bridge Traveller site.	Executive 11 Jan 2022		KEY			Executive Member - Environment, Finance & Governance <i>David Jamison</i> <i>david_jamison@middlesbrough.gov.uk</i>
I010197 All Wards	Council Tax Support Scheme for 22/23 That the Executive approves the Council Tax Support Scheme for 22/23.	Executive 11 Jan 2022		KEY	Public		Executive Member - Environment, Finance & Governance <i>Keely Trainor</i> <i>Keely_Trainor@middlesbrough.gov.uk</i>
I009724	Strategic Plan 2021-24 – Progress	Executive 14 Feb 2022			Public		Executive Member - Finance and Governance

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Council Strategy	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
	at Quarter Three 2021/22 Report outlining performance against the Strategic Plan at Quarter Three 2021/22						<i>Keely Trainor Keely_Trainor@middlesbrough.gov.uk</i>
I010199 All Wards Page 21	Revenue Budget, Council Tax, Medium Term Financial Plan and Capital Strategy 2022/23 The setting of the Revenue Budget, Council Tax, Capital Strategy for 2022/23.	Executive 14 Feb 2022		KEY	Public		Executive Member - Environment, Finance & Governance <i>Keely Trainor Keely_Trainor@middlesbrough.gov.uk</i>
I010198 All Wards	Revenue and Capital Budget - Projected Outturn Position as at Quarter Three 2021/22 To advise the Executive of the Council's financial position at Quarter Three 2021/22.	Executive 14 Feb 2022		KEY	Public		Executive Member - Environment, Finance & Governance <i>Keely Trainor Keely_Trainor@middlesbrough.gov.uk</i>

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Council Strategy	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
Executive Member - Regeneration							
1009248 Ayresome; Kader; Trimdon	'This item is to be deferred to a future meeting of the Executive. The revised date of the meeting at which this item will be considered, will be published on the Forward Work Plan in due course.' Stainsby Country Park and Masterplan To adopt the Stainsby Country Park and Masterplan.	Executive Not before 26th Oct 2021		KEY	Public		Executive Member - Regeneration <i>Paul Clarke</i> <i>paul_clarke@middlesbrough.gov.uk</i>
1010964 Central	EXEMPT: Strategic Town Centre Acquisition The report needs to go to the Executive due to the financial thresholds having been exceeded (for decision) as they are over £150k. The decision relates to one Central Ward	Executive 9 Nov 2021		KEY	Fully exempt		Executive Member - Regeneration <i>Nasreen Younis</i> <i>Nasreen_Younis@middlesbrough.gov.uk</i>

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Council Strategy	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
	only– albeit the economic benefits will be town-wide. The report seeks approval for a number of decisions relating to the proposed commercial acquisition.						
1011203 All Wards Page 23	Middlesbrough Council Local Implementation Plan (LIP); Consultation findings It is recommended that the Executive: Approve and adopt the draft LIP into a formal Council policy document; and, Acknowledges the broad satisfaction (of responses) of the draft LIP following the conclusion of public consultation.	Executive 9 Nov 2021		KEY	Public		Executive Member - Regeneration <i>Chris Orr</i> <i>Chris_Orr@middlesbrough.gov.uk</i>
1010965	Nunthorpe Grange	Executive		KEY	Public		Deputy Mayor and Executive

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Council Strategy	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
Page 24	Nunthorpe	Development Overview The report details the current situation regarding the Community centre development work, partnered infrastructure works and housing delivery schemes including the Persimmon and Taylor Wimpey sites. Alongside of this is an update on the Nunthorpe commitments.	7 Dec 2021				Member for Culture and Communities <i>Steve Fletcher, Head of Development</i> <i>Steve_Fletcher@middlesbrough.gov.uk</i>
	1010966 Coulby Newham	Newham Grange Development Overview The report will document the process of securing options for the marketing and delivery of the site and will include the key infrastructure phasing strategy.	Executive 7 Dec 2021	KEY	Public		Councillor David Branson <i>Steve Fletcher, Head of Development</i> <i>Steve_Fletcher@middlesbrough.gov.uk</i>

MIDDLESBROUGH COUNCIL

OVERVIEW AND SCRUTINY BOARD

20 OCTOBER 2021

**ATTENDANCE OF EXECUTIVE MEMBERS AT
THE OVERVIEW AND SCRUTINY BOARD**

PURPOSE OF THE REPORT

1. To provide information in respect of the scheduled attendance of Members of the Executive at the Overview and Scrutiny Board (OSB).

RECOMMENDATIONS

2. It is **RECOMMENDED** as follows:
 1. That Members of the Overview and Scrutiny Board are appraised of the work of the Executive Member for Regeneration.
 2. That Board Members question the Executive Member for Regeneration in respect of his portfolio and any issues which arise at the meeting.

BACKGROUND

3. Arrangements are in place in the Council to ensure that potential issues for consideration via the scrutiny process (i.e. by the Overview and Scrutiny Board or the relevant scrutiny panel) are highlighted and brought forward as necessary.
4. Overview and Scrutiny also has a responsibility of “holding the Executive to account.” This can happen in a number of different ways and at different stages in the decision-making process. In terms of decision making, this can be:
 - Before decisions are made - such as by examining policy options or considering issues included in the Council’s forward work programme.
 - Immediately after decisions are made, but prior to their implementation, through the call-in process; and
 - After decisions are implemented, through monitoring and evaluation of their effects.

5. Overview and Scrutiny can be involved in holding the Executive to account as a whole, by using the methods outlined in the preceding paragraph, or on an individual basis. The OSB's role in this area has been strengthened in recent years, with arrangements having been made for individual Members of the Executive to attend OSB.
6. This has given OSB Members the opportunity to hear directly from each Executive Member on matters such as their aims and aspirations, progress made, objectives and priorities and also any emerging issues or pressure areas relating to their portfolio.
7. The process has also presented an opportunity for OSB to highlight and question any issues of concern or difficulty (for example in respect of service areas where targets have not been reached or where objectives have not been achieved) and to question what action will be taken to address such issues.
8. Arrangements have been made for the Executive Member for Regeneration to be in attendance at today's meeting. Details of the relevant portfolio are attached at **Appendix 1**.

BACKGROUND PAPERS

9. There were no background papers used in the preparation of this report.

Contact Officer:

Caroline Breheny

Democratic Services

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e mail: caroline_breheny@middlesbrough.gov.uk

Executive Portfolio:	Executive Member for Regeneration
Portfolio Holder:	Councillor Eric Polano
Lead Officer:	Director of Regeneration and Culture

SCOPE OF PORTFOLIO

The Executive Member for Regeneration will have responsibility for delivering the Mayor's Priorities with regard to ensuring a fair access to high-quality homes, fair access to secure, well-paid jobs and meaningful training, strengthening and diversifying our local economy, and strengthening our transport links.

The Executive Member for Regeneration will be responsible for Council policy on:

- Transportation
- Inward investment
- Economic development
- Housing development
- Planning and Building Control

Policy Framework

- The Local Plan
- Local Transport Plan

Other Plans and Strategies

- Investment Prospectus
- Regeneration service plan
- Policies and strategies for housing activity
- Development briefs and master plans
- Public rights of way
- Surface water management
- Selective Landlord Licensing

Service Functions

- Economic Growth
- Capital Projects
- Housing Growth
- Development Control
- Planning Policy
- Building Control
- Transport
- Infrastructure

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

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Regeneration Portfolio

20/10/21



Portfolio

Scope

- Transportation
- Inward investment
- Economic development
- Housing development
- Planning
- Building control

Service Functions

- Economic Growth
- Capital Projects
- Housing Growth
- Development Control
- Planning Policy
- Building Control
- Transport
- Infrastructure

Portfolio Priorities

- Changing the town centre
 - Converting Captain Cook Square
- Developing Middlehaven
 - Urban Living
 - Boho X
 - Old Town Hall and Captain Cook Pub
- Clearing up eyesore sites and properties
- Future High Streets / Towns Fund
- Delivering housing growth

My Priorities

- Eyesore sites and properties
- Getting people into the town centre

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Next Year

- Captain Cook Square re-let to leisure operators
- Boho X open and occupied
- Hundreds of new homes underway in the centre of town
- Captain Cook pub brought back into use
- New community centres at Southlands and Nunthorpe
- Middlesbrough Station refurbished for the new London train
- Exchange Square regenerated
- New commercial space built on Centre Square (Melrose House site)
- Small sites brought back into use
- Tollesby shops replaced by new apartments
- Some key derelict properties brought back into use

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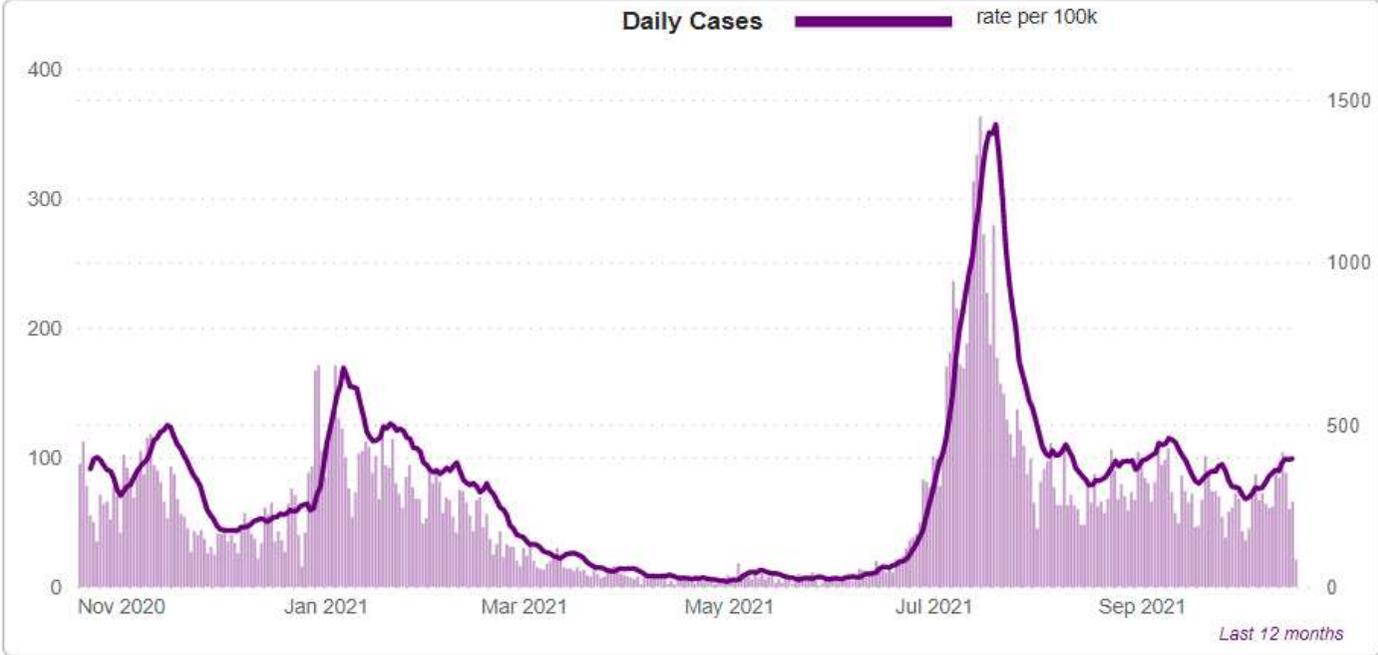
Overview and Scrutiny Board: Chief Executive update

20 October 2021

Agenda

- COVID-19 update
- Executive update
- LMT update
- Chief Executive briefing staff feedback
- Questions

COVID-19 overview



Last updated 18/10

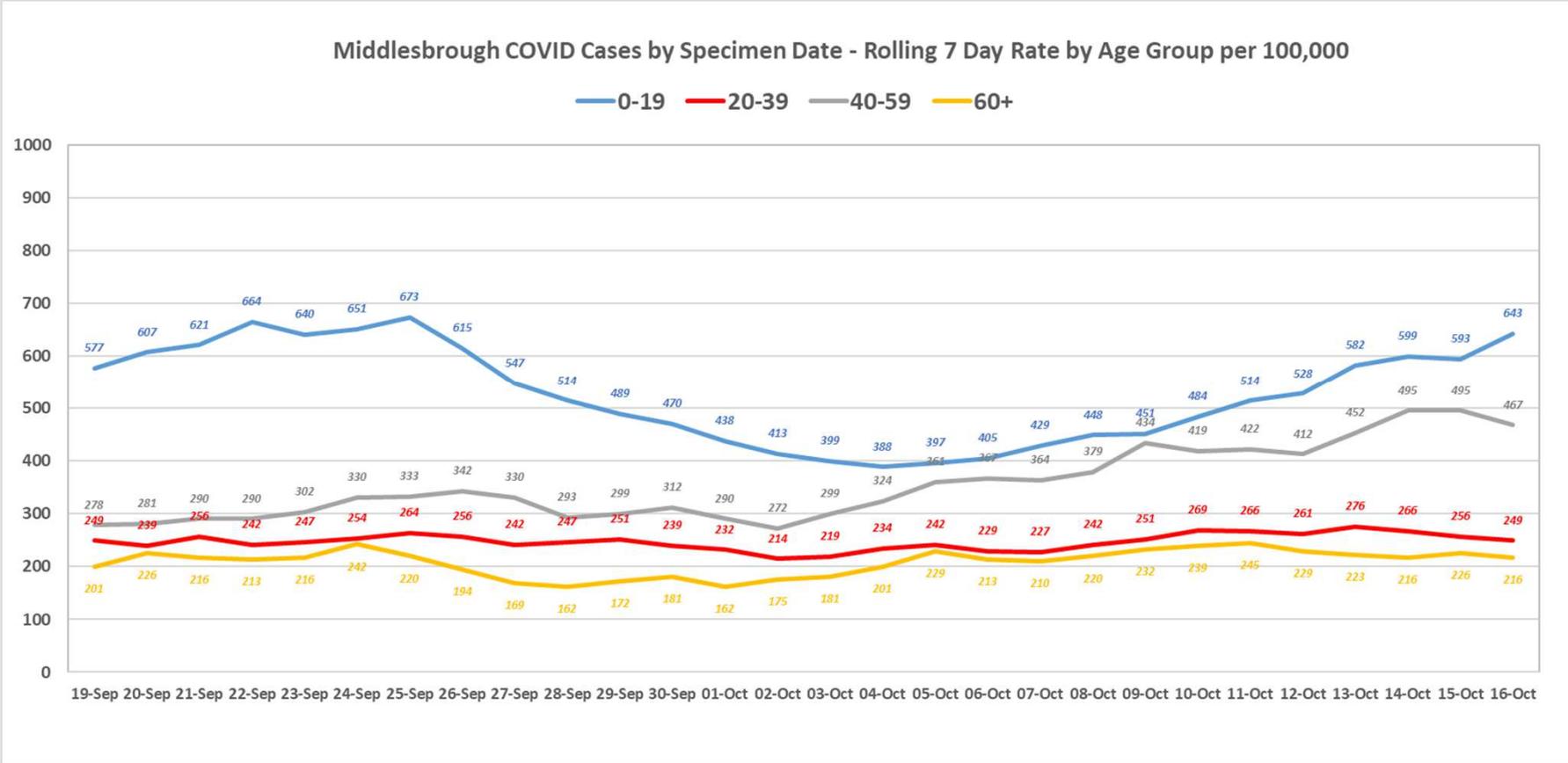
National Local Authority summary

Local Authority	Current Week <i>Up to 16th October</i>		Previous Week <i>Up to 9th October</i>		Weekly Rank Change	Weekly Rate Change
	Rate per 100,000	Rank	Rate per 100,000	Rank		
Bath and North East Somerset	949	1	270	111	110	252%
Swindon	792	2	242	124	122	227%
Somerset	781	3	369	70	67	112%
Wiltshire	771	4	380	65	61	103%
Gloucestershire	731	5	154	147	142	375%
West Berkshire	718	6	270	110	104	166%
North Somerset	711	7	165	141	134	332%
Cheshire East	697	8	587	9	1	19%
South Gloucestershire	676	9	160	145	136	322%
Peterborough	674	10	614	4	-6	10%
North Tyneside	655	11	493	25	14	33%
Rotherham	649	12	520	20	8	25%
Wokingham	643	13	497	24	11	30%
Halton	640	14	595	7	-7	8%
Northamptonshire	637	15	640	2	-13	-1%
Trafford	629	16	846	1	-15	-26%
Warrington	628	17	543	15	-2	16%
Barnsley	622	18	616	3	-15	1%
Rutland	608	19	447	43	24	36%
Staffordshire	585	20	534	16	-4	9%

Middlesbrough	394	92	342	89	-3	15%
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COVID case rate by age group

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Last updated 27/09

Vaccination uptake rates summary (12+ by age group)

Age Band	Unvaccinated	Dose 1 Only	Dose 2	Population	Unvaccinated	Dose 1 Only	Dose 2
12 - 15	7,299	780	26	8,105	90.1%	9.6%	0.3%
16 - 17	1,943	1,265	561	3,769	51.6%	33.6%	14.9%
18 - 19	1,312	571	1,520	3,403	38.6%	16.8%	44.7%
20 - 24	4,418	1,426	5,569	11,413	38.7%	12.5%	48.8%
25 - 29	5,222	1,482	6,364	13,068	40.0%	11.3%	48.7%
30 - 34	5,005	1,216	7,056	13,277	37.7%	9.2%	53.1%
35 - 39	3,665	928	7,162	11,755	31.2%	7.9%	60.9%
40 - 44	2,524	611	6,599	9,734	25.9%	6.3%	67.8%
45 - 49	1,849	424	6,897	9,170	20.2%	4.6%	75.2%
50 - 54	1,366	288	8,033	9,687	14.1%	3.0%	82.9%
55 - 59	987	293	8,769	10,049	9.8%	2.9%	87.3%
60 - 64	736	252	8,176	9,164	8.0%	2.7%	89.2%
65 - 69	494	96	6,870	7,460	6.6%	1.3%	92.1%
70 - 74	322	63	6,116	6,501	5.0%	1.0%	94.1%
75 - 79	150	29	4,106	4,285	3.5%	0.7%	95.8%
80+	280	63	5,602	5,945	4.7%	1.1%	94.2%
Total	37,572	9,787	89,426	136,785	27.5%	7.2%	65.4%

Over 50s vaccinated

48,756 | 91.8%

Over 50s unvaccinated

4,335 | 8.2%

Over 50s Dose 1 only

1,084 | 2.0%

Least Dose 1 **72.5%**

Executive decisions

- **Middlehaven:** future development plans approved
- **Middlesbrough College:** potential expansion approved
- **Community Environmental Initiatives:** proposal to consider allocation of £150k to support initiatives
- **Council Tax Reduction Scheme:** proposal to consult on changes that will offer greater assistance to those who qualify for support
- **Fountain Court:** proposal for allocation of final budget (£7m) for purchase, renovation and fit-out of building
- **Centre Square Office development:** proposal for further development that will secure and grow jobs in the town

Current LMT strategic items

- Poverty / social inclusion
- Reoccupation / Fountain Court
- Values / staff engagement
- 2022/23 budget preparation
- Performance Management
- Locality Working

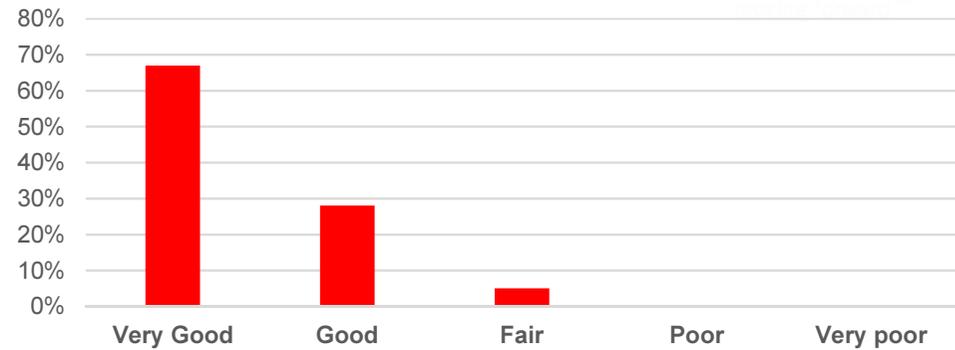


Chief Executive staff briefing feedback

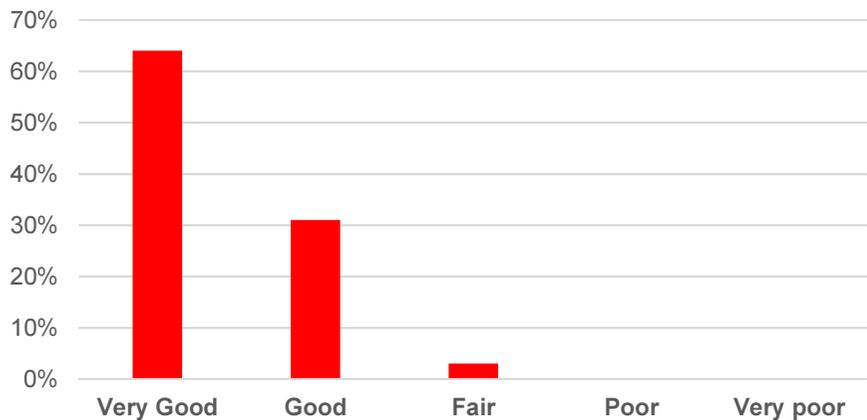
How would you rate CEX Briefings overall?



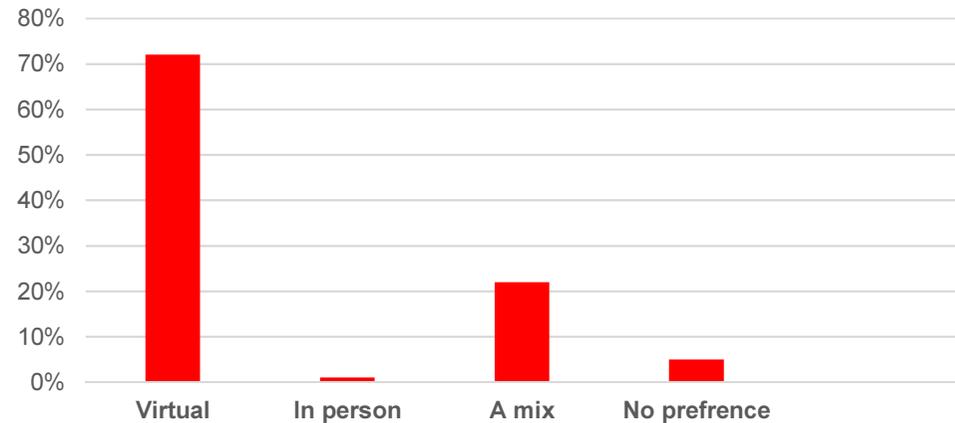
How would you rate the relevance and usefulness of CEX Briefings content?



How would you rate the opportunity to ask questions in CEX Briefings?



How would you like CEX Briefings? to take place in the future?



Chief Executive staff briefing feedback

Themes from free text responses

- Staff value hearing direct from “the top”
- Staff value the openness and honesty within the sessions and the many ways to ask questions
- Staff want the same level of engagement at a Directorate level
- Staff who have joined through the Covid period think it has helped them “connect and understand”
- Subjects that staff are particularly interested in are
 - Strategic Priorities
 - Reoccupation
 - LMT thinking

Questions?

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MIDDLESBROUGH COUNCIL

**FINAL REPORT OF THE
CULTURE AND COMMUNITIES SCRUTINY
PANEL
CULTURAL EVENTS IN MIDDLESBROUGH: -
THEIR IMPACT AND FUTURE**

CONTENTS

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AIM OF THE INVESTIGATION

1. This investigation attempts to identify how cultural events delivered in Middlesbrough contribute to important strategic objectives and the well-being of Middlesbrough residents. In doing so it is hoped to show that rather than one-off set pieces, cultural events have the ability to provide long lasting impacts that cut across demographic barriers.

COUNCIL'S THREE INTERRELATED AIMS

1. The scrutiny of this topic aligns with the Council's three core objectives as detailed in the Strategic Plan 2021-2024¹:
2. People - Working with communities and other public services in Middlesbrough to improve the lives of local people.
3. Place - Securing improvements in Middlesbrough's housing, infrastructure and attractiveness, improving the town's reputation, creating opportunities for local people.
4. Business - Promoting investment in Middlesbrough's economy and making sure we work as effectively as possible to support our ambitions for People and Place.

TERMS OF REFERENCE

1. The terms of reference for the scrutiny panel's investigation were as follows:
 - A. Using examples of best practice, learn how cultural events are delivered in Middlesbrough and how they contribute to wider social regeneration initiatives.
 - B. In light of Covid-19, explore different delivery formats to understand if future events can be sustainable in a post Covid-19 world.
 - C. To learn how Cultural Events can contribute to wider Economic Initiatives in Middlesbrough.

¹ Middlesbrough Council's Strategic Plan 2020-2023

BACKGROUND INFORMATION

2. The impact of Cultural events have, arguably, never been more important. Not only do they create windows into how other people live, they provide almost unique mechanisms that allow people to celebrate and learn.
3. In the shadow of the Covid-19 pandemic cultural events, and the creative industry generally, stand on the edge of a seeming precipice. While able to act as vehicles to re-introduce “normality” after a long period of disconnectedness and isolation, there may be an urgent need to examine if they can ever be held in the same way again.
4. The Cultural sector has been adversely affected by the Covid-19 pandemic, arguably more than most. The impact has been likened to a “Cultural Catastrophe”² by the Creative Industries Federation. While the full impact of the pandemic is still being felt, in mid - 2020 there were concerns that, nationally, up to 400,000 jobs could be lost with weekly revenue losses equalling £1.4 billion.
5. In response the Government announced a “Culture Recovery Fund”³ of £1.57 billion for the cultural sector to draw on for support. Split over three rounds, the fund has provided support to more than 5,000 organisations and sites across the country, protecting 75,000 jobs and supporting approximately 100,000 freelancers.⁴
6. It is in this context the Culture and Communities Scrutiny Panel wanted to examine both the impact of cultural events in Middlesbrough, and how they have been impacted both socially and economically. In doing so the Panel wanted to understand how cultural events could add value to the Council’s existing strategic priorities as well as enhance the Town’s wider cultural offer.
7. Before examining cultural events it would be prudent to identify what is meant by “culture.” While there are different ways of defining culture, for the purposes of this report “culture” can be seen as the cumulative experience of people and institutions developed over time. Indeed, the Culture White Paper published in 2016 stated that culture was,

“...the accumulated influence of creativity, the arts, museums, galleries, libraries, archives and heritage upon all our lives. When we talk about our ‘cultural sectors’, we are referring to an extraordinary network of individuals and organisations, that together preserve, reflect and promote who we are as a nation, in all our rich diversity.”⁵
8. Any discussion of “culture” runs the danger of appearing abstract and bearing little or no relevance to people’s everyday lives. As a corollary, cultural events also run the risk of being hidden behind more tangible council services, such as refuse collection or social care. However, the Panel was keen to highlight how cultural events remain pertinent in the current climate.

² [Press release: "Cultural catastrophe" - over 400,000 creative jobs could be lost... The Projected Economic Impact of Covid-19 on the UK Creative Industries report. | Creative Industries Federation](#)

³ More information about the Culture Recovery Fund can be found on the government’s website [Culture Recovery Fund - GOV.UK \(www.gov.uk\)](#)

⁴ Arts council England, “Third round of Culture Recovery fund to secure future of thousands of organisations” [Third round of Culture Recovery fund to secure future of thousands of organisations | Arts Council England](#)

⁵ Department for Culture, Media & Sport “The Culture White Paper” p13 [The Culture White Paper \(publishing.service.gov.uk\)](#)

9. As definitions of “culture” can be imprecise, cultural events are equally difficult to easily describe. Generally time limited and with a culturally themed focus their scale can vary widely, encompassing a small number of participants or many thousands having specific or multi-faceted remits.
10. If both culture and cultural events are defined in the above terms it would be sufficient to say that cultural events, therefore, are the vehicles that deliver the message of an accumulated social experience.
11. Naturally, these definitions need to be viewed through the lens of Local Government which is a key institution helping deliver cultural events and continues to be one of its primary funders. As such Local Authorities are ideally placed to deliver cultural events that are attuned and relevant to their local communities.⁶ To help with cultural delivery Middlesbrough Council launched its Cultural Strategy in November 2018 with the intention of growing the Town’s Cultural offer.
12. There are many strands to the Cultural Strategy which aims to achieve financial resilience, contribute to a stronger economy and to transformation the perception of Middlesbrough.⁷ It aims to achieve this via different means, including the Place Brand and contributions to other strategies, such as the Social Regeneration Strategy⁸ and is monitored through the Council’s performance regime.
13. The Council delivers, funds and supports events on a set range of objectives, which had been agreed by Executive. Those objectives were;
 - Raising the profile of the area to make sure people know where Middlesbrough is and what it stands for;
 - Attracting higher footfall/ increase in dwell time with the intention of attracting people to places where events are being held. This would also, hopefully, see those visitors spending money in the town, such as hotel stays for the bigger events as well as restaurant bookings and public transport use. This would, overall, generate economic impact from having the event and;
 - Community engagement whereby events aimed to boost local pride and to bring communities together but importantly, this is not confined to smaller events as larger events can be about this as well.

It is with these objectives in mind that cultural events and their impact will be examined.

⁶ LGA “People, Culture and Place The role of culture in place making” p6

⁷ Middlesbrough Cultural Strategy p14

⁸ ibid p16

TERM OF REFERENCE A

USING EXAMPLES OF BEST PRACTICE, UNDERSTAND HOW CULTURAL EVENTS ARE DELIVERED IN MIDDLESBROUGH AND HOW THEY CONTRIBUTE TO WIDER SOCIAL REGENERATION INITIATIVES.

14. Operationally, there is a sliding scale of how much the Council is involved in events with its role differing depending on the event. The budget for holding events stands at £68,000 with staffing equating to 1.5 FTE. As such, the Council's preferred approach is providing support to others holding events, rather than delivering events itself.
15. For external agents delivering events, Council support is provided from a technical, licensing and safety perspective and as such is a member of the Independent Safety Advisory Group along with the Fire Brigade and Police. This group ensures events are conducted in a safe manner.
16. The Council operated, supported, or played a role in a number of events that constituted its "standard" programme including;
 - MELA
 - Orange Pip Market
 - Discover Middlesbrough event;
 - Animex
 - Christmas events in the Town,
 - Armed Forces day
 - Nagar Kirton
 - 10k and 5k (in conjunction with Public Health)
17. Occasionally there were events that sat outside the normal events schedule, such as the Radio 1 Big Weekend. Such events required significant investment from the Council but also had a significant impact on the town as a whole.
18. The Council's events programme does not, and cannot, operate in a silo. As a matter of course, conversations take place sub-regionally about event planning to minimise clashes and duplication. Prior to the Covid-19 pandemic, approaches had also been made to the Tees Valley Combined Authority (TVCA) seeking investment for events in the coming years. The TVCA has a significant budget for cultural events with Darlington's railway heritage being an example of such investment.
19. It was the intention that the TVCA would focus on large scale strategic events, such as the Rugby World Cup, and leave smaller events to individual Councils.

The immediate effect of the Covid-19 pandemic

20. While it is too early to assess the full extent the pandemic has had on cultural event delivery, there have been early effects that continue to have an impact.

21. The Panel appreciates that the Executive Member for Culture and Communities was keen to improve the visibility of Middlesbrough through the events it holds. The Panel are also aware that prior to the pandemic several plans to achieve this were planned.
22. Unfortunately the pandemic halted most of those plans and has left several important challenges to holding events. One of these challenges was social distancing, which has meant large scale events had to be postponed for long periods, as venues could no longer accommodate the same number of visitors. Such issues were exacerbated by the so-called "bubble system".
23. Financially, the immediate impact of the pandemic is a mixed picture. Income generation has been affected, given that most income for events is from alcohol sales. However, as ticket costs are covered by the performer it was financially prudent not to hold events during this time.
24. Wider financial implications were, and are, being felt however. Prolonged retail closures meant there was little point in holding events that fed into retail areas as the added financial benefit for retailers would have been lost, especially for the food and beverage sector.
25. Prior to the pandemic event delivery also relied, to some extent, on financial support from various arts organisations. However, as these organisations' finances have also been adversely affected support for cultural events has been doubly impacted. Importantly, Council staff, whose jobs involved delivering events, were secured during these uncertain times, as they were re-allocated to other tasks.
26. Sponsors were also reluctant to provide sponsorship opportunities as there was increased risk that they would not recoup their sponsorship offer.
27. During the pandemic, there was a need to understand how events were going to be delivered without understanding the full extent of any restrictions. While many restrictions have been lifted, there is still a desire to hold events in as safe an environment as possible.
28. This uncertainty was coupled with not knowing how the public would feel about attending events. A great deal of research has taken place with the Council's customer base who, after the first wave, felt they would leave it a long time before returning to attend events, especially events with a relatively large audience.
29. When hosting events, the process for booking acts and paying for their performance or paying for space and stalls can be expensive, especially when factoring in promotion. The Council decided to take a cautious approach to holding events in order to mitigate potential abortive costs. So far, this had proven to be the prudent course of action.
30. For the financial year 2020/2021 events were largely cancelled, with only small events being held both within and outside the Town Hall that were socially distanced. Those events included Summer Sessions and outdoor Theatre performances of the Great Gatsby, Pride & Prejudice.
31. Specific, regularly programmed events, such as the Christmas programme had almost been a moving target during the pandemic. Plans explored if events could be taken out to the

public rather than held centrally. While restrictions are now easing, it is difficult to tell if they will remain so heading into the winter period.

Cultural events – Wider Impact

32. While it is recognised cultural events bring many benefits, their impact is sometimes difficult to measure precisely.
33. The main quantitative impact of events is financial, i.e. visitor spend and added value to other sectors such as hospitality. From a visitor perspective there are established methods using external companies such as Global Tourism Solutions⁹, that attempt to understand what impacts would be felt following an event. Using STEAM statistical models it,

“...quantifies the local economic impact of tourism, from both staying and day visitors, through analysis and use of a variety of inputs including visitor attraction numbers, tourist accommodation bedstock, events attendance, occupancy levels, accommodation tariffs, macroeconomic factors, visitor expenditure levels, transport use levels and tourism-specific economic multipliers.”¹⁰
34. Pre-Covid, this method shows, on average, spend per visitor to ticketed and un-ticketed events was £25 to the local economy. The TVCA will hopefully be repeating this exercise to further understand what impact Covid has had.
35. However, qualitative measures of impact are more difficult to obtain. For example, where an event’s aim is for the purpose of community cohesiveness, user surveys are the only vehicle used to measure this impact. While user experience surveys try to capture audience views, they are not carried out after every event as not all events are bookable or ticketed.
36. While more difficult to measure, research commissioned by Arts Council England in 2019 found 65% of people felt having a robust and effective arts and culture offer was good for their wellbeing. It also found that activities like events helped reinforce a sense of community and helped to entice and/ or retain residents within a given area.¹¹
37. Locally, to gauge the impact of cultural events collaboration is critical and involves both internal and external stakeholders, including the Town Centre Team, local businesses and schools. Indeed, in an effort to gather views wider than the Middlesbrough area, the TVCA is conducting a user survey across the Tees Valley to gather views about the 2021 *Mela*.
38. Generally, events provide opportunities to offer new skills for residents, especially through engagement work. Importantly, many events delivered in Middlesbrough were not one-off with most having sub-work programmes that further enhanced community engagement. Examples include the various activities associated with the *Mela* (discussed below). Such engagement also provides the opportunity for schools, communities and individuals to participate and, by extension, improve resident wellbeing.

⁹ [About Us | Tourism Research | UK | Global Tourism Solutions \(UK\) Ltd](#)

¹⁰ [STEAM model | Tourism Research | UK | Global Tourism Solutions \(UK\) Ltd](#)

¹¹ [A New Study Finds That People Who Attend Cultural Events Are Happier With Their Lives Than People Who Don't | Artnet News 2019](#)

39. Achieving, and maintaining, an event's impact is challenging even if the subject matter has local or even international appeal. For example, the Railway Heritage in Darlington and its associated events did not seem to appeal to a wider visitor base than its local boundaries. As such the Council does not intend to develop events around local interests, such as iron and steel, as their appeal is relatively limited and unlikely to be sustainable in the long term.
40. It is these impacts that should be borne in mind when considering the following descriptions of the Council's current events portfolio. As such, the Panel were keen understand how Middlesbrough could develop and foster cultural events for the longer term and realise these potential benefits.

Best Practice – Current Event Schedule

41. While there are subjects of historical significance to Middlesbrough, it is appreciated the town lacks a natural theme that could be sufficiently exploited, save for its iron steel heritage as described above. Instead, Middlesbrough continues, to excel at other events it can capitalise on; namely multi-cultural events, the main example of which is the *Mela*.
42. Regarded as one of the strongest of its kind outside Birmingham, the Middlesbrough *Mela* is a long established multi-cultural event that has received numerous accolades.
43. Being one of the first in the UK (after Nottingham and Bradford in 1988) Middlesbrough's *Mela* has been operating since 1990. While its 30th Anniversary celebrations were planned for the 2020 event, the pandemic prevented this.
44. The nature of the *Mela* had transformed from being a purely multi-cultural event to something that was targeted at the entire community and consistently receives positive feedback from visitors and vendors alike.
45. The Panel appreciates that, because of the pandemic, data relating to the *Mela*'s economic and social impact will not be consistent with previous years. Therefore information used to inform this report has been drawn from 2019 and 2020 datasets. However, such inconsistency has been useful in understanding how established events like the *Mela* are vulnerable to shocks, and how insulated they are to those shocks.
46. Ordinarily, the *Mela* receives audiences of between 30,000 – 50,000 people with over 100 crew members being involved. Naturally, an event of this size affects, and has an impact upon, dependent industries and helps to attract investment via sponsorship and funders.
47. Importantly, the *Mela* does not operate in isolation. Indeed, the *Mela* operates additional, associated, events that work with over 150 people from community groups on various commissions. These commissions worked with professional artists, musicians and choreographers over a three month period which contributed to the creative content of the *Mela* and for its associated, smaller events such as parades.
48. The *Mela* continues to make a positive impact on the economy both in terms of generating and attracting wealth. For example, the 2019 event saw 102 staff employed over the course of the festival. This included artists, community facilitators, project managers, performers and crew covering a total of 273 days of employment combined. The event continues to attract

loyal, repeat traders whilst continuing to grow and develop relationships with new ones (attracting 38% of new traders).

49. From a visitor perspective, average spend at the event was £14.77 and when setting this against average visitor numbers it is estimated the *Mela* generates approximately £440,000 of income. Interestingly, when surveyed, 52% of groups attending *Mela* lived in Middlesbrough with 31.4% living within the wider Tees Valley and 16.2% outside of the Tees Valley. Clearly, the attraction of the *Mela* was to Middlesbrough and its immediate neighbours.
50. Attracting wider audiences to the actual event and even raising its profile was a continuing area of work. As of 2020 the *Mela's* Facebook page had:
 - 3,850 page likes,
 - 94% of page fans are from the UK (with 51% from Middlesbrough with the majority from the Tees Valley).
 - 70 active followers from Pakistan, 24 from India, 12 from the USA, 6 in Brazil and even 1 in Mozambique.
 - Overall reach on Facebook for the festival reached 107,977
 - Total engagement reached 3,112
51. Significant work is being undertaken to market the *Mela* as widely as possible, as improvements to visitor numbers from outside Middlesbrough may not only help improve spend at the event, but also showcase Middlesbrough to other visitors - something that informs initiatives such as the Middlesbrough Place Brand.
52. Events like the *Mela* also offer crucial community connections and while these are “softer” impacts when compared to “harder” economic ones, there are as equally important. Smaller, but associated events help to combat social isolation and reach individuals in areas where this is unusual.
53. To effectively target communities the Council’s Events Team actively works alongside the Stronger Communities service to identify community groups that may benefit from cultural engagement. This could be communities with diverse demographics, or those that had not previously engaged with cultural events. This was especially true for those communities in eastern Middlesbrough.
54. External partners, including Cleveland Police and the Police and Crime Commissioner, also provide support and reinforce social and community cohesion. In order to maintain physical contact with the community a book has been created that included information for *Mela* related events, which was especially important for those without or limited access to online materials during the pandemic.

Best Practice - Christmas

55. The Council takes a more active role in the delivery of Christmas events, which can attract up to 20,000 visitors, such as the *The Magical Middlesbrough Parade*.

56. In a similar way to the *Mela*, the Council's Events Team work with a wide range of internal and external stakeholders, including those involved in the creative arts and Health and Safety to ensure event delivery was of a high quality and procedurally robust.
57. The Christmas markets are also a key feature of the Christmas events programme, which is largely delivered by an external provider with the fees generated used to invest in other events. Therefore, a suitable Christmas programme is required that supports retailers but would not cause visitors to gather in a central place. To this end, events like trails would be beneficial, but would also be dependent on the prevalence of Covid-19 during the winter period, and any mitigations introduced under either so-called Plan A or Plan B of the Government's Winter Plan.
58. The Orange Pip Market was another example of best practice cultural event delivered by the Council. Despite not being held in 2020 due to the pandemic, Orange Pip provided an opportunity for local trades to showcase their businesses and generate increased awareness of Middlesbrough's cultural and economic offer.
59. Clearly, the Council has a robust events programme that collectively brings both social and financial benefits. However, the Covid-19 pandemic has shown that adaptation is paramount, and that exploration of alternative methods of delivery should be continuous.

TERM OF REFERENCE B

IN LIGHT OF COVID-19, EXPLORE DIFFERENT DELIVERY FORMATS TO UNDERSTAND IF FUTURE EVENTS CAN BE SUSTAINABLE IN A POST COVID-19 WORLD.

60. All organisations are susceptible to “shocks”, i.e. unknown events that can have detrimental impact on service delivery. These “shocks” can be short lived, but have long term effects. Ordinarily, Councils are assessed on their ability to withstand financial shocks, but the same principle can be applied to cultural events.
61. As described above; the covid pandemic revealed “shocks” that had not been considered before, and affected the very nature of how events are held and by extension how the local community is impacted.
62. The impact of Covid on the creative industries has been significant. It is estimated that, relative to the size of its Creative Industry Sector, the North East will suffer a 39% fall in Gross Value Added (GVA)¹² compared to 2019, the second highest affected region after Scotland as a whole.¹³
63. Holding events, whether they be physical or online, requires audiences to be happy to attend them. While social distancing restrictions are being relaxed nationally, there is still a need to be watchful of local covid rates and to consider residents’ feelings in this regard. The Events Team belonged to the Local Authority Events Organisers Group that benchmarked national trends and audience attitudes in this regard.
64. Research carried out by consultancy firm *Indigo* into audience attitude found that in May 2020 while 94% of respondents said they missed attending an event, only 19% said they would attend events simply because a venue re-opened, with three quarters stating they would feel safer with some form social distancing in place. During June and July 2020 66% of respondents said they would return to attending events provided some form of safety measure was in place.¹⁴
65. Moving forward events may need an element of Covid-19 compliance, but this would be dependent on the prevalence of Covid and any resulting restrictions. Socially distanced methods for holding events have already been used, including holding an outdoor theatre event during the summer of 2020. It was commented that this approach could be extended to other event types, with discussions to have an element of “drive through” events for the *Mela* in order to maintain social distancing.
66. Regardless, changes to event format in this context are limited to visitor restriction or reduction in scale, not examining different delivery methods. The Panel are conscious that this would not, and should not, be rushed as event delivery type can impact on an event’s financial viability and its community impact.

¹² Gross Value Added is the measure of the value of goods and services produced in an area, industry or sector of an economy

¹³ Ibid

¹⁴ [National Audience Research - After the Interval & Act 2 | Indigo \(indigo-ltd.com\)](#)

67. Interestingly, when gauging audience opinions toward online events, *Indigo* found 84% of respondents said they were interested in culture online, and more than half would pay for it.¹⁵
68. While technology enabling online events has been available for some time, doing so removes fundamental benefits events bring – such as social interaction and connectedness. Moving to online events does not simply require an internet connection. Instead, it requires input from the same creative industries that provide services for physical events. Sponsorship was still secured for those online events which meant financial support, albeit reduced, was still provided to the creative industry.
69. Moving to on-line event delivery has, to a point, proven to be successful. For example, a ticketed *Curious Arts* livestream event was held, whereby participants were asked to donate rather than pay an entry fee. The *Mela* had also moved to online, despite other *Mela* being cancelled, resulting in it being awarded the best online *Mela* in the UK in 2020.
70. Moving to on-line only events is not only unrealistic, but also unpalatable given the benefits events have for social interaction. However, remaining with physical only events may miss a key demographic and other potential benefits such as wider participation. As such, there needs to be way in which cultural events can synthesise the two.

Alternative event formats - eSports

71. Therefore, representatives from the British eSports Association (BEA) were invited to provide the Panel with information about eSports and what benefits events of this nature could bring. The BEA are a not-for-profit and had been in existence since 2016. One of their objectives is to promote eSports, foster British talent and raise awareness of the industry while illustrating the importance of eSports's potential cultural and commercial impacts. As part of this role the BEA acted as a sector specialist, although not a governing body, that advised a range of stakeholders such as parents, teachers and policy makers. The BEA was a member of different organisations including the Welsh Sports Association and the Creative Industries Federation.
72. ESports, or competitive computer gaming, was an example of cultural event that did not exist within the Council's established event portfolio. While eSports may not commonly be regarded as "cultural" events, the impact they have both socially and economically could potentially see them overtake more traditional events in terms of impact.
73. For both spectators and participants alike, the format of an eSports event encompasses both the physical and the virtual. For example, many eSports event are held in large venues and are broadcast both within the venue and wider via social media platforms (see image below).

¹⁵ Ibid



Figure 1.1 example of Redbull eSports event

74. Given the eSports sector was projected to have a global audience of approximately 645 million people by 2022 and a global revenue stream (not including video games) worth approximately \$950 million it has been seen as an irresistible force that could significantly enhance the Council's cultural offer.
75. Public access to eSports was arguably much easier than "traditional" events. For instance, because of social media platforms such as YouTube and Twitch viewers can observe or even participate in events individually or in large groups, similar to watching other sporting events. Indeed, it is argued that watching sporting events is an embedded part of our culture, allowing a shared experience that brought people together. ESports events were a continuation of this, albeit in a different format.
76. Many of the virtues of "traditional" events can be found in eSports, competitive video gaming was always human versus human, and often team versus team requiring a great deal of skill. As eSports was firmly a community based activity, videogames progressed to being an eSport when the gaming community decided to make it such.
77. Some video games were modern mind games, having rules, choice and consequences. Competitive gaming had various rewards including medals and cash prizes. Inclusivity played a key role in eSports; such as being gender neutral with just as many female participants as males globally.
78. ESports is a well-established phenomenon in the USA, Germany and South Korea and is recognised as an actual sport. However, this is not the case in the UK, but the eSports sector does have reporting channels to the Department for Digital, Culture, Media and Sport.

79. From an employability perspective; participation in eSports helps to reinforce life skills, or soft skills, such as communication, choice and consequence decisions, concentration and team work. Established career pathways were also forged with participation in eSports. For example, playing *Minecraft* and *Civilisation* can forge career paths into the intelligence services.¹⁶
80. Educationally, further education colleges are starting to introduce eSports courses to their curricula. The BEA had helped launched the British Esports Btech which explored how the industry worked from a content, creation and commercial perspective. The University of Staffordshire launched a Bachelor of Arts degree in eSports in 2018 with others following suit. Importantly, Teesside University launched its Master of Arts in eSports and Middlesbrough College also has an eSports component in some of its digital courses.¹⁷ ESports also contributed to important academic disciplines including computing, mathematics, engineering and the creatives industries.¹⁸
81. The Panel appreciates that by providing a wide range of eSports related academic qualifications their impact may be lessened, and employers in the digital sector may be more receptive to practical based experience. However, the Panel also recognise that academic degrees in eSports is not only about becoming a professional video gamer. Instead such qualifications examined wider aspects of eSports, such as how the digital industry worked and its business and commercial elements.
82. There are of course benefits and risks associated with eSports, and both should be considered carefully. It should also be borne in mind the Panel's investigation is associated with cultural events and not video gaming per se. As such any associated risks should be viewed through this lens. However, given the symbiosis between eSports and video gaming it would be remiss of the Panel not at least reference some those risks as well as benefits.
83. There is a perception that eSports participants are actually de-skilling. However, research has been carried out demonstrating that participation with video gaming enhanced certain skill sets such as spatial working, memory retention and verbal reasoning.¹⁹ It also contributed to improved mental health which was especially important during the Covid pandemic. This applied to both young and old people as older people playing video games had showed improved memory function which also assisted with dementia prevention.
84. With any event there are associated risks that need to be managed and eSports is not immune to this. High profile examples of risks include age appropriate games and exposure to inappropriate content for younger gamers. Ultimately, there will always be loopholes in systems designed to protect against such thing. However, games used in eSports were vetted and only appropriate games are used for competitions. Where events are held in physical locations more rigorous checks, including ID requirements, are carried out.
85. Another significant risk associated with eSports and video gaming more generally, was the perception of a sedentary lifestyle that discourages physical activity. Naturally, this could have negative health implications. It cannot be disputed that health risks exist with excessive video gaming. Like any other activity it is important to achieve a healthy balance

¹⁶ Ibid

¹⁷ Ibid

¹⁸ Ibid

¹⁹ [Advice and information - British Esports Association](#)

between participation and non-participation. While in its infancy, technology was advancing to the point of wear-ability that allows participants to become physically involved in game-play. While mainstream use of this technology needs further development it could potentially be used during eSports events.

86. Like all cultural events social wellbeing is also a key consideration. In a similar vein to perceptions of video gamers leading sedentary lives, it is easy to draw parallels between video-gaming and negative cultural developments such as violent behaviours. While some studies show video-gaming can lead, in some cases, to aggressive behaviours studies from the American Psychology Association argue that “violence begets violence, not watching it on TV or play acting in a video game”²⁰ and that violence is exacerbated when there are underlying conditions. However, it is well documented that debates surrounding this have been going on for considerable time with no definitive conclusion.
87. Controls do exist that can achieve this balance, and while not infallible a degree of user responsibility should be expected, whether this be parental responsibility for younger participants or not.
88. There are, however, many social benefits that eSports related events could bring, including acting as an engine for social mobility, in the same way that professional football was based on talent. Video gaming generally is very diverse drawing on different groups in equal measure as well geographically equal and not concentrated in certain areas. Nevertheless, access to eSports does have its own obstacles, namely dependence on ownership of relevant technology, such as games consoles which could be expensive.
89. ESports as a cultural event has not fully taken hold within Local Authorities, but this is not due to a reluctance to hold them. Instead, the BEA has been more focussed on facilitating large scale championship tournaments. However, there is no reason why some kind of eSports event could not take place in Middlesbrough. For example, there would be no need for specific considerations required for its size, but having stable networks and the potential to stream the event to social media was important. While exact costs would be dependent on scale, such an event could be achieved at relatively low cost.

²⁰ Kotecha, S “Doctor claims video games 'don't lead to violence'” BBC News 6 October 2010 [Doctor claims video games 'don't lead to violence' - BBC News](#)

TERM OF REFERENCE C

HOW CULTURAL EVENTS CAN CONTRIBUTE TO WIDER ECONOMIC INITIATIVES IN MIDDLESBROUGH.

90. The creative industries contributed £111.7bn to the UK's economy in 2018 (accounting for 5.8% of the UK GVA) and realising growth of 7.4% in the same period which was five times the rate of growth experienced by the entire UK economy.²¹ With such significant financial impacts it would be prudent for the Council to try and capitalise on that growth.
91. The extent of the economic benefits brought by cultural events will depend on scale. However, all events can see one, or all, of the following economic impacts;
- Tourism and Trade; whereby visitors can not only attend the event but also visit other attractions and spend money in other sectors by extension.
 - Infrastructure; (for larger events) potential improvements to venue or transport improvements
 - Image; possibly the most difficult to achieve events have the opportunity to improve a host area's image.²²
92. The task of measuring the economic impact of cultural events is not easy. Indeed, at the macro level it involves measuring,
- “...the total amount of additional money injected into a defined area, as a consequence of staging the event. Economic Impact studies seek to establish the net change in a host economy – in other words, money inflows and outflows within a defined geographical area measured to establish the resulting net outcome.”²³
93. Despite this challenge, the role the cultural bloc plays in wider economic initiatives and objectives should not be underestimated. Locally, a prime example of this was Middlesbrough's success in securing £14.1 million as part of the second round of the Future High Street Fund. By creating a synergy between regeneration developments and changing how cultural events are delivered could result in significant cultural and financial improvements.
94. As described in Terms of Reference A, the economic benefits of “traditional” cultural events such as the *Mela* and *Orange Pip* are understood whether that be from visitor spend, employability or supply chain perspectives.
95. If different event formats, such as eSports, are to be explored it would prudent to examine how they could inform economic initiatives and help drive financial development. There are several national and international examples of how eSports, and the digital industries actively contribute to local economies.
96. Internationally, eSports had been transformative in the Polish town Katowice. Traditionally, Katowice's economic base was mining, however after this faltered there was a desire to

²¹ “The projected economic impact of covid-19 on the uk creative industries” Oxford Economics (<https://www.oxfordeconomics.com/recent-releases/The-Projected-Economic-Impact-of-COVID-19-on-the-UK-Creative-Industries>)

²² Ibid

²³ “Economic Impacts” *The International Association of Event Hosts* <https://www.eventhosts.org/>

build alternatives with eSports largely filling the economic void. For example, from a single event (the *Intel Extreme Masters*) it is estimated that visitors spend on average 628PLN if they have accommodation, or 148PLN without.²⁴ In this example, the rate of spend per visitor should be considered rather than direct comparisons of spending power between the Polish zloty and Pound Sterling.

97. Catalonia in Spain is sometimes cited as the capital of European eSports, with a sector turnover of €430million, employing over 3,000 people, home to 145 digital companies and hold events attracting more than 20,000 spectators.²⁵
98. While not formally recognised “entities” as such, there are 12 digital clusters around the UK that ordinarily exist around colleges or university’s offering digital courses and digital industries growing around them. An example is Dundee in Scotland whose traditional industry had been Marmalade manufacture but now has a significant digital sector due to its University offering excellent digital courses. There was no specific requirement for digital clusters to be created, but given Teesside University and Middlesbrough College offer robust digital courses, there is no reason that Middlesbrough could not develop a digital cluster for the Tees Valley.
99. In a similar vein to the benefits brought about by traditional events, leisure venues associated with eSports have increased in number, such as eSports bars. The BEA also carried out extensive work in Sheffield contributing to the creation of the National Video Games Museum to understand how its creation would impact on have the local economy.
100. It is important to realise that Middlesbrough already has a framework that could help and support eSports, whether that be small scale cultural events or larger scale digital initiatives. For example, there are three leading video game companies based in Middlesbrough; *Radical Forge*, *Double Eleven* and *Soft Monkey* which employed approximately 200 people combined.
101. While eSports events would be relatively new to Middlesbrough, they would not be the first example of digital initiatives in the town. For example, the Animex Festival, hosted by Teesside University, which showcases the latest developments in computer game design and other digital initiatives has been long established.
102. Indeed, the Panel were encouraged to hear that plans to bring the Animex Festival to the Town Hall had been discussed and that moves to make the event town-wide rather than campus specific were quite advanced. As such the Panel was hopeful these plans would come to fruition as soon as possible. The Panel were also reassured that holding an eSports event in the Town Hall would not be a significant step.

CONCLUSIONS

102. Despite limited resources, the Council and its Events Team continue to provide a robust events programme that appeals to wide audience base and actively contributes to the

²⁴ [Katowice: A City in Poland Became the World Esports Capital \[Case Study\] \(prow.ly.com\)](#)

²⁵ [Discover the vibrant Mobile and Videogames Industry in Catalonia](#)

Council's strategic objectives, such as its aim, "to invest in our existing cultural assets, create new spaces and events and improve access to culture."²⁶

103. The Covid-19 pandemic has shown that adaptability to changing circumstances should be key feature of any activity, and cultural events are not immune to this.
104. While evidence is limited, owing to methodological difficulties, evidence suggests that audiences for Middlesbrough cultural events tend to be drawn from within local boundaries.
105. Although difficult to quantify in certain regards, the impact of cultural events both socially and financially should not be underestimated. Their role in wider initiatives outside of their immediate remit is also important, as help to tangibly demonstrate economic vibrancy.
106. The benefits events have are crucial for people's wellbeing, now more than ever. There has been a prolonged period of social disconnectedness due to the Covid-19 pandemic. Cultural events are key vehicles that can be used to bring people together. The pandemic has forced exploration of events being delivered on-line in an effort to maintain social connectivity, a move that was sympathetic to audience opinion. However, on-line events will only partly remedy social connectedness.
107. Middlesbrough has continued to develop, and excel at, events that do not ordinarily sit with its "traditional" heritage base, namely the *Mela*.
108. Collaborative working is crucial both for the survival and development of cultural events. Without input from public sector organisations and private sector investment, Middlesbrough's cultural events programme would not be possible.
109. While social distancing measures are being relaxed, there may be a proportion of the Council's audience base that continues to feel apprehensive about returning to events without any form of Covid-19 secure practices.
110. The Covid-19 pandemic has shown that continuing cultural event delivery in its "traditional" format may not be possible, or even appealing. However, it is appreciated that any moves to alter that format may require investment.
111. While the Covid-19 pandemic may have accelerated increased moves to an on-line presence, this may have been an inevitability regardless of the pandemic.
112. While not the only alternative cultural event format; eSports is a burgeoning industry that encompasses many of the benefits other cultural events bring such as social interaction (via physical spaces) and inclusivity (via on-line presence).
113. There may be a temptation to explore different event formats as a stop-gap measure to counter the impact of the Covid-Pandemic. However, alternative event formats such as eSports should not be seen as transient.

²⁶ Middlesbrough Council Strategic Plan 2021-24 p10

RECOMMENDATIONS

114. As a result of the information received, and based on the conclusions above, the Culture and Communities Scrutiny Panel's recommendations for consideration are as follows:

- 1) To enhance and strengthen community cohesion, cultural events traditionally held in the town centre should be delivered within communities where possible. Ideally this should take place with at least some elements of the Christmas 2021 celebrations.
- 2) Given its growing cultural and financial significance the Council should work with relevant third parties, including charities and the private sector, to introduce eSports as a regular and high profile cultural event. Where possible this should relate to wider leisure initiatives the Council is currently involved in.
- 3) Future leisure developments in the town centre should look to include opportunities for associated hospitality venues, such as an eSports business.
- 4) In order to attract a wider audience; the Council should continue to work with Teesside University so that the Town Hall can be used as a venue for the Animex Festival, ideally for the event held in 2022.
- 5) To attract audiences that sit outside Middlesbrough's local boundaries; the events team should explore how to exploit virtual event delivery by having an on-line component.

ACKNOWLEDGEMENTS

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Alice Lehman (Schools and Colleges Liaison Officer for BEA)
Gary Tibbett (Education Manager BEA)
Richard Horniman (Director of Regeneration and Culture)
Sam Gilmore (Head of Development)
Lisa Bean (Middlesbrough Council Creative Programme Manager)
Naweed Hussain (Chair of the Mela Management Committee)

BACKGROUND PAPERS

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England makes the case for why smaller towns should amp up and promote their arts offerings.” Artnet News <https://news.artnet.com/art-world/study-on-art-and-a-sense-of-place-1634866>

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ACRONYMS

- BEA – British ESports Association
- TVCA – Tees Valley Combined Authority

COUNCILLOR C MCINTYRE CHAIR OF CULTURE AND COMMUNITIES SCRUTINY PANEL

The membership of the scrutiny panel is as follows:

Culture and Communities Scrutiny Panel 2020-2021

Councillors C McIntyre (Chair), L Lewis, (Vice-Chair), R Arundale, C Dodds, J Goodchild, L Mason, J Rostron, M Saunders, J Thompson.

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MIDDLESBROUGH COUNCIL	
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Report of:	Director of Finance: Ian Wright Executive Member for Environment and Finance & Governance: Cllr Barrie Cooper
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Submitted to:	Overview & Scrutiny Board – 20 October 2021
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Subject:	Revenue and Capital Budget - Projected Outturn Position as at Quarter One 2021/22
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Summary

Proposed decision(s)
<ul style="list-style-type: none"> • That OSB notes the 2021/22 revenue budget Quarter One total projected outturn of £3.753m, representing a £1.717m (1.5%) overspend on non-Covid-19 elements, and the estimated financial effect of Covid-19 in 2021/22 of £2.036m, and the proposed actions to address this. • That OSB notes the proposed use of the following Reserves to fund the total projected overspend of £3.753m 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 (£2.521m) • That OSB notes the proposed revenue budget virements over £150,000 (Appendix 1) as approved by Executive on 7 September 2021. • That OSB notes the 2021/22 capital budget Quarter One predicted outturn of £82.029m against a budget of £93.716m, and the proposed revised Investment Strategy to 2023/24 at Appendix 2.

Report for:	Key decision:	Confidential:	Is the report urgent?
Noting	NA	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 Overview & Scrutiny Board of the Council's financial position at Quarter One 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 collective responsibility for the overview of corporate strategic performance and financial management / monitoring.
3. This report provides the necessary information to enable the Overview & Scrutiny Board to discharge its overview responsibilities, setting out:
 - projected revenue and capital budget outturns as at Quarter One 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. As per Standing Orders and Financial Procedures, Executive on 7 September 2021 approved the revenue budget virements over £150,000 attached at Appendix 1.
5. A revised Investment Strategy for the period to 2023/24, as approved by Executive on 7 September 2021, is attached at Appendix 2.

Report Background

Revenue Budget Quarter One Outturn 2021/22

6. As reported in previous reports, the Covid-19 pandemic is having 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 45 to 73 below.
7. The 2021/22 Revenue budget for the Council is £116,492,035. During Quarter One there have been 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 £1.717m (1.5%). The split by Directorate is shown in the table below:

Directorate	2021/22 Full Year Budget £'000s	2021/22 Projected Outturn (excluding Covid-19) £'000s	2021/22 Projected Over / (under) spend (excluding Covid-19) £'000s
Regeneration and Culture	3,140	2,230	(910)
Environment and Community Services	18,762	19,798	1,036
Public Health	(2,799)	(3,258)	(459)
Education & Partnerships	204	215	11
Children's Care	38,434	45,477	7,043
Adult Social Care and Health Integration	41,324	41,339	15
Legal and Governance Services	9,041	9,168	127
Finance	297	(328)	(625)
Central Budgets	8,089	3,568	(4,521)
Revenue Outturn	116,492	118,209	1,717

8. This when added to the estimated Covid-19 pressures of £2.036m detailed in paragraphs 45 to 73 results in a total projected outturn pressure at year-end 2021/22 of £3.753m.
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 £2.521m 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 (paragraph 108) and in Appendix 3.

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. It has not been possible to achieve one of the budget savings due to Covid-19 and this is detailed in paragraph 61 below.
13. In addition, there are £1,094,000 of planned Digital project savings and a £180,000 saving to reduce staff mileage rates across the Council, which are likely to not be 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 and Mileage will be fully achieved from 1 April 2022 as per the original intended methods.

Directorate variances

16. The detail of the variances contained in the table in paragraph 7 are set out below. At Quarter One, 25 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. 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 58).
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.

19. The Tees Advanced Manufacturing Park (TAMP) budget has previously been reported under Regeneration. For consistency of reporting income from Council owned properties, it has been decided that this budget will now be reported under the Commercial Rents budget within the Finance Directorate. A virement is included in Appendix 1 of this report to formally transfer this budget between Directorates. The performance against this budget is reported in this report under Finance.

Environment and Community Services

20. The Property Services budget is currently projected to be overspent by £433,000 at year-end. Within this budget there is an anticipated pressure against the Running Costs budget of £125,000, primarily due to the rising costs of electricity. 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 £60,000 is currently predicted against the Integrated Transport Unit. This could increase or decrease once the service demand for the forthcoming school year has been ascertained.
21. The Environment Services budget is currently showing an anticipated pressure totalling £591,000. 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 £577,000 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.

Public Health

22. There are projected savings on Public Health budgets totalling £459,000, with £255,000 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

23. The external residential agency placements budget is projected to be £1,642,000 (17%) overspent at year-end. The number of external residential placements has reduced to 57 at the end of Quarter One from 65 at the end of 2020/21, due to initiatives such as the Innovate Team, the Futures for Families Programme, and Daniel Court, which is currently fully occupied. Also in the summer Rosecroft (which can hold up to 5 young people) will re-open which could potentially further improve the position. 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.
24. The above has however been partly offset by projected additional income from the Clinical Commissioning Group (CCG) of £152,000 (12%) above the budget for the

contribution from health towards the increased cost of placements due to the complex needs of the young people.

25. The in-house fostering services budget is currently projected to be £967,000 (33%) overspent at year-end. There has been an increased number of placements/cases by 4 in Quarter One 2021/22 (from 164 to 168). 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.
26. The Independent Fostering Agency (IFA) placements budget is projected to be £1,163,000 (22%) overspent at year-end. The number of placements / cases has reduced to be currently at 160, 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.
27. Demand on the Family and Friends Allowances budget continues to grow and this budget is currently projected to have a significant overspend of £1,132,000 (49%) in 2021/22. The demand on this budget will increase in the next few years as the Council continue to improve outcomes for Middlesbrough young people. 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.
28. There is a predicted overspend of £1,375,000 (24%) on the Safeguarding, Care Planning and Referral and Assessment teams budget. 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.
29. There is a projected overspend of £359,000 (53%) on the Review and Development budget, due to increased staffing costs to support the reduction in caseloads of social workers to more manageable levels, and the recruitment of agency staff to fill vacant posts due to challenges in recruiting to social worker positions across Children's Services.
30. Children Looked After teams are projecting a £432,000 (18%) 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. As stated in paragraph 28 the reliance on agency staff, is a significant risk to the Council in the medium to longer term.
31. The Internal Residential Services budget is projecting an overspend of £178,000 (6%) at year-end, 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.

32. 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

33. There are projected staff savings across the Service totalling £317,000 mainly due to staff turnover and delayed recruitment to vacancies.
34. Quarter One of 2021/22 has seen a net growth in purchased care (mainly residential care) of £484,000, with further growth of £543,000 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 £536,000 in excess of budgeted income. Other projected savings of £200,000, 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 £291,000.
35. In addition, there are a number of budget areas within Adult Social Care which have variances below £150,000, including an increase to the Service's bad debt provision of £50,000, and these account for the overall £15,000 total projected overspend on the Adult Social Care budget.

Legal and Governance Services

36. An overspend of £151,000 is expected against the budget for Middlesbrough's contribution to the Coroner's Service. This is due to a rise in the number of cases, and also an increase in pathology and post-mortem costs.

Finance

37. Continued successful lettings at Tees Advanced Manufacturing Park (TAMP) during Quarter One resulted in unbudgeted net additional revenue income of £339,000. As noted in paragraph 19 this is now to be reported under the Commercial Rents income budget which, following the inclusion of the additional income from TAMP, is projecting an overall pressure of £39,000 at year-end.
38. There is additional unbudgeted income of £300,000 estimated to be received by year-end due to rental income from the recent purchase of the Captain Cook Shopping Centre.
39. The Revenues and Benefits budget is projected to be underspent by £380,000 at year-end, due mainly 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.

Central Budgets

40. 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.

41. The central contingency budget for Pay and Prices is projected to underspend by £931,000 at year-end based on the current expected calls on the budget during 2021/22. It should be noted that currently no saving has been assumed for the estimated cost of the staff pay award in 2021/22, for which 2% (equating to £1.8m) has been provided in 2021/22, where negotiations between employers and the trade unions are continuing.
42. The Capital financing budget is currently projected to be underspent by £120,000 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.
43. There is predicted rental income of £351,000 above the budget for Centre Square Buildings 1 and 2 following the successful lettings of these buildings. However, there are non-rent pressures of £64,000 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 £287,000 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.
44. 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

45. 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, 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.
46. The paragraphs below provide an update of the position as at Quarter One 2021/22 detailing the current estimated costs of Covid-19 and the grant funding provided by the Government in 2021/22. Paragraph 71 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

47. 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.
48. 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 £2.592 million 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

49. It is currently estimated that there will be approximately £4.9m 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.
50. Adult Social Care – there are total projected additional costs of approximately £0.3m, 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.

51. Children's Social Care Costs – there are currently estimated to be approximately £2m 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 £1.6m) 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.
52. 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.
53. Public Health – there are additional costs of £0.25m predicted relating to an enhanced Healthy Child Programme.
54. Environment and Community Services – there are projected total additional costs estimated to be approximately £0.3m 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.
55. 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 relating to the storage of Personal Protective Equipment (PPE).
56. 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 £0.065m.
57. SLM Leisure Trust – As detailed in 2020/21 in previous quarterly and year-end 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 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 £1m 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 £859,000 in 2021/22. 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

58. 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 quarter 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 (£1.1m)
 - 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)
 - Education Services income from schools (£0.2m)
 - Council run Nurseries (£0.2m)
 - Commercial Rents – business units, industrial estates, shops and bus station (£0.1m)
 - Capital Finance – Rent and Interest (£0.2m)
59. 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 £3.1m in 2021/22.
60. As mentioned in paragraph 48 it is currently estimated that the Council will receive approximately £0.7m from the SFC scheme in 2021/22.

Unachievable savings

61. 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

62. 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.
63. 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.

64. As mentioned in paragraph 48 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.
65. 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.
66. The phasing out of the furloughing scheme from the start of July 2021 and the expected 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.
67. Our budgeted Council Tax base includes assumptions on housing growth. If there is reduced growth in housing numbers, this will impact on income levels.
68. 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.
69. 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.
70. 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

71. The projected financial impact of the Covid-19 pandemic in 2021/22, based on experience in the first three 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 48:

<u>see also note on Other Covid Grants below</u>			
	<u>Grant Allocation 21/22</u>	<u>Projected 21/22</u>	<u>Projected Council Cost</u>
	<u>£m</u>	<u>£m</u>	<u>21/22</u>
			<u>£m</u>
Extraordinary costs incurred		4.948	
Commercial income losses		0.080	
Non-SFC income losses		0.175	
Unachievable Change Programme savings		0.082	
Total Covid-19 Main grant (2021/22)	5.310	5.285	-0.025
Sales, Fees and Charges (SFC) income loss grant (2021/22) (note only receive grant for 1st quarter of 2021/22)	0.733	2.794	2.061
DRAFT PROJECTED NET COST OF COVID TO COUNCIL 2021/22			2.036

<u>NOTE - Other COVID grants</u>			
	<u>Grant Allocation</u>	<u>Projected 21/22</u>	<u>Projected Grant Remaining</u>
	<u>£m</u>	<u>£m</u>	<u>21/22</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)	1.370	1.370	0.000
Total Other Covid Grants	1.909	1.909	0.000
<u>NOTE 1</u>			
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.			
<u>NOTE 2</u>			
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 (£341k) and 2022/23 (£346k) .			

72. 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.
73. The above table indicates that there will be a potential financial pressure due to Covid-19 of £2.036m in 2021/22. 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

74. As previously reported, 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.
75. 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.
76. 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.
77. 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.
78. 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.
79. 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. A further 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 One Outturn 2021/22

80. As part of the Revenue and Capital Budget – Year End Outturn Position report of 15 June 2021, Executive approved a revised capital budget for 2021/22 of £93,716,000. Following a further review and the inclusion of new additional schemes, increases to existing schemes, and reductions to existing schemes (as detailed in paragraphs 82 to 84), it is currently predicted at Quarter One that the Council will spend £82,029,000 in 2021/22 at year-end.
81. The revised Investment Strategy to 2023/24 is included at Appendix 2 for information. 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.
82. One scheme is proposed to be removed from the Investment Strategy, with the funding being redirected to an alternative scheme. Details of the scheme are as follows:
- Parklands Intermediate Care Centre – The building has been assessed and requires extensive works in order to bring it to a suitable standard. The works will cost significantly more than the available budget of £254,000 and therefore

the funding will be redirected to a more cost effective solution (see paragraph 83 for further details of the replacement scheme).

83. It was proposed to add the following five schemes above £150,000, to the revised Investment Strategy, as set out at Appendix 2 and approved by Executive on 7 September 2021:

- The Council has successfully bid for £1,091,161 of funds from the Department for Business, Energy and Industrial Strategy (BEIS) Local Authority Delivery 2 Green Homes Grant. The grant, mainly aimed at home owners in fuel poverty will provide funds of up to £10,000 per property to enable works such as new energy efficient windows and both external wall and loft insulation. There is some scope for landlords to benefit from the grant with a maximum of £5,000 available per property, of which the landlord must contribute a third of the costs.
- On 16 March 2021, Executive approved £250,000 of funds for improvements to Teessaurus Park. The improvements include enhanced lighting throughout the park to illuminate the dinosaur sculptures, improved footpaths, a children's zip wire and embankment slide, accessible children's play equipment for children with disabilities, motion and sound sensors to make dinosaur sounds, large outdoor fixed dinosaur themed jigsaw puzzles, large dinosaur footprints, improved signage including educational information on each dinosaur, refreshment facilities and CCTV.
- On 13 July 2021, Executive approved £200,000 of funding for the delivery of the strategic priority "Installation of a town wide lighting scheme, highlighting key buildings and landmarks to improve the physical appearance of the town".
- A bungalow at Park End Primary School will be converted to a multi-purpose school resource area. The total cost of £197,000 will be funded by the school but the delivery of the scheme will be managed by the Council.
- As a replacement for the Parklands Intermediate Care Centre scheme (as mentioned in paragraph 82 above) £254,000 of funds have been allocated for the conversion of a unit within the town centre bus station into a contact centre for Children's Care.

84. The following additions to schemes in the current Investment Strategy which have been recently approved by Executive are also to be included in the revised Investment Strategy, as set out at Appendix 2:

- Middlesbrough Development Company – On 1 September 2020, Executive approved borrowing of up to £24,000,000 for the construction of an apartment development on the former CSI site in the town centre and the Boho village development at Middlehaven, subject to further sign off from the Council's Section 151 Officer. The apartment development on the former CSI site is expected to cost a total of £17,000,000. The Director of Finance (Section 151 Officer) has approved a loan of £9,500,000 to Middlesbrough Development Company. In order for the scheme to progress the remaining £7,500,000 is required as match funding, £2,500,000 of which is allocated

from the Town's Fund grant, subject to sign off from the Towns Fund Board. A bid to Homes England will be submitted for the remaining £5,000,000. The Boho village development has previously been approved and funded within the Investment Strategy.

- Middlesbrough Development Company – In addition to the Council investment stated above, on 15 June 2021 Homes England provided official confirmation that the Council has been awarded a grant of £936,000 in relation to the Tollesby Shops scheme. The grant is specifically awarded for the provision of affordable housing on the site.
- Highways Infrastructure Development Section 106 – £280,000 of Section 106 contributions received from housing developers have been added to the Investment Strategy.
- On 21 April 2021 the Department for Education announced the 2021/22 allocations for School Conditions Allocations (SCA) and Devolved Formula Capital (DFC). Middlesbrough Council will receive a total of £768,813, of which £654,174 is SCA and £114,639 DFC.
- On 4 May 2021, the Ministry for Housing, Communities and Local Government (MHCLG) announced that the Department of Health and Social Care had confirmed a national allocation of £578,000,000 for Disabled Facilities Grants. Middlesbrough Council will receive £2,268,123, which is £269,000 more than had been previously assumed with the Investment Strategy, and this has therefore been added as part of this refresh.

85. There were no schemes within the current investment strategy that were reduced by over £150,000.

86. The split by Directorate is shown in the table below, which also shows the “real” projected outturn variance if all of the additional new schemes, increased schemes, reduced schemes, and transfers between directorates are excluded. Explanations for variances of +/- £150,000 across fourteen 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	2021/22	2021/22	MEMO	
	Investment Strategy Budget (as per 20/21 outturn report to £'000)	Projected Investment Strategy Outturn £'000	Projected Investment Strategy Outturn Variance £'000	New, increased & reduced Schemes / transfers £'000	Real outturn variance excluding new, increased, & reduced schemes / transfers £'000
Regeneration and Culture	55,731	46,145	(9,586)	1,341	(10,927)
Environment and Community Services	11,533	11,823	290	200	90
Public Health	756	0	(756)	0	(756)
Education & Partnerships	13,049	12,224	(825)	801	(1,626)
Children's Care	699	690	(9)	(17)	8
Adult Social Care and Health Integration	4,227	3,621	(606)	269	(875)
Legal and Governance Services	3,685	3,685	0	0	0
Finance	4,036	3,841	(195)	0	(195)
Total	93,716	82,029	(11,687)	2,594	(14,281)

Regeneration and Culture

87. Middlesbrough Development Company - The Development Company has assessed its funding requirements for construction works at the Bright Ideas and Tollesby Shops projects. As a consequence £3,500,000 of planned loans to the company have been re-profiled into 2022/23 and future years. This is on the assumption that the actual construction works for the apartments at the former CSI site will not commence within this financial year.
88. Boho X – Due to rising projected costs, after working with the preferred bidder the Council took the decision to re-tender for the project. The tender process has caused delays with respect to the commencement of construction, resulting in £2,689,000 of anticipated costs being transferred into 2022/23. The project timetable has been reviewed and whilst the start is delayed, there will be no impact on the delivery, with completion still anticipated to be December 2022.
89. Brownfield Housing Fund - £1,882,000 of planned grant expenditure has been redirected into 2022/23 and future years, this is primarily due to a change in delivery partner at one of the sites, a delay at the former Jap Euro site due to nesting birds, and the need for the housing element of works at the Bright Ideas site to be undertaken before the highways element can commence.
90. Housing Growth – A total of £961,000 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 is in negotiations with the Housing Developers to agree a single point of access to the site and to share the construction costs of the roundabout and access road. An agreement has been reached in principle but discussions are continuing regarding the share of the costs. It is anticipated that works will commence this financial year but will not conclude until 2022/23, resulting in the need to transfer £713,000 of funds.
 - Stainton Way Western Extension – On 28 June 2021 Executive deferred the decision to approve the adoption of the Stainsby Country Park and Masterplan

as it is unconvinced about the need for the spine road. £200,000 of funds were expected to be expended in 2021/22, this has been transferred into 2022/23 and is available should it be decided that the spine road is required.

91. Future High Streets Fund – On 4 June 2021, the Council received confirmation from MHCLG of the £14,170,000 Future High Street Funds grant. £8,170,000 has been confirmed as available for this financial year with the remaining £6,000,000 being provided in 2022/23, subject to the Governments spending review in autumn. In order to ensure spending does not exceed the year 1 allocation, a review has been undertaken to ascertain which schemes can progress. This has resulted in £500,000 of assumed grant expenditure being re-profiled into 2022/23. MHCLG have however indicated that there may be a national under programming of the grant in year 1, and officers are exploring with MHCLG whether grant programmed for year 2 can therefore be brought forward for delivery of schemes in 2021/22.
92. Town Centre Accommodation Strategy – Delays have been encountered due to post purchase surveys, resulting in re-profiling of £500,000 into 2022/23. The Council has started an early commission with architects and it's appointed contractor to carry out an overview of costs and the programme. A contract should be available for signature in December 2021 with building works and the internal fit out programme expected to conclude in July 2022.
93. Local Transport Plan – Due to the change in Executive, the Transport and Infrastructure Capital Programme report was not approved by the Executive Member of Regeneration until 13 July 2021. The delay in approval has resulted in a number of relatively small scale delays within the whole Local Transport Plan (LTP) programme which has resulted in the need to transfer £298,000 of planned expenditure into 2022/23.
94. City Centre Public Realm – £200,000 of funds have been re-profiled into 2022/23 as the detailed programme of works is still to be determined.
95. Replacement of Pay and Display Parking Meters – This scheme was originally linked to a pay on exit proposal at Zetland car park. However, the financial analysis concluded that the costs of the proposal outweighed the benefits. A number of parking meters still require replacing and are being prioritised. It is not envisaged that the funds will be required this financial year and have therefore been transferred into 2022/23.

Adult Social Care and Health Integration

96. Disabled Facilities Grant – The impact of Covid-19 continues to restrict capacity available within the building sector, resulting in a projected £999,000 of works being deferred until 2022/23.

Education and Partnerships

97. Schemes in Special Schools – The distribution heating pipework replacement scheme at Priory Woods is now not expected to conclude until the summer of 2022, and £165,000 of funds have been transferred into 2022/23 accordingly.

98. Contribution To New School At Middlehaven - The funds are a contribution to abnormal and remediation costs on the site, which will be required when the contract for the physical works is signed. This is now envisaged to be in the summer of 2022, and £1,700,000 has been transferred to 2022/23 accordingly.

Public Health and Public Protection

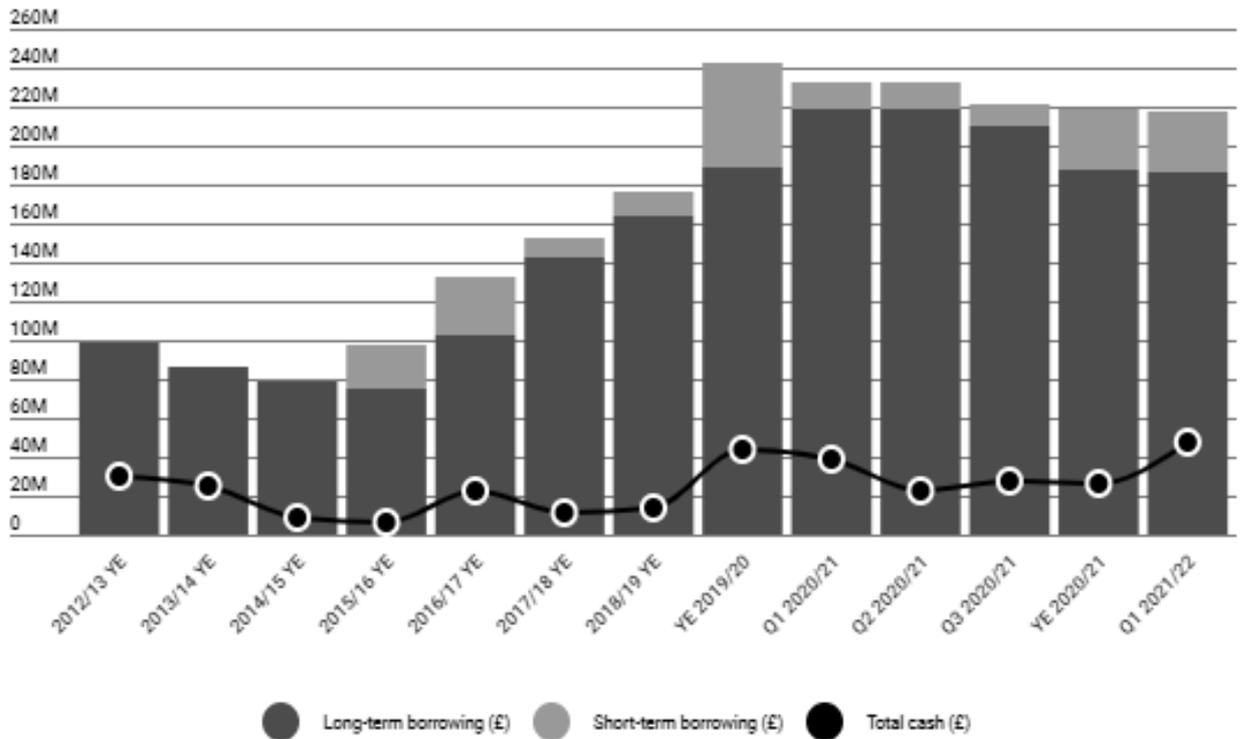
99. Health and Wellbeing Hub – As part of the wider accommodation strategy the Council has deferred the decision to expand the Live Well Centre. Should the expansion go ahead it would not do so within this financial year, resulting in £756,000 being re-profiled into 2022/23.

Finance

100. Former Partnership Investment (ICT Infrastructure Revenues & Benefits) – Due to demands placed on the service throughout Covid-19, planned activities were suspended as service priorities were re-assigned to the administration of grants. As such, capital improvements and planned expenditure of £195,000 have been deferred until 2022/23.

Borrowing and prudential indicators

101. The Council's total borrowing decreased from £218.8m at 31st March 2021 to £217.8m at 30 June 2021. This decrease of £1.0m reflects the repayment of 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 being healthy with residual Covid-19 funding being used plus other reserve balances yet to be spent during the financial year. In addition, there is always an element of cash received in advance of need for normal revenue and capital purposes in the first quarter of each year and therefore borrowing needs tend to be low.
102. The ratio of short-term to long-term borrowing has stayed broadly the same during the quarter given the lack of borrowing activity undertaken. There are £10m of short-term loans due to be repaid on 31 July 2021 plus some other loan maturities later in the year, which will eliminate most of this short-term element from the debt portfolio.



103. 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 are threshold levels that are set as part of the integrated annual budget setting process in late February. CIPFA and MHCLG view this as approach as best practice in ensuring resources are allocated prudently to capital schemes.

104. The table below gives a summary comparison of the budget against the actual position as at Quarter One 2021/22 on each of the prudential indicators adopted by the Council.

<u>Prudential Indicators - 2021/22 Quarter 1</u>		
	<u>Budget</u>	<u>Actual</u>
	<u>(£M)</u>	<u>(£M)</u>
Capital Expenditure	93.716	82.029
<u>Financing</u>		
External Sources	57.114	51.648
Own Resources	12.103	15.598
Debt	24.499	14.783
Capital Financing Requirement	255.164	255.758
External Debt	248.100	217.818
Investments	15.000	47.567
Capital Financing	9.518	9.398
Cost as a % of Revenue Budget	8.2%	8.1%

105. The total capital spend & level of financing has reduced by £11.7m 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.
106. The Council's total under borrowed position (external debt compared to the capital-financing requirement – or underlying need to borrow) is £37.9m at 30th June 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 £30m of this under borrowing will be required to ensure the Council has enough liquidity to meet its cash commitments.
107. The amount of external debt at £217.8m and the total underlying need to borrow of £255.8m are both well below the Council's authorised 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 continue to be in line with the original budget assumptions.

Reserves and Provisions

108. 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 3. The projected year-end balance assumes the use of Reserves (as detailed in paragraphs 9 and 110) 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	0	0	0	11,195
Covid Recovery Reserve	4,512	0	0	0	0	(2,521)	1,991
Earmarked Reserves	28,970	(11,463)	230	0	0	(1,232)	16,505
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	0	0	0	2,555
TOTAL	48,110	(11,463)	925	0	0	(3,753)	33,819

What decisions are being asked for?

109. That OSB notes the 2021/22 revenue budget Quarter One total projected outturn of £3.753m, representing a £1.717m (1.5%) overspend on non-Covid-19 elements, and the estimated financial effect of Covid-19 in 2021/22 of £2.036m, and the proposed actions to address this.

110. That OSB notes the proposed use of the following Reserves to fund the total projected overspend of £3.753m in 2021/22 :

- Social Care Demand Reserve (£0.5m)
- Children's Services Demand Reserve (£0.732m)
- Covid Recovery Reserve (£2.521m)

111. That OSB notes the proposed revenue budget virements over £150,000 (Appendix 1).

112. That OSB notes the 2021/22 capital budget Quarter One predicted outturn of £82.029m against a budget of £93.716m, and the proposed revised Investment Strategy to 2023/24 at Appendix 2.

Why is this being recommended?

113. 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

114. Not applicable.

Impact(s) of recommended decision(s)

Legal

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

Financial

116. The Council's revenue outturn position for 2021/22 for non-Covid-19 elements is projected to be an overspend of £1.717m (1.5%). This, when added to the estimated Covid-19 pressures of £2.036m, detailed in paragraphs 45 to 73 results in a total projected outturn pressure at year end 2021/22 of £3.753m. 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 £2.521m 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.

117. The predicted 2021/22 capital budget outturn at Quarter One is £82.029m, and as approved by Executive on 7 September 2021 this will become the revised Investment Strategy budget.

Policy framework

118. 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

119. 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

120. In line with the Council's Risk Management Policy, the corporate Strategic Risk Register will be reported to OSB as part of the Strategic Plan 2021-24 – Progress at Quarter One 2021/22 report.

Actions to be taken to implement the decision(s)

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

122. The actions outlined within the body of the report in relation to overspending within Children's Services will continue to be implemented.

123. The virements detailed in Appendix 1 have been actioned in the Council's accounts following approval by Executive on 7 September 2021.

124. The revised Investment Strategy, as approved by Executive on 7 September 2021 and included at Appendix 2 has been adopted.

Appendices

1. Revenue budget virements over £150,000 at Quarter One 2021/22
2. Revised Investment Strategy to 2023/24
3. Detail of projected reserves and provisions as at Quarter One 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

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Appendix 1 : Virements over £150,000 at Quarter One 2021/22

<i>Proposed Virement Request</i>	Regeneration & Culture	Environment & Community Services	Public Health	Education & Partnerships	Children's Care	Adult Social Care and Health Integration	Legal & Governance Services	Finance	Central Budgets
	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s	£000s
<i>Permanent</i>									
Digital - RPA (admin) Cross Cutting Saving split across Directorates (£717,000 total saving)	(29)	(154)	0	(25)	(251)	(144)	616	(13)	
Digital - Agile (Mileage) Cross Cutting Saving split across Directorates (£210,000 total saving)	(3)	(21)	0	(25)	(104)	(48)	206	(5)	
Mileage Rate Reduction Saving split across Directorates (£180,000 total saving)	(3)	(18)	0	(21)	(89)	(41)	177	(5)	
Due to managerial changes, transfer of Public Protection from Public Health to Adult Social Care			(569)			569			
Due to managerial changes, transfer of a number of Prevention services from Education & Partnerships to Children's Care				(2,016)	2,016				
Following a review, transfer back to Education & Partnerships from Children's Care of some Prevention services				188	(188)				
Transfer of Teesside Advanced Manufacturing Park (TAMP) budgets from Regeneration & Culture to Commercial Rents budget within Finance	406							(406)	
<i>Total Virement</i>	371	(193)	(569)	(1,899)	1,384	336	999	(429)	0
								Total:	(0)

Appendix 2: Revised Investment Strategy to 2023/24

	Total Funding Required					Council Funding	External Funding
	2020/21	2021/22	2022/23	2023/24	TOTAL		
Regeneration and Culture	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Town Centre Related Projects	592	1,872	836	204	3,504	2,625	879
Middlehaven Related Projects	139	65	500	-	704	704	-
Housing Growth	91	1,524	2,144	-	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	-	3,525	17,875	500	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	-
Town Centre Accommodation Strategy	1,863	2,075	500	-	4,438	4,438	-
Middlesbrough Development Company	865	9,369	13,936	-	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	-	1,994	-	-	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	1,561	298	-	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	-	250	-	-	250	250	-
					-		
Total Regeneration and Culture	24,960	46,145	67,407	1,904	140,416	50,025	90,391

	Total Funding Required					Council Funding	External Funding
	2020/21	2021/22	2022/23	2023/24	TOTAL		
Children's Care	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Edge Of Care Project (Hub)	347	35	-	-	382	382	-
Edge Of Care Project (Spencerfield 117-120)	18	-	-	-	18	18	-
Edge Of Care Project (3 Broadwell)	10	-	-	-	10	10	-
Rosecroft Renovations	35	150	20	-	205	205	-
34 Marton Avenue, Fir Tree - Garage Conversion	1	249	25	-	275	275	-
Contact Centre - Bus Station Unit 1	3	234	17	-	254	254	-
Bathroom Refurbishment	-	22	-	-	22	22	-
Total Children's Care	414	690	62	-	1,166	1,166	-
	Total Funding Required					Council Funding	External Funding
	2020/21	2021/22	2022/23	2023/24	TOTAL		
Adult Social Care and Health Integration	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Chronically Sick & Disabled Persons Act - All Schemes	533	832	610	610	2,585	2,513	72
Disabled Facilities Grant - All Schemes	2,285	2,419	999	-	5,703	816	4,887
Capitalisation of Staying Put Salaries	50	50	50	50	200	200	-
Home Loans Partnership (Formerly 5 Lamps)	29	54	-	-	83	-	83
Small Schemes	15	128	-	-	143	-	143
Connect / Telecare IP Digital Switchover	100	138	-	-	238	238	-
Total Adult Social Care and Health Integration	3,012	3,621	1,659	660	8,952	3,767	5,185
	Total Funding Required					Council Funding	External Funding
	2020/21	2021/22	2022/23	2023/24	TOTAL		
Legal & Governance Services	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Desktop Strategy / Device Refresh	307	153	-	-	460	460	-
Enterprise Agreements	353	353	-	-	706	706	-
Customer Relationship Management	19	96	-	-	115	115	-
IT Refresh - Network Refresh	4	159	-	-	163	163	-
IT Refresh - Lights On	241	60	-	-	301	301	-
IT Refresh - LCS Development Capture	7	18	-	-	25	25	-
IT Refresh - Business Intelligence	-	3	-	-	3	3	-
ICT Essential Refresh & Licensing	233	2,447	2,185	2,185	7,050	7,050	-
ICT Innovation Budget	326	160	-	-	486	468	18
GIS Replacement	38	129	-	-	167	167	-
Civic Centre Device Refresh	8	-	-	-	8	8	-
Prevention & Partnership Tablets	-	70	-	-	70	70	-
HR Pay	-	37	-	-	37	37	-
Dashboards	60	-	-	-	60	60	-
Total Legal & Governance Services	1,596	3,685	2,185	2,185	9,651	9,633	18

	Total Funding Required					Council Funding	External Funding
	2020/21	2021/22	2022/23	2023/24	TOTAL		
Finance	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Former Partnership Investment (ICT Infrastructure Revenues & Benefits)	37	202	195	-	434	434	-
Business World Upgrade	30	35	-	-	65	65	-
Derisking Sites	412	104	1,042	900	2,458	2,458	-
Capitalisation of Property Finance Lease Arrangements	-	3,500	500	500	4,500	4,500	-
					-		
Total Finance	479	3,841	1,737	1,400	7,457	7,457	-
	Total Funding Required					Council Funding	External Funding
	2020/21	2021/22	2022/23	2023/24	TOTAL		
ALL DIRECTORATES	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Total ALL DIRECTORATES	42,078	82,029	81,532	10,547	216,186	94,167	122,019
	Total Funding					Council Funding	External Funding
	2020/21	2021/22	2022/23	2023/24	TOTAL		
FUNDED BY:	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Borrowing	18,228	11,283	26,852	1,573	57,936	57,936	-
Finance Leases	-	3,500	500	500	4,500	4,500	-
Capital Receipts	6,374	15,077	2,749	6,895	31,095	31,095	-
Grants	16,418	46,577	47,758	1,179	111,932	-	111,932
Contributions	1,052	5,071	3,564	400	10,087	-	10,087
Revenue Resources	6	521	109	-	636	636	-
Funding from Reserves	-	-	-	-	-	-	-
Total FUNDING	42,078	82,029	81,532	10,547	216,186	94,167	122,019

Appendix 3: Detail of projected reserves and provisions as at Quarter One 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				11,195
Covid Recovery Reserve	4,512					(2,521)	1,991
Earmarked for specific purposes							
Public Health Reserves	438						438
Adult Social Care Covid Recovery Reserve	1,598	(233)					1,365
Ofsted Support Reserve	188						188
Children's Services Improvement Reserve	175						175
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	(675)	230				(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						12,140
Earmarked Reserves	28,970	(11,463)	230	0	0	(1,232)	16,505
Earmarked Reserve - Dedicated Schools Grant (DSG) Reserve	(3,291)						(3,291)
School balances	4,864						4,864
Provisions	2,555					0	2,555
TOTAL	48,110	(11,463)	925	0	0	(3,753)	33,819

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MIDDLESBROUGH COUNCIL	
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Report of:	Chief Executive: Tony Parkinson The Mayor and Lead Member for Children’s Social Care, Adult Social Care and Public Health: Andy Preston
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Submitted to:	Overview & Scrutiny Board - 20 October 2021
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Subject:	Corporate Performance Update: Quarter One 2021/22
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Summary

Proposed decision(s)

- That OSB notes the proposed amendments to Executive actions outlined at Appendix 1.
- That OSB notes progress in implementing the Strategic Plan 2021-24 at Quarter One 2021/22 and the revised deadlines for the action at paragraph 23.
- That in light of the position outlined in the report, OSB notes the Council’s updated Strategic Risk Register at Appendix 2.
- That OSB notes progress in implementing 2021/22 Directorate priorities, which are set out at Appendix 3.

Report for:	Key decision:	Confidential:	Is the report urgent?
Noting	No	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 and associated activity is delivered effectively.		

Ward(s) affected

None.

What is the purpose of this report?

1. This report advises OSB of corporate performance at the end of Quarter One 2021/22.

Why does this report require a member decision?

2. The Council's Scheme of Delegation gives OSB collective responsibility for the overview and scrutiny of corporate strategic performance.
3. This report provides the necessary information to enable OSB to discharge its performance monitoring responsibilities, setting out progress against Executive action, the Strategic Plan and other key associated items, together with actions to be taken to address any issued identified.
4. The projected 2021/22 financial outturns for Quarter One are presented separately to this meeting of OSB, and so not repeated here. Where performance has had a significant impact on finances this is highlighted in both reports.

Report Background

5. As part of continuous improvement in performance and risk management, the Council's Leadership Management Team (LMT) has implemented monthly reviews of corporate performance utilising a Directorate Performance dashboard drawing data from a range of performance systems.
6. The output from these sessions will henceforth be reflected in quarterly updates to the Executive and Overview and Scrutiny Board, broadening where appropriate the content of these reports from the past focus on the Strategic Plan and Strategic Risk Register (SRR) and covering in addition progress in delivering actions agreed by the Executive, key Directorate performance issues and other performance-related matters.

Overall progress at Quarter One 2021/22

7. The Council's performance overall at the end of Quarter One was positive, with expected performance standards (as set out in the Council's risk appetite) being achieved in the majority of areas. Further work is required in respect of plans to achieve some Strategic Plan outcome targets, and a review of risk registers in line with the Council's new strategic priorities will be completed in Quarter Two.

Progress in delivering Executive actions

8. Actions agreed by the Executive to deliver approved decisions are tracked, monitored and reported on corporately. If, subsequent to the Executive's approval, any action is found to be no longer feasible or appropriate, or cannot be delivered within the approved timescales, this report will be used to advise the Executive of this and seek approval of alternative actions or amended timescales.
9. At Quarter One 58 of 59 live actions (98%) were on target to be delivered by the agreed timescales (exceeding the 90% standard of achievement of actions), with one proposed amendment for Executive approval set out at Appendix 1.

10. The amendment relates to the provision of more local detox beds and was part of the Health Scrutiny Panel Action Plan ‘Opioid Dependency: What Happens Next?’. As it has not been possible to purchase the proposed site for beds within Middlesbrough, the Council is now exploring a partnership approach with nine other local authorities in the region. This may result in the development of a regional facility or the purchase of beds at an existing facility. This decision will be made by March 2022 to allow the dedicated funding to be committed by end June 2022.

Progress in delivering the Strategic Plan 2021-24

11. On 24 February 2021, full Council approved a Strategic Plan for 2021-24, setting out nine strategic priorities for this period. At its meeting of 11 May 2021, the Executive agreed an associated set of outcome measures linked to these priorities and a supporting workplan to deliver sustained improvement up to and beyond 2024.

Outcomes

12. At the end of Quarter One, 15 of 24 (62.5%) of Strategic Plan outcomes were on target against the corporate standard of 75%, as set out below.

Outcomes	Q1 21/22	Q4 20/21	Expected standard	Standard achieved	Trend
Number (%) GREEN	15/24 (62.5%)	N/A	75%	No	N/A
Number (%) AMBER	3/24 (12.5%)	N/A	N/A	N/A	N/A
Number (%) RED	6/24 (25%)	N/A	N/A	N/A	N/A

13. It should however be noted that performance is likely to be subject to significant variation initially as more trend data becomes available. Current short-term trend performance is set out below.

Trend	Improving	Static	Worsening	No trend data
Of GREEN	5/15 (33%)	1/5 (7%)	0%	9/15 (60%)
Of AMBER	0%	1/3 (33%)	0%	2/3 (67%)
Of RED	1/6 (17%)	0%	3/6 (50%)	2/6 (33%)

14. At the end of Quarter One, there were three ‘Red Red’ outcomes i.e. those not currently projected to meet target and with performance worsening. Further information on these outcomes are set out in the following paragraphs.

Crime and anti-social behaviour

15. The combined crime and anti-social behaviour rate per 1,000 people increased very significantly in Quarter One to 55.07, up from the Quarter Four 2020/21 baseline of 44.1, taking performance well away from the 2024 target of 43.6. The crime rate in June 2021 was the town’s second highest in the past five years, driven by acquisitive crime in Central ward as retail reopened following the relaxation of COVID-19 restrictions. At the same time, the quarterly anti-social behaviour rate was the lowest for four years. Analysis of these changes and resulting mitigating actions will be considered with partners during Quarter Two.

Town centre vacancies

16. The current estimated vacancy rate is 17.8%, some way from the 2024 target of 13.25%. There were 12 closures of major high street brands / retailers in the town centre in the year to July 2021, with more anticipated in future months. A new vacancy survey is scheduled for September 2021.
17. Such closures reflect the national trend. Vacancies are unlikely to be filled by new retail activity, and further retail space is likely to be vacated once the impact of removing Government support measures such as furlough impacts upon struggling businesses. A more fundamental change is required to achieve greater occupancy in the town centre, such as the conversion of space for leisure, office and housing, and an evolution of the wider role of the centre of town.
18. This diversification is one of the core elements of the £14.1m Future High Streets Fund programme and targeted investment in Captain Cook Square, as the Council seeks to intervene to stimulate the necessary changes. However, such changes will not be achievable quickly, and as such performance on this indicator may decline further before these changes start to impact positively on occupancy.

Household waste recycling

19. The household recycling rate dropped to 28.6% at the end 2020/21 from 33.1% in 2019/20 (and 33.7% in 2018/19), some way from the 2024 target of 35%.
20. Performance during 2020/21 was affected by COVID-19, both in terms of increased homeworking (resulting in some poor household recycling practice) and suspensions of green waste collection, reflecting the national trend. However it must be noted that recycling in the town has never exceeded 2018/19 performance, and new approaches will need to be adopted if the town is to achieve its 35%+ target. These approaches will involve local education and enforcement and are likely to involve national changes to recycling in the coming years, with a high likelihood that households will be required to separate recyclables for collection.

Workplan

21. Current workplan activity in respect of the outcomes set out above will be reviewed and assessed to consider whether it is sufficient to recover performance to agreed target. If not, additional activity will be brought forward for approval within future quarterly updates to the Executive.
22. At the end of Quarter One, performance against Strategic Plan workplan was as set out below, meeting the corporate target of 90%.

Workplan	Q1 21/22	Q4 20/21	Expected standard	Standard achieved	Trend
GREEN / COMPLETED	91% / 4.5%	N/A	90%	Yes	N/A
AMBER	0%	N/A	N/A	N/A	N/A
RED	4.5%	N/A	N/A	N/A	N/A

23. As agreed by the Executive at its June 2021 meeting, COVID-19 recovery initiatives have now been subsumed within the workplan where appropriate. Two of these

initiatives were off target at the end of Quarter One, as set out below. The Executive is asked to approve revised deadlines where specified.

Action	Owner	Agreed Due Date	Reason for (R) / Impact (I) of delay	Proposed Revised Due Date
Increase the uptake of flu vaccinations across Middlesbrough from 43.3% to 55%.	Public Health	30/03/21	(R) Complete but only 52.4% achieved. (I) Limited as low flu incidence in 2020/21 due to social distancing.	N/A
Maintain sufficient domiciliary care capacity to meet local demand.	Adult Social Care	30/06/21	(R) Evolving pressure of mandatory vaccinations.	31/03/22

Strategic Risk Register

24. Issues raised within this report which impact on the risk profile of the Council are reflected within the Council's Strategic Risk Register (SRR), which was reviewed in the quarter in line with the Council's policy and is set out at Appendix 2. In summary:
- the total number of risks on the SRR remained at 35, comprising 20 high risks, 14 medium and one low risk, with no risks added or closed off during the quarter;
 - one risk increased in severity, this being retail market distress impacting on the town centre, as set out at paragraphs 16-18;
 - one risk reduced in severity, this being the risk of UK / EU Trade and Security Deal adversely affecting Council operations, as result of the European Commission adopting two data adequacy decisions for the UK on 28 June 2021, meaning that data can now flow freely from the EU to the UK; and
 - performance in delivering mitigating actions associated with high or medium risks on the SRR was above the expected performance standard of 90%.
25. Strategic risks are currently subject to a fundamental review to reflect revisions to the Council's strategic priorities outlined in the Strategic Plan 2021-24. The outcome of this review will be reflected in the Quarter Two update report, which will see new risks added to the SRR to address internal audit findings on CCTV, delivery of the Urban Farm at Middlehaven and local uptake of COVID-19 vaccinations.

Progress in delivering Directorate Priorities for 2021/22 and risk mitigations

26. Directorates are accountable for a number of Directorate-specific actions each year to ensure ongoing compliance with legal duties and best practice and that business change is well managed. Directorate Priorities for 2021/22 are set out at Appendix 3.
27. At the end of Quarter One, with 100% of Directorate priorities were rated either Green or Amber (i.e. some milestone slippage but still expected to be delivered in-year), in line with the expected standard of 90%. Performance in delivering mitigating actions associated with high or medium risks on Directorate risk registers was above the expected performance standard of 90%.

Progress in delivering Programmes and Projects

28. The Council maintains a portfolio of programmes and projects in support of achievement of the Council's strategic and directorate priorities. At the end of Quarter One, 20 of 27 programmes were rated Green and the remaining seven Amber, together meeting the expected standard of 90%. While some projects require updated milestones due to the impact of COVID-19, no significant issues were escalated at the end of Quarter One.

Progress in other corporate performance matters

29. In addition to the above performance and risk issues, LMT reviews a range of other performance measures on a monthly basis, including compliance with agreed actions from internal audits, responsiveness to statutory information requests, information security incidents and complaints.
30. At Quarter One the key points of note were:
- Performance in responding to Subject Access Requests (requests by individuals for data that the Council holds about them) has improved significantly, with all requests received during the quarter responded to within statutory timescales. The mitigation plan put in place to clear the backlog of overdue requests (mainly within Children's Services) is working and is expected to be successful over time.
 - Performance in responding to other major statutory information requests (under the Freedom of Information Act 2000 and the Environmental Information Regulations 2004) is recovering post-COVID but further mitigation will be required to improve the handling and timeliness of responses longer-term, and LMT will consider a business case for investment in Quarter Two.
 - Complaints have now been moved under the remit of Corporate Affairs and Audit Committee and this committee will receive an annual report before the end of the financial year.

What decisions are being asked for?

31. That OSB notes the proposed amendments to Executive actions outlined at Appendix 1.
32. That OSB notes progress in implementing the Strategic Plan 2021-24 at Quarter One 2021/22 and approves the revised deadlines for the action at paragraph 23.
33. That in light of the position outlined in the report, OSB notes the Council's updated Strategic Risk Register at Appendix 2.
34. That OSB notes progress in implementing 2021/22 Directorate priorities, which are set out at Appendix 3.

Why is this being recommended?

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

Other potential decisions and why these have not been recommended

36. Not applicable.

Impact(s) of recommended decision(s)

Legal

37. Not applicable.

Financial

38. Any financial implications relating to issues set out in this report, are summarised in the Revenue and Capital Budget – Projected Outturn Position at Quarter One 2020/21 report considered by OSB at this meeting.

Policy framework

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

Equality and diversity

40. As reported to Council in February 2021, no negative differential impact on diverse groups and communities is anticipated from the direction of travel set out in the Strategic Plan 2021-24.

Risk

41. Risk implications are set out in the main body of the report.

Actions to be taken to implement the decision(s)

42. Mitigating activity set out in the main body of the report will continue to be applied by Directorates as stated and monitored by LMT as part of monthly Performance Dashboard reviews.

Appendices

- 1 Amendments to Executive actions at Quarter One 2021/22
- 2 Summary Strategic Risk Register at Quarter One 2021/22
- 3 Directorate priorities 2021/22 and progress at Quarter One 2021/22

Background papers

- | | | |
|----------|-----------|---|
| 24/02/21 | Council | Strategic Plan 2021-24 |
| 11/05/21 | Executive | Strategic Plan 2021-24: approach to delivery |
| 15/06/21 | Executive | Strategic Plan 2020-23 – Progress at Year End 2020/21 |

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Appendix 1: Amendments to Executive actions at Quarter One 2021/22

Executive of	Report	Action	Owner	Agreed Due Date	Proposed Revised Due Date
27/05/21	Health Scrutiny Panel, Opioid Dependency: What Happens Next? – Action Plan	Alternative detox provision is being explored regionally and dedicated funding secured from PHE to enhance detox capacity in 2021/22. Regional pilot to be carried out in 21/22 to inform future approach.	Public Health	30/06/21	31/03/22

Appendix 2: Summary Strategic Risk Register at Quarter One 2021/22

The table below sets out high and medium risks to the achievement of the Council's strategic priorities at Quarter One 2021/22 in order of severity, with impacts ranging from insignificant to extreme, and likelihood ranging from rare to almost certain to happen.

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

Risk Level	Risk	Likelihood	Impact	Trend
High	Failure to control expenditure within Children's Services (MFTP pressure).	Likely	Extreme	→
High	Retail market distress impacting Middlesbrough town centre.	Almost Certain	Major	↑
High	Failure to achieve full reimbursement from Government for costs incurred in responding to COVID-19 to date and risks of further costs being incurred as a result of local outbreaks (MFTP pressure).	Possible	Extreme	→
High	Insufficient funding to meet increased expenditure that might be incurred from increased demand as a result of COVID-19 (MFTP pressure).	Possible	Extreme	→
High	Breach of data rights due to untimely response to information requests.	Likely	Major	→
High	Inadequate safeguarding practices lead to children and young people being at risk.	Likely	Major	→
High	Insufficient year 7 school places available to meet demand over the next 5 years	Possible	Major	→
High	Failure of Boho X to deliver anticipated benefits and financial returns.	Possible	Major	→
High	High residential voids/ low sale values within Middlesbrough.	Possible	Major	→
High	Historical investigations requiring changes to social work practice.	Possible	Major	→
High	Inaccurate MFTP resulting in funding gap requiring further savings.	Possible	Major	→
High	Children impacted by social care transformation.	Possible	Major	→
High	New historic child abuse claims.	Possible	Major	→
High	Failure to maintain adequate corporate governance.	Possible	Major	→
High	Failure to align operations and culture within strategic objectives.	Possible	Major	→
High	Decline in new housebuilding impact on Council income.	Possible	Major	→
High	External factors (e.g. Brexit, COVID-19) impacting Middlesbrough's economy.	Possible	Major	→

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

Appendix 3: Directorate priorities for 2021/22

Environment and Community Services

Priority	Due Date	RAG at Q1
Submit Expression of Interest and then subsequent funding bid for A66 improvements in conjunction with the TVCA and neighbouring authorities.	31/10/21	Green
Complete works in respect of Column 22b.	31/10/21	Amber
Update 'Flooding and Severe Weather Plan' (Flood Action Plan) for Middlesbrough.	31/03/22	Amber
Undertake immediate works to allow Transporter Bridge mitigation measures to be removed.	30/11/21	Amber
Implement Hostile Vehicle Mitigation scheme in Centre Square and at MFC.	16/07/21	Amber
Undertake inspection of all bridges and structures and joint procurement with RCBC.	31/03/22	Amber
Complete five-year highways asset investment plan and report to Executive.	31/03/22	Green
Undertake year-one HIAP investment.	31/03/22	Green
Embed our Values within the Directorate and make staff feel more valued.	31/03/22	Green
Improve staff communication within the Directorate so that staff feel more engaged and understand organisational priorities.	31/03/22	Green
Deliver all budgeted savings initiatives and maintain spend within the limits provided for in our Medium-Term Financial Plan.	31/03/22	Green
Launch staff volunteering scheme allowing employees to support local voluntary groups during working hours.	30/09/21	Green

Regeneration and Culture

Priority	Due Date	RAG at Q1
Develop site infrastructure at Middlehaven through the Brownfield Housing Fund.	31/03/22	Green
Work with Thirteen Group to deliver development at Gresham.	31/12/21	Green
Improve Middlesbrough Rail Station and the areas around it.	28/02/22	Green
Deliver transport schemes to improve efficiency and capacity of the network.	31/03/22	Green
Market the premium housing sites at Nunthorpe Grange and Newham Hall.	31/03/22	Green

Priority	Due Date	RAG at Q1
Deliver 450 new homes across Middlesbrough.	31/03/22	Green
Prepare a new balanced Local Plan for adoption, based on greater community engagement.	31/03/22	Green
Deliver new location for Teesside Archives.	31/12/21	Green
Deliver Future High Streets Fund programme.	31/07/21	Green
Deliver Town's Fund programme.	31/08/21	Green
Embed our Values within the Directorate and make staff feel more valued.	31/03/22	Green
Improve staff communication within the Directorate so that staff feel more engaged and understand organisational priorities.	31/03/22	Green
Deliver all budgeted savings initiatives and maintain spend within the limits provided for in our Medium-Term Financial Plan.	31/03/22	Green

Finance

Priority	Due Date	RAG at Q1
Set a balanced budget for the Council and maintain an accurate and timely Medium Term Financial Plan (MTFP).	31/03/22	Amber
Monitor the financial position of the Council including close working with Directorates ensuring correct allocation/maximising use of grants received, e.g. Covid, and the monitoring of the Investment Strategy and the effects on the Council's MTFP.	31/03/22	Amber
Analyse impacts of Fair Funding Review / Comprehensive Spending review and the provision of information to support the Council's position and representations to Government.	31/03/22	Amber
To support Children's Services in the improvement journey and in making reductions in costs.	31/03/22	Amber
Improved working and integration between services provided by Financial Planning & Support and Financial Governance & Revenue to maximise available resources and improve the overall service provided.	31/03/22	Amber
Achieve an unqualified set of accounts for the 2020/21 financial year.	31/03/22	Amber
Implement the new accounting regulations in relation to leasing.	31/03/22	Green
Implement the insurance service review and tender insurance contract arrangements to commence from 1st April 2022.	31/03/22	Amber
Corporate Welfare Solution.	31/03/22	Green
Corporate Voicescape Solution.	31/03/22	Green
Improving collection activities.	31/03/22	Green

Priority	Due Date	RAG at Q1
Re-procure pensions administration contract.	31/03/22	Amber
Pension Fund Actuary procurement and on-boarding.	31/12/21	Amber
Preparation for 31/03/2022 Pension Fund triennial valuation.	31/03/22	Green
Review procurement policy and practice in preparation for the outcome of the procurement green paper, including the opportunity for transformation and innovation.	31/10/21	Amber
Lead on the green strategy theme for sustainable procurement.	31/10/21	Green
Support COVID recovery ensuring that markets remain sustainable and continue to meet the needs of our vulnerable population.	31/03/22	Amber
Undertake a review of valuation and estates to ensure that both the development function and commercial management of assets are resourced and have clear strategic plans	31/03/22	Amber
Support the children's improvement journey through the improved relationship with local providers to ensure local provision maps to local need.	31/03/22	Amber
Renegotiate the section 75 arrangement with health to ensure services delivered are funded and fully accountable.	31/10/21	Amber
Roll out training in a number of areas of financial governance, including: Business World e-learning modules, treasury management training for Members, counter-fraud awareness and training for staff and VAT training for DMT's & SMT's on relevant topics.	28/02/22	Amber
Embed our Values within the Directorate and make staff feel more valued.	31/03/22	Green
Improve staff communication within the Directorate so that staff feel more engaged and understand organisational priorities.	31/03/22	Green
Deliver all budgeted savings initiatives and maintain spend within the limits provided for in our Medium-Term Financial Plan.	31/03/22	Green

Adult Social Care and Health Integration

Priority	Due Date	RAG at Q1
Complete review of the Occupational Therapy service and implement an improved service model to ensure that provision is in line with demand.	30/09/21	Amber
Embed Making Every Adult Matter (MEAM) guidance to ensure improved support to adults with multiple disadvantages.	30/11/21	Amber
Implement the requirements of the Domestic Abuse Act.	31/08/21	Amber
Prepare for 01/04/22 implementation of the Liberty Protection Safeguards (LPS).	31/03/22	Amber
Review ASC senior management structure and implement changes as required.	31/07/21	Amber
Review of Direct Payments system to ensure consistency and equitability.	31/03/22	Amber

Priority	Due Date	RAG at Q1
Review autism provision and implement improved service model.	31/03/22	Amber
Review LevickHouse provision.	28/02/22	Amber
Deliver 2021/22 Better Care Fund.	31/03/22	Amber
Develop Clean Air Strategy.	31/12/21	Amber
Review of Gambling Act Policy.	31/01/22	Green
Review Licensing Act Statement of Licensing Policies.	31/03/22	Green
Implement Newport 2 Selective Landlord Licensing scheme.	31/01/22	Green
Embed our values within Directorate and make staff feel more valued.	31/03/22	Green
Improve staff communication within the Directorate so that staff feel more engaged and understand organisational priorities.	31/03/22	Green
Deliver all budgeted savings initiatives and maintain spend within the limits provided for in our Medium Term Financial Plan.	31/03/22	Green
Ensure equality improvement actions are based on data that is complete and accurate as possible.	31/03/22	Green

Public Health

Priority	Due Date	RAG at Q1
Complete review of the Pharmaceutical Needs Assessment.	31/03/22	Green
Publish DPH Annual Report.	31/12/21	Green
Complete health protection assurance report.	31/03/22	Green
Completion of sexual health procurement.	30/09/21	Green
Embed our Values within the Directorate and make staff feel more valued.	31/03/22	Green
Improve staff communication within the Directorate so that staff feel more engaged and understand organisational priorities.	31/03/22	Green
Deliver all budgeted savings initiatives and maintain spend within the limits provided for in our Medium-Term Financial Plan.	31/03/22	Green

Children's Care

Priority	Due Date	RAG at Q1
Deliver the Participation Strategy to support our service users to develop the services they receive in partnership with the Children and Young People's partnership	31/03/22	Amber
Deliver the Quality Assurance and Performance Strategy	31/03/22	Amber
Develop and deliver a workforce strategy to support a stable, skilled and focussed leadership at all levels and stable permanent skilled frontline workforce.	31/03/22	Amber
Deliver the Multi-agency Early Help and Prevention Strategy to support a commitment to intervening at the earliest stage possible.	31/03/22	Amber
Strengthen the way the Children and Young People partnership work together and challenge the quality of practice through the delivery of the Safeguarding Partnership plan	31/03/22	Amber
Embed our Values within the Directorate and make staff feel more valued.	31/03/22	Green
Improve staff communication within the Directorate so that staff feel more engaged and understand organisational priorities.	31/03/22	Green
Deliver all budgeted savings initiatives and maintain spend within the limits provided for in our Medium-Term Financial Plan.	31/03/22	Green

Education and Partnerships

Priority	Due Date	RAG at Q1
Deliver the Inclusion and Specialist Support Strategic Plan to remove barriers to learning and wellbeing for children and young people and reduce exclusions and out-of-area educational placements.	30/11/21	Green
Deliver the Access to Education strategy, to ensure sufficient appropriate, high-quality places are available for children and young people now and in the future.	31/03/22	Amber
Facilitate the delivery of the local area SEND plan for the Partnership to improve outcomes for children and young people with SEND.	31/03/22	Amber
Deliver the Middlesbrough Community Learning Strategy to deliver more learning opportunities in Middlesbrough	31/03/22	Green
Deliver the Achievement Plan to deliver school improvement and improve educational outcomes in Middlesbrough	31/12/21	Green
Embed our Values within the Directorate and make staff feel more valued.	31/03/22	Green
Improve staff communication within the Directorate so that staff feel more engaged and understand organisational priorities.	31/03/22	Green
Deliver all budgeted savings initiatives and maintain spend within the limits provided for in our Medium-Term Financial Plan.	31/03/22	Green

Legal and Governance Services

Priority	Due Date	RAG at Q1
Ensure continued implementation of the ICT Strategy to underpin the delivery of all strategic objectives.	31/03/22	Amber
To ensure the continued provision of legal advice and support to the wider authority to contribute to the implementation and delivery of the strategic objectives.	31/07/21	Green
Conduct Local planning Referendums	31/03/22	Green
Conduct Community Governance review parish and community councils.	31/03/22	Green
Conduct Combined Elections PCC and TCVA.	31/05/2021	Complete
Build capability and embed the Values to support the achievement of the Council's Strategic Aims through recruitment, recognition, performance management and employee engagement.	30/11/21	Green
Launch and embed the revised corporate Information Governance Framework, completing outstanding actions from the ICO Data Protection Audit.	30/09/21	Green
Develop and implement an overarching surveillance policy for the Council, communicating the approach to members, employees and customers.	31/07/21	Green
Update the business intelligence dashboard plan to reflect revisions to performance management arrangements and roll-out learning from work within Children's Services	31/10/21	Amber
Continue the implementation of corporate health and safety policy, procedures and applications to ensure that the Council has a fully auditable system in place.	31/12/21	Amber
Manage projects and initiatives relating to outstanding digital targets within the MTFP.	31/03/22	Green
Embed our Values within the Directorate and make staff feel more valued.	31/03/22	Green
Improve staff communication within the Directorate so that staff feel more engaged and understand organisational priorities.	31/03/22	Green
Deliver all budgeted savings initiatives and maintain spend within the limits provided for in our Medium-Term Financial Plan.	31/03/22	Green
Continue proactive promotion of vacancies within communities that are under-represented in the Council's workforce.	31/03/22	Green
Explore means of comparing the diversity of applicants with the diversity of subsequently successful candidates.	31/03/22	Green
Deliver a programme of training to all elected members, senior managers and recruiting managers on the history of diverse communities in the UK, issues of bias how they manifest themselves in society.	31/03/22	Green
Encourage all staff to update their equality information.	31/03/22	Green
Ensure staff equality monitoring includes all protected characteristics.	31/03/22	Green

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