

EXECUTIVE

Date: Tuesday 14th June, 2022
Time: 10.00 am
Venue: Mandela Room

AGENDA

1. Apologies for Absence
2. Declarations of Interest

THE MAYOR

3. Corporate Performance Update: 2021/22 Year End Results 3 - 26

DEPUTY MAYOR AND EXECUTIVE MEMBER FOR CHILDREN'S SERVICES

4. Children's Services Improvement Programme: Update Report 27 - 34

EXECUTIVE MEMBER FOR FINANCE AND GOVERNANCE

5. Revenue and Capital Budget - Year-End Outturn Position 35 - 78
2021/22

EXECUTIVE MEMBER FOR REGENERATION

6. Developing a New Community Centre at Southlands 79 - 112

OVERVIEW AND SCRUTINY BOARD

7. Final Report of the Economic Development, Environment and Infrastructure Scrutiny Panel - Green Strategy - Service Response 113 - 140
8. Any other urgent items which in the opinion of the Chair, may be considered.

Charlotte Benjamin
Director of Legal and Governance Services

Town Hall
Middlesbrough
Monday 6 June 2022

MEMBERSHIP

Mayor A Preston (Chair) and Councillors B Cooper, D Coupe, TA Grainge, S Hill, L Mason, E Polano, M Smiles and S Walker

Assistance in accessing information

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

MIDDLESBROUGH COUNCIL	
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Report of:	The Mayor Chief Executive
Submitted to:	Executive
Date:	14 June 2022
Title:	Corporate Performance Update: 2021/22 Year End Results
Report for:	Decision
Status:	Public
Strategic priority:	All
Key decision:	No
Why:	Not applicable
Urgent:	No
Why:	

Executive summary	
<p>This report advises the Executive of progress against corporate performance at Year-End 2021/22, providing the necessary information to enable the Executive to discharge its performance management responsibilities and where appropriate, seeks approval of any changes (where these lie within the authority of the Executive).</p> <p>This report also asks that the Executive:</p> <ul style="list-style-type: none"> • approves the proposed amendments to Executive actions outlined at Appendix 1 • notes achievement in implementation of the Strategic Plan 2021-24 at 2021/22 Year-End, detailed in Appendix 2 • notes the Council's updated position in relation to Strategic Risk • notes 2021/22 Year-End achievement in delivery of the 2021/22 Directorate Priorities, detailed in Appendix 3 	

Purpose

1. This report advises the Executive of corporate performance at Year-End 2021/22 and where appropriate seeks approval of any changes, where these lie within the authority of the Executive.

Background and relevant information

2. The Council's Scheme of Delegation gives the Executive collective responsibility for corporate strategic performance, together with associated action.
3. This report provides the necessary information to enable the Executive to discharge its performance management responsibilities, setting out 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 Year-End 2021/22 financial outturns are presented separately to this meeting of the Executive, and so not repeated here. Where performance has had a significant impact on finances this is highlighted within the body of the report.
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 is reflected through quarterly updates to the Executive and Overview and Scrutiny Board and covering in addition, progress in delivering actions agreed by the Executive, key Directorate performance issues and other performance-related matters.

Overall progress at Year-End

7. The Council's performance overall at Year-End saw a slight improvement in performance from the Quarter Three reported position, with progress towards expected performance standards as set out in the Council's risk appetite, achieved in three out of seven areas.

Progress in delivering Executive actions

8. Actions agreed by the Executive to deliver approved decisions are tracked by LMT on a monthly basis. 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 Year-End, 39 of 51 live actions (76.5%) were reported as on target to be delivered by the agreed timescales, improved from the 72% reported at Quarter Three and slightly below the 90% standard of achievement of actions, with 7 proposed amendments for Executive approval set out at Appendix 1. All remaining Executive actions are expected to be achieved within their approved timescales.

10. The proposed amendments relate to:

- The Amazing Alleyways project requires extension as a result of COVID-19 restrictions relating to meeting outdoors and volunteering.
- Inclusion of Middlesbrough in Refugee Resettlement Scheme has been paused due to developing situation in Ukraine to form part of considerations.
- Mapping of all toilet facilities in the town centre to assist older people as part of Age Friendly improvements, is delayed following grant submission to increase number of town centre toilet facilities and Captain Cook Square developments.
- Implementation of dementia awareness training for Boro Taxi drivers delayed due to prioritisation of mandatory training, by Boro Cars.
- Delayed Dementia Friends information sessions following requirement for face to face or virtual sessions, to provide flexibility for dates and delivery.
- Delayed progression of securing Recovery City Status for Middlesbrough during pandemic, due to reallocation of staff resources.
- Delay to implementation of scaling-up of Opioid and Gabapentinoid reduction programme recently piloted as a result of uncertainties around costs and funding.

Progress in delivering the Strategic Plan 2021-24

11. The Strategic Plan for 2021-24, set out nine strategic priorities for this period which are supported by an associated set of outcome measures and a workplan, which will see delivery of sustained improvement, up to and beyond 2024.

Outcomes

12. At 2021/22 Year-End, 10 out of 24 (41.7%) of the Strategic Plan outcomes were either improving or static against the Quarter Three position, with 10 (41.7%) worsening. As some measures are updated annually, there is no trend information available for 4 (16.7%) outcome measures at the present time.

13. Of those which are Red and of a worsening trend, the following narrative is provided below:

- *Household waste sent for reuse, recycling and composting*: The Year-End recycling rate is not available until June 2022 and so the position reported currently is at Quarter Three and reflects expected seasonal fluctuations i.e. green waste collections. It is expected that the position reported in June 2022 will show an improved position.
- *Additional Affordable Homes*: The data - from the height of the pandemic - reflects reduced levels of housing, with sites shut for many months and reopening with reduced capacity. Future data releases should provide a much more positive trend.
- *Number of Street Warden enforcement actions*: Whilst Year-End data reflects a worsening position, the introduction of mobile incident management system now allows the service to record more accurately the level of activity undertaken which shows significant improvements as a result of improved ways of working, processes, systems and performance management, as demonstrated below:

Street Warden activity	2020/21	2021/22
Interventions	2,178	3,775
Enforcement actions	1,444	2,232

- *Satisfaction with the way MBC runs things, satisfaction with the local area, number of residents feeling safe during the day within the local area and number of residents feeling safe after dark within the local area:* All 5 Strategic Plan outcome measures referenced, relate to questions asked alongside the budget consultation. There is therefore a level of volatility in the response rate year on year and as such, these measures should be viewed with some caution.
- *Self-reported wellbeing (people with a high or very high satisfaction score as %):* Life satisfaction dropped for each North East Local Authority and nationally; though the fall was less in Middlesbrough, it remains the lowest satisfaction with life in the North East overall. Responses for anxiety saw an upturn across the North East and the increase remains at the lower end of the scale for Middlesbrough. Perceptions of life satisfaction will be impacted by the situation with the increased cost of living, particularly in areas already struggling with and adjusting to issues emerging from the pandemic, with areas experiencing greater levels of deprivation reporting similar levels of satisfaction.

Workplan

14. At 2021/22 Year-End, performance against the Strategic Plan workplan was as set out below, exceeding the corporate target of 90%.

Status	2021/22 YE position	Expected standard	Standard achieved	Trend
COMPLETED	42%	90%	Yes	↓
GREEN	51%			
AMBER	3%	N/A	N/A	N/A
RED	4%	N/A	N/A	N/A

15. Quarter Four saw an additional 7 of the 67 (10.4%) Strategic Plan initiatives within the workplan completed (totalling 26 across 2021/22), one of which was COVID-19 Recovery related:

- Maintain sufficient local domiciliary care capacity to meet local demand
- Work towards achievement of Tree City Status, demonstrating responsibility and management of town tree stock
- Implement a community grant scheme, providing funding to improve the physical environments of residential alleyways to create a useable community space / asset
- Installation of a town-wide lighting scheme, highlighting key buildings and landmarks to improve the physical appearance of the town
- Deliver a ward-based cash collection strategy, supporting vulnerable groups with payment solutions to improve Council Tax collection levels
- Stimulate investment in our local economy through procurement opportunities and the promotion of our buy local initiative
- Deliver the Youth Justice Plan to reduce re-offending, safe and effective use of custody and reducing the number of first time entrants

16. There were 3 (4.5%) Red / off-track Strategic Plan workplan initiatives, reported I Quarter Four at 2021/22 Year-End:

- Deliver the Green Strategy to meet Government targets for greenhouse gas emissions and make Middlesbrough more climate resilient and minimise the environmental impact of Council services in future
- Explore the potential to designate sites across the town as a local wildlife / nature reserve, increasing biodiversity in Middlesbrough
- Further develop the ' Dementia Friendly' Middlesbrough programme to improve the wellbeing of individuals with dementia and their carers, connecting communities and business

Strategic Plan workplan 2022/23

17. At the 23 February 2022 meeting, Council was advised that an annual refresh for the Strategic Plan 2021-24 would not be brought forward and that as such the Strategic Plan would remain in place for the coming financial year to ensure that the Council has sufficient time to consider implications of national and potential forthcoming local changes on its strategic direction.

18. Council was further advised that the Strategic Plan's supporting workplan would be refreshed to reflect and address issues identified in the recent budget consultation, including infrastructure within the town.

19. At a meeting of the Executive on 5 April 2022, the refreshed Strategic Plan workplan for the 2022-24 period and Directorate Priorities for 2022/23 was approved, which combined provide a cohesive approach to the delivery of key priority activities across Council services.

20. Progress will continue to be monitored via detailed milestone plans, adhering to the corporate programme and project management framework, where applicable. Progress will continue to be reported to all senior managers and Members as part of the quarterly corporate performance results reports presented to Executive and Overview and Scrutiny Board.

Strategic Risk Register

21. A review of the approach to the way risk is captured and reported at a strategic level - reported at Quarter Three - has now been completed. Risk impacts will now be grouped into the following categories:

- Failure to achieve a balanced budget
- Failure to comply with the law
- Failure to achieve good governance
- Failure to deliver the Strategic Plan and Directorate Plans
- Failure of partnership agreements

22. All individual risks will be aligned to one of the above categories and overall scores, trend information and reasons for changes to scores, will be presented via this report, for transparency.

23. During Quarter Four, the following risks were added to the Strategic Risk Register:

- A risk to reflect the outcome of a High Court Case against another Local Authority that could result in identification of non-compliance in relation to adoption processes. The implications of this decision are currently being assessed nationally.
- A risk in relation to the Adult Education budget was added during the Quarter to reflect the risk of funding loss from the impact of covid on a particular set of adult learning courses.

24. All risks added to the Strategic Risk Register will be transitioned to risk categorisation and reported to the Executive via the Corporate Performance Update: 2022/23 Quarter One Results report

25. The following existing risks were reviewed and their scores amended:

- The risk that the Health and Bill could result in financial pressure exceeding resources was reduced in likelihood, following the establishment of a multi-disciplinary board to plan for it.
- Following an improvement in capacity and a reduction in operational pressures, the risk 'ensure the Best start in life for Middlesbrough's children was reduced in both likelihood and impact.
- Following implementation of measures and use of behavioural insight work, the risk of poor uptake of the COVID-19 vaccine was reduced in both likelihood and impact.

Progress in delivering Directorate Priorities 2021/22

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 2021/22 Year-End, 60% (65) of Directorate Priorities were completed, which is below the expected standard of 90%. Performance in delivering mitigating actions associated with high or medium risks on Directorate Risk Registers is 90% and 93% respectively, above the performance standard of 90%.

Status	2021/22 YE position	Expected standard	Standard achieved	Trend
COMPLETED	60%	90%	No	↓
GREEN	4%			
AMBER	7%	N/A	N/A	N/A
RED	29%	N/A	N/A	N/A

28. Quarter Four saw an additional 22 (20.4%) of the 108 Directorate Priorities completed (to the 9 / 8.3% completed in Quarter Three), as follows:

- Deliver 450 new homes across Middlesbrough.
- Improve Middlesbrough Rail Station and the areas around it.
- Work with Thirteen Group to deliver development at Gresham.

- Analyse impacts of Fair Funding Review / Comprehensive Spending review and the provision of information to support the Council's position and representations to Government.
- Pension Fund Actuary procurement and on-boarding.
- Set a balanced budget for the Council and maintain an accurate and timely Medium Term Financial Plan (MTFP).
- Support COVID Recovery, ensuring that markets remain sustainable and continue to meet the needs of our vulnerable population.
- 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 and SMT's on relevant topics.
- 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
- Deliver 2021/22 Better Care Fund.
- Review Levick House provision.
- Review of Direct Payments system to ensure consistency and equitability.
- Deliver all budgeted savings initiatives and maintain spend within the limits provided for in our Medium-Term Financial Plan.
- 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.
- Deliver the Middlesbrough Community Learning Strategy to deliver more learning opportunities in Middlesbrough
- Embed our Values within the Directorate and make staff feel more valued.
- Facilitate the delivery of the local area SEND plan for the Partnership to improve outcomes for children and young people with SEND.
- Improve staff communication within the Directorate so that staff feel more engaged and understand organisational priorities.
- Continue proactive promotion of vacancies within communities that are under-represented in the Council's workforce.
- Continue the implementation of corporate health and safety policy, procedures and applications to ensure that the Council has a fully auditable system in place.
- Ensure staff equality monitoring includes all protected characteristics.
- Explore means of comparing the diversity of applicants with the diversity of subsequently successful candidates.

Progress in delivering Programmes and Projects

29. The Council maintains a portfolio of programmes and projects in support of achievement of the Council's strategic and directorate priorities. At 2021/22 Year-End, 31 (92%) of the 34 programmes / projects were on-track to deliver against project time, cost, scope and benefits; slightly above the expected combined standard of 90%.

Progress in other corporate performance matters

30. 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.

31. At 2021/22 Year-End, the key points of note in matters of compliance, were:

- Compliance with statutory requests for information processed in-line with the Freedom of Information Act and the Environmental Information Regulations, improved from 63.1% to 76.8% following investment in additional resources.
- The percentage of overdue live complaints has improved significantly, from 65% at Quarter Three to 34% at Year-End.
- Whilst there continues to be challenges in relation to compliance with Subject Access Requests, the percentage of those overdue has reduced from 75% to 68% at Quarter Four. During 2022/23 Quarter One, further options to tackle the backlog will be considered by senior managers.

What decision(s) are being recommended?

That the Executive:

- That the Executive approves the proposed amendments to Executive actions outlined at Appendix 1.
- That the Executive notes achievement in implementation of the Strategic Plan 2021-24 at 2021/22 Year-End, detailed in Appendix 2
- That in light of the position outlined in the report, the Executive notes the Council's updated position in relation to Strategic Risk.
- That the Executive notes 2021/22 Year-End achievement in delivery of the 2021/22 Directorate Priorities, detailed in Appendix 3.

Rationale for the recommended decision(s)

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

Other potential decision(s) and why these have not been recommended

33. Not applicable.

Impact(s) of the recommended decision(s)

Legal

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

Strategic priorities and risks

35. The proposed recommendations are key to and consistent with supporting deliver of the Council's strategic priorities and risks, as set out in the Strategic Plan.

Human Rights, Equality and Data Protection

36. 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.

Financial

37. Any financial implications relating to issues set out in this report, are summarised in the Revenue and Capital Budget – Year-End Outturn Position 2021/22 report, also considered by the Executive at its meeting of 14 June 2022.

Actions to be taken to implement the recommended decision(s)

Action	Responsible Officer	Deadline
Executive action revisions to be implemented on modern.gov	Strategy Delivery Manager	30/06/2022
Implementation of new approach to Strategic Risk Reporting	(Interim) Head of Strategy Information and Governance	30/06/2022

Appendices

1	Proposed amendments to Executive actions at 2021/22 Year-End
2	Strategic Plan Workplan: progress at 2021/22 Year-End
3	Directorate Priorities 2021/22: progress at 2021/22 Year-End

Background papers

Body	Report title	Date
Council	Strategic Plan 2021-24	24/02/21
Executive	Strategic Plan 2021-24: approach to delivery	11/05/21
Executive	Strategic Plan 2020-23 – Progress at Year End 2020/21	15/06/21
Executive	Corporate Performance Update: Quarter One 2021/22	07/09/21
Executive	Corporate Performance Update: Quarter Two 2021/22	07/12/21
Executive	Corporate Performance Update: Quarter Three 2021/22	14/02/21
Executive	Refreshing the Strategic Plan workplan for the 2022-24 period	05/04/21

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Appendix 1: Proposed amendments to Executive actions at 2021/22 Year-End

Executive of	Report	Action	Owner	Agreed Due Date	Proposed Revised Due Date
26/02/2021	Improving Alleyways by Tackling Crime and Anti-Social Behaviour	Completion and evaluation of Amazing Alleyways project	ECS	28/02/2022	31/08/2022
13/07/2021	Final Report of the Culture and Communities Scrutiny Panel - Community Cohesion and Integration - Service Response	That following delivery of the pilot scheme, a report be presented to the Executive, evaluating the impact of the approach by analysing data and reporting outcomes	ECS	31/03/2022	31/08/2022
16/02/2021	Final Report of the Adult Social Care and Services Scrutiny Panel - Physical Activity for Older People (aged 65 plus) - Service Response	Mapping of all toilet facilities in the town centre to assist older people, as part of Age Friendly improvements	PH	31/01/2022	31/08/2022
16/02/2021	Final Report of the Adult Social Care and Services Scrutiny Panel - Physical Activity for Older People (aged 65 plus) - Service Response	Dementia awareness training for Boro Taxi drivers	PH	31/03/2022	31/10/2022
16/02/2021	Final Report of the Adult Social Care and Services Scrutiny Panel - Physical Activity for Older People (aged 65 plus) - Service Response	Further (online) Dementia Awareness training session for Elected Members	PH	31/03/2022	30/06/2022
27/05/2021	Final Report of the Health Scrutiny Panel - Opioid Dependency - What Happens Next? - Service Response	Recovery City Status for Middlesbrough	PH	31/03/2022	31/03/2023
27/05/2021	Final Report of the Health Scrutiny Panel - Opioid Dependency - What Happens Next? - Service Response	Scaling-up of Opioid and Gabapentinoid reduction programme	PH	31/03/2022	30/03/2023

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Appendix 2: Strategic Plan Workplan: Progress at 2021/22 Year-End

2021/22 Year-End saw 26 of the 67 (38.8%) Strategic Plan initiatives within the workplan completed, including those which were COVID-19 Recovery related.

We will show Middlesbrough's children that they matter and work to make our town safe and welcoming and to improve outcomes for all children and young people.	Due Date	2021/22 YE position
Deliver the Children's Services Improvement Plan to achieve OFSTED rating of 'Requires Improvement' by 2023	31/7/2022	Green
Increase attainment and attendance levels and reduce exclusions for all children across Middlesbrough	30/9/2021	Complete
Deliver the Youth Justice Plan to reduce re-offending, safe and effective use of custody and reducing the number of first time entrants	30/04/2022	Complete
Ensure high achievement for all from the early years, by closing the gaps for the most vulnerable and focusing on Key Stage 4 outcomes	31/10/2021	Complete
Target young people who are NEET and provide support to progress into education, employment and training opportunities	31/12/2021	Complete
Ensure the best start in life for Middlesbrough children by reducing early health inequalities, with a focus on the first 1001 days of life	31/07/2022	Green
Develop a universal town-wide Children and Young People's strategy that will aim to improve the lives of all children	31/12/2022	Green

We will work to address the causes of vulnerability and inequalities in Middlesbrough and safeguard and support the vulnerable.	Due Date	2021/22 YE position
Deliver and extend the 50 Futures programme 2020 - 2022 to provide meaningful work experience opportunities for Middlesbrough residents who find it most difficult to gain employment	30/11/2021	Complete
Implement Locality Working pilots in Newport and North Ormesby wards, working with partners and services to address key priorities and issues for residents to consider within Council's new operating model	31/08/2022	Green
Further develop the 'Dementia Friendly' Middlesbrough programme to improve the wellbeing of individuals with dementia and their carers, connecting communities and business	31/03/2022	Red
Achieve 'Age Friendly Communities' status, thereby reducing the prevalence and impact of loneliness and isolation in Middlesbrough	31/03/2024	Green
Launch and deliver an integrated model of support for Middlesbrough, bringing together services for domestic abuse, homelessness and substance misuse and development of mental health partnership provision, through the vulnerable persons model	31/03/2024	Green
Create and deliver a strategy to increase digital inclusion for children, young people and adults across Middlesbrough	31/03/2024	Green
Develop and deliver an improved offer of support for addiction recovery through employment, housing and social / community re-integration	31/03/2023	Green

We will tackle crime and anti-social behaviour head on, working with our partners to ensure local people feel safer.	Due Date	2021/22 YE position
Develop and deliver the Community Safety Strategy to reduce crime and anti-social behaviour across Middlesbrough	31/10/2022	Green

We will tackle crime and anti-social behaviour head on, working with our partners to ensure local people feel safer.	Due Date	2021/22 YE position
Increase CCTV in public areas / Council facilities to prevent and detect crime and ASB, improving public confidence in the Council	31/03/2023	Green
Increase Street Warden enforcement activity and provision of advice and education to residents to reduce levels of environmental crime and ASB	30/04/2022	Amber
Deliver a targeted education and enforcement programme in conjunction with Police and Fire Safety Partners to reduce crime and ASB.	31/01/2023	Green

We will ensure our town acts to tackle climate change, promoting sustainable lifestyles.	Due Date	2021/22 YE position
Deliver a town-wide programme of education, increasing recycling levels in Middlesbrough	31/12/2022	Green
Deliver the Green Strategy to meet Government targets for greenhouse gas emissions and make Middlesbrough more climate resilient and minimise the environmental impact of Council services in future.	31/03/2022	Red
Work with partners to identify community growing sites, providing skills development to 'Grow Your Own Food', contributing to Middlesbrough's bid for the Sustainable Food Cities Gold Award in 2022	30/09/2023	Green
Work towards achievement of Tree City Status, demonstrating responsibility and management of town tree stock	31/03/2022	Complete
Plant an additional trees 20,000 trees across the town by 2023, improving air quality	31/03/2023	Green
Explore the potential to designate sites across the town as a local wildlife / nature reserve, increasing biodiversity in Middlesbrough	31/03/2022	Red
Develop an Urban Farm (in conjunction with Camphill Trust) to improve the physical environment and provide additional training opportunities for vulnerable residents across Middlesbrough	31/05/2022	Green

We will ensure the recovery of local communities, businesses and the Council's operations from COVID-19, taking opportunities to build back better.	Due Date	2021/22 YE position
Delivery of the Council's COVID19 Recovery Plan to enable individuals, families, communities and business across Middlesbrough achieve a proper level of functioning, post-Pandemic	31/08/23	Complete Green
Ensure effective Council response to immediate issues of COVID19 impacting upon individuals, families, communities and business	31/08/23	Complete Green

We will work closely with local communities to protect our green spaces and make sure that our roads, streets and open spaces are well-designed, clean and safe.	Due Date	2021/22 YE position
30,000m2 of wildflower planting across Middlesbrough green spaces and land to benefit local wildlife and improve the physical appearance of the town	31/05/21	Complete
Implement an annual pothole maintenance programme across the town, consistently improving road conditions	31/03/2024	Green
Introduction of community environmental initiatives improving local environmental standards	30/04/2022	Amber
Implement a community grant scheme, providing funding to improve the physical environments of residential alleyways to create a useable community space / asset	28/02/2022	Complete

We will transform our town centre, improving accessibility, revitalising unused assets, developing iconic new spaces and building more town centre homes.	Due Date	2021/22 YE position
Development of central Middlehaven for 60,000 sq. ft. of commercial space (Boho X), 400+ housing units and restoration of the Old Town Hall and Captain Cook Pub	31/03/2024	Green
Initiate repurposing of Captain Cook Square and House of Fraser for leisure and commercial use	31/03/2022	Complete
Commercial and residential development of west and south side Middlehaven sites	31/03/2024	Green
Installation of a town-wide lighting scheme, highlighting key buildings and landmarks to improve the physical appearance of the town	30/11/2021	Complete
Develop new homes and apartments to expand the urban living offer in the town	31/03/2024	Green

We will invest in our existing cultural assets, create new spaces and events and improve access to culture.	Due Date	2021/22 YE position
Improve Teesaurus Park, re-establishing its purpose as a visitor attraction and recreational facility	30/06/2022	Green
Create an expanded programme of festivals and events to raise the cultural profile of Middlesbrough	31/03/2023	Green

We will ensure that we place communities at the heart of what we do, continue to deliver value for money and enhance the reputation of Middlesbrough.	Due Date	2021/22 YE position
Encourage community participation in the development of Council plans and initiatives, increasing community cohesion and resilience	30/09/2021	Green
To secure additional funding and improve the condition of the Council's operational estate and highways infrastructure	31/12/2022	Green
Evolve corporate website into a 'digital platform', increasing online transactions where appropriate, and making the site more personalised and even easier to use	30/11/2022	Green
Develop new Middlesbrough Council headquarters	31/07/2022	Green
Deliver a ward-based cash collection strategy, supporting vulnerable groups with payment solutions to improve Council Tax collection levels	31/01/2022	Complete
Stimulate investment in our local economy through procurement opportunities and the promotion of our buy local initiative	31/03/2022	Complete
Provision of a new resident-led community facility at Southlands and Nunthorpe	30/11/2022	Green
Deliver sound business management practice through the delivery of the asset disposal policy framework, ensuring best value is achieved and the benefit of disposals are shared with local communities	31/03/2022	Complete

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Appendix 3: Directorate Priorities 2021/212: Progress at 2021/22 Year-End

At 2021/22 Year-End, 60% (65) of Directorate Priorities were completed, which is below the expected standard of 90%.

Environment and Community Services

Priority	Due Date	2021/22 YE position
Submit Expression of Interest and then subsequent funding bid for A66 improvements in conjunction with the TVCA and neighbouring authorities.	28/02/22	Red
Complete works in respect of Column 22b.	31/10/21	Red
Update 'Flooding and Severe Weather Plan' (Flood Action Plan) for Middlesbrough.	31/03/22	Complete
Undertake immediate works to allow Transporter Bridge mitigation measures to be removed.	31/05/22	Amber
Implement Hostile Vehicle Mitigation scheme in Centre Square and at MFC.	30/04/22	Amber
Undertake inspection of all bridges and structures and joint procurement with RCBC.	31/03/22	Red
Complete five-year highways asset investment plan and report to Executive.	31/03/22	Red
Undertake year-one HIAP investment.	31/03/23	Amber
Embed our Values within the Directorate and make staff feel more valued.	31/03/22	Red
Improve staff communication within the Directorate so that staff feel more engaged and understand organisational priorities.	31/03/22	Red
Deliver all budgeted savings initiatives and maintain spend within the limits provided for in our Medium-Term Financial Plan.	31/03/22	Red
Launch staff volunteering scheme allowing employees to support local voluntary groups during working hours.	30/09/21	Red

Regeneration and Culture

Priority	Due Date	2021/22 YE position
Develop site infrastructure at Middlehaven through the Brownfield Housing Fund.	31/03/22	Red
Work with Thirteen Group to deliver development at Gresham.	31/12/21	Complete
Improve Middlesbrough Rail Station and the areas around it.	28/02/22	Complete

Priority	Due Date	2021/22 YE position
Deliver transport schemes to improve efficiency and capacity of the network.	31/03/22	Red
Market the premium housing sites at Nunthorpe Grange and Newham Hall.	31/03/22	Red
Deliver 450 new homes across Middlesbrough.	31/03/22	Complete
Prepare a new balanced Local Plan for adoption, based on greater community engagement.	31/03/22	Red
Deliver new location for Teesside Archives.	31/12/21	Complete
Deliver Future High Streets Fund programme.	31/07/21	Complete
Deliver Town's Fund programme.	31/08/21	Complete
Embed our Values within the Directorate and make staff feel more valued.	31/03/22	Complete
Improve staff communication within the Directorate so that staff feel more engaged and understand organisational priorities.	31/03/22	Complete
Deliver all budgeted savings initiatives and maintain spend within the limits provided for in our Medium-Term Financial Plan.	31/03/22	Complete

Finance

Priority	Due Date	2021/22 YE position
Set a balanced budget for the Council and maintain an accurate and timely Medium Term Financial Plan (MTFP).	31/03/22	Complete
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	Complete
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	Complete
To support Children's Services in the improvement journey and in making reductions in costs.	31/03/22	Complete
Improved working and integration between services provided by Financial Planning & Support and Financial Governance & Revenues to maximise available resources and improve the overall service provided.	31/03/22	Complete
Achieve an unqualified set of accounts for the 2020/21 financial year.	31/03/22	Red
Implement the new accounting regulations in relation to leasing.	31/03/22	Amber
Implement the insurance service review and tender insurance contract arrangements to commence from 1st April 2022.	31/03/23	Green
Corporate Welfare Solution.	31/07/22	Green

Priority	Due Date	2021/22 YE position
Corporate Voicescape Solution.	31/03/22	Complete
Improving collection activities.	31/03/22	Complete
Re-procure pensions administration contract.	31/03/23	Green
Pension Fund Actuary procurement and on-boarding.	31/12/21	Complete
Preparation for 31/03/2022 Pension Fund triennial valuation.	31/03/22	Complete
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	Complete
Lead on the green strategy theme for sustainable procurement.	31/10/21	Complete
Support COVID recovery ensuring that markets remain sustainable and continue to meet the needs of our vulnerable population.	31/03/22	Complete
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	Complete
Support the children's improvement journey through the improved relationship with local providers to ensure local provision maps to local need.	31/03/22	Complete
Renegotiate the section 75 arrangement with health to ensure services delivered are funded and fully accountable.	31/10/21	Complete
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	Complete
Embed our Values within the Directorate and make staff feel more valued.	31/03/22	Red
Improve staff communication within the Directorate so that staff feel more engaged and understand organisational priorities.	31/03/22	Red
Deliver all budgeted savings initiatives and maintain spend within the limits provided for in our Medium-Term Financial Plan.	31/03/22	Red

Adult Social Care and Health Integration

Priority	Due Date	2021/22 YE position
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	Complete
Embed Making Every Adult Matter (MEAM) guidance to ensure improved support to adults with multiple disadvantages.	30/11/21	Complete
Implement the requirements of the Domestic Abuse Act.	31/03/22	Red
Prepare for 01/04/22 implementation of the Liberty Protection Safeguards (LPS).	31/03/22	Red

Priority	Due Date	2021/22 YE position
Review ASC senior management structure and implement changes as required.	28/02/22	Red
Review of Direct Payments system to ensure consistency and equitability.	31/03/22	Complete
Review autism provision and implement improved service model.	31/03/22	Complete
Review Levick House provision.	28/02/22	Complete
Deliver 2021/22 Better Care Fund.	31/03/22	Complete
Develop Clean Air Strategy.	30/04/22	Amber
Review of Gambling Act Policy.	30/04/22	Amber
Review Licensing Act Statement of Licensing Policies.	30/06/22	Amber
Implement Newport 2 Selective Landlord Licensing scheme.	30/06/22	Amber
Embed our values within Directorate and make staff feel more valued.	31/03/22	Red
Improve staff communication within the Directorate so that staff feel more engaged and understand organisational priorities.	31/03/22	Red
Deliver all budgeted savings initiatives and maintain spend within the limits provided for in our Medium Term Financial Plan.	31/03/22	Red
Ensure equality improvement actions are based on data that is complete and accurate as possible.	31/03/22	Red

Public Health

Priority	Due Date	2021/22 YE position
Complete review of the Pharmaceutical Needs Assessment.	31/03/22	Complete
Publish DPH Annual Report.	31/05/22	Green
Complete health protection assurance report.	31/03/22	Complete
Completion of sexual health procurement.	30/09/21	Complete
Embed our Values within the Directorate and make staff feel more valued.	31/03/22	Complete

Priority	Due Date	2021/22 YE position
Improve staff communication within the Directorate so that staff feel more engaged and understand organisational priorities.	31/03/22	Complete
Deliver all budgeted savings initiatives and maintain spend within the limits provided for in our Medium-Term Financial Plan.	31/03/22	Complete

Children's Care

Priority	Due Date	2021/22 YE position
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	Complete
Deliver the Quality Assurance and Performance Strategy	31/03/22	Complete
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	Red
Deliver the Multi-agency Early Help and Prevention Strategy to support a commitment to intervening at the earliest stage possible.	31/03/22	Complete
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	Complete
Embed our Values within the Directorate and make staff feel more valued.	31/03/22	Complete
Improve staff communication within the Directorate so that staff feel more engaged and understand organisational priorities.	31/03/22	Complete
Deliver all budgeted savings initiatives and maintain spend within the limits provided for in our Medium-Term Financial Plan.	31/03/22	Red

Education and Partnerships

Priority	Due Date	2021/22 YE position
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	Complete
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	Complete
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	Complete
Deliver the Middlesbrough Community Learning Strategy to deliver more learning opportunities in Middlesbrough	31/03/22	Complete
Deliver the Achievement Plan to deliver school improvement and improve educational outcomes in Middlesbrough	31/12/21	Complete

Priority	Due Date	2021/22 YE position
Embed our Values within the Directorate and make staff feel more valued.	31/03/22	Complete
Improve staff communication within the Directorate so that staff feel more engaged and understand organisational priorities.	31/03/22	Complete
Deliver all budgeted savings initiatives and maintain spend within the limits provided for in our Medium-Term Financial Plan.	31/03/22	Complete

Legal and Governance Services

Priority	Due Date	2021/22 YE position
Ensure continued implementation of the ICT Strategy to underpin the delivery of all strategic objectives.	31/03/22	Red
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	Complete
Conduct Local planning Referendums	31/03/22	Complete
Conduct Community Governance review parish and community councils.	31/03/22	Complete
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	Complete
Launch and embed the revised corporate Information Governance Framework, completing outstanding actions from the ICO Data Protection Audit.	30/09/21	Complete
Develop and implement an overarching surveillance policy for the Council, communicating the approach to members, employees and customers.	31/07/21	Complete
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	Complete
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	Complete
Manage projects and initiatives relating to outstanding digital targets within the MTFP.	31/03/22	Red
Embed our Values within the Directorate and make staff feel more valued.	31/03/22	Red
Improve staff communication within the Directorate so that staff feel more engaged and understand organisational priorities.	31/03/22	Red
Deliver all budgeted savings initiatives and maintain spend within the limits provided for in our Medium-Term Financial Plan.	31/03/22	Red
Continue proactive promotion of vacancies within communities that are under-represented in the Council's workforce.	31/03/22	Complete

Priority	Due Date	2021/22 YE position
Explore means of comparing the diversity of applicants with the diversity of subsequently successful candidates.	31/03/22	Complete
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	Red
Encourage all staff to update their equality information.	31/03/22	Complete
Ensure staff equality monitoring includes all protected characteristics.	31/03/22	Complete

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MIDDLESBROUGH COUNCIL	
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Report of:	Deputy Mayor and Executive Member for Children's Services Executive Director of Children's Services
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Submitted to:	Executive
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Date:	14 June 2022
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Title:	Children's Services Improvement Programme: Update Report
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Report for:	Information
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Status:	Public
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Strategic priority:	Children and young people
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Key decision:	No
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Why:	Report is for information only
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Urgent:	No
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Why:	N/A
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Executive summary

In summary, this report :-

- Notes the process for monitoring the Children's Services Improvement Plan which is by reporting to the Multi-Agency Children's Services Improvement Board
- Sets out the findings from the most recent Ofsted Monitoring Visit to Children's Services on 29th and 30th March. The feedback letter noted significant improvements in social care practice in relation to permanency, moving children on to their forever homes in as timely a way as possible.
- Describes the likely timings and topics for future Ofsted monitoring and inspection. We will receive two more monitoring visits with a full inspection at the end of 2022 or early 2023.

- Notes the main risks in delivering against the Improvement Plan namely the recruitment of permanent experienced social workers and maintaining the pace of improvement in the light of current financial restraints.
- Update members on the progress being made to show Middlesbrough Children that they matter namely the success of the Young Researchers' survey in gaining the views of children and young people across the town to inform future planning and the Middlesbrough Children Matter Conference being held on 13th July 2022.

Purpose

1. To brief members of the Executive on the progress made against the Children's Services Improvement Plan with particular reference to the findings of Ofsted's Monitoring Visit on 29th/30th March 2022.
2. To evidence progress against the Middlesbrough Children Matter agenda.

Background and relevant information

3. The Children's Services Improvement Plan is monitored on a six weekly basis at the Multi-Agency Children's Strategic Improvement Board chaired by independent person John Pearce the highly respected Director of Children's Services in Durham. He is also vice-president of the Association of Directors of Children's Services. Positive progress is noted and recorded in the board's minutes. Attendees include the Lead Member for Children's Services, Cllr Mieka Smiles. The plan is refreshed after every Ofsted Monitoring Visit.
4. Ofsted undertook a Monitoring Visit to Children's Services on 29th/30th March focusing on matching, placement and decision-making for Children in care, for whom members are Corporate Parents, and planning and achieving permanence (forever homes) for children. The letter reporting on their findings, which were general very positive was published on 6th May 2022. A brief overview of the finding is as follows:
5. Children's Services 'knows itself' through a detailed improvement plan and an accurate Self-Assessment. Ofsted described the latter as 'Spot On'. This is particularly pleasing because this was assessed as not being the case in the last full inspection of Children's Services in November/December 2019. If a service knows itself then it is much better placed to know what to do to make the necessary improvements to improve outcomes for children.
6. We now have a systemic framework for permanency planning that is less reactive and more forward looking, ensuring that children are living in their 'forever homes' in as timely a way as possible. Plans for permanency for children now include parallel planning to avoid drift and delay and a monthly Permanence Planning Group meeting tracks progression towards permanence. Notably social workers know that children need permanence and know what they need to do to achieve it for the children with whom they are working and are receiving high quality supervision that actively contributes to early permanence planning.

7. Other positives include most social workers know their children well and have built trusting relationships with them supported by good quality direct work with them. Children's voices are informing their planning and they benefit from spending safely assessed family time with their birth family members. Children are brought into care in a more timely way and both Her Honour Judge Matthews QC and the Child and Family Court Advisory and Support Service (CAFCASS) were positive about the improvements made to social work practice. Social workers write directly to children in records for example saying 'Joe I first met you when you were only six weeks old', rather than saying 'I first met Joe when he was six weeks old'. This is a powerful way of keeping the focus on the child at all times. Social workers understand the need for children to have life story work completed with them and for them so they understand their parentage and identity as they grow up and children when children look at the records in the future they will be able to see the thought and planning that went into moving them into their forever homes.
8. Children also experience less delay because Care Planning meetings, supervision sessions and children's reviews are reflective and well recorded session providing clear oversight of their plans and actions.
9. Independent Reviewing Officers (IROs) have improved oversight of children's individual plans and there is evidence of IROs reviewing the work with children midway between the formal reviews of these plans.
10. There are however, still areas that require constant consideration by the service. Unfortunately there is still some impact on children from a legacy of absent or poor planning. Some children have experienced earlier, unplanned placement moves and therefore disruption and instability and in addition some children are living with family members who have not been assessed and approved as Family and Friends foster carers and a minority of children with complex needs are living in unregistered children's homes awaiting a suitably matched regulated placement because despite national searches it has not been possible to source a regulated placement. However, Ofsted is clear that senior leaders are aware of these children and all have individual assessments and cumulative oversight to mitigate against risk. As an example of this the Director of Children's Care meets with an Ofsted inspector on a six-weekly basis to seek their advice and discuss any risks to these children and mitigating actions. These children's situations are also raised with the Executive Director of Children's Services on a regular basis.
11. I am extremely pleased to report that social workers spoke positively about the determined efforts to make improvements and create the conditions for good social work practice through clear expectations and standards and value the support from their team members, the availability and quality of the training and development offer and the growing supporting working culture.
12. Ofsted are due to return for their next Monitoring Visit in July 2022 and the plan is for the focus to revisit our Early Help Service, the Multi-Agency Children's Hub (MACH) the front door to Children's Services and the Assessment Service. The last visit to these services took place in Nov 2020 so Ofsted will be looking for both sustained improvements as well as new ones where appropriate. The final monitoring visit is likely to be in the autumn with a focus on longer term looked after children and Care Leavers. The full inspection is expected at the end of 2022 or early 2023.
13. Representatives from the Department of Education (DfE) namely Sam Morrison, our Improvement Case Lead and Stuart Smith our Improvement Adviser carried out the first

part of a DfE review on 17th May meeting with groups of front line staff and their managers. At the time of writing their report has not yet been received however both Sam and Stuart report positive comments from both groups with the possible exception of social workers' salary in Middlesbrough as compared with the rest of the region. However, Middlesbrough has recently implemented a £5,000 'Welcome Aboard' payment which take the total payment to the level of other authorities and we already have a retention payment. Some 'myth busting' work is needed to ensure that these offers are taken into account when salary levels are discussed both in-house and externally.

14. The date for the second part of the review has not yet been decided but will involve meeting with senior officers and members closely involved in the Improvement Process.
15. The most significant risks to continued improvement and delivering against the Children's Services Improvement Plan are:-
16. The challenge of recruiting permanent experienced social work staff. Currently 26% of social work staff are agency workers with the resulting additional staffing costs, however 52% of these staff have been working with us in Middlesbrough for over one year. This in itself brings some stability into the workforce and mitigates against changes of social workers for children.
17. Maintaining the pace of improvement despite financial constraints for example continuing to fund the Practice Leads and colleagues from Audit to Excellence.
18. The focus on 'Middlesbrough Children Matter' (MCM) continues to grow. A cohort of 'Young Researchers' recruited and supported by Participation People a service commissioned to develop and support the influence of Middlesbrough's children's voices on the future of the town carried out a survey which has received over 2,200 response. These responses are being collated and the aim is that they will be used to inform future planning.
19. A MCM conference to inform work across the council and in the wider partnership working with Middlesbrough's children, is planned for 13th July. Some nationally known speakers have already confirmed their attendance. All members are respectfully invited to attend.

What decision(s) are being recommended?

That the Executive notes

- The progress made to improve outcomes for Middlesbrough's vulnerable children as set out in our Children's Services Improvement plan 2020/2023
- The effect of this work on Children's Services' mission namely 'Our Mission to Show Middlesbrough Children that they Matter.'

Rationale for the recommended decision(s)

20. Although a decision is not required if Children's Services does not make the required improvements as set out in the Children's Services Improvement Plan at pace we will not improve life chances for Middlesbrough's vulnerable children and increase our Ofsted judgement from our current 'Inadequate' status.

Other potential decision(s) and why these have not been recommended

21. It is not appropriate to retain the status quo as Children's Services would not be meeting the needs of Middlesbrough's most vulnerable children.

Impact(s) of the recommended decision(s)

Legal

There are no legal implications given that the report is for information only.

22.

Strategic priorities and risks

23. This report relates directly to strategic priority CYP 05 – consolidate and build on recent Children's Services progress to improve Ofsted rating.

Human Rights, Equality and Data Protection

24. Improving the quality of practice in Children's Services will also improve compliance and practice with regards to Human Rights, Equality and Data Protection.

Financial

25. As reported previously, Children's Social Care remains the biggest area of financial concern for the Council. The Council has an Ofsted Improvement Plan in place, and the financial situation is being closely monitored jointly by the Service and Finance, and a three year plan has been drawn up to ascertain the estimated outturn position for the current and future financial years and therefore the potential MTFP impact.

26. Additional funding totalling over £3.3m has been provided in the MTFP to Children's Services from 2024/25 to support this. In the Revenue Budget, Council Tax, Medium Term Financial Plan, and Capital Strategy 2022/23 report to Council in February 2022, £300,000 was provided earlier in 2022/23 in order to enable some initial permanency of staff supporting the improvement journey, therefore this means the remaining £3m will be provided from 2024/25.

27. This will mean that the Ofsted Improvement Plan will be properly funded in the medium term. This will be closely monitored in real time and any amendments required to the level of funding provided will be made as appropriate in line with governance arrangements.

28. The Revenue and Capital Budget – Year-End Outturn position 2021/22 report to Executive on 14 June 2022 highlights that Children's Social Care overspent by £8.295m in 2021/22. If the financial plan is met this will mean that there will be approximately a £6m reduction in expenditure per annum by 2024/25.

29. As reported previously, in line with national trends, Children's Social Care continues to be an area of financial pressure to the Council. The costs of these pressures in respect of increased level of need in relation to children in care and the increase in the cost of

providing care is constantly being monitored. 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 the long-term finances of the Council.

30. Whilst the Local Government Finance Settlement in 2022/23 provided additional funding for Social Care there is still a significant risk of additional increased level of need in relation to children in care and the increases in the cost of providing care and that in the event of this, sufficient additional Government funding is not provided to mitigate this. Along with funding uncertainty, the continued pressure of demands on Children's Social Care is the most significant financial risk to the Council.

31. Further Children's Social Care demand increases and any delays to the implementation of the Council's Ofsted Improvement Plan continue to be a major potential risk to the Council and this is being constantly monitored, and further updates will be provided in future quarterly budget monitoring reports to Executive.

Actions to be taken to implement the recommended decision(s)

Action	Responsible Officer	Deadline
Implementing the Children's Services' Improvement Plan	Sue Butcher	March 2023
See Children's Strategic Priority CYP05	Sue Butcher	March 2023

Appendices - None

Background papers

Body	Report title	Date
Para 3 (first mention)	Children's Services Improvement Plan  Improvement Plan 04.05.2022.xlsx	As reported to the Multi-Agency Strategic Improvement Board on 23 rd May 2022
Para 4 (first mention)	Ofsted Monitoring Visit letter  10207003 Middlesbrough Monit	6 th May 2022

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MIDDLESBROUGH COUNCIL	
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Report of:	Executive Member for Finance and Governance Director of Finance
Submitted to:	Executive
Date:	14 June 2022
Title:	Revenue and Capital Budget - Year-End Outturn position 2021/22
Report for:	Decision
Status:	Public
Strategic priority:	All
Key decision:	Yes
Why:	Decision(s) will incur expenditure or savings above £150,000
Urgent:	No
Why:	

Executive summary	
<p>This report advises the Executive of the Council's financial position at Year-End 2021/22, including the effect of Covid-19 on the Council's finances.</p> <p>The report provides the necessary information to enable the Executive to discharge its financial management responsibilities, setting out:</p> <ul style="list-style-type: none"> • final revenue and capital budget outturns at year-end 2021/22; • position statements in relation to the Council's borrowing and its reserves; and • actions that the Council has taken and plans to address the issues raised. <p>The report requests that the Executive :</p> <ul style="list-style-type: none"> • Notes the 2021/22 revenue budget initial year-end outturn of a £2.462m overspend on non-Covid-19 elements • Notes the implementation of the Flexible Use of Capital Receipts Strategy totalling £5.017m in 2021/22, as approved by Council on 20 October 2021. 	

- Approves the transfer of £230,000 of the Public Health Directorate underspend relating to the sexual health service to the Public Health Reserve
- Notes the 2021/22 revenue budget final year-end outturn (following the Flexible Use of Capital Receipts and transfer to Public Health Reserve) of a £2.325m underspend on non-Covid-19 elements.
- Notes the financial effect of Covid-19 in 2021/22 of £390,000.
- Approves the following transfers to Reserves :
 - Covid -19 expenditure incurred during 2021/22 to the Covid Recovery Reserve (£390,000)
 - The remaining balance on the Covid Recovery Reserve to a new specific earmarked Car Parking Pressures Reserve (£782,000) and the General Fund Reserve (£3,340,000)
 - The final year-end underspend on non-Covid-19 expenditure to the General Fund Reserve (£2,325,000)
- Approves the creation of a new specific earmarked Social Care Transformation Reserve to help support the on-going effects of the significant and continued transformation work taking place within Children's Services, and also that which will take place within Adult Social Care regarding the Fair Cost of Care and Social Care Reforms, and approves the transfer of £5,665,000 to this Reserve from the General Fund Reserve.
- Approves the transfer of the following Reserves into the new specific earmarked Social Care Transformation Reserve, making a total of £7.072m available for the required transformation :
 - Children's Services Improvement Reserve (£175,000)
 - Children's Services Demand Reserve (£732,000)
 - Social Care Demand Reserve (£500,000)
- Notes the 2021/22 capital budget final year-end outturn of £56.899m against a revised capital budget of £59.035m, and approves the revised Investment Strategy to 2024/25 at Appendix 1.

Purpose

1. This report advises the Executive of the Council's financial position at Year-End 2021/22, including the effect of Covid-19 on the Council's finances.

Background and relevant information

2. The Council's Scheme of Delegation gives the Executive collective responsibility for corporate strategic performance and financial management / monitoring, together with associated action. Standing Orders and Financial Procedures require the Executive's approval for major virements between revenue budgets, and in-year changes to the Council's capital Investment Strategy.
3. This report provides the necessary information to enable the Executive to discharge its financial management responsibilities, setting out:
 - final revenue and capital budget outturns at year-end 2021/22;
 - position statements in relation to the Council's borrowing and its reserves; and
 - actions that the Council has taken and plans to address the issues raised.
4. A revised Investment Strategy for the period to 2024/25 is attached at Appendix 1 for the Executive's consideration and approval.

Revenue Budget Outturn 2021/22

5. As reported in previous reports, the Covid-19 pandemic has had a significant impact on the Council's financial position during 2021/22 and will continue to in a number of areas in future years. 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 84 to 111 below.
6. The 2021/22 Revenue budget for the Council was £116,492,035. During Quarter One there were a number of transfers of services between Directorates due to managerial changes, and the financial position is reported against the new Directorate budgets. The Council's initial outturn position for 2021/22 for non-Covid-19 elements is an overspend of £2,462,000 (2.1%).
7. One of the major areas of increased expenditure during the latter part of 2021/22 was the level of inflation that existed in the economy. The Environment and Commercial Services Directorate outturn position was substantially affected by the hyper-inflationary increases that existed in areas such as fuel, energy, utilities, and food, and also an increase in waste recycling costs. As mentioned in previous quarterly budget monitoring reports it was proposed that at year-end these would be funded in 2021/22 only from the Central Pay and Prices Contingency budget, and the table in paragraph 10 assumes that the transfer totalling £1,363,000 is made. Provision for additional inflation was built into the updated Medium Term Financial Plan (MTFP) presented to Council in February 2022, however there will be a need to closely monitor this and determine whether sufficient funding has been provided in light of the current continuing increasing levels of

inflation. Further updates will be provided in future budget monitoring reports and the MTFP will be amended accordingly as appropriate.

8. It is proposed to transfer £230,000 of the Public Health Directorate underspend to the Public Health Reserve, in order to help to fund improvements in the sexual health service in future years, further details of this are provided in paragraph 38. Executive are requested to approve this transfer to the Public Health Reserve and the final revenue outturn position assumes this transfer is approved.
9. The financial position of the Council is improved by the implementation of the Flexible Use of Capital Receipts Strategy, which was approved by Full Council on 20 October 2021. Entries have been made in the Council's accounts for this having due regard to the Local Authority Accounting Code of Practice, and the initial outturns detailed in the table in paragraph 10 have been amended for these, with the impact of this being that the Council's financial position across a number of Directorates (mainly Children's Services) has been improved by a total of £5,017,000 at year-end. This will allow the Council to increase the level of reserves that the Council holds, at this time of high financial uncertainty with minimal impact on the Council Tax payer. This will help support the significant and continued transformation work taking place within the Council, principally within Children's Services, which will deliver improvement and efficiencies. The financing costs associated with this have been provided in the MTFP presented to Council in February 2022. Further details of this are provided in the separate section of the report (paragraphs 112 and 113).
10. Assuming the above are approved, the overall final year-end revenue outturn position for 2021/22 for non-Covid19 expenditure is a £2,325,000 underspend. The details of this are shown below, including the split by Directorate :

Directorate	2021/22 Full Year Budget	2021/22 Initial Final Outturn (excluding Covid-19)	2021/22 INITIAL OVER / (UNDER) SPEND (excluding Covid-19)	2021/22 Proposed transfer to Pay & Prices budget	2021/22 Proposed transfer to Reserves	2021/22 Proposed Flexible Use of Capital Receipts	2021/22 FINAL OVER / (UNDER) SPEND (excluding Covid-19 and after proposed transfer to Pay & Prices budget, Reserves, and proposed Flexible Use of Capital Receipts)
	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s	£'000s
Regeneration and Culture	3,569	3,522	(47)	0	0	(11)	(58)
Environment and Community Services	19,385	21,368	1,983	(1,363)	0	(263)	357
Public Health	(2,820)	(3,870)	(1,050)	0	230	0	(820)
Adult Social Care	39,682	38,706	(976)	0	0	0	(976)
Total - Adult Social Care and Health Integration	36,862	34,836	(2,026)	0	230	0	(1,796)
Education & Partnerships	737	360	(377)	0	0	0	(377)
Children's Care	40,037	48,332	8,295	0	0	(4,217)	4,078
Total - Children's Services	40,774	48,692	7,918	0	0	(4,217)	3,701
Legal and Governance Services	10,121	10,638	517	0	0	(526)	(9)
Finance	818	(816)	(1,634)	0	0	0	(1,634)
Central Budgets	4,963	715	(4,248)	1,363	0	0	(2,885)
Revenue Outturn	116,492	118,955	2,462	0	230	(5,017)	(2,325)

11. It is proposed that the £2,325,000 underspend on non-Covid19 expenditure is initially transferred to the General Fund Reserve.
12. Covid-19 pressures of £390,000 at year-end 2021/22 are detailed in paragraphs 84 to 111. This is a reduction of £1,431,000 from the £1,821,000 total projected Covid-19 pressures reported at Quarter Three. It is proposed that this is funded from the £4,512,000 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.
13. In the MTFP update provided to Council in February 2022, provision was made for the continuing effect of Covid-19 in future years. This has been reviewed and in light of the current levels of car parking income, it is proposed that a new earmarked Car Parking Pressures Reserve of £782,000 is set up for the potential ongoing effects of Covid-19 on car parking income in future years. As provision was made in the MTFP for the continuing effect of Covid-19 in future years it is now proposed that the remaining balance of £3,340,000 on the Covid Recovery Reserve is transferred initially to the General Fund Reserve.
14. The above proposed transfers would mean that the General Fund Reserve would equal £16.860m at year-end 2021/22. In the MTFP update provided to Council in February 2021 the Director of Finance recommended that the minimum level for the General Fund Reserve for 2021/22 was £11m, this was subsequently increased to £12m for 2022/23 in the MTFP update provided to Council in February 2022. Due to the need to help support the significant and continued transformation work taking place within the Council, principally within Children's Services and that which will take place within Adult Social Care regarding the Fair Cost of Care and Social Care Reforms, it is proposed that a transfer of £5.665m is made to a new specific earmarked Social Care Transformation Reserve. It is also proposed that the remaining balances on the Children's Services Improvement Reserve (£175,000), Children's Services Demand Reserve (£732,000), and the Social Care Demand Reserve (£500,000), are transferred into the new specific earmarked Social Care Transformation Reserve and combined with the amount above to make a total of £7.072m available for the required transformation. The use of this Reserve will be managed by the Director of Finance, with reports being provided to Executive as part of the quarterly budget monitoring reports.
15. Executive are requested to approve these transfers to Reserves.
16. The level of Reserves remaining after the use and creation of these Reserves is shown in the Reserves and Provisions Section of this report (paragraphs 158 to 163) and detailed in Appendix 2.

Progress against budget savings

17. £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.
18. As reported in previous quarters it has not been possible to achieve one of the budget savings due to Covid-19 and this is detailed in paragraph 100 below.
19. In addition, as reported in previous quarters 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 were 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 were achieved in 2021/22. The remaining £1,009,000 of the savings required were fully covered by temporary one-off efficiency savings for 2021/22 proposed by Directorates. These savings did not have a material effect on service delivery, and included 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 charged to corporate Ofsted Improvement Fund and Change Fund funding within Children's Services
- Utilising surpluses held in joint arrangements budgets
- Savings arising from 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 part of the Adult Social Care Recovery Reserve, which was created at year end 2020/21 for the potential effects of increased service demand, as the full amount was no longer required

20. The above temporary one-off efficiency savings for 2021/22 meant that there was no financial effect on the outturns for Directorates in 2021/22 due to the unachieved Digital and mileage savings.

21. It should be noted that in the MTFP presented to Council in February 2022 it was assumed that the full amount of savings relating to Digital will be fully achieved from 1 April 2022 as per the original intended methods.

22. As reported in the MTFP Update Report to Council on 24 November 2021 and the MTFP update presented to Council in February 2022, in light of the recovery from Covid-19 and the potential effect on staff the £180,000 saving related to "reducing staff mileage rates across the Council" was removed from the MTFP from 2022/23.

Directorate variances

23. The detail of the variances are set out below. At year-end, 38 areas had 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 MTFP.

Regeneration and Culture

24. As reported in previous quarters, car parking income was 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 in Income section of the report (paragraphs 96 to 99).

25. It should be noted that grant income of £850,000 was 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.

Environment and Community Services

26. As mentioned in paragraph 7 the Environment and Commercial Services Directorate has been substantially affected by hyper-inflationary increases in a number of areas. The effects of this are detailed in the following paragraphs and summarised in the table below. As mentioned earlier it is proposed that these would be funded in 2021/22 only from the Central Pay and Prices Contingency budget and that a transfer totalling £1,363,000 is made.

Service Area	Description	£
Property Running Costs	Inflation on Utilities	480,000
Waste Collection	Inflation on Fuel	21,000
Waste Disposal	Kerbside Recycling Contract	492,000
Catering	Inflation on Food & Utilities	146,000
Fleet Services	Inflation on Fuel	106,000
Street Lighting	Inflation on Electricity	118,000
TOTAL DEMAND ON PAY & PRICES CONTINGENCY BUDGET		1,363,000

- *Property Services*

27. The Property Services budget is overspent by £1,176,000 at year-end, an increase of £185,000 from the £991,000 projected overspend that was reported at Quarter Three.

28. Within this budget there is an anticipated pressure against the Running Costs budget of £621,000. £480,000 of this is due to the rising costs of energy, and as noted in previous reports this will be funded from the Central Pay and Prices Contingency budget. Provision for this was built into the updated MTFP presented to Council in February 2022. The remaining overspend against Running Costs is an increase from Quarter Three and is mainly due to the Revenue's and Benefits service undertaking an exercise to re-charge a backlog of Business Rates for Council owned properties relating to previous years.

29. A shortfall in income due to a decrease in the number of cremations following the opening of a crematorium in Stockton has resulted in a pressure totalling £314,000 against the Bereavement Services budget. The ongoing effects of this have been provided for in the updated MTFP presented to Council in February 2022.

30. The closure of the Transporter Bridge and Visitors centre has contributed £157,000 towards the overall pressure. Due to the closure budgeted income was not achieved but salary expenditure was still incurred, as even though the staff were fully re-deployed to other areas within the Directorate no transfers of staff costs were made.

31. In addition, there are a number of budget areas within Property Services which have variances below £150,000, and these account for the overall £1,176,000 total overspend on the Property Services budget.

- *Environment Services*

32. The Environment Services budget is showing a pressure totalling £739,000 at year-end, an increase of £97,000 from that reported at Quarter Three. The majority of the pressure (£492,000) is as a result of the need to secure an alternative contractor to process kerbside recycling material following the previous contractor entering into administration early in 2021/22. As stated in previous quarters the final pressure at year-end will be funded from the Central Pay and Prices Contingency budget. Following the tender process a new contractor has been appointed effective from 1 April 2022, and this will mean that this pressure will no longer exist from 2022/23 onwards, and there will also be a saving of £180,000 on the current budget. The MTFP presented to Council in February 2022 reflected this from 2022/23 onwards.
33. There are also a number of other pressures within the Environment Service below £150,000, including Catering (£146,000) due to the rising cost of food & drink supplies and utilities costs, Pest Control (£63,000) due to an income shortfall, and Waste Collection (£122,000) due mainly to an income shortfall following the temporary introduction of free junk jobs, however £21,000 of the pressure was due to the rising cost of fuel. These pressures have been partially offset by salary savings elsewhere within the Service.

- *Transport, Fleet & Highways*

34. The Transport, Fleet & Highways Service budget has an overall pressure of £183,000 at year-end. This is primarily due to an overspend of £106,000 within Fleet Management as a result of the rising cost of fuel and materials associated with vehicle repairs, and £118,000 on electricity costs for Street Lighting. It is proposed that these pressures will be met from the Central Pay and Prices Contingency Budget.

- *Supported Communities*

35. The Supported Communities Service are reporting an overall saving of £129,000 at year-end. This is mainly due to a number of vacant posts within libraries and hubs following the Covid-19 pandemic.

Public Health

36. There are savings on Public Health budgets totalling £1,050,000 in 2021/22, with £454,000 of the 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, in addition to savings also being made due to a reduction in the unit cost of some prescribed drugs. The Service has also seen staffing savings of £596,000 as a result of vacancies and secondments of staff to other grant funded projects.
37. It should be noted that the above saving includes additional costs of £247,000 in 2021/22 relating to a 3 year increase to the Healthy Child programme which was agreed in 2020/21 as a result of the Covid-19 pandemic. Funding was originally agreed from the Covid main grant for this, however due to the underspend in Public Health budgets it has been agreed to fund this from the Public Health Grant in 2021/22.
38. It is proposed that £230,000 of the underspend on Public Health budgets relating to a rebate received from the Tees Valley arrangement for the sexual health contract is

transferred to a Public Health Reserve for improvements to the sexual health service throughout 2022/23 and 2023/24, following agreement by all Tees Valley local authorities.

Adult Social Care

39. There are staff savings across the Service totalling £829,000 at year-end, which is a further increase from the £600,000 saving reported at Quarter Three, due to staff turnover and delayed recruitment to vacancies. Similar to Children's Care (as detailed in paragraph 61), there are emerging difficulties within Adult Social Care relating to the recruitment of permanent social work staff, and the Service are having to consider recruiting agency staff to fill vacant posts and introducing a recruitment and retention bonus scheme in 2022/23.
40. The net growth for purchased care costs (mainly residential care) in 2021/22 was £1,058,000, which is lower than the £1,483,000 forecast at Quarter Three. This pressure was offset by a corresponding increase in service user's contributions to care of £500,000 in excess of budgeted income. Other savings of £443,000, including additional health income and reductions in the cost of some care packages occurred during 2021/22. There were also additional direct payments surpluses in excess of the budget of £382,000, which were not forecast at Quarter Three, as a result of clearing legacy accounts in preparation to moving to prepaid cards during 2021/22. This has resulted in an overall £267,000 saving on the purchasing budget in 2021/22, a substantial variation from the overall £572,000 overspend on the purchasing budget reported at Quarter Three.
41. In addition, there are a number of budget areas within Adult Social Care which have variances below £150,000, and these account for the overall £976,000 underspend on the Adult Social Care budget at year-end, which is a substantial increase from the £65,000 overall underspend reported at Quarter Three due to the reasons reported above.

Education & Partnerships

42. There is an underspend of £30,000 on the Education Services budget at year-end, which is an improvement from the £27,000 projected overspend reported at Quarter Three. This is mainly due to an improvement during Quarter Four in the take up of services at Children's Centres and Nurseries following the end of Covid-19 lockdown.
43. There is also a saving of £347,000 at year-end relating to school contributions to capital schemes, as contributions were funded from other sources, thereby creating a revenue saving. This is lower than the £542,000 forecast at Quarter Three, due to delays in some schemes.
44. For information, the Council received £160.3m (before deductions and recoupment) of Dedicated Schools Grant (DSG) for 2021/22. The funding comprises of a number of blocks - Schools Block, Central School Services Block, High Needs Block, and Early Years Block. A large proportion of the Schools Block is passported directly to academies (known as recoupment).
45. There was a £3.291m total cumulative deficit on the DSG grant at the end of 2020/21, of which £3.902m was attributed to the High Needs Block. The DSG deficit has

increased during 2021/22 and there is a total DSG deficit of £3.335m, including £4.933m relating to the High Needs Block, at the end of 2021/22.

46. The Council currently has to account for such DSG deficits separate from its own finances, and cannot use its General Fund to clear the deficit. However, this only lasts until the end of March 2023 and therefore there is uncertainty around this in the future and a risk that after March 2023 the Council may have to provide for the DSG deficit built up over the years. This risk is accounted for in the determination of the General Fund Reserve included as part of the Revenue Budget, Council Tax, MTFP and Capital Strategy 2022/23 Report presented to Council on 23 February 2022.
47. The DSG conditions of grant require that any local authority with an overall deficit on its DSG account at the end of financial year 2021/22, or who's DSG surplus has substantially reduced, present a plan to the DfE for managing its DSG spend in 2022/23 and future years. There is also a requirement to provide information as and when requested by the DfE about pressures and potential savings on its high needs budget. DfE expect that the schools forum is regularly updated about the authority's DSG account and plans for handling it, including high needs pressures and potential savings.
48. The increasing pressure in DSG and in particular the High Needs Block is due to the fact that alongside social care, the Service is predicting an increase in more complex placements with a forecast increase in Education, Health and Care plans (EHCPs) in the future. The Government have partly recognised this by an increase in funding allocated in the latest finance settlement for 2022/23 for both Schools and High Needs Blocks.

Children's Care

49. The overspend on the Children's Care budget at year-end has decreased by £648,000 from that reported at Quarter Three to an overspend of £8,295,000 as at year-end 2021/22. The split of the overspend between the individual budgets within Children's Care and the changes from the Quarter Three reported position are detailed in the paragraphs below.
50. A proportion of the overspend is linked to transformation and improvement within Children's Services which is part of as the Flexible Use of Capital Receipts Strategy detailed in paragraphs 112 and 113. As mentioned in paragraph 113 entries have been made in the Council's accounts for the effect of this, which will mean the Children's Care overspend will reduce to £4,078,000 at year-end. The figures in the paragraphs below are before the effect of this.
51. The external residential agency placements budget is £3,130,000 (32%) overspent at year-end. This is an increase of £217,000 from the Quarter Three projection, mainly due to price increases within the market generally and new placements initially being made at a higher cost whilst reduced cost long-term permanent placements are sought.
52. The number of external residential placements at 31st March 2022 was 51, which is a slight increase from the 48 at the end of Quarter Three, but is still a significant reduction from the 65 at the end of 2020/21, due to various initiatives introduced such as the Innovate Team, the Futures for Families Programme, and Daniel Court.

53. It should be noted that whilst the number of placements has decreased significantly the average cost per placement has increased significantly during 2021/22, due to demand across the country and increased costs for some of the remaining placements due to the complex nature of the remaining young people.
54. The target in the Council's MTFP is to further reduce the number of paid external residential placements to 35 by April 2024. Whilst the reduction in numbers of children in external placements is broadly on track with that as per the action plan this will require close monitoring and regular review, due to the fact that the March 2022 figures have shown the first increase in numbers for over a year despite a number of current young people turning 18 years old. The significant inflationary and market pressures on average placement costs also need to be closely monitored. Any significant variations from the targets currently set in the MTFP will require the MTFP to be adjusted.
55. As mentioned in previous quarters, further work led by the Directors within Children's Services has been undertaken to review all the young people in Residential Agency Placements and ensure that appropriate levels of funding are received from both the Clinical Commissioning Group (CCG) for Health and from Dedicated Schools Grant (DSG) for Education contributions. Due to the fact that the complexity of the Council's young people has increased along with the average placement costs, the Health and Education contributions should therefore also increase appropriately. The outturn for the external residential placements budget includes increased Education contributions to placements, some paid direct to providers, of £1,170,000 for 2021/22, which is a significant increase on the £760,000 forecast at Quarter Three. With a significant backlog of Education Health Care Plans this figure may well in the future increase percentage wise in regards to contributions against the total Children's Care expenditure.
56. The above pressure on the external residential agency placements budget has however been partly offset by additional income received from the CCG of £302,000 (24%) above the budget for the contribution from Health towards the increased cost of placements due to the complex needs of the young people. This is an improvement of £82,000 from that reported at Quarter Three.
57. The in-house fostering services budget was £930,000 (32%) overspent at year-end, an improvement of £72,000 on the Quarter Three projection. There has been an increased number of placements/cases by 16 from the start of the year (from 164 to 180 at 31/3/22). 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.
58. The Independent Fostering Agency (IFA) placements budget is £893,000 (17%) overspent at year-end, a decrease of £367,000 from that reported at Quarter Three. The number of placements / cases has reduced to be currently at 145, 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. Reductions in expenditure within this area are part of the MTFP strategy for Children's Services and the target is to get down to 121 places by April 2024, however as with external

residential places close monitoring needs to take place with regard to inflationary pressures as well as reducing numbers.

59. There is a overspend on the Family and Friends Allowances budget of £662,000 (29%) at year-end, which is a decrease of £94,000 from the projected overspend of £756,000 reported at Quarter Three. It should be noted that demand on this budget is expected to continue to grow over the next few years as the Council continue to improve outcomes for Middlesbrough young people and make improvements to services. The costs associated with payments made under this budget are however significantly lower than those in other budgets, such as those in external residential agency placements or Independent Fostering Agency (IFA) placements. A working group is continuing to investigate processes and payments, and benefit claim checks are being increased in order to attempt to mitigate this pressure.
60. There is an overspend at year-end of £1,743,000 (30%) on the Safeguarding, Care Planning and Referral and Assessment teams budget, a reduction of £72,000 from that reported at Quarter Three. The overspend is due to significant spend on agency staffing, Section 17 payments and support packages for families to keep the young people out of care, and increased Professional and Legal costs (including parenting assessments and substance testing) to support improved pre-court proceeding works to reduce the risk of young people going into care into higher cost placements. The Council have received significantly improved feedback from courts relating to this work and this has helped to support improving relations with courts. The Service is working with Finance to analyse the costs further to evaluate value for money of these, and to determine if some of this cost is required to be included ongoing as part of the longer term strategy to reduce/avoid higher Children Looked After costs.
61. As detailed in previous quarters, staff agency costs in 2021/22 to cover sickness and vacant posts and transform the Service are a major element of the pressure on the Safeguarding, Care Planning and Referral and Assessment teams budget, 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 the long-term finances of the Council.
62. The overspend at year-end on the Review and Development budget is £319,000, similar to that reported at Quarters Two and Three. The pressure on this budget is due to increased staffing costs to support the reduction in caseloads of social workers to more manageable levels, and the recruitment of agency staff to fill vacant posts due to challenges in recruiting to social worker positions across Children's Services.
63. Children Looked After teams have incurred an overall £587,000 (23%) overspend at year-end, a £143,000 increase from that reported at Quarter Three. Similar to that in the Safeguarding, Care Planning and Referral and Assessment teams budget, there was a pressure of £796,000 mainly due to agency staffing costs to fill vacancies and cover absences, and to support the Ofsted Improvement Plan. As stated in paragraph 61 the reliance on agency staff, is a significant risk to the Council in the medium to longer term. Part of his pressure was however offset by an improvement of £209,000 in income claimed for 2021/22 from the Unaccompanied Asylum Seekers Grant which was not predicted at Quarter Three.

64. There was a pressure of £368,000 (32%) on the Adoption Services budget, a slight reduction of £20,000 from that reported at Quarter Three. The overspend in 2021/22 is mainly due to an increase in the costs from the Tees Valley Adoption Agency for inter-agency fee payments for 2021/22. This is however having a positive effect, as there have been 24 adoption orders completed in the year.
65. The Prevention Service, which transferred to Children's Care from Education & Partnerships during 2021/22, are reporting a £239,000 saving. This is an improvement of £170,000 from projections at Quarter Three due to staff savings, carrying vacant posts whilst restructuring service, and maximising grant income (in particular from the Supporting Families Grant). This Service will require monitoring and support to meet efficiency targets and support longer term the Early Help Strategy.
66. In addition to the above, there are a number of budget areas within Children's Care which have variances below £150,000, and these account for the overall £8,295,000 overspend on the Children's Care budget at year-end.
67. 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.

Legal and Governance Services

68. As reported at previous quarters there is an overspend against the budget for Middlesbrough's contribution to the Coroners Service, resulting in a final overspend at year-end of £216,000, This overspend is £46,000 higher than reported at Quarter Three following a change to the basis of re-allocating the costs between the Local Authorities. This was agreed by the Tees Valley Directors of Finance group. Additional resource has been provided from the MTFP in 2022/23 to alleviate this pressure.
69. The Strategy Information and Governance service are reporting an overspend of £245,000 at year-end. £191,000 of the overspend is mainly due to unbudgeted posts and re-grades of existing posts, £104,000 relates to Mail & Print due to higher than expected usage of the Hybrid Mail system, and these are partially offset by vacant posts totally £50,000 within the Customer Experience Team. This is to be reviewed and mitigated where possible in 2022/23.
70. The budget for Local Elections is showing a pressure of £328,000 at year-end. This is due to a number of unforeseen elections and the need to increase the level of reserve set aside to fund local elections. The future level of reserve will be reviewed in 2022/23 in line with the forthcoming Elections Bill.
71. These pressures have been partially offset by savings elsewhere within the Directorate, resulting in a £517,000 total overspend on the Legal and Governance Services budget at year-end 2021/22.

Finance

72. As reported in previous quarters continued successful lettings at Tees Advanced Manufacturing Park (TAMP) have resulted in unbudgeted net additional revenue income of £333,000 in 2021/22. This is reported under the Commercial Rents income budget which, following the inclusion of the additional income from TAMP, is projecting

an overall surplus of £8,000 at year-end. There is also an underspend on the Valuation budget of £79,000 due to an increase in valuation fees income from work undertaken.

73. There is net additional unbudgeted income of £434,000 (after capital financing costs) received during 2021/22, due to rental income from the purchase of the Captain Cook Shopping Centre. This is a reduction from the £500,000 reported at Quarter Three. As mentioned in the report to Council in February 2022 additional unbudgeted income of £200,000 per annum from Captain Cook Square is assumed in the MTFP from 2022/23.
74. In paragraph 109 of the Quarter Three report it was outlined that the Council had purchased the Cleveland Centre Shopping Centre on 7 January 2022 as per the delegated powers of the Director of Regeneration and Culture and the Director of Finance. It was also mentioned that at Quarter Three no additional income had been assumed in 2021/22 from the purchase. Following the purchase an amount of £508,000 was received in 2021/22. There will be a need to determine whether the income received will be ongoing at current levels in future years, and also allow for the payment of capital financing costs. Further updates of this will be provided in future budget monitoring reports to Executive and the MTFP will be updated accordingly.
75. The Revenues and Benefits budget was underspent by £498,000 at year-end, an increase in underspend of £46,000 from that reported at Quarter Three. This underspend was mainly due to an increase in unbudgeted new burdens grant funding received from the Government for additional work arising from the distribution of Covid-19 grants to business and individuals. It should be noted that the Service is actively trying to recruit staff, however there is a lack of people with the available skills in the market. The underspend assumes the carry forward of £189,000 of resources into 2022/23 to help support the staffing requirements within the Service.
76. As reported in previous quarters, there is a pressure of £100,000 on the Insurance budget for Middlesbrough's contribution to the potential cost of historic claims relating to Cleveland County Council.
77. In addition, there are a number of budget areas within Finance which have variances below £150,000, and these account for the overall £1,760,000 total underspend on the Finance budget at year-end.

Central Budgets

78. 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 saving in Central Budgets.
79. The central contingency budget for Pay and Prices underspent by £931,000 at year-end. There was also a saving of £441,000 in 2021/22 following the settlement of the local government pay award for 2021/22 in March 2022, as 2% had been provided for this in 2021/22 but the pay award was agreed at only 1.75%. It should be noted that in light of the current economic climate there is high level of uncertainty regarding future pay awards – currently 2% has been provided per annum in the MTFP for pay awards

in future years. As mentioned in paragraph 7 and shown in the table in paragraph 10 it is proposed that pressures totalling £1,363,000 currently reported within Environment and Community Services relating to Kerbside Recycling and other inflationary elements, such as energy, utilities, fuel and food, will be funded from the Central Pay & Prices budget. This will mean that this budget will therefore more or less break even in 2021/22. Whilst provision was made for inflationary pressures in the updated MTFP presented to Council in February 2022, there will be a need for this budget to be closely monitored and updates will be provided in future reports.

80. The Capital Financing budget overspent by £355,000 at year-end, which is an increase of £274,000 from that reported at Quarter Three. The overspend was due to lower than expected savings from a review of asset lives as part of the calculation of minimum revenue provision for the year (£175,000), lower than expected income from the Middlesbrough Development Corporation due to delays on capital schemes (£93,000), and also higher interest costs than budgeted for on the original capital programme (£87,000). The remaining £175,000 held within the Capital Refinancing Reserve will be used to reduce the overspend at year-end to £180,000.
81. There is net excess rental income of £244,000 (after accounting for business rates and service charges which the Council had to incur in 2021/22 whilst tenants were not in place) above the budget for Centre Square Buildings 1 and 2 following the successful lettings of these buildings, which is broadly similar to that reported at Quarter Three.
82. There was a £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.
83. There was a pressure of £369,000 on the Covid Grants budget due to no income being received from the Government under the Local Tax Income Guarantee which was provided to compensate councils for an element of the 2020/21 Collection Fund deficit. Full details of this are provided in paragraph 87 of the Covid-19 section of this report.

Covid-19

84. As reported previously, 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 pandemic continued during Quarter Four and 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.
85. The paragraphs below provide an update of the position as at year-end 2021/22, detailing the costs of Covid-19 and the grant funding provided by the Government in 2021/22. The table contained in paragraph 110 summarises the overall financial position for 2021/22, along with a breakdown of the funding split between the Government grant funding and the Council.

Government Funding

86. 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.
87. 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. The main actual funding provided during 2021/22 is summarised below:
- Covid-19 Expenditure Pressure Grant, which provided general support funding totalling £5.310m for 2021/22.
 - Sales, fees and charges (SFC) – the SFC compensation scheme for lost income was continued for the first three months of 2021/22, using 2020/21 budgeted income as the baseline. Middlesbrough received a total of £801,000 funding in 2021/22 from the scheme. It should be noted that the SFC scheme did not cover commercial income lost from investment activities and rental income.
 - A further allocation of Contain Outbreak Management Fund (COMF) funding of £1.370m was provided during 2021/22 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 2020/21 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. The budget set for 2021/22 assumed income of £369,000 would be received in 2021/22 for this based on information available at the time. However full details of the compensation methodology were not provided until after setting the 2021/22 budget, and due to improved collection rates later in 2020/21, under the method of the calculation Middlesbrough Council did not qualify for any compensation funding from this in 2021/22.
 - Local Council Tax Support Grant – The allocation for Middlesbrough was £2.592m in 2021/22. In the Revenue Budget, Council Tax, Medium Term Financial Plan and Capital Strategy 2021/22 report to Council on 24 February 2021 it was approved that this funding would be used over the MTFP period to mitigate pressures on the council tax base.
 - The Government provided councils with Section 31 Grant Funding for the lost income caused by the Covid-19 Business Rates Reliefs provided by the Government to businesses. The accounting regulations require that local authorities carry forward to 2022/23 the lost income from Business Rates via a deficit on the Collection Fund and then carry forward to 2022/23, via a reserve, the Section 31 Grant Funding provided in order to mitigate the Collection Fund deficit carried forward. This means that there is a need to transfer £5.833m of Section 31 Grant to a Business Rates Deficit Reserve and this will be used to offset any deficit that accrues.

Additional costs

88. There were approximately £4.5m of additional costs associated with Covid-19 in 2021/22 and these covered a wide range of areas and services. The table below shows the additional expenditure per Directorate and the following paragraphs below detail the key areas of costs :

Directorate	2021/22 Covid-19 expenditure £'000s
Regeneration and Culture	998
Environment and Community Services	482
Public Health	0
Education & Partnerships	390
Children's Care	1,838
Adult Social Care	230
Legal and Governance Services	274
Finance	261
Total 2021/22 Covid-19 expenditure	4,473

89. Adult Social Care – there were additional costs due to the additional staffing that was required in Social Care to deal with the effects of the Covid-19 recovery on services provided. There were also costs related to Rough Sleepers and Homelessness of £117,000 - it should be noted that this is in addition to £247,000 which was charged to the Covid-19 COMF grant in 2021/22 for this.
90. Children's Social Care Costs – the additional costs within Children's Social Care were mainly due to delays in placements of children (£208,000) and increased staffing and agency staffing costs (approximately £1.5m) to deal with an increased number of cases and case backlogs caused by Covid-19.
91. Other expenditure relating to Children's Services was incurred, in particular around Legal Childcare case backlogs and costs within Education & Partnerships (£390,000) which included additional Education Psychologists that were required to provide additional capacity for mental health support to young people and various additional costs relating to early years support.
92. Environment and Community Services – there were additional costs for a wide range of areas, including £145,000 relating to increased costs of waste collection and disposal due to increased tonnages of waste, and £158,000 relating to Fleet Services due to outsourcing of work due to a Covid-19 outbreak in the workshop and additional vehicle hire required.
93. Direct Covid-19 Costs - a number of direct costs associated with the current situation occurred 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 (£55,000), and other costs of

approximately £116,000 relating to the storage of Personal Protective Equipment (PPE). There were also increased payments to providers of Bed & Breakfast accommodation of approximately £43,000, due to the requirements to house people during the Covid-19 pandemic.

94. Other Covid-19 costs –Additional staff costs of approximately £125,000 were incurred 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 £70,000 occurred within HR for additional counselling and Health and Wellbeing services for staff following the Covid-19 pandemic. There was also additional IT expenditure for additional equipment and licences, of approximately £40,000.

95. SLM Leisure Trust (shown under Regeneration and Culture) – As detailed in previous 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. SLM have provided the Council with all requests for funding and whilst the March 2022 claim is still to be verified the total amount of funding provided by the Council stands at £1,059,165 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 was remaining for use in 2021/22 to offset any payments made to SLM, meaning that there was a net pressure of £918,096 in 2021/22. This is an increase of £186,710 on the position reported at Quarter Three. The main reasons for the increase include urgent maintenance works at the Neptune Centre swimming pool, replacement CCTV at Middlesbrough Sports Village, and significant increases in utility costs. Detailed discussions are currently taking place with SLM in order to reduce as far as possible the financial pressure to the Council in future years, and updates will be provided in future reports regarding this.

Reduction in income

96. The impact of the lockdown and closure of facilities and services and the recovery period following the end of restrictions has resulted in a loss of income totalling approximately £2.0m across a broad range of areas during 2021/22. The table below shows the loss per Directorate :

Directorate	2021/22 Covid-19 reduction in income £'000s
Regeneration and Culture	701
Environment and Community Services	435
Public Health	0
Education & Partnerships	266
Children’s Care	0
Adult Social Care	406
Legal and Governance Services	45
Finance	120
Total 2021/22 Covid-19 reduction in income	1,973

97. The list below highlights the main reasons and the loss for each main area in 2021/22:

- Car Parking (£263,000 – after effects of TVCA £850,000 grant received)
- Cultural activities (Town Hall, Middlesbrough Theatre, Museums, Parks) (£198,000)
- Catering income from schools (£187,000)
- Adult Social Care - In house day centre care provision (£406,000)
- Libraries and Community Hubs – room hire, book sales, and fines (£85,000)
- Council run Nurseries and Children’s Centres (£221,000)
- Bus station – departure charges and loss of income from toilets (£91,000)
- Capital Finance – Rent and Interest (£80,000)
- SLM – loss of profit share in 2021/22 (£172,000)

98. As mentioned in paragraph 87 the Council received £801,000 from the SFC scheme in 2021/22.

99. Provision was made in the updated MTFP presented to Council in February 2022 for the future potential ongoing effects of Covid-19 on income in a number of the areas mentioned above. This has been reviewed and in light of the current levels of car parking income, it is proposed that a new earmarked Car Parking Pressures Reserve of £782,000 is set up for the potential ongoing effects of Covid-19 on car parking income in future years.

Unachievable savings

100. It was not 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, with £55,000 of the saving not being achieved and charged to Covid-19 costs in 2021/22.

Council Tax and Business Rates income

101. 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.

102. 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 for 2020/21 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 were incorporated

into the latest refresh of the Council's Medium Term Financial Plan presented to Council in February 2022.

103. As detailed in paragraph 87, Government funding was provided to compensate councils for an element of the 2020/21 Collection Fund deficit, based on a methodology that 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 did not qualify for any compensation funding from this in 2021/22.
104. The MTFP presented to Council in February 2022 included the estimated effect of Council Tax and Business Rates income during 2021/22, but it is clear that there are a number of issues, including the current economic climate, which may potentially result in pressures continuing on Council Tax and Business Rates income in future years, and this will be closely monitored and the MTFP will be updated for this as appropriate.
105. The phasing out of the furloughing scheme from the start of July 2021 and the closing of it at the end of September 2021 and the current general economic climate may potentially 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 ongoing economic impact of the pandemic and the current general economic climate may increase the number of households eligible for LCTS support. This may potentially lead to a reduction in the overall amount of Council Tax assessed/collected compared to the level budgeted. This will be closely monitored through 2022/23 and future years.
106. Our budgeted Council Tax base includes assumptions on housing growth. If there is reduced growth in housing numbers, this will impact on income levels.
107. 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 reduced 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 in the future if businesses fail or are unable to pay.
108. 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.
109. The position relating to Council Tax and Business Rates income for 2022/23 and future years and the effects on the Collection Fund will be closely monitored, and updates will be provided in future budget monitoring reports

Summary of Covid-19 pressures

110. The financial impact of the Covid-19 pandemic in 2021/22 is summarised below, along with a breakdown of the funding split between the Government grant funding and the Council, based on funding provided by the Government as detailed in paragraph 87:

<u>see also note on Other Covid Grants below</u>			
	<u>Grant Allocation</u> <u>2021/22</u>	<u>Actual 2021/22</u>	<u>Council Cost 21/22</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>
Extraordinary costs incurred		4.473	
Commercial income losses		0.080	
Non-SFC income losses		0.172	
Unachievable Change Programme savings		0.055	
Total Covid-19 Main grant (2021/22)	5.310	4.780	-0.530
Sales, Fees and Charges (SFC) income loss grant (2021/22) (note only received grant for 1st quarter of 2021/22)	0.801	1.721	0.920
NET COST OF COVID TO COUNCIL 2021/22			0.390

<u>NOTE - OTHER COVID GRANTS</u>			
	<u>Grant Allocation</u>	<u>Actual Spend</u>	<u>Grant Remaining</u>
	<u>2021/22</u>	<u>2021/22</u>	<u>2021/22</u>
	<u>£m</u>	<u>£m</u>	<u>£m</u>
Clinically Extremely Vulnerable (CEV) - see Note 1	0.198	0.198	0.000
Test And Trace - see Note 2	0.540	0.540	0.000
Contain Outbreak Management Fund (COMF) - see Note 3	1.059	1.059	0.000
Total Other Covid Grants	1.797	1.797	0.000

NOTE 1
For CEV Grant - no new allocation in 2021/22, but £198k of remaining grant from 2020/21 was carried forward for use in 2021/22.

NOTE 2
For Test & Trace - no new allocation for 2021/22 but £687k of remaining grant from 2020/21 was carried forward for use in 2021/22 (£540k) and 2022/23

NOTE 3
For COMF - the Council received £1.37m for 2021/22, however £311k of funding is likely to be required in 22/23 for the continuation of Public Protection schemes.

111. The above table shows that there has been a financial pressure due to Covid-19 of £390,000 in 2021/22, which is an decrease of £1,431,000 from the £1,821,000 pressure reported at Quarter Three, At Quarter Three the effects of the Omicron variant were not fully known and forecasts of additional expenditure and reductions in income were made assuming a level of further restrictions during Quarter Four, these did not occur and therefore there were lower levels of additional expenditure and reductions in income than assumed at Quarter Three. It is proposed that the £0.390m pressure due to Covid-19 will be funded from the Covid Recovery Reserve of £4.512m set aside for this.

Flexible Use of Capital Receipts

112. Full Council on 20 October 2021 approved a Flexible Use of Capital Receipts Strategy. The report to Council stated that the Strategy would be monitored throughout the financial year as part of regular budget monitoring arrangements and be reported accordingly as part of the current quarterly budget monitoring reports to Executive, and that the Strategy may be updated and replaced as proposals are developed and expenditure is incurred. The following table provides an update of the schedule of the projects to transform services that are to be funded through flexible use of capital receipts for 2021/22 along with the final costs for 2021/22, and the associated estimated annual revenue savings or future cost avoidance.

Project	Further Details	Investment Required 2021/22 £000	Estimated annual savings £000
Children's Services - Children's Care	Funding for transformation of service and Ofsted Improvement Plan to improve services and outcomes		
	Specialist agency teams in Referrals & Assessments to improve the "front door model"	1,145	Cost avoidance
	Specialist agency team examining placements in order to reduce high cost placements	592	624
	Workforce remodelling - experienced social worker recruitment and retention / agency worker reduction strategy	427	200
	Transformation costs associated with increasing internal residential provision	26	521
	One-off transformation costs associated with improvements in practice to reduce future numbers of children looked after (includes professional fees, legal costs, increased S17 payments)	132	Cost avoidance
	Transformation of Children with Disabilities long-term packages of support to prevent young people entering care	0	0
	Additional posts to drive improvement and transformation	183	Enabling
Central budgets - Ofsted Improvement	Ofsted Improvement Plan additional posts to drive improvement and transformation	1,811	Enabling
		4,316	1,345
Central budgets - Change Fund			
Digital Transformation	One-off implementation costs related to the Digital Transformation Project	148	1,094
Children's Services	Additional posts to support changes in Senior Management and Programme Managers	140	Enabling
Management and Staffing Review	Service reconfiguration, restructuring or rationalisation of management and staff, where this leads to ongoing efficiency savings or service transformation	327	192
Organisational Development	Organisational Development upskilling linked to the Council's values	23	Enabling
HR System	Development of the Council's HR system	0	Enabling
Project Support for Transformation Projects	Support for the transformation across the Council	63	Enabling
TOTAL		5,017	2,631

113. Entries have been made in the Council's accounts for these having due regard to the Local Authority Accounting Code of Practice, including the effect on the Council's Investment Strategy (see paragraph 125), and the outturns detailed in the table in paragraph 10 have been amended for these. This will effectively mean that the Council's financial position will be improved by approximately £5m and will allow the Council to increase the level of reserves that the Council holds by this, at this time of high financial uncertainty with minimal impact on the Council Tax payer. This will help support the significant and continued transformation work taking place within the Council, principally within Children's Services, which will deliver further improvement

and efficiencies. Further details of the effect on the level of reserves are provided in paragraphs 158 to 160 of this report.

Revenue budget spending controls

114. As previously reported to the Executive, a number of controls were implemented from 2019/20 to minimise overspending across the Council in-year and these remained in place for 2020/21 and 2021/22, and it is proposed that they will continue in 2022/23, 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.

115. The Council is continuing to minimise the use of agency staff where it is appropriate to do so, but it was acknowledged that there was a need in 2021/22 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 agency staff is likely to continue in 2022/23, principally to support the continued ongoing transformation within Children's Services, however this will be minimised as far as possible. The Council is using 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.

116. A number of plans were 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 (DSG).

117. While the mitigations above have been progressed, the experience in both 2020/21 and 2021/22 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.

118. 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. The revised MTFPs presented to Council on 24 November 2021 and 23 February 2022 provided further detail of this.

119. As mentioned in the budget report to Council of 24 February 2021 the Council set aside approximately £1.6m of Council funding for 2021/22, to support the Ofsted Improvement Plan. This was combined with £188,000 of unspent funding carried forward from 2020/21. All of this available funding was spent in 2021/22, with progress against the plan being monitored by the Multi Agency Strategic Improvement Board. This funding finished at the end of 2021/22 and any further funding required for Children's Services Improvement will be detailed in future budget monitoring reports and the MTFP updated accordingly as appropriate.

Capital Budget Outturn 2021/22

120. As part of the Quarter Three report to Executive on 14 February 2022, Executive approved a revised capital budget for 2021/22 of £59.035m. This was then reviewed, with a further year being added, and approved by Council as part of Revenue Budget, Council Tax, Medium Term Financial Plan and Capital Strategy 2022/23 report to Council on 23 February 2022.

121. Following a further review and the inclusion of new additional schemes (paragraph 125 and 126), increases to existing schemes, and the reductions to existing schemes (as detailed in paragraphs 123, the Council spent £56.899m at year-end. The reasons for the underspend to the revised capital budget for 2021/22 and any changes required to the Investment Strategy are provided in the paragraphs below.
122. The revised Investment Strategy to 2024/25 is included at Appendix 1 for approval. It should be noted that capital receipts assumptions have been re-evaluated in light of Covid-19 and the Revised Investment Strategy takes accounts of this.
123. It is proposed that the following scheme within the Investment Strategy is reduced in value:
- £657,000 requires transferring to revenue budgets in order to fund staffing and other revenue costs during the course of the Towns Fund programme. This is in line with approvals provided by the Department for Levelling Up and Communities (DLUC).
124. It is proposed that the following 5 schemes transfer between directorates :
- £1,970,000 of the Acquisition of Town Centre Properties allocation for 2022/23 is transferred from Regeneration and Culture to Environment and Community Services. This is in relation to essential maintenance required at the Cleveland Centre. These works were identified prior to acquisition and stated as required within the Executive report of 9 November 2021.
 - £778,000 of the Towns Fund Ward Initiatives project for 2022/23 is transferred from Regeneration and Culture to Environment and Community Services. The remaining £222,000 of this allocation will remain within Regeneration and Culture.
 - £188,000 of the Towns Fund is transferred from Regeneration and Culture to Environment and Community Services in 2021/22 in relation to the building works at the Captain Cook Public House.
 - £100,000 of the Towns Fund allocated for the Cargo Fleet Nature Reserve project is transferred from Regeneration and Culture to Environment and Community Services (£6,000 2021/22 and £94,000 2022/23).
 - £776,000 relating to East Middlesbrough Community Hub is transferred from Environment and Community Services to Regeneration and Culture, to be joined up with other Towns Funds funding relating to this.
125. It is proposed to add the following schemes above £150,000, to the revised Investment Strategy, set out at Appendix 1 for consideration and approval :
- Capitalisation of Transformation Expenditure via Flexible Use of Capital Receipts Strategy - £5,017,000 of expenditure has been added to the Investment Strategy as part of the required correct accounting treatment for the adoption of this Strategy (see paragraph 113). The additional expenditure has been added to the following Directorates :

- £11,000 Regeneration
 - £263,000 Environment and Community Services
 - £4,217,000 Children's Care
 - £526,000 Legal and Governance Services
- On 10 May 2022, Executive approved the "Tees Advanced Manufacturing Park - Next Phase" report. The report approved funding of £8,820,000 (£1,500,000 2022/23 and £7,320,000 2023/24) for the development of the second phase of Teesside Advanced Manufacturing Park, which will result in approximately 90,000 square feet of additional manufacturing units. The report has highlighted that the scheme is only viable with additional funding from Tees Valley Combined Authority (TVCA). A funding agreement with TVCA is yet to be finalised. The report also approves £335,000 of funding to complete phase one of the park. Phase one has performed significantly better than the original business case, the site is now fully occupied, ahead of anticipated schedules and the rental income achieved is also significantly higher than envisaged. Of the £335,000, £253,000 is for fees associated with developer incentives. It requires noting that the Council's revenue income achieved on the site will exceed expectations by more than £1,000,000 over the period of five years.
 - £175,000 has been added to the Investment Strategy in respect of the costs required to relocate the Safe Haven facility from Albert Road to a unit within Middlesbrough Bus Station.

126. The following additions to schemes in the current Investment Strategy which have been recently approved by Executive are also to be included in the revised Investment Strategy, set out at Appendix 1 for consideration and approval :

- Affordable Housing Via Section 106 - £345,000 of Section 106 contributions received from housing developers have been added to the Investment Strategy.
- Highways Infrastructure Development Section 106 - £250,000 of Section 106 contributions received from housing developers have been added to the Investment Strategy.
- Traffic Signals – Tees Valley Combined Authority – On 18 November 2021 Tees Valley Combined Authority confirmed that £500,000 of funding via the Department for Transport has been provided for traffic signals. As the lead authority, this grant is provided to Middlesbrough Council but the funds will be expended on priorities throughout the wider Tees Valley.
- Waste Procurement Project – The Council has incurred costs of £176,000 in 2021/22 as its share in respect of the development of the new waste management site, which is being led by Stockton Borough Council.
- Transporter Bridge – On 22nd December 2020 Executive approved the "Transporter Bridge – Future Operation" report providing funding for the initial repair programme and the funding requirements to ensure the ongoing structural integrity of the Transporter Bridge. Whilst undertaking these works, issues in relation to the upper chords and angles were identified. A major health and safety incident may have occurred if these issues had not been resolved immediately. The cost of the works totalled £272,000, of which £136,000

requires additional Council funding and the remaining £136,000 being contributed by Stockton Borough Council.

- Maintained Primary Schools – The original scope of works at the Park End Primary School bungalow conversion has increased to include works on the main hall, an external stage, a new MUGA and improvements to the existing MUGA. The cost of the additional works is £275,000, all of which has been provided by the school.
- On 28 March 2022 the Department for Education provided the Council with confirmation of the continuation of and the 2022/23 grant funding allocations for the following :
 - £5,007,532 provided from the High Needs Capital Provision Allocation
 - £1,758,128 provided from the Basic Needs Allocation, of which £1,645,000 was already assumed within the Investment Strategy, making a real increase to the Investment Strategy of £113,128.
 - £622,550 provided from the School Condition Grant Allocation
- On 5 April 2022 Executive approved the “Schools Capital Programme 2022” report. Within the report £6,200,000 of grant funding was approved for the provision of 70 new places for Pupils with Severe Learning Difficulties (SLD). The preferred option is to extend the accommodation at Discovery Special Academy. The grants stated above will be part used to fund this extension along with pre-existing grants not fully expended.

127. The split by Directorate is shown in the table below, which also shows the “real” 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 23 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 Budget report to Council 23/2/22) £'000	Final Investment Strategy Outturn £'000	Final Investment Strategy Outturn Variance £'000	New, increased & reduced Schemes / transfers £'000	Real outturn variance excluding new, increased, & reduced schemes / transfers £'000
Regeneration and Culture	40,672	35,668	(5,004)	(527)	(4,477)
Environment and Community Services	9,059	10,140	1,081	1,031	50
Public Health	0	0	0	0	0
Education & Partnerships	2,934	1,363	(1,571)	101	(1,672)
Children's Care	728	4,745	4,017	4,217	(200)
Adult Social Care and Health Integration	3,033	2,501	(532)	0	(532)
Legal and Governance Services	2,297	2,238	(59)	526	(585)
Finance	312	244	(68)	0	(68)
Total	59,035	56,899	(2,136)	5,348	(7,484)

Regeneration

128. Boho X – The contractor for the construction of Boho X has been providing the Council with a cash flow statement which when examined has been proven to be overstated. Whilst this has no effect on the cost of the project or the anticipated completion date it has resulted in £479,000 of planned expenditure being re-profiled into 2022/23.
129. Future High Streets Fund – Two of the schemes within the wider transformation of Captain Cook Shopping Precinct have spent significantly less than anticipated at Quarter Three. The public realm works have been delayed due to the contractor demanding certain assurances prior to commencing works on the site, these assurances were required as the actual contract has yet to be signed. Work has now commenced but the delay has resulted in £229,000 of anticipated expenditure being re-profiled into 2022/23. Lane 7 were required to provide their fit out plans to the Council in order for them to start drawing down the Council's contribution to the works, these plans were expected to be received during 2021/22 but were not provided until April 2022, consequently £581,000 of funds have been transferred into 2022/22. Other minor changes in expected spend have resulted in a total of £958,000 of grant being transferred into 2022/23.
130. Towns Fund - £494,000 of expected spend within the Towns Fund grant has been transferred into 2022/23. This is predominantly due to two of the schemes within the wider funding. Middlesbrough College has not finalised where its town centre provision should be situated, this is due to the Council recently acquiring the Cleveland Centre which provides the College with additional options for the location. There has also been a delay in the production of the windows for the Captain Cook pub which were expected to be acquired in 2021/22.
131. Housing Growth – Due to the uncertainty regarding the adoption of the Stainsby Masterplan and the consequential delay to the report that would seek Executive approval for the disposal of the associated greenfield sites the expected expenditure on infrastructure and the appointment of consultants have resulted in £214,000 of funds being transferred into 2022/23.
132. Brownfield Housing Fund – Delays associated with the delivery partner submitting a planning application for works on the site and general supply chain related issues have resulted in £167,000 of funds being re-profiled into 2022/23.
133. Middlesbrough Development Company – There has been significant delays in respect of Northern Power Grid undertaking a cable diversion at the Tollesby shops site. The diversion is now complete but the delay has hindered progress on other elements of the construction which has resulted in £317,000 of planned expenditure transferring into 2022/23.
134. Empty Homes 2015 To 2018 – The conditions of the grant have proven unattractive to home owners and despite Homes England extending the grant period for a number of years the full amount available has not been utilised. £192,000 has been re-allocated into 2022/23 to fund the works at the final applicants' properties. When all claims are settled the residual grant will be removed from the Investment Strategy.

135. North Ormesby Joint Venture – No further expenditure is anticipated in relation to the joint venture with Thirteen Group. £339,000 of Section 106 funds have been carried into 2022/23 as a final reconciliation is required. Upon reconciling, the unspent funds will be returned to the general Affordable Housing via Section 106 scheme for use as and when required.
136. New Civic Centre Campus – The original contractor was employed on a two stage design and build tender. During the phase one building strip out works the contractor provided the Council with a cost proposal for the specified phase two works, which was above the available budget. As such, the Council made the decision to re-tender the phase two works. An alternative contractor has been selected and the costs are within budget. The change in contract has caused a slight delay in works, resulting in £255,000 of funds being transferred into 2022/23.
137. Local Authority Delivery 2 Green Homes Grant - £583,000 of grant funding has been re-profiled into 2022/23 due to lack of take up of the offer of home improvements provided. This has been addressed through a marketing campaign associated with solar panels which has proven to be a more popular product. In addition, there has been some general issues with delays relating to the supply chain.
138. Linthorpe Road Cycleway – The scheme did not start on the expected date due to the contractor having issues in respect of the acquisition of materials and needing to seek an alternative sub-contractor due to the original one opting to take an alternative contract. The delays in acquiring both the materials and a secondary contractor have resulted in £351,000 of funds being transferred into 2022/23.
139. Local Transport Plan – There has been a general disruption to the wider programme due to issues relating to Covid-19 and problems with the supply chain. Consequently, £465,000 of grant funding has been re-profiled into 2022/23.

Environment and Community Services

140. Purchase Of Vehicles - £282,000 of funds originally assumed to be spent in 2021/22 have now transferred into 2022/23. This is due to significantly longer lead in times from the ordering to the delivery of vehicles than previously experienced. This is an issue relating to the Covid-19 pandemic, which is further exasperated with respect to specialist vehicles, with some deliveries not now expected until the end of 2022.
141. Bridges & Structures (Non Local Transport Plan) - Re-profiling of £311,000 of funds into 2022/23 is required due to a delay in consultants' reports and the revision of specifications for works on the bridges. Additionally works to a column on the A66 were paused until a decision was reached with regards to the demolition of the SLAM nightclub.
142. Street Lighting Maintenance – There has been an increase in the Lighting Up The Town programme. Furthermore, the number of column inspections carried out as part of the revaluation exercise was higher than expected. £412,000 of funds have been brought back into 2021/22 from future years allocations in order to fund these additional works.

143. Local Transport Plan – Highways Maintenance – £245,000 of grant funding has been re-profiled back to 2021/22 from 2022/23, this is due to the completion of works to the carriageways being higher than anticipated.

Education and Partnerships

144. Schemes In Secondary Academies – The expansion scheme at King's Academy is now due to commence in the summer of 2022, this has resulted in £321,000 of grant funding being re-profiled into 2022/23.

145. High Needs Provision Capital Allocation - £232,000 of grant funding has been carried into 2022/23 for use as and when individual improvement schemes are identified and approved.

146. School Condition Grant Allocation – £290,000 of grant funding has been re-profiled into 2022/23 owing to underspends on various schemes. The grant will be reallocated to individual schemes as and when required.

Children's Care

147. Contact Centre – Bus Station Unit 1 – The works on the unit did not start on the date envisaged, this has resulted in £158,000 of funds being transferred into 2022/23.

Adult Social Care and Health Integration

148. Disabled Facilities Grant – Both the shortage of available contractors and reduced access to properties due to shielding relating to Covid-19 have resulted in £423,000 of planned expenditure on home adaptations being reallocated to 2022/23.

Legal and Governance Services

149. Enterprise Agreements – £232,000 of previously planned expenditure has been re-profiled into 2022/23 predominantly due to the timetable for the rollout of Microsoft 365 being reviewed.

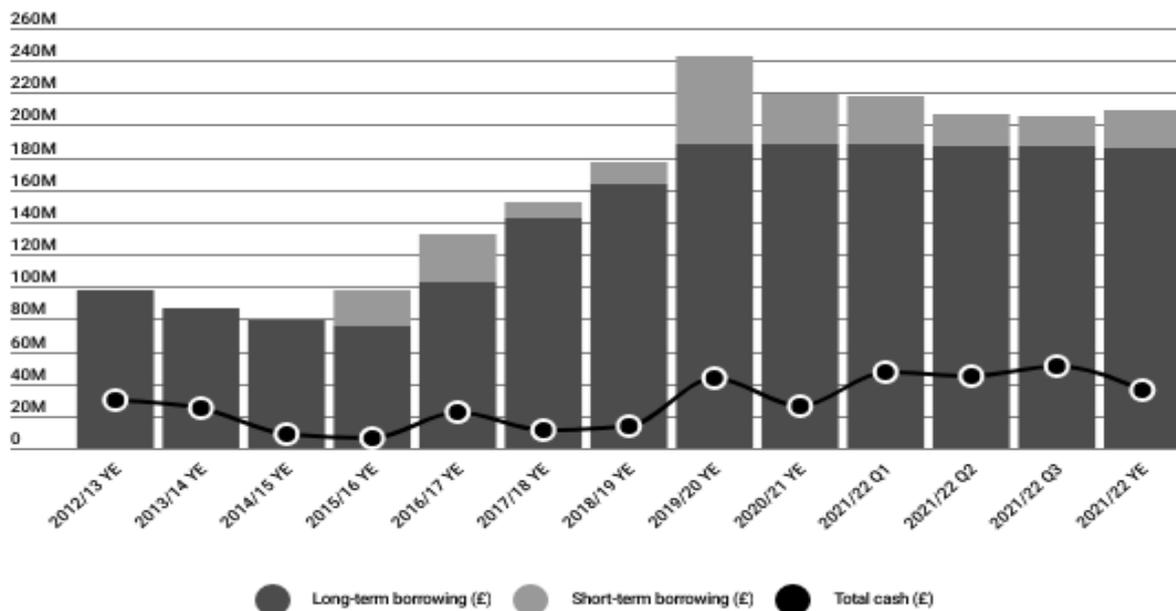
150. IT Refresh – Network Refresh – The block budget of £170,000 has been transferred to 2022/23 to part fund the rollout of Microsoft 365 and the replacement for the Council's document sharing software.

Borrowing & Prudential Indicators

151. The Council's total borrowing increased from £205.2m at 30 December 2021 to £208.8m at 31 March 2022. This increase of £3.6m reflects the borrowing of £15m for new capital expenditure needs offset by maturing debt on short-term borrowing of £10m, less repayment of principal amounts on existing annuity loans held by the Council at £1.4m. Cash balances did dip in the early part of 2022 which required the new borrowing but slippage on capital schemes and the new funding paid in advance for the government's energy rebate scheme of £9m meant that cash recovered to a healthy level by the end of the financial year.

152. The ratio of short-term to long-term borrowing has remained fairly stable during the quarter given the borrowing decisions made which took into account the recent rise in

Public Works Loan Board rates and rising bank rates. It is expected this position will change somewhat during 2022/23 as a large borrowing requirement will be required, and cash balances are expected to reduce as reserves containing residual Covid monies are spent.



153. The affordability and sustainability of the Investment Strategy and its total level of external borrowing and capital financing costs is self-regulated by the Council through a set of prudential indicators. These thresholds are set as part of the integrated annual budget setting process in late February each year. CIPFA and Government view this approach as best practice in ensuring resources are allocated prudently to capital schemes.

154. The table below gives a comparison of the budget against the actual position as at year-end 2021/22 on each of the prudential indicators adopted by the Council.

Prudential Indicators - 2021/22 Outturn position		
	Budget	Actual
	(£m)	(£m)
Capital Expenditure	93.716	56.899
Financing		
External Sources	57.114	20.800
Own Resources	12.103	13.503
Debt	24.499	22.596
Capital Financing Requirement	255.164	263.528
External Debt	248.100	208.880
Investments	15.000	32.500
Capital Financing	9.518	9.873
Cost as a % of revenue budget	8.2%	8.5%

155. The total capital spend & level of financing has reduced by £36.8m 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 re-profiling 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 mainly related to grant funding being deferred into the next financial year.
156. The Council's total under borrowed position (external debt compared to the capital-financing requirement – or underlying need to borrow) is £54.6m at 31 March 2022. As cash balances reduce during the 2022/23 financial year to more normal levels with the level of reserves planned to be spent, plus the borrowing requirements within the Investment Strategy, around £30m of this under-borrowing will be needed to maintain the Council's overall liquidity position.
157. The amount of external debt at £208.8m and the total underlying need to borrow of £263.5m are both well below the Council's authorised debt limit of £315m for the year. This is the threshold above which any borrowing would be illegal. The cost of capital financing to the Council is slightly higher than set as part of the budget process due to review of asset lives as part of the minimum revenue provision calculation for the year and higher interest costs than budgeted for.

Reserves & Provisions

158. As detailed in the report overall savings have been made in 2021/22, however there is a need to maximise reserves as far as possible in order to fund the potential pressures that will arise in future years due to the on-going effects of the significant and continued transformation work taking place within Children's Services, and also that which will take place within Adult Social Care regarding the Fair Cost of Care and Social Care Reforms.
159. Within the report a number of transfers to reserves have been detailed. These are summarised below and it is requested that Executive approve the transfers to the appropriate reserves.
- Public Health Directorate underspend relating to sexual health service to the Public Health Reserve (£230,000)
 - Covid -19 expenditure incurred during 2021/22 to the Covid Recovery Reserve (£390,000)
 - The remaining balance on the Covid-19 Recovery Reserve to a new specific earmarked Car Parking Pressures Reserve (£782,000) and the General Fund Reserve (£3,340,000)
 - Final year-end outturn underspend on non-Covid-19 elements (following Flexible Use of Capital Receipts and transfer to Public Health Reserve) to the General Fund Reserve (£2,325,000)
 - General Fund Reserve to a new specific earmarked Social Care Transformation Reserve (£5,665,000)
 - Transfer of the following Reserves into the new specific earmarked Social Care Transformation Reserve
 - Children's Services Improvement Reserve (£175,000)
 - Children's Services Demand Reserve (£732,000)
 - Social Care Demand Reserve (£500,000)

160. The table below sets out a summary of the balance of reserves and provisions at the start of 2021/22 and as at year-end and further detail is provided in Appendix 2. The year-end balances assume that the transfer to reserves as detailed in the report and summarised in paragraph 159 are approved by Executive.

Reserves and Provisions 2021/22	Opening Balance	Use in year	Additional Contributions	Transfers between reserves	Transfers to General Fund of final year-end underspend on non-Covid 19 expenditure	Transfers from General Fund to new earmarked Reserve	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	3,340	2,325	(5,665)	11,195
Covid Recovery Reserve	4,512	(390)	0	(4,122)	0	0	0
Earmarked Reserve - Social Care Transformation Reserve	0	0	0	1,407	0	5,665	7,072
Earmarked Reserves	28,970	(45,806)	42,859	(2,748)	0	0	23,275
Earmarked Reserve - Dedicated Schools Grant (DSG)	(3,291)	(44)	0	0	0	0	(3,335)
School balances	4,864	(4,864)	4,956	0	0	0	4,956
Provisions	2,555	(3,579)	4,548	2,123	0	0	5,647
TOTAL	48,110	(54,683)	53,058	0	2,325	0	48,810

161. It should be noted that the level of Earmarked Reserves is increased by £5.833m for the accounting treatment required for Section 31 Business Rates Relief Grant which is required to be carried forward to 2022/23 to fund the Collection Fund deficit (as detailed in paragraph 87).

162. It should also be noted that the year-end balances may be subject to further change due to further technical adjustments which may be required as part of the closure of the Council's accounts. These will be mainly relating to the closure of the Collection Fund accounts. There may also be potential changes required as part of the external audit of the Council's accounts. The final year-end balances will be reported in the Council's Statement of Accounts, and as part of the Quarter One 2022/23 budget monitoring report.

163. The use of Reserves will be managed by the Director of Finance, with reports being provided to Executive as part of the quarterly budget monitoring reports.

What decision(s) are being recommended?

The report requests that the Executive:

- Notes the 2021/22 revenue budget initial year-end outturn of a £2.462m overspend on non-Covid-19 elements.
- Notes the implementation of the Flexible Use of Capital Receipts Strategy totalling £5.017m in 2021/22, as approved by Council on 20 October 2021.

- Approves the transfer of £230,000 of the Public Health Directorate underspend relating to the sexual health service to the Public Health Reserve.
- Notes the 2021/22 revenue budget final year-end outturn (following the Flexible Use of Capital Receipts and transfer to Public Health Reserve) of a £2.325m underspend on non-Covid-19 elements,
- Notes the financial effect of Covid-19 in 2021/22 of £390,000.
- Approves the following transfers to Reserves
 - Covid -19 expenditure incurred during 2021/22 to the Covid Recovery Reserve (£390,000)
 - The remaining balance on the Covid Recovery Reserve to a new specific earmarked Car Parking Pressures Reserve (£782,000) and the General Fund Reserve (£3,340,000)
 - The final year-end outturn underspend on non-Covid-19 expenditure to the General Fund Reserve (£2,325,000)
- Approves the creation of a new specific earmarked Social Care Transformation Reserve to help support the on-going effects of the significant and continued transformation work taking place within Children’s Services, and also that which will take place within Adult Social Care regarding the Fair Cost of Care and Social Care Reforms, and approves the transfer of £5,665,000 to this Reserve from the General Fund Reserve.
- Approves the transfer of the following Reserves into the new specific earmarked Social Care Transformation Reserve, making a total of £7.072m available for the required transformation :
 - Children’s Services Improvement Reserve (£175,000)
 - Children’s Services Demand Reserve (£732,000)
 - Social Care Demand Reserve (£500,000)
- Notes the 2021/22 capital budget final year-end outturn of £56.899m against a revised capital budget of £59.035m, and approves the revised Investment Strategy to 2024/25 at Appendix 1.

Rationale for the recommended decision(s)

164. 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 decision(s) and why these have not been recommended

165. Not applicable.

Impact(s) of the recommended decision(s)

Legal

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

Strategic priorities and risks

167. 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.

168. In line with the Council's Risk Management Policy, the corporate Strategic Risk Register will be reported to this Executive as part of the Corporate Performance Update: 2021/22 Year End Results report.

Human Rights, Equality and Data Protection

169. 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.

Financial

170. The Council's initial revenue year-end outturn position for 2021/22 for non-Covid-19 elements is an overspend of £2,462,000. Assuming that the proposed transfers of £230,000 of the Public Health Directorate underspend to the Public Health Reserve, and the proposed Flexible Use of Capital Receipts of £5,017,000 are approved by Executive this will mean that there is a final year-end outturn of a £2,325,000 underspend on non-Covid-19 elements. The £2,325,000 underspend on non-Covid-19 elements is proposed to initially be transferred to the General Fund Reserve.

171. There has been a financial pressure due to Covid-19 of £390,000 in 2021/22. It is proposed that this is funded from the £4,512,000 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. In light of the current levels of car parking income, it is proposed that a new earmarked Car Parking Pressures Reserve of £782,000 is set up for the potential ongoing effects of Covid-19 on car parking income in future years. Due to provision now being made in the MTFP presented to Council in February 2022 for the continuing effect of Covid-19 in future years, it is now proposed that the remaining balance of £3,340,000 on the Covid Recovery Reserve is transferred to the General Fund Reserve initially.

172. It is then proposed that £5,665,000 is transferred from the General Fund Reserve to a new specific earmarked Social Care Transformation Reserve in order to help support the significant and continued transformation work taking place within the Council, principally within Children's Services and that which will take place within Adult Social Care regarding the Fair Cost of Care and Social Care Reforms.

173. It is also proposed that the remaining balances on the Children's Services Improvement Reserve (£175,000), Children's Services Demand Reserve (£732,000),

and the Social Care Demand Reserve (£500,000), are transferred into the new specific earmarked Social Care Transformation Reserve and combined with the amount above to make a total of £7.072m available within the Social Care Transformation Reserve for the required transformation. The use of this Reserve will be managed by the Director of Finance, with reports being provided to Executive as part of the quarterly budget monitoring reports.

174. The final 2021/22 capital budget outturn at year-end is £56.899m. An updated Investment Strategy for the period to the end of 2024/25 is attached in Appendix 1 of this report.

Actions to be taken to implement the recommended decision(s)

Action	Responsible Officer	Deadline
Corporate revenue budget spending controls set out in the main body of the report will continue to be applied to Directorates as stated.	Director of Finance	31/3/23
Actions outlined within the body of the report in relation to overspending within Children's Care will continue to be implemented.	Director of Children's Services	31/3/23
If approved, adoption of the revised Investment Strategy included at Appendix 1.	Head of Financial Planning & Support	30/6/22

Appendices

1	Proposed revised Investment Strategy to 2024/25
2	Detail of reserves and provisions as at 31/3/22

Background papers

Body	Report title	Date
Council	Strategic Plan 2021-24	24/02/21
Council	Revenue Budget, Council Tax, Medium Term Financial Plan and Capital Strategy 2021/22	24/02/21
Executive	Revenue and Capital Budget – Projected Outturn position as at Quarter One 2021/22	7/09/21
Council	Flexible Use of Capital Receipts Strategy	20/10/21
Executive	Revenue and Capital Budget – Projected Outturn position as at Quarter Two 2021/22	9/11/21

Executive	Medium Term Financial Plan Update	9/11/21
Council	Medium Term Financial Plan Update	24/11/21
Executive	Revenue and Capital Budget – Projected Outturn position as at Quarter Three 2021/22	14/2/22
Executive	Revenue Budget, Council Tax, Medium Term Financial Plan and Capital Strategy 2022/23	14/2/22
Council	Revenue Budget, Council Tax, Medium Term Financial Plan and Capital Strategy 2022/23	23/2/22

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Appendix 1: Proposed Revised Investment Strategy to 2024/25

	Total Funding Required					Council Funding £'000	External Funding £'000
	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	TOTAL £'000		
Regeneration and Culture							
Town Centre Related Projects	1,250	1,382	204	-	2,836	1,959	877
Middlehaven Related Projects	73	507	-	-	580	563	17
Housing Growth	176	2,204	1,288	-	3,668	3,668	-
BOHO X	7,345	16,490	-	-	23,835	1,362	22,473
BOHO 8	13	21	-	-	34	-	34
Brownfield Housing Fund	1,542	5,750	630	-	7,922	-	7,922
Towns Fund	1,030	5,005	8,451	4,267	18,753	-	18,753
Towns Fund - East Middlesbrough Community Hub	113	2,087	-	-	2,200	1,700	500
Future High Streets Fund	669	9,038	4,500	-	14,207	37	14,170
Acquisition Of Town Centre Properties	12,829	207	1,000	-	14,036	14,036	-
New Civic Centre Campus	1,245	5,768	-	-	7,013	7,013	-
Middlesbrough Development Company	5,349	18,956	-	-	24,305	17,884	6,421
Teesside Advanced Manufacturing Park	1,179	11	-	-	1,190	1,190	-
Teesside Advanced Manufacturing Park Phase 2	-	1,500	7,320	-	8,820	8,820	-
Local Authority Delivery 2 Green Homes Grant	208	883	-	-	1,091	-	1,091
Capitalisation Of Major Schemes Salaries	530	530	530	530	2,120	2,120	-
Capitalisation Of Planning Services Surveys	20	60	40	40	160	160	-
Affordable Housing Via Section 106	-	-	1,684	-	1,684	830	854
Highways Infrastructure Development Section 106	-	-	2,260	-	2,260	-	2,260
The Big Screen	10	-	-	-	10	10	-
A66 Throughabout	4	-	-	-	4	-	4
Mandale Interchange	90	-	-	-	90	-	90
Tees Amp Footway/Cycleway	2	-	-	-	2	-	2
Linthorpe Road Cycleway	145	1,849	-	-	1,994	-	1,994
Replacement Of Ticket Machines	-	189	-	-	189	189	-
LED Street Lighting Upgrade (Phase 2)	69	-	-	-	69	69	-
Members Small Schemes	25	-	-	-	25	13	12
Grove Hill Joint Venture Projects	-	14	-	-	14	-	14
Gresham Projects	16	8	-	-	24	24	-
North Ormesby Housing Joint Venture - Section 106 funded	16	339	-	-	355	-	355
Empty Homes 2015 To 2018	89	192	-	-	281	-	281
Local Transport Plan	1,054	936	-	-	1,990	15	1,975
Town Hall Venue Development	48	-	-	-	48	48	-
Cultural Transformation	13	-	-	-	13	13	-
Theatre Winches / Lifts	13	24	-	-	37	37	-
Dorman Museum	17	3	-	-	20	20	-
Contribution To Public Arts Projects	23	-	-	-	23	23	-
Public Art Work	34	1	-	-	35	35	-
Leisure Trust Investment - Equipment	69	6	-	-	75	75	-
Stewart Park Section 106	-	45	-	-	45	-	45
Investment In Parks	39	61	-	-	100	100	-
Teessaurus Park	77	173	-	-	250	250	-
Archives Relocation	233	149	-	-	382	138	244
Capitalisation Of Transformation Expenditure (via Flexible Use of Capital Receipts)	11	-	-	-	11	11	-
Total Regeneration and Culture	35,668	74,388	27,907	4,837	142,800	62,412	80,388

	Total Funding Required					Council Funding £'000	External Funding £'000
	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	TOTAL £'000		
Environment and Community Services							
Purchase Of New Vehicles	990	940	1,200	1,200	4,330	4,330	-
Capitalisation Of Wheeled Bin Replacement	100	100	100	100	400	400	-
Capitalisation Of Street Furniture/Dog Fouling & Litter Bins	55	55	55	55	220	220	-
Capitalisation Of Highways Maintenance	575	575	575	575	2,300	2,300	-
Property Services Building Investment	340	340	340	340	1,360	1,360	-
Parks Improvement	83	-	-	-	83	83	-
Local Transport Plan - Highways Maintenance	3,301	183	-	-	3,484	-	3,484
Street Lighting-Maintenance	648	465	468	468	2,049	2,049	-
Urban Traffic Management Control	54	237	-	-	291	-	291
Flood Prevention	67	-	-	-	67	44	23
Members Small Schemes	38	161	60	60	319	319	-
Property Asset Investment Strategy	1,236	670	852	1,200	3,958	3,957	1
Nunthorpe Sports Facilities	34	66	-	-	100	-	100
East Middlesbrough Community Hub	75	-	-	-	75	75	-
Section 106 Ormesby Beck	-	15	-	-	15	-	15
Section 106 Cypress Road	-	20	-	-	20	-	20
Hostile Vehicle Mitigation	243	131	-	-	374	374	-
Transporter Bridge	523	-	-	-	523	261	262
Bridges & Structures (Non Local Transport Plan)	141	1,885	-	-	2,026	2,026	-
Henry Street	47	17	-	-	64	-	64
CCTV	31	369	-	-	400	400	-
Captain Cook Public House	726	-	-	-	726	538	188
Outer Area Shopping Centres	40	-	-	-	40	40	-
Waste Procurement Project	176	-	-	-	176	176	-
Lighting Up The Town	200	-	-	-	200	200	-
Town Hall Roof	-	1,000	1,000	1,000	3,000	3,000	-
Municipal Buildings Refurbishment	-	1,500	-	-	1,500	1,500	-
Resolution House	22	587	-	-	609	609	-
Central Library WC	-	87	-	-	87	87	-
Cleveland Centre	-	1,970	-	-	1,970	1,970	-

Cargo Fleet Nature Reserve	6	94	-	-	100
Towns Fund Initiatives	-	778	-	-	778
Traffic Signals - Tees Valley Combined Authority	126	374	-	-	500
Hemlington MUGA	-	30	-	-	30
Capitalisation Of Transformation Expenditure (via Flexible Use of Capital Receipts)	263	-	-	-	263
Total Environment and Community Services	10,140	12,649	4,650	4,998	32,437

-	100
-	778
-	500
30	-
263	-
26,611	5,826

	Total Funding Required				
	2021/22	2022/23	2023/24	2024/25	TOTAL
Public Health	£'000	£'000	£'000	£'000	£'000
Health & Wellbeing Hub	-	756	-	-	756
Relocation Of The Safe Haven To Middlesbrough Bus Station	-	140	35	-	175
Total Public Health	-	896	35	-	931

Council Funding	External Funding
£'000	£'000
679	77
-	175
679	252

	Total Funding Required				
	2021/22	2022/23	2023/24	2024/25	TOTAL
Education and Partnerships	£'000	£'000	£'000	£'000	£'000
Block Budget (Grant) Devolved Formula Capital - Various Schools	-	240	-	-	240
Block Budget (Grant) Special Provision Capital Fund	-	55	-	-	55
Block Budget (Grant) Section 106 Avant Low Gill	-	35	-	-	35
Block Budget (Grant) School Condition Allocation	-	913	-	-	913
Block Budget (Grant) Basic Needs	-	66	1,441	-	1,507
Block Budget (Grant) High Needs Provision Capital Allocation (HNPCA)	-	1,870	4,129	-	5,999
Schemes In Maintained Primary Schools	1,005	1,073	131	-	2,209
Schemes In Primary Academies	138	234	399	-	771
Schemes In Secondary Academies	(81)	2,021	414	-	2,354
Schemes In Special Schools	144	866	5,937	-	6,947
Capitalisation Of Salary Costs	103	106	-	-	209
Contribution To New School At Middlehaven	54	1,646	-	-	1,700
Block Budget (Grant) EFA Early Years 2 Year olds Entitlement (Trajectory Project)	-	7	-	-	7
Total Education and Partnerships	1,363	9,132	12,451	-	22,946

Council Funding	External Funding
£'000	£'000
-	240
-	55
-	35
-	913
-	1,507
-	5,999
822	1,387
13	758
-	2,354
36	6,911
-	209
700	1,000
-	7
1,571	21,375

	Total Funding Required				
	2021/22	2022/23	2023/24	2024/25	TOTAL
Children's Care	£'000	£'000	£'000	£'000	£'000
Edge Of Care Project (Hub)	15	-	-	-	15
Rosecroft Renovations	173	6	-	-	179
34 Marton Avenue, Fir Tree - Garage Conversion	246	28	-	-	274
Contact Centre - Bus Station Unit 1	76	251	-	-	327
Bathroom Refurbishment	18	3	-	-	21
Holly Lodge Sensory Room	-	38	-	-	38
Capitalisation Of Transformation Expenditure (via Flexible Use of Capital Receipts)	4,217	-	-	-	4,217
Total Children's Care	4,745	326	-	-	5,071

Council Funding	External Funding
£'000	£'000
15	-
179	-
274	-
327	-
21	-
-	38
4,217	-
5,033	38

	Total Funding Required				
	2021/22	2022/23	2023/24	2024/25	TOTAL
Adult Social Care and Health Integration	£'000	£'000	£'000	£'000	£'000
Chronically Sick & Disabled Persons Act - All Schemes	618	824	610	610	2,662
Disabled Facilities Grant - All Schemes	1,735	1,683	-	-	3,418
Capitalisation of Staying Put Salaries	50	50	50	50	200
Home Assistance Loan	-	-	-	-	-
Home Loans Partnership (formerly 5 Lamps)	23	60	-	-	83
Small Schemes	-	33	-	-	33
Connect/Telecare IP Digital Switchover	75	63	-	-	138
Total Adult Social Care and Health Integration	2,501	2,713	660	660	6,534

Council Funding	External Funding
£'000	£'000
2,602	60
4	3,414
200	-
-	-
-	83
-	33
138	-
2,944	3,590

	Total Funding Required				
	2021/22	2022/23	2023/24	2024/25	TOTAL
Legal and Governance Services	£'000	£'000	£'000	£'000	£'000
Desktop Strategy / Device Refresh	366	-	-	-	366
Enterprise Agreements	587	353	-	-	940
CRM	31	65	-	-	96
IT Refresh - Network Refresh	69	170	-	-	239
IT Refresh - Lights On	338	-	-	-	338
IT Refresh - LCS Development Capture	-	25	-	-	25
IT Refresh - Business Intelligence	-	3	-	-	3
ICT Essential Refresh & Licensing	270	3,197	2,185	2,185	7,837
ICT Innovation Budget	12	148	-	-	160
GIS Replacement	36	93	-	-	129
Prevention & Partnership Tablets	3	67	-	-	70
HR Pay	-	37	-	-	37
Capitalisation Of Transformation Expenditure (via Flexible Use of Capital Receipts)	526	-	-	-	526
Total Legal and Governance Services	2,238	4,158	2,185	2,185	10,766

Council Funding	External Funding
£'000	£'000
366	-
940	-
96	-
239	-
338	-
25	-
3	-
7,837	-
160	-
129	-
70	-
37	-
526	-
10,766	-

	Total Funding Required				
	2021/22	2022/23	2023/24	2024/25	TOTAL
	£'000	£'000	£'000	£'000	£'000
Finance					
Former Partnership Investment (ICT Infrastructure Revenues & Benefits)	130	167	100	-	397
Business World Upgrade	8	27	-	-	35
Derisking Sites	97	219	1,355	900	2,571
Capitalisation Of Property Finance Lease Arrangements	-	-	3,500	1,000	4,500
White Feather Project North Ormesby	9	-	-	-	9
Total Finance	244	413	4,955	1,900	7,512

Council Funding	External Funding
£'000	£'000
397	-
35	-
2,571	-
4,500	-
9	-
7,512	-

	Total Funding Required				
	2021/22	2022/23	2023/24	2024/25	TOTAL
	£'000	£'000	£'000	£'000	£'000
ALL DIRECTORATES					
Total ALL DIRECTORATES	56,899	104,675	52,843	14,580	228,997

Council Funding	External Funding
£'000	£'000
117,528	111,469

	Total Funding				
	2021/22	2022/23	2023/24	2024/25	TOTAL
	£'000	£'000	£'000	£'000	£'000
FUNDED BY:					
Borrowing	22,596	40,690	14,871	-	78,157
Finance Leases	-	-	3,500	1,000	4,500
Capital Receipts	13,482	6,412	5,242	9,313	34,449
Grants	18,715	52,571	25,682	4,267	101,235
Contributions	2,085	4,601	3,548	-	10,234
Revenue Resources	21	401	-	-	422
Funding from Reserves	-	-	-	-	-
Total FUNDING	56,899	104,675	52,843	14,580	228,997

Council Funding	External Funding
£'000	£'000
78,157	-
4,500	-
34,449	-
-	101,235
-	10,234
422	-
-	-
117,528	111,469

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Appendix 2: Detail of reserves and provisions as at 31/3/22

	Opening Balance	Use in year	Additional Contributions	Transfers between reserves	Transfers to General Fund of final year end underspend on non-Covid 19 expenditure	Transfers from General Fund to new earmarked Reserve	Balance at Year-End
	£000's	£000's	£000's	£000's	£000's	£000's	£000's
General Fund Reserve	10,500		695	3,340	2,325	(5,665)	11,195
Covid Recovery Reserve	4,512	(390)		(4,122)			0
Earmarked Reserve	0			1,407		5,665	7,072
Social Care Transformation Reserve							
Earmarked for specific purposes							
Public Health Reserves	438	0	230				668
Adult Social Care Covid Recovery Reserve	1,598	(68)					1,530
Ofsted Support Reserve	188	(188)					0
Children's Services Improvement Reserve	175			(175)			0
Children's Services Demand Reserve	732			(732)			0
Social Care Demand Risk Reserve	500			(500)			0
Business Rates Deficit Reserve	10,555	(10,555)	5,833				5,833
Business Rates Risk Reserve	1,670						1,670
Business Rates Relief Reserve	49						49
Change Fund	445	(688)	230	187			174
Investment Fund	0						0
Insurance Fund (MBC)	270	(254)	100				116
CCC Insurance Fund	35	(35)					0
Insurance Fund (Fire)	0	(212)	212				0
Capital Refinancing Reserve	175	(175)					0
Car Parking Pressures Reserve	0			782			782
Other Reserves & Provisions	12,140	(33,631)	36,254	(2,310)			12,453
Earmarked Reserves	28,970	(45,806)	42,859	(2,748)	0	0	23,275
Earmarked Reserve							
- Dedicated Schools Grant (DSG) Reserve	(3,291)	(44)					(3,335)
School balances	4,864	(4,864)	4,956				4,956
Provisions	2,555	(3,579)	4,548	2,123	0		5,647
TOTAL	48,110	(54,683)	53,058	0	2,325	0	48,810

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MIDDLESBROUGH COUNCIL	
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Report of:	Executive Member for Regeneration Executive Member for Finance and Governance Director of Regeneration and Culture Director of Finance
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Submitted to:	Executive
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Date:	14 June 2022
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Title:	Developing a New Community Centre at Southlands
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Report for:	Decision
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Status:	Public
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Strategic priority:	Physical environment
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Key decision:	Yes
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Why:	Decision(s) will incur expenditure or savings above £150,000
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Urgent:	No
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Why:	
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Executive summary

The report seeks to detail the next steps to deliver the Council's aim for an exciting and transformational new £3.7m Community and Sport Centre, which will help regenerate East Middlesbrough and greatly improve the lives of local people.

The report recommends that Executive approves a further £900,000 towards the new Southlands Centre project. The investment would see a total of £2.1m spent on phase one of a Community Centre. A further £1.5m would see new and improved outdoor sport facilities built on the site and demonstrate the Council's ongoing commitment to sports provision in the town.

The Sporting Hub would include the creation of new grass pitches, a new 3G all-weather pitch, the refurbishment of an existing 3G pitch and the Unity City Academy changing rooms, additional new changing rooms and extra car parking to deliver an exemplar facility.

In addition to the £1.7m Council funding already committed to the project, further sums of £600,000 and £500,000 have been secured from the Football Foundation and Towns Fund respectively to demonstrate the Council's commitment to partnership working to deliver positive outcomes for the town.

The preferred location for the centre was originally identified as land that could be used to mitigate for the loss of playing pitch provision to facilitate the development of new, high quality, family housing at Marton Avenue. To overcome the issue, the Council has engaged positively with Sport England to develop a solution that meets the needs for playing pitch provision and can allow the housing development to progress.

A planning application is expected to be submitted in August 2022 with construction of the centre due to start in November 2022.

The report's recommendations satisfy the requirements of the local community and Sport England, as well as meeting the aims and objectives of the Council. Other options have been scoped by officers and are outlined within the report.

Purpose

1. To seek Executive approval:
 - a. for the allocation of additional funding for Southlands (£900,000) as set out within the report;
 - b. to continue discussions with Sport England on the sport provision at Southlands to enable the lifting of planning conditions relating to Marton Avenue; and,
 - c. delegates authority to the Director of Regeneration and the Director of Finance, to adjust any final budget allocations, subject to the final agreed specifications, to ensure the timely delivery of the facilities, insofar as the project is delivered within the approved delivery budget highlighted within this report.

Background and relevant information

2. Middlesbrough Council understands the importance of delivering improvements to our residents' communities and how the physical environment can impact on quality of life. This ethos also underpins the requirement of being as effective as possible, to support sustainable growth in Middlesbrough's communities and economy.
3. This ambition accords with the Council's strategic priorities for People, set out in the Strategic Plan 2020-24, which states that the Council will work with communities to improve the lives of local people.
4. The delivery of new Community Centre in East Middlesbrough will play a vital role in achieving the strategic priority for people mentioned above.
5. Following consultation with the local community in 2018 it is clear there is a need for fit-for-purpose community facilities in East Middlesbrough. Particularly, to replace the old and dilapidated Community and Sport Centre which has been subsequently demolished to make way for a new facility.
6. It is proposed new Southlands Centre will be built in phases, subject to the available funding. Phase 1 consists of a standalone Community Centre comprising three large

multi-purpose rooms, a community café and offices. Phase 1 will have the capacity to accommodate a broad range of public, private and third sector groups, services and activities that will benefit the whole community.

7. Through discussions with the local community, the preferred location of the proposed Community Centre is linked to the area earmarked for the mitigation for loss of playing fields from the development of the Marton Avenue site. Sport England have raised a statutory objection to the outline planning application for housing development at Marton Avenue site, as the proposals resulted in a net the loss of playing field area.
8. All partners involved in the potential redevelopment of the Southlands site are aware of the need to identify an appropriate delivery timeline which binds all parties to delivery of all aspects of the Southlands project and that of residential development at Marton Avenue – Marton Avenue being a critical aspect for housing policies and the income requirements of the Medium Term Financial Plan (MTFP).
9. Initially, Sport England were minded to only withdraw their objection subject to the following condition being imposed on the planning approval:
 - a. ***The development hereby approved shall not be commenced until a replacement playing field to a standard which is equal to or better than the playing field at Marton Avenue, has been constructed and is available for use. An area for a replacement field has been identified at the former Southlands centre site as shown on plan Southlands Centre, drawing no. VAL 4273 M dated 23rd April 2019. If this site is no longer available details of an alternative location must be submitted to and approved in writing by the Local Planning Authority in consultation with Sport England.***
10. This form of condition provides certainty that the replacement playing field will be delivered and as the site identified for the proposed Community Centre is in the same location, Sport England, initially raised an objection to the deferred planning application for the new Community Centre, unless appropriate mitigations could be agreed.
11. To overcome both issues mentioned above, Middlesbrough Council appointed a specialist to work with Sport England and to achieve a solution that would meet the needs for both playing pitch provision and those to allow development to progress at Marton Avenue.
12. Middlesbrough Council has previously identified the strategic need for additional sporting facilities in the local area following extensive consultation with both the sporting and local community which is outlined within the Council's approved Playing Pitch Strategy. The specialists have therefore produced a new Vision Document (Appendix 1) that is designed to bind all separate aspects of Council responsibility for existing grants, to replace lost playing pitches, and potentially secure additional funding, via the Football Foundation, together to provide clarity and confirmation to Sport England that the existing objection for residential development of Marton Avenue can be removed accordingly.
13. It is proposed that the Southlands site will now both deliver a Community Centre in the location preferred by the local community, meet the aspirations within the Playing Pitch Strategy and satisfy Sport England on the re-provision of playing field from Marton Avenue. The scheme will consist of the following:

- a. phase 1 of a new Community Centre, as outlined above, designed to allow construction of additional phases in the future;
- b. resurfacing of the existing Third Generation Football Turf Pitch (3G FTP);
- c. a new 3G FTP pitch;
- d. refurbishment of existing changing facilities at the Unity City Academy School;
- e. construction of new changing facilities either as part of the new Community Centre, or a stand-alone modular building to the south of the site;
- f. x2 new Natural Turf Pitches (9v9); and,
- g. additional parking facilities.

14. It is estimated that the cost of delivering all of the above mentioned elements at the Southlands, creating not only a new Community Centre, but also a sporting hub for East Middlesbrough would cost £3,700,000. This exceeds the current approved budget of £1,600,000. Further information can be found within the Finance section of this report.

15. Funding from the Football Foundation, Towns Fund and Middlesbrough Council has been identified to ensure the entire project is funded to the appropriate specification.

What decision(s) are being recommended?

That the Executive approves:

- a. the allocation of additional funding for Southlands (£900,000) as set out within the report;
- b. continued discussions with Sport England on the sport provision at Southlands to enable the lifting of planning conditions relating to Marton Avenue; and,
- c. the delegated authority to the Director of Regeneration and the Director of Finance, to adjust any final budget allocations, subject to the final agreed specifications, to ensure the timely delivery of the facilities, insofar as the project is delivered within the approved delivery budget highlighted within this report.

Rationale for the recommended decision(s)

16. As identified within the Middlesbrough Council Playing Pitch Strategy, there is a under supply of sporting provision in East Middlesbrough. The Project Delivery Plan identifies the recommendation which will assist the Council and its key strategic partners define a way forward for potential development of the Southlands site. In summary the scheme will seek to deliver:

- a. phase 1 of a new Community Centre, as outlined above, designed to allow construction of additional phases in the future;
- b. resurfacing of the existing Third Generation Football Turf Pitch (3G FTP);
- c. a new 3G FTP pitch;
- d. refurbishment of existing changing facilities at the Unity City Academy School;
- e. construction of new changing facilities either as part of the new Community Centre, or a stand-alone modular building to the south of the site;
- f. x2 new Natural Turf Pitches (9v9); and,
- g. additional parking facilities.

17. The development of a new community building is paramount to all local residents and community groups, and the proposed creation of a sporting hub is referenced in

Middlesbrough Councils adopted Playing Pitch Strategy, and Local Football Foundation Plans.

18. The recommendation will allow amendments of an existing objection to residential development (which would result in a loss of playing pitches) by the provision of new natural turf pitches as part of overall redevelopment of the Southlands site.

Other potential decision(s) and why these have not been recommended

19. The site preferred for the new Community Centre at the Southlands was initially identified as the location for the re-provision of lost playing fields due to the housing development at Marton Avenue.
20. An alternative recommendation could look to re-provide the playing pitches in this location, allowing the planning condition to be achieved without the need to provide any additional sporting facilities as identified within the Southland Vision Document (Appendix 1).
21. This solution though would require a new site location to be sourced for a new Community Centre, which would not likely meet the local community's preferences.
22. Any alternative location for the centre would also potentially require Middlesbrough Council to re-provide lost playing fields or pitches should a new location fall within Sport England classifications. If this was the case, new facilities will be needed and potentially cause further re-provision issues at a later date.
23. Another alternative would be not to deliver a new Community Centre in East Middlesbrough, but this would be a reputation risk to the Council and not meet the identified local needs.

Impact(s) of the recommended decision(s)

Legal

24. The Council owe a contractual obligation to Miller Homes to discharge a planning condition at Marton Avenue. If the Council do not comply with their obligation then Miller Homes could revoke the contract and attempt to recover the capital receipt paid to the Council by them on completion of the purchase.
25. Additionally, the land would have an unappealing planning condition attached to it making it unattractive to developers, if not unsaleable.
26. It is advisable to comply with the contract provided that it makes commercial and financial sense.

Strategic priorities and risks

Strategic Priorities

27. As a Council we understand the importance of delivering improvements to our residents' lives and how the physical environment can impact on quality of life. This also links with

being as effective as we can be to support sustainable growth in Middlesbrough's communities and economy.

28. This ambition accords with the Council's strategic priorities for People, set out in the Strategic Plan 2020-24, which states that the Council will work with communities to improve the lives of local people.

29. The delivery of new Community Centres in East Middlesbrough will play a vital role in achieving the strategic priorities mentioned above.

Risks

30. The following high level risks identified in the Strategic and Directorate Risk Registers, will be reduced as a consequence of the interventions enabled by the recommended decisions:

- a. O1-005 - If poor economic growth occurs, then this will reduce public and private sector investment in the town, including town centre retail, housing development and business.
- b. O1-045 - If delivery of the new housing programme does not meet the projected targets then this can have a negative impact on the assumptions within the MTFP.

31. Linked to the Marton Avenue housing development site, the buoyancy of the overall housing market will always present an effect on the receipts achieved, and the timing of future Council Tax income coming on stream. The balance between the need to maximise value, and secure receipts while market conditions remain good, forms a key part of the decision around the nature and timing of these disposals, and are a key factor in reducing the overall risk to the Council's financial management.

Human Rights, Equality and Data Protection

32. The attached Impact Assessment, attached as Appendix 2, has concluded that the decisions would not have any disproportionately negative impacts.

Financial

33. The table below identifies the costs of delivering the sporting hub and community centre at the Southlands.

	Estimated cost of Delivery	Internal Secured Funding	Towns Fund	Other External Funding	Required Additional Funds / Shortfall
Southlands Community Centre	£2,200,000	£1,200,000	£500,000	£0	£500,000
Southlands Sporting Hub	£1,500,000	£500,000	£0	£600,000 (Football Foundation)	£400,000

34. Working closely with the community representatives and Design Services team, and taking into account the current construction material increases, the costs of delivering an overall vision for the Southlands exceed the current approved budgets.
35. The Council currently have £1,700,000 allocated from existing capital resources, £500,000 from the Towns Fund, and is expected to secured £600,000 from the Football Foundation.
36. This report therefore seeks to secure an additional £900,000 of Council resources for delivery of the Community Centre and to deliver the sporting hub in line with the Playing Pitch Strategy, ensuring the Council satisfy all Sport England requirements linked to Marton Avenue.
37. As well as the capital receipt for Marton Avenue, the Council will receive Council Tax payments of £130,000 per annum (based on an average build of band D properties, prior to fire and police precepts) for the proposed 72 unit development, which is included within the Medium Term Financial Plan.

Actions to be taken to implement the recommended decision(s)

Action	Responsible Officer	Deadline
Complete design and required works to submit a Planning Application	Nigel Carr / Peter Brewer	July 2022
Submit Planning Application	Nigel Carr / Peter Brewer	August 2022
Tender for Operation Management of new Sporting Hub	Peter Brewer	August 2022
Commence construction of Sporting Facilities	Peter Brewer	November 2022
Commence construction of Community Centre and 2x9v9 Turf Pitches	Peter Brewer	November 2022

Appendices

1	Southlands Project Delivery Plan Final 2022
2	Impact Assessment

Background papers

Body	Report title	Date
Executive	Withdrawal of Sport and Leisure Service Provision from Southlands Centre	26 th January 2016
Executive Sub Committee for Property	Expressions of Interest for Southlands Centre	15 th June 2016
Executive Sub Committee for Property	Future of Southlands Centre	22 nd March 2017

Executive	Update on Future of Southlands Centre	6 th September 2017
Executive Sub Committee for Property	Update on Southlands Centre	22 nd November 2017
Executive Sub Committee for Property	Southlands Centre – Future Options	20 th April 2018
Executive Sub Committee for Property	Southlands Next Steps	26 th September 2018
Executive Sub Committee for Property	Southlands Future Development	19 th December 2018
Executive Sub Committee for Property	East Middlesbrough – Future Community Facility	20 th February 2019

Contact: Peter Brewer, Project Officer

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Southlands Project Delivery Plan March 2022



PREPARED FOR:

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CONTENTS	PAGE
1. EXECUTIVE SUMMARY	3
2. INTRODUCTION	4
3. PROJECT DELIVERABILITY	8
4. PROJECT FUNDING BREAKDOWN	10
5. ASSOCIATED RISK AND PROPOSED MITIGATION	12
6. OPERATIONAL MANAGEMENT	13
7. TIMELINE FOR PROJECT DELIVERY	14
8. PROJECT DELIVERY RESPONSIBILITIES	15
9. BUDGETARY COSTS AND PROPOSED SITE LAYOUTS	16
10. CONCLUSION	21

1. Executive Summary

The Southlands Sport & Community Hub (the Hub) is a new community asset located in the centre of a deprived area of East Middlesbrough.

The development of the site follows a review by Middlesbrough Council of the Operational Management arrangement pertaining to various playing field sites across the District extensive public and private sector consultation, as well as significant community consultation.

The vision of the Hub is based upon the desire to assist the community and the area to secure the social and economic regeneration of the community for the benefit of local residents.

Following conversations with Middlesbrough Council representatives of the NRCFA have confirmed that the Southlands site is, in principle a priority location for the redevelopment of replacement and additional football facilities in the town. This will also give the opportunity to revitalise a community asset in the area.

The benefits to the local community in Middlesbrough will be significant as the project will enable an increased offer to the community by increasing the number of activities that can be delivered in the outdoor environment, increasing access to differing forms of sport and recreation and will also enable an increase to the number of events that can run from the venue.

This project seeks to bring meaningful and lasting change to an area of deprivation giving all an opportunity to access a range of sporting and other opportunities.



Figure 1: Overall Site Map (Source: Google Earth Pro)

2. Introduction

The Southlands Sport & Community Hub (the Hub) is a new community asset located in the centre of a deprived area of East Middlesbrough.

The development of the site follows a review by Middlesbrough Council of the Operational Management arrangement pertaining to various playing field sites across the District extensive public and private sector consultation, as well as significant community consultation

The proposed site is located on Ormesby Road, East Middlesbrough in Park End and Beckfield ward, adjacent to the Brambles and Thorntree ward, located about 2.9 miles away from Middlesbrough town centre.

The site measures approximately 0.68 ha, with an additional 1.04 ha to the west of the existing artificial pitch. It is partially tree lined and in close proximity to residential dwellings, having previously been a school and leisure centre site. The site overall houses a single artificial pitch (3G FTP) which is configured to support small sided as well as full sized 11 v 11 matches.

The proposal includes the rationalisation and improvement of the current grass pitches, a new 3G playing surface and improved welfare facilities in a refurbished community building.

2.1 Vision – A Sporting Hub

Current facilities on site are as follows:

Existing 3G FTP (approx. 12 years old and due for refurbishment).

North Ormesby FC Changing Pavilion (on UCA site – previously funded by The Football Foundation)

Proposed Facilities:

New community facility (phased build approach), to include community room(s), bar facilities, catering facilities, changing provision, welfare facilities, sports hall (Phase 4)



Figure 2: Proposed Community Building Layout

New 3G FTP

New (x2) Natural Turf Pitches (9 v 9)

Additional Car Parking



Figure 3: Oversight Hub Site Plan – Initial Layout

The vision of the Hub is based upon the desire to assist the community and the area to secure the social and economic regeneration of the community for the benefit of local residents. This vision seeks:

- A strong and vibrant community
- Excellent football and sporting facilities
- A thriving local economy
- Employment training and learning opportunities
- Create a new community facility

2.2 Aims and Objectives

Southlands Sport & Community Hub will have a number of aims and objectives that it will work towards. The organisational aims seek to secure the best possible outcome for the organisation whilst recognising the impact of local, regional and national policy on developments.

The aims and objectives are focussed on the benefit that can be brought to the community and on the running of activities, in order that a sustainable model is created and maintained that will be a viable community resource for the long term.

The primary motivation behind the ambition for the Hub is a wish to develop a top quality, thriving football and community centre which will improve the quality of life for the whole local community by seeking to provide a social centre, healthy lifestyle, well-being, community engagement, empowerment and social inclusion and that this use should extend to the long term.

Social aims

- Provide excellent community facilities
- Improve physical and mental health
- Increase participation in regular physical activity
- Raise aspirations and realise potential
- Broaden social inclusion
- Provide facilities in a centre where local people can access advice, training and support
- To provide healthy lifestyle choices

Business aims

- To ensure the long term sustainability of the hub
- To develop as a sustainable, viable facility
- To maximise the income generating potential of the hub with the intent of maintaining a sustainable income.

The objectives, or how these aims will be achieved, are:

- Work towards financial sustainability.
- Establish a clear identity for the Hub and communicate this to people.
- Communicate clearly the Hub's strategy to all stakeholders.
- Work in partnership where this can assist in achieving objectives.

2.3 Keys to Success

Southlands Sport & Community Hub aims to make a real difference to the people of the area. It is believed that the keys to success include:

- Ensuring capital funding is accessed to enable the completion of the Hub
- Working in partnership with stakeholders and others across the public voluntary and private sectors
- Generating sufficient income to reduce reliance on external funding to meet running costs and thus a need to develop further income generating projects.
- Delivering a range of activities that will attract the local community to use the Hub to its maximum
- Active support from members of the local community, local councillors, local government officers, statutory services, community groups, schools and others.
- Discussion and agreement centred upon existing agreements in place for usage of changing facilities on the UCA site and North Ormesby FC which were previously supported by the Football Foundation.
- Potential provision of small welfare block adjacent to the existing 3G FTP and proposed new car park to provide facilities for users.

2.6 Background to the Project

Southland site is a council owned former leisure centre site located on Ormesby Road approximately 2.9 miles from Middlesbrough town centre. The site is located on several public transport routes with several buses serving the site and therefore making it accessible to all around the local area.

Representatives of the North Riding County Football Association (NRCFA) have been involved in discussions with Middlesbrough Council and the wider football community for some time. It is anticipated that any new development of the Southlands site would become the playing and training home for the existing partner club (North Ormesby FC) teams and the wider sporting community, including at least one additional partner club.

Following conversations with Middlesbrough Council representatives of the NRCFA have confirmed that the Southlands site is, a priority location for the redevelopment of replacement and additional football facilities in the town. The site and the redevelopment of it is referenced in the adopted Local Football Facility Plan (LFFP), and a need has been identified within Middlesbrough, in which Southlands is situated.

Representatives of the NRCFA have confirmed that they would support the redevelopment of the Southlands site. Additional conversations with both Middlesbrough Council and grant giving bodies should any proposed redevelopment be confirmed, will have a positive impact on the development of the game locally.

The existing pitch is used by North Ormesby FC as a partner club for both playing and training, as well as Middlesbrough FC Foundation and a number of other community-based entities.

Following the production and adoption of the Middlesbrough LFFP, it has been calculated that a further **3** full size 3G FTP's are required across Middlesbrough to sustain and grow participation in the game. As a geographical location, Southlands sits within an area deemed necessary for future 3G FTP provision.

3. Project Deliverability

All partners involved in the potential redevelopment of the Southlands site, be it via direct involvement, associated involvement via financial contribution (in the case of the housing developer) or programme delivery / outcomes stress the need to identify an appropriate delivery timeline which ties all parties to delivery of all aspects of the Southlands project and that of residential development at Marton Avenue as well as specific local needs identified in the PPS and LFFP documents referenced in associated reports undertaken for Southlands.

Specifically, the proposed hub site and mitigation for loss of playing fields on linked sites required the following to be provided as part discharge of planning conditions:

Condition:

Sport England raised a statutory objection to the outline application for housing development at Prissick Base, Ladgate Lane/Marton Avenue site as it resulted in the loss of playing field.

Sport England will withdraw their objection subject to the following condition being imposed on the planning approval:

The development hereby approved shall not be commenced until a replacement playing field to a standard which is equal to or better than the playing field at Marton Avenue, has been constructed and is available for use. An area for a replacement field has been identified at the former Southlands centre site as shown on plan Southlands Centre, drawing no. VAL 4273 M dated 23rd April 2019. If this site is no longer available details of an alternative location must be submitted to and approved in writing by the Local Planning Authority in consultation with Sport England.

Planning policy states:

'The timing element to the condition was required for the development to meet playing field policy exception 4. It states:

The area of playing field to be lost as a result of the proposed development will be replaced, prior to the commencement of development, by a new area of playing field:

- of equivalent or better quality, and*
- of equivalent or greater quantity, and*
- in a suitable location, and*
- subject to equivalent or better accessibility and management arrangements.'*

This form of condition provides certainty that the replacement playing field will be delivered.

Section 7 of this report provides a proposed timeline for completion of the required mitigation and is a fundamental aspect of withdrawal of objection by Sport England and as such will tie all parties into a binding agreement to meet any amended planning conditions imposed.

As such, the remainder of this document outlines required funding, timelines and organisational responsibility for the delivery of parts of and/or the overall project. Following recent review, the local need for a community building has been identified – and is overdue for delivery.

A recent technical survey of the existing 3G FTP on site suggests that the maximum lifespan is between 18 – 24 months. In line with Football Foundation requirements and terms of condition of grant award, Middlesbrough Council are tied to delivery of a re-carpet of this facility within that time limit to ensure it remains operational and on the FA's register of approved 3G FTP facilities, and in line with the initial terms and conditions of the original grant award (this is also the case for the changing facilities provided on the UCA site which will be utilised as part of the wider overall site development).

Supporting documentation provided to Middlesbrough Council identifies the strategic need for additional facilities in the local area following extensive consultation with both the sporting and local community. The recently completed Southlands Vision document provides an overview of the full site development, which allows for dovetailing of development of the new community building with that of sporting provision on site.

This document, and its associated sections, is designed to wed all separate aspects of council responsibility for existing grants, housing developer responsibility to replace lost playing pitches, and potential funding via the Football Foundation together to provide clarity and confirmation to Sport England that the existing objection for residential development of Marton Avenue can be removed accordingly.

Subsequent sections of this document provide detail of the funding required, timelines, and organisational responsibility to ensure the redevelopment can be delivered – essentially a delivery plan for completion of all associated works.

4. Project Funding

The project centres around capital investment from Middlesbrough Council, with associated financial contributions for aspects of the overall site redevelopment of Southlands provided by with support from The Football Foundation.

4.1 Middlesbrough Council

As part of the wider development of the Southlands site, the provision of a community building as well as additional sports facilities, will be predominantly financed by Middlesbrough Council in line with their Built Facilities Plan (BFP), Playing Pitch Strategy (PPS) and Local Football Facilities Plan (LFFP).

As such, the council have committed to the development costs associated with the redevelopment of the overall site, including community building, as well as the sports (and associated built) facilities to meet local needs.

4.2 The Football Foundation

In conjunction with North Riding County FA, The Football Foundation have indicated a desire to support the overall hub site project, with a financial contribution to development of two potential areas:

New 3G FTP.

Changing facilities within the community building.

The new 3G FTP is integral to meeting the demands of local football and has been outlined in two supporting documents to be viewed in conjunction with this delivery plan (Initial Feasibility and Vision Documents). As part of the LFFP (and as discussed in section 2.6), an additional 3G FTP is required to support existing and future demand in the local area, along with 2 additional 3G FTP's (sites to be confirmed) across the Middlesbrough Council catchment area.

As part of ongoing discussions to support development of this document, the Football Foundation have indicated that they are potentially willing to support the overall project with a contribution of £600,000 on the basis that Middlesbrough Council undertake the following aspects via their capital development programme and that any associated user costs for usage of the pitch for match play are in line with those locally for match play on natural turf pitches:

1. Recarpet of the existing 3G FTP in line with terms and conditions of the previous grant funding allocated.
2. Refurbishment of the existing changing facilities on UCA site in line with the terms and conditions of the previous grant funding allocated.
3. Installation of associated, secure, pedestrian/cycle access between the main community building, and car parking to ensure users have suitable, appropriate access to all aspects of the overall hub site.
4. Provision of new changing facilities with the new community building to support activity on both the existing 3G FTP and proposed natural turf pitches.
5. Potential contribution to undertake technical survey costs to support the identification of the most suitable (and cost effective) location for the new 3G FTP (taking into consideration previous development of the UCA and relocation of associated spoil on site). This may result in an additional cost for delivery of the proposed new 3G FTP.

4.3. Miller Homes – Marton Avenue

The redevelopment of the Southlands site is intrinsically linked to a proposed residential development being on Marton Avenue which is resulting in the loss of playing fields and currently has an objection in place from Sport England. In order for the objection to be removed, Middlesbrough Council are required to provide replacement facilities, with the redevelopment of the Southlands site identified as an appropriate location for reprovision to support the sporting hub model proposed.

With this in mind, an indicative figure of £120,000 has been allocated for this aspect of the project to be completed.

Figure 4 provides an overview of the financial contributions to be provided to support redevelopment of the Southlands site.

ITEM	BUDGETARY COST (£) ex VAT	ORGANISATIONAL FINANCIAL RESPONSIBILTYY
New 3G FTP (Community)	£700,000	Middlesbrough Council: £200,000 The Football Foundation: £500,000
Development of 2 new 9 v 9 natural turf pitches	£60000 / Pitch	Middlesbrough Council: £120,000
Resurface of existing 3G FTP carpet	£300,000	Middlesbrough Council: £300,000
New changing facilities and social space	£300,000	Middlesbrough Council: £200,000 (as part of construction cost included within community building costs) The Football Foundation: £100,000
Refurbishment of existing changing facility on UCA site	£30,000	Middlesbrough Council: £30,000
Pathway & fencing linking changing facilities at UCA site, proposed new 3G FTP and overall site	£50,000	Middlesbrough Council: £50,000
Additional Landscaping and car parking	Unknown	Middlesbrough Council:
Total	£1,500,000	Middlesbrough Council: £900,000 The Football Foundation: £600,000

Figure 4: Financial Contributors to Southland Redevelopment Project.

5. Associated Risk and Mitigation

Any project of this size and scale, with input and outcomes across a range of different parameters comes with associated risk.

As this document is designed to provide comfort around funding, responsibility and timeline for delivery, the following risk and mitigation register has been developed to provide guidance, certainty of delivery and clarity for any subsequent redevelopment of the Southlands site.

Number	Risk	RAG (Red/ Amber/ Green)	Mitigation
1	Increased costs of development of 3G FTP on UCA site due to underlying site conditions.		Middlesbrough Council will fulfil its responsibilities to recarpet the existing 3G FTP, refurbish associated existing built facilities on site and confirm developer will provide natural turf pitches as per Sport England requirements, the Football Foundation would be willing to provide finance to support technical surveys to identify the most appropriate location for the new 3G FTP.
2	Existing 3G FTP requires recarpet – lifespan limited to 18 - 24 months		Middlesbrough Council confirm plans to replace the carpet within the above timeframe as part of the redevelopment.
3	Existing changing facility requires refurbishment		Middlesbrough Council will cover all associated costs in line with existing terms and conditions
4	Developer does not agree to provide 2 x natural turf pitches in mitigation for development of Marton Avenue		Sport England add condition of development of Marton Avenue requiring provision of pitches at Southlands to be completed by Spring 2024 as per delivery plan timescales (see section 7 of this document)
5	Users unable to access all aspects of the redeveloped site		Design access, site security and operational management confirmed and in place to ensure users can access all facilities available across the hub.
6	Cost of use for new facilities financially prohibitive		SLA's developed with users, based upon existing local costs for use of natural turf or 3G FTP pitches. CUA (utilising SE template) to be agreed.

6. Operational Management

Operational management and staffing of the site will be decided upon internally by Middlesbrough Council following a suitable review which will examine organisational capacity and best fit to the vision, key aims and objectives of the site.

This process is likely to involve a number of potential delivery organisations including:

6.1 Tees Valley Community Asset Preservation Trust

The Charity was established in 2015 to protect Community Centres', and other Community Assets, (that provide social benefit) from closure following local government spending cuts. The Charity have been worked closely with Middlesbrough Council to secure the long-term sustainability of other community and recreation centres in the area.

6.2 Sports & Leisure Management Limited (SLM)

Sports and Leisure Management Ltd are the longest-established leisure contractor in the UK. Together with SLM Community Leisure Charitable Trust which is a subsidiary the organisation focuses on ensuring sporting activities are available for everyone to enjoy.

Formed in 1987, Sports and Leisure Management has since become one of the country's largest leisure providers. It operates under the Everyone Active brand and currently manages over 200 leisure and cultural centres on behalf of 60 local authorities all over the country, including a successful ongoing relationship with Middlesbrough Council.

Meanwhile, SLM Community Leisure Charitable Trust uses these extensive facilities to provide outreach schemes and community-focused exercise programmes to groups all over England.

In order to ensure these communities benefit from affordable and accessible activity opportunities, the Trust protects vital recreation and sports services from the pressures of having to make a profit.

6.3 Day to Day Operational Management

In terms of day-to-day operational management, it is crucial that the overall site works appropriately with the proposed new facilities and redevelopment, including the refurbished changing facilities housed on the UCA site and the location of the proposed additional 3G FTP. Site layout and ease of access for potential users of the facilities must be paramount to provide and maintain a hub site approach.

Site configurations have been provided in section 9 of this document, to compliment a budgetary cost appraisal.

The overall site development included aspects to allow wider and appropriate access to all aspects of the site, including both 3G FTP's, natural turf pitches and that of changing and ancillary built facilities which are integral into the successful delivery and operation of the site as a whole.

Access from the proposed car parks indicated on the site map must provide secure access to all facilities, with specific reference to the two 3G FTP's which will be significantly utilised during evening periods and for match play opportunities at weekends. Without appropriate links between the two, users are unlikely to or be unable to, access other site facilities.

Operationally, the organisation chosen to operate the site must have full, useable access to the site as a whole to ensure smooth transition of activities, ongoing management on a day to day, hour to hour basis and to provide a suitable user experience to maximise investment and

delivery of a hub-based model with Middlesbrough. It is paramount that the site offers suitable access to all facilities to maximise usage to have wide ranging impact on both the local football and community landscape to meet need.

Integral to this project is the need to provide and create a genuine sense of the facility being an integrated hub for football. To contribute to achieving this, playing pitch sites, changing and reception facilities and the car park will be navigable through clear signage, on site maps and a network of interconnecting paths.

It is also essential that a robust booking process is embedded to manage the increase in usage across the site. A number of automated/online booking platforms exist which manage bookings, payments and provide a full range of metrics to support data collection to measure user groups, unique users and throughput / foot fall.

7. Timeline for Project Delivery

Due to the nature of the project and the associated developments elsewhere within Middlesbrough, the timescale of delivery for the hub site as whole needs to be appropriately mapped and agreed to ensure any objections lodged by Sport England can be removed. As such, figure 5 below shows an indicative timeline for delivery of the associated aspects of the hub site project at Southlands.

ITEM	TIMELINE FOR DELIVERY
New 3G FTP (Community)	Autumn 2023
Development of 2 new 9 v 9 natural turf pitches	Winter 2024
Resurface of existing 3G FTP carpet	Autumn 2023
New changing facilities and social space	Summer 2024
Refurbishment of existing changing facility on UCA site	Autumn 2023
Pathway and fencing linking changing facilities at UCA site, proposed new 3G FTP and overall site	Autumn 2023
Additional Landscaping and car parking	TBC

Figure 5: Proposed timeline for facility developments at Southlands.

To address the statutory objection raised by Sport England to the outline application for the housing development at Prissick Base, Ladgate Lane / Marton Avenue site as it results in the loss of playing field, Middlesbrough Council will provide its full commitment to the delivery of the Southlands project in accordance with timeline outlined for the completion of this project.

8. Project Delivery Responsibilities

Given the collaborative nature of the proposed redevelopment of the Southlands site, it is paramount that an outline of delivery responsibilities is provided and agreed in line with the requirements of both Sport England and Middlesbrough Council, as well as any organisation that will provide financial or operational support to the site once it has been completed. As such, Figure 6 provides an overview.

ITEM	DELIVERY RESPONSIBILITY (ORGANISATION)
New 3G FTP (Community)	Middlesbrough Council / Football Foundation
Development of 2 new 9 v 9 natural turf pitches	Middlesbrough Council
Resurface of existing 3G FTP carpet	Middlesbrough Council
New changing facilities and social space	Middlesbrough Council (as part of new community building) and Football Foundation
Refurbishment of existing changing facility on UCA site	Middlesbrough Council
Pathway and fencing linking changing facilities at UCA site, proposed new 3G FTP and overall site	Middlesbrough Council
Additional Landscaping and car parking	Middlesbrough Council

Figure 6: Delivery Responsibility for facility developments at Southlands.

9. Budgetary Cost, and Proposed Site Layouts

The proposed redevelopment of Southlands will seek to make clever use of the site, taking into consideration access and other site users.

Figure 7 shows an example of a comparable project design for the proposed new 3G FTP. Any future design processes would be undertaken by the Football Foundation Framework Management Company, Robinson Lowe Francis (RLF), should they be willing to support the project financially.

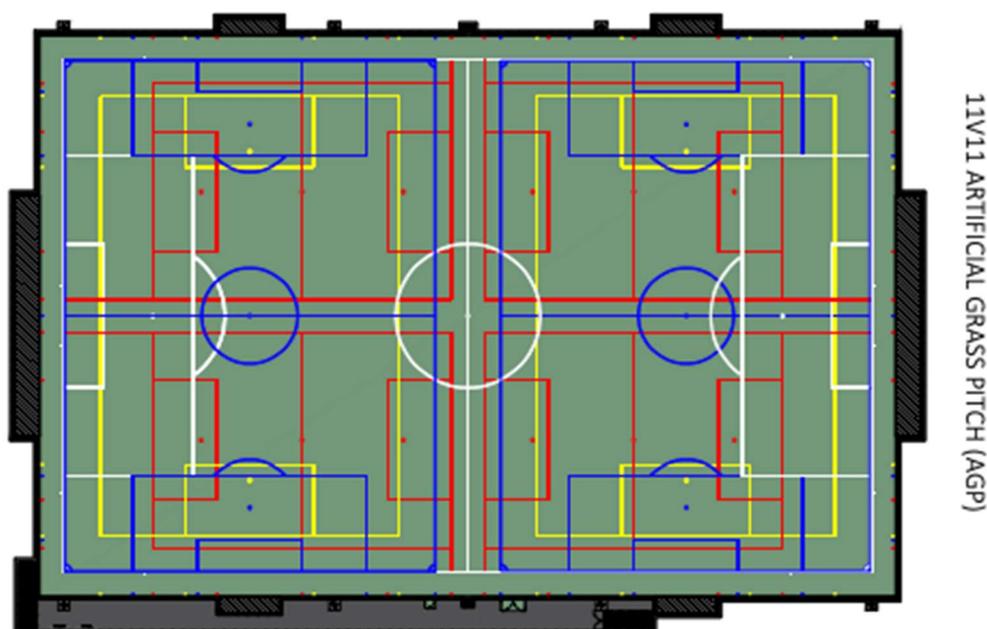


Figure 7: Example of a comparable Community 3G FTP layout (Source: FA Guide to 3G Pitches).

INDICATIVE BREAKDOWN OF CAPITAL COSTS

Please note these are budgetary figures for initial discussion only and based on recent schemes.

ITEM	BUDGETARY COST (£) ex VAT	COMMENTS
3G FTP (Community)	£700,000	Community pitch, without ancillary facilities (stands, dugouts etc)
Development of 2 new 9 v 9 natural turf pitches	£60000 / Pitch	
Resurface of existing 3G FTP carpet	£300,000	Given the age of the current facility on site, it would be prudent and potentially financially appropriate to replace the carpet whilst redeveloping the whole site
New changing facilities and social space	£300,000	Contribution to proposed community building to maximise use of the overall site

Refurbishment of existing changing facility on UCA site	£30,000	Subject to condition survey and required upgrades
Pathway and fencing linking changing facilities at UCA site, proposed new 3G FTP and overall site	£50,000	Costs for installation of tarmac pathway and access gate/fencing to link both areas of the hub to provide link for proposed users.
Additional Landscaping and car parking	Unknown	Potential to develop additional car parking to cope with increased demand on site.
Total	£1,500,000	Please note these are budgetary figures & exclude access works, any additional landscaping and VAT

Figure 8: Budgetary Cost Overview.

Design considerations include:

The client would be required to appoint The FA Framework Management Company (FMC) to undertake all design works linked to the proposed 3G FTP (should the Football Foundation be engaged. The cost for this is c.£25,000.00

Additional surveys may be required, including Traffic Management, Highways, Ecological and Agronomist. The client should allow an additional sum of c.£20,000.00 for this.

All above budgetary costs exclude planning and professional fees (detailed design fees). The work will be procured via Middlesbrough Council and therefore it will be possible to recover a proportion of the VAT.

With the above in mind it is estimated that a development budget of £1,500,000 would be required to deliver a scheme in its entirety. These figures **do not include VAT**, additional design fees or any costs associated additional development of the site.

9.1 SITE FACILITY LAYOUT & OPTIONS

As part of the consultancy process, and to support the development of the facility mix available at the Southlands site, the following options have been developed to support both community use of the building as well as facilitating the needs of local football.

The original site plan as identified in the 2019 PPS document (shown on the following page in Figure 9) provides an indicative facility mix which would meet current and future demand in line with available usage data supplied by North Riding CFA.

With the addition of a new community building to support both community activities and those related to development of new sporting facilities on site (namely changing and welfare facilities), and considering the initial drafts design from the PPS, 3 alternative site layout options should be considered to ensure the commitment to deliver much needed additional facilities are implemented (see Figs 10 – 12).

3.6.7 The proposed facility mix would create a multi pitch 3G AGP site, which has been demonstrated to be a more sustainable investment model when compared to a single pitch offer. The proposed layout also includes grass pitch provision, which will allow multiple youth matches to occur concurrently and address the current shortage of youth 9v9 pitch provision across the study area, as identified in the needs assessment.

Figure 3.1: Proposed site layout for Southlands Centre Hub Site

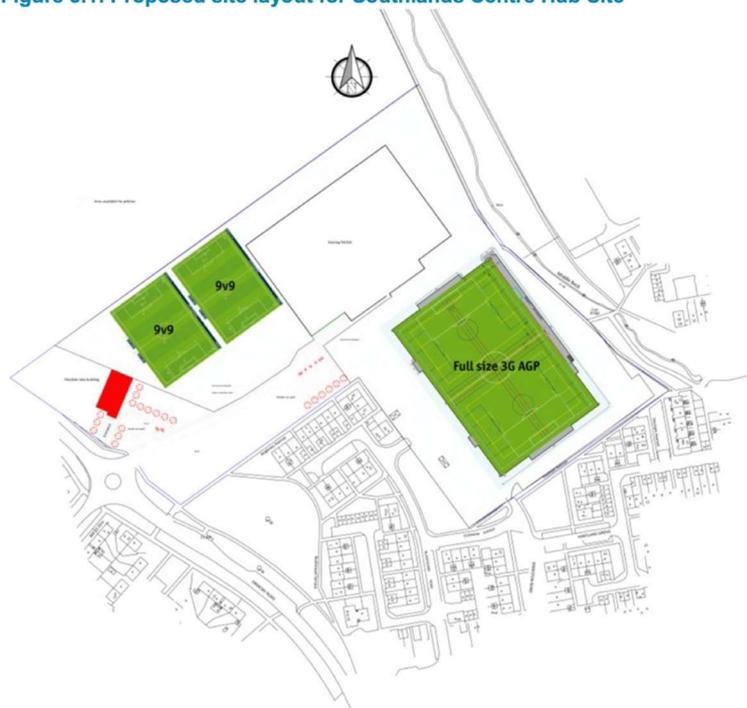


Figure 9: Original Hub Site Layout (Source Middlesbrough PPS Sept 2019)

The site layouts identified within Figures 10 – 12 are designed to ensure that the hub model proposed within the PPS can be delivered, taking into consideration proposed residential developments on linked sites previously identified within this report and associated planning conditions and subsequent discharge thereof.

Key:

- | | | | |
|---|---------------|--|------------------------|
|  | = 3G FTP |  | = Community Building |
|  | = Car Parking |  | = Natural Turf Pitches |



Figure 10: Proposed site layout – Option 1.

Following discussion with UCA, a long-term lease of land to Middlesbrough Council would support the development of the new 3G FTP and community building across existing council owned land and that of UCA. This would allow access to the pitch for curriculum activities at UCA, thereby removing any welfare concerns or travelling time challenges, and community programmes for post curriculum / community activities and match play. Changing facilities for the new 3G FTP could be provided via the existing build facilities on the UCA, with some additional car parking.

The community building would provide appropriate facilities for the existing 3G FTP. New additional car parking for the community building would be provided, alongside provision of 2 9 v 9 natural turf pitches.

This configuration would also allow for an additional small-sided pitch to be established to the west of the proposed car park area, thereby providing another natural turf pitch to mitigate against loss of playing pitch at the linked sites outlined for development.



Figure 11: Proposed site layout – Option 2.



Figure 12: Proposed site layout – Option 3.

10. Conclusion

10.1 Key Discussion Points

The Project Delivery Plan is prepared for consideration and to further support Middlesbrough Council and its key strategic partners define a way forward for potential development of the Southlands site.

The document has been prepared to allow the information to be used to provide clarity and confirmation of project delivery to Sport England which in turn will allow removal of an existing objection to residential development (which would result in a loss of playing pitches) by the provision of new natural turf pitches as part of overall redevelopment of the Southlands site.

Wider information and review of associated documents as part of previous studies undertaken indicates an under supply of 3G FTPs, something this site could accommodate in conjunction with wider site redevelopment.

Review of existing relationship between built facilities on the UCA site and utilisation from North Ormesby FC to link directly into the provision of a new 3G FTP are integral to the development of a hub-based project. This building would look to service the need of any new pitch.

10.2 Key findings

The development of a new community building is paramount to all local residents and community groups.

The proposed redevelopment of the Southlands is referenced in the Middlesbrough Council adopted PPS (2019), and LFFP (2019). The options presented seek to address the “site specific requirements”, either in part of full depending on further consultation, discussion, and clarification of the development brief.

There is an urgent need to increase the number of 3G FTP's by 3 within Middlesbrough. This site offers the local community and wider football community a sustainable facility for training and match play and would allow them to grow opportunities for football as well as local residents.

The Football Association (FA) training model confirms there is a requirement for additional 3G FTP provision and improved quality NTPs. Whilst these modelling reports identify a need they do not name potential locations in Middlesbrough.

Middlesbrough Council are committed to the delivery of the overall project, including financial contribution to meet partnership contributions required by the Football Foundation for their financial support as proposed timeline outlined in Figure 5.

The Football Foundation have indicated they are willing to financially support relevant aspects of the redevelopment of the site, to the value of £600,000 with associated conditions in place from previous investment provided by them.

The provision of 2 9 v 9 natural turf pitches will be delivered by Middlesbrough Council to discharge the existing objection related to loss of playing pitches.

A timeline has been provided to identify appropriate dates for completion of each aspect of the redevelopment, which in turn ties in all associated parties into subsequent delivery of the project.

It has been estimated that a figure of £1,500,000 (excluding VAT, additional surveys), would be required to deliver the football aspects of the scheme in its entirety. A greater clarity on the costs will be understood once the scheme has been passed and the various elements formally tendered.

Appendix 2 - Impact Assessment Level 1: Initial screening assessment

Subject of assessment:	Developing New Community Centre at Southlands			
Coverage:	Crosscutting			
This is a decision relating to:	<input type="checkbox"/> Strategy	<input type="checkbox"/> Policy	<input type="checkbox"/> Service	<input type="checkbox"/> Function
	<input type="checkbox"/> Process/procedure	<input type="checkbox"/> Programme	<input checked="" type="checkbox"/> Project	<input type="checkbox"/> Review
	<input type="checkbox"/> Organisational change	<input type="checkbox"/> Other (please state)		
It is a:	New approach:	<input checked="" type="checkbox"/>	Revision of an existing approach:	<input type="checkbox"/>
It is driven by:	Legislation:	<input type="checkbox"/>	Local or corporate requirements:	<input checked="" type="checkbox"/>
Description:	<p><u>Key aims, objectives and activities</u> To assess the impact of the proposal to deliver new sporting hub and Community Centre in East Middlesbrough.</p> <p><u>Key stakeholders and intended beneficiaries (internal and external as appropriate)</u> The proposals are based upon the desire to assist the areas to secure the social and economic regeneration of the community for the benefit of local residents, as well as satisfying Sport England planning requirements to allow the Marton Avenue housing development to progress.</p> <p><u>Intended outcomes</u> To support the requirements of both the local community and Sport England, whilst meeting the aims and objectives of the Council.</p>			
Live date:	March 2023			
Lifespan:	20 Years			
Date of next review:	Not applicable			

Screening questions	Response			Evidence
	No	Yes	Uncertain	
<p>Human Rights</p> <p>Could the decision impact negatively on individual Human Rights as enshrined in UK legislation?*</p>	☒	☐	☐	<p>It is considered that the project will not impact negatively on individual human rights as the proposal represents a significant and positive enhancement for the local and wider area.</p> <p>Middlesbrough Council understands the importance of delivering improvements to our residents' communities and how the physical environment can impact on quality of life.</p> <p>This ethos of this project underpins the requirement of being as effective as possible, to support sustainable growth in Middlesbrough's communities and economy</p>
<p>Equality</p> <p>Could the decision result in adverse differential impacts on groups or individuals with characteristics protected in UK equality law? Could the decision impact differently on other commonly disadvantaged groups?*</p>	☒	☐	☐	<p>The Council has a duty to consider the impact of the proposed decision on relevant protected characteristics, to ensure it has due regard to the public sector equality duty. Therefore, in the process of taking decisions, the duty requires the Council to have due regard to the need to:</p> <ul style="list-style-type: none"> a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act; b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it, and c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it. <p>It is considered that the proposed project will not have a disproportionate adverse impact on a group, or individuals, because they hold a protected characteristic.</p>

* Consult the Impact Assessment further guidance appendix for details on the issues covered by each of these broad questions prior to completion.

Screening questions	Response			Evidence
	No	Yes	Uncertain	
Community cohesion Could the decision impact negatively on relationships between different groups, communities of interest or neighbourhoods within the town?*	☒	☐	☐	There are no concerns that the proposal could have an adverse impact on community cohesion. The decision to deliver the projects will provide a positive impact on relationships between different groups.
Next steps: ↻ If the answer to all of the above screening questions is No then the process is completed. ↻ If the answer of any of the questions is Yes or Uncertain, then a Level 2 Full Impact Assessment must be completed.				

Assessment completed by:	Peter Brewer	Head of Service:	Steve Fletcher
Date:	20/05/2022	Date:	20/05/2022

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MIDDLESBROUGH COUNCIL	
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Report of:	Executive Member for Environment Director of Environment and Community Services
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Submitted to:	Executive
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Date:	14 June 2022
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Title:	Final Report of the Economic Development, Environment and Infrastructure Scrutiny Panel - Green Strategy - Service Response
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Report for:	Decision
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Status:	Public
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Strategic priority:	Climate change
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Key decision:	No
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Why:	Not applicable
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Urgent:	No
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Why:	Not Applicable
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Executive summary

That the Executive approves the attached Action Plan put together in response to the Scrutiny Panel recommendations.

In line with the Council's constitution following approval of the councils Green Strategy the recommendations of the scrutiny panel and subsequent action plan now need to be considered by the Executive

Purpose

To provide an update and action plan that relates to the recommendations made by the Environment and Infrastructure Scrutiny Panel.

Background and relevant information

The Scrutiny panel met to consider the councils Green Strategy aims and objectives which in turn created the Action Plan.

What decision(s) are being recommended?

That the Executive approves the attached Action Plan put together in response to the Scrutiny Panel recommendations

Rationale for the recommended decision(s)

1. It is a requirement that the Executive formally considers the Scrutiny Panel's report and confirms the service areas response to the Panel's accompanying action plan.
2. The recommendations in the action plan will aim to assist in the delivery of the councils Green Strategy objectives.

Other potential decision(s) and why these have not been recommended

3. Full details of what the Scrutiny Panel took into consideration when arriving at their recommendations are contained in the Scrutiny report (Appendix I).

Impact(s) of the recommended decision(s)

Legal

4. No legal implications

Strategic priorities and risks

5. The Action Plan sets out how the Council aims to meet its objectives in line with the councils Green Strategy.

Human Rights, Equality and Data Protection

6. Equality and diversity issues would be considered as part of any future actions as and when any specific objectives are progressed. This would include Impact Assessments where required.

Financial

7. The proposed actions do not at this stage create additional financial obligations

Actions to be taken to implement the recommended decision(s)

Action	Responsible Officer	Deadline
To review Scrutiny recommendations and implement proposed actions	Environment Sustainability Manager	March 2023

Appendices

1	Appendix I – Final Report of the Economic Development, Environment and Infrastructure Scrutiny Panel – Green Strategy.
2	Appendix II – Action Plan with Service area comments.

Background papers

Body	Report title	Date
None	N/A	N/A

Contact: Geoff Field

Email: geoff_field@middlesbrough.gov.uk

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MIDDLESBROUGH COUNCIL

FINAL REPORT OF THE ECONOMIC DEVELOPMENT, ENVIRONMENT AND INFRASTRUCTURE SCRUTINY PANEL – GREEN STRATEGY

CONTENTS

Aim of the investigation	Page 2
Mayor's Vision	Page 2
Council's Core Objectives	Page 2
Terms of Reference	Page 2
Background Information:	Page 3
• Term of Reference A	Page 3
• Term of Reference B	Page 6
• Term of Reference C	Page 11
Conclusions	Page 16
Recommendations	Page 18
Acknowledgements	Page 19
Background Papers	Page 19
Acronyms	Page 19

AIM OF THE INVESTIGATION

1. The aim of the investigation is to determine how the Council can best implement its Green Strategy and increase biodiversity across Middlesbrough.

MAYOR'S PRIORITIES

2. The scrutiny of this topic fits within the following of the Mayor's Priorities:
 - Physical Environment - We will work closely with local communities to protect our green spaces and make sure that our roads, streets and open spaces are well-designed, clean and safe.
 - Climate Change - We will ensure our town acts to tackle climate change, promoting sustainable lifestyles.

COUNCIL'S CORE OBJECTIVES

3. The scrutiny of this topic aligns with the following Council core objectives as detailed in the Strategic Plan 2021-2024¹:
 - People - working with communities and other public services to improve the lives of our residents.
 - Place - securing improvements in Middlesbrough's housing, infrastructure and attractiveness, improving the town's reputation, creating opportunities for local people and improving our finances.

TERMS OF REFERENCE

4. The terms of reference for the scrutiny panel's review are:
 - A) To examine the Council's proposals to meet Government targets for greenhouse gas emissions, make Middlesbrough more climate resilient, and minimise the environmental impact of services.
 - B) To investigate in detail the following elements of Middlesbrough Council's Green Strategy Action Plan:
 - Land Use and Wildlife
 - Culture and Communities
 - Sustainable Transport
 - C) To identify and investigate examples of best practice that can be adopted in Middlesbrough.

¹ Middlesbrough Council's Strategic Plan 2021-2024

BACKGROUND INFORMATION

5. In November 2021 the UK Government's Environment Act became law. The aim of this legislation is to improve air and water quality, tackle waste, increase recycling, halt the decline of species and improve the natural environment.
6. In line with the terms of reference, the Scrutiny Panel gathered information in relation to Middlesbrough Council's current plans to make Middlesbrough a greener and healthier place to live and work.

TERM OF REFERENCE A

7. **To examine the Council's proposals to meet Government targets for greenhouse gas emissions, make Middlesbrough more climate resilient, and minimise the environmental impact of services.**
8. Middlesbrough Council declared a climate crisis in 2019 and has set out an ambitious ten year plan to develop a green agenda to rise to the challenge of global warming: aiming to reduce it by its actions. The Council has three broad aims to make Middlesbrough a more sustainable town which are:
 - To make Middlesbrough Council net carbon neutral by 2029.
 - To ensure Middlesbrough as a town is net carbon neutral by 2039.
 - For Middlesbrough Council to be a lead authority on environmental issues.
9. In 2012 Middlesbrough Council adopted the ten One Planet Living principles – a sustainability model based on the United Nations 17 sustainable development goals. As well as environmental improvements, standards and awareness, the principles include: community cohesion, culture, wildlife, landscape, travel, the materials we use and the products we buy, as well as zero waste and carbon energy. The Council's Green Strategy is based on the ten One Planet Living principles.
10. In terms of decarbonisation the two biggest producers are transport and homes. Working with a range of partners, businesses and organisations, as well as communities and residents across Middlesbrough, will be key to the delivery of the Green Strategy. Actions to de-carbonise the transport fleet and other assets, measure carbon output, set carbon budgets, and introduce reduction measures are in place to assist with the net carbon neutral ambition for 2029 but the Council needs to go further and consider more radical methods.
11. The UK Government's aim is to have no new internal combustion vehicles on the roads by the end of 2029. The Council will work with public transport providers to enable their move to sustainable fuel use and develop the installation of an infrastructure to provide electric vehicle charging points across the town. At the time of writing this report, the Council has purchased five electric vehicles.
12. To increase and improve biodiversity the Council intends to create rich and diverse habitats and promote the use of parks and open spaces. This will involve community engagement to encourage residents to support their local green spaces.

13. The Council works with community groups and volunteers and schools and groups to promote greater environmental awareness and make Middlesbrough a greener and better place to live. Community engagement activities and initiatives such as the Boro Champions and Green Spaces Forum are two examples.
14. The Council has responsibilities in relation to purchasing, where to procure services, the type of goods are purchased, and engagement with local suppliers. The Procurement Team is developing a social model of engagement to ensure it has an impact in terms of the local community and business.
15. Since the outbreak of the Covid-19 pandemic in 2020, recycling levels in Middlesbrough had fallen 33% that had been the average for a number of years, to 28%. An Officer has been employed to work on the most challenging areas and implement regular engagement programmes to try and improve recycling rates to a target rate of 40%. Recycling rates are calculated on domestic household waste and an increased number of people have been working at home throughout the pandemic. Accordingly, more domestic waste, which would ordinarily have been disposed of by people at their workplace, has been collected. In addition, many items that are put into recycling are contaminated with food and therefore not recyclable. The level of green waste collected has also risen. Promotion of waste reduction and recycling via social media and education campaigns to raise awareness will help address this issue.
16. The Council is working with Middlesbrough Food Partnership through Environment City to develop and maintain a sustainable and fair food system. Middlesbrough is currently at silver level and aims to become a Gold Sustainable Food place by reducing food poverty and insecurity and promoting food access. Middlesbrough will continue to be a Fair Trade Town and intends to establish a surplus food redistribution hub. There is also an ambition to engage people in farming on an urban scale with a Farm Start Scheme.
17. It is acknowledged that cleaner air and access to green space and sustainable travel and food has significant physical and mental wellbeing benefits. A South Tees Clean Air Strategy will be implemented to improve air quality in Middlesbrough in October 2022. A Beat the Street programme took place in Middlesbrough from September to November 2021 to encourage children discover more about the area by walking, running and cycling. Building on existing practice and local initiatives the Council will explore the development of action zones around schools focusing on areas of environmental benefit, for example car free zones. Environmental opportunities for mental health and wellbeing through the expansion of green social prescribing opportunities will also be implemented.
18. A town-wide Green Strategy Action Plan, led by individual Action Plan Groups is being developed to assist the Council in achieving its objectives. Each Action Plan Group is supervised by a Head of Service and has an Action Plan based on each of the Ten One Planet Living principles. Performance reporting and monitoring of actions and targets is overseen by the Strategy Group, who reports to the Council's Leadership Management Team.
19. During the first year of the development of the Green Strategy, achievements include:
 - Public consultation – good feedback and supportive comments have been received.

- Action Plan Groups and individual Action Plans have been formed and developed.
- Climate Action Middlesbrough: Middlesbrough Environment City has been awarded £1.5 million to develop an action plan for climate change. Community led and focussed projects are underway. A Big Green Week of action was held from 18-26 September 2021 – which was part of the climate action programme and engagement with the public.
- Biodiversity improvements: tree cover has been increased, urban meadows created, bee hives installed, a new wildlife sanctuary and new grasslands have been created.
- A new mowing regime has been introduced in some areas of the town. ‘No Mow May’ allows flowers such as clover and speedwell to flower and also has a positive impact on pollinators.
- A carbon audit for Middlesbrough Council’s vehicle fleet was completed in 2020 which provides a baseline as to how much carbon is being produced and how this can be reduced by electrification or energy efficient vehicles. Five electric vehicles have been purchased and Vehicle to Grid (V2G) charging stations had been installed at Resolution House. Any spare charge left in the vehicle batteries at the end of the day goes back into the grid and this provides an income to the Council.
- An education and awareness programme has been introduced and the Waste Education Officer is working with schools to boost recycling rates. In addition to encouraging children to recycle, the programme encourages them to pass good practice on to their parents. Four of the Council’s refuse wagons have been wrapped with nature themes that promote recycling and sustainability.

20. Areas of focus for the next phase of progressing the Green Strategy include:

- Developing a Smart Carbon Tool to measure the Council’s baseline carbon level, where it currently stands, where it needs to be and the steps needed to make that change in terms of addressing the 2029 target.
- Launching a staff training module on climate change and carbon reduction in-house, and appoint Green Champions within the Council. Also, as an organisation, to consider measures to effect energy reduction, water saving and recycling.
- Engaging with partners, public, businesses and stakeholders across Middlesbrough to establish how the Council can support their carbon reduction journeys.
- Consider establishing a dedicated ranger or countryside team in Middlesbrough, to try to ensure that as individual projects come to an end, the momentum on bio-diversity is maintained.
- Bio-diversity net gain will be a new focus for the planning system from 2023. Net gain is an approach that aims to leave the natural environment in a measurably better state than it was prior to a new development being built. This could be a key tool in planning

developments and potentially something the Council can benefit from to strive for higher standards and better quality developments.

TERM OF REFERENCE B

21. To investigate in detail the following elements of Middlesbrough Council's Green Strategy Action Plan:

- **Land Use and Wildlife**
- **Culture and Communities**
- **Sustainable Transport**

22. Land Use and Wildlife

The key areas for action identified by the Land Use and Wildlife/Sustainable Water Action Group for Middlesbrough's Green Strategy are:

- Improve the quality of green space and increase coverage.
- Increase tree cover.
- Plant trees along road corridors to increase pollution absorption.
- Provide greater levels of carbon capture through increased tree cover.
- Increase the amount of land given over to wildflowers.
- Become a more bee-friendly town.

23. *Expanding the urban tree network*

Middlesbrough has quite a low coverage of trees, reflecting in part the fact that it is the most urbanised of the Tees Valley Authority areas. The Council is on track with the Mayor's ambition to plant 10,000 trees per annum, increasing tree cover in the town from 11.8% to reach the national average of 16% by 2025. In May 2021, Middlesbrough Council achieved 'Tree City of the World Status'. This is a global initiative founded by the Arbor Day Foundation and the Food and Agriculture Organisation of the United Nations, which recognises cities that commit to growing and maintaining their urban forest. Successful bids to the Urban Tree Challenge Fund had also provided funding for approximately 2,340 trees since 2019. Planting through development schemes is strongly encouraged and a programme for implementing micro forests is under development.

24. It is considered vital to ensure that the correct species of trees are planted in suitable locations and also that appropriate arrangements for managing those trees are in place. Middlesbrough Council's Tree Policy was refreshed in February 2021 and adopted in May 2021.

25. *Laying the foundations for the nature recovery network.*

The Tees Valley Nature Partnership represents nature forums across the Tees Valley and identifies and recommends wildlife sites. Three sites already identified in Middlesbrough are Middle Marsh, St Joseph's Cemetery and Stainton Way. The Council continues to seek options for new nature reserves in Middlesbrough, working with the Tees Valley Nature Partnership. Wildlife sites are designated through the planning process and the

Local Plan and management plans for wildlife sites are put in place as appropriate. The Council is considering developing a Local Nature Recovery Strategy which includes all local wildlife sites, so that document is available until the current Local Plan review is completed.

26. The Green Shoots Project is a one year programme which seeks to restore and manage existing local wildlife sites. Sites at Middlebeck, Ormesby, and Marton West Becks have been selected. A long term project is the development of a Country Park at Stainsby.

27. Biodiversity Net Gain – a requirement of the Environment Act is that all new developments and infrastructure projects must deliver a minimum of 10% biodiversity net gain. The Department for Environment and Rural Affairs (DEFRA) has produced a number of tools for measuring biodiversity levels. The proposal for Middlesbrough is to deliver biodiversity gain on site in the first instance, or if that is not possible, on other sites in Middlesbrough. If delivering that net gain is not possible in the Middlesbrough area, then it will be delivered within the Tees Valley or further afield. Middlesbrough Council is working with the other Tees Valley Authorities to achieve a strategic and consistent approach across the area on delivering this aim. It is potentially a mechanism for taking money from development and putting it into local wildlife sites to enhance them, manage them better, and increase biodiversity.

28. *Blue corridors: enhancing the beck valleys*

Middlesbrough has a series of beck valleys running north and south that create green corridors feeding into the River Tees. These becks are important resources not only for biodiversity, but also for recreational facilities, and also provide key links. At the time of this investigation, tasks have not yet been set for this element, however it was likely that initiatives would aim to improve the quality of water courses and seek opportunities to develop greater access and interpretation.

29. *Development of a network of multifunctional Sustainable Drainage Systems (SuDS)*

Middlesbrough Council will adopt a Sustainable Urban Drainage System (SuDS) Guide to ensure that SuDs are incorporated as integral elements in development proposals as natural-looking features.

30. *Rethinking urban grasslands*

One of the objectives in the Green Strategy is to make Middlesbrough more bee friendly. Cutting back on the mowing regimes and allowing more wildflower meadows will increase pollinator trails for bees. The Council has adopted a regime that includes cutting less often and seeding more wildflower meadows, grasslands and highway verges.

31. *Embedding the principles of the Green Strategy/GBIS into policy and new developments*

A Green Blue Infrastructure Strategy (GBIS) has been adopted by the Council to provide a better understanding of the green and blue elements of the town and assist in the development of the Local Plan and is considered critical in delivering the key elements of Middlesbrough's Green Strategy. The six themes in the GBIS include:

Regeneration, Heritage and Sense of Place, Biodiversity and Geodiversity, Reconnecting Communities with Nature, A Resilient Landscape, The Blue Network and Waterfronts and Walking and Cycling. A Green Blue Infrastructure checklist is being developed to ensure that green and blue infrastructure and the Green Strategy are at the forefront of any new developments. The Urban Design Framework has also been updated.

32. Culture and Communities

The Culture and Communities Action Group's current objectives are ambitious, high level and form a long term strategy:

- Develop an ambitious town wide approach to environmentalism with arts organisations in Middlesbrough. The 20 year vision is that all arts organisations are carbon neutral by 2040.
- Increase public awareness and engagement in green issues. The 20 year vision is that Middlesbrough is recognised for relevant cultural programming that is focussed on the environment.
- Increase public engagement with Middlesbrough's open spaces. The 20 year vision is to increase footfall and engagement from diverse range of communities.
- Create the most radical parks in the UK. The 20 year vision is that Middlesbrough is recognised as the place with the most innovative parks in 2040.
- Develop a cultural capital plan for Middlesbrough.
- Increase access to culture for communities in Middlesbrough.

33. Successes in the first year of the strategy include:

- New events at Newham Grange Farm encouraging the use of green spaces. The creation of a new covered space dedicated to environmentalism as a whole and the story of the farm and food, as well as a live beehive.
- Implementation of new events in Middlesbrough parks including "Nightfall" which encouraged 20,000 visitors to Stewart Park over four days. This was a partnership event with Stellar Projects.
- Developed a new investment prospectus for cultural capital investment outlining plans as for the whole town and heritage sector.
- Successfully secured a £5 million pound bid for developing cultural buildings in the town centre. The bid includes £2.5 million for the Central Library.
- Developed an outdoor Holiday Action Fund programme for young people in Middlesbrough's parks. Parks and Museums work collaboratively to engage young people and encourage them to think of parks as cultural venues and visit with their families.

- Secured funding to host an Eco-festival.
 - Parks investment including £100K for Albert Park capital investment, £45K for Stewart Park from Section 106 Funding, potential investment from the Lawn Tennis Association for resurfacing tennis courts in Albert Park, Holiday Action Funding and Arts Council funding for park events including a circus, fairy tales on ice, party in the park, the MELA and sports activities.
34. There are no additional resources or capacity for the Green Strategy and initiatives are being delivered from within the current Culture and Communities budget. The aim was to embed the ethos of the Green Strategy into everything that the service does.
35. Sustainable Transport
- Middlesbrough Council aims to set the example and provide information and infrastructure to allow businesses and residents, as well as itself, to adopt sustainable behaviours and strategies. To do that, the Council needs to provide credible and affordable alternatives for public transport, in particular for people to navigate around the town, and ensure positive behaviours are instinctive rather than a personal burden or a compromise for individuals or businesses.
36. The Council's Sustainable Transport Action Group is developing and expanding the walking and cycling network to encourage a modal shift for Middlesbrough residents, businesses and workers who commute in and out of Middlesbrough each day. Within the Local Implementation Plan (LIP) the Council has followed Department for Transport (DFT) guidance, and national policy, and flipped the road user hierarchy to ensure that pedestrians and cyclists have priority on the road. Whilst it will be a slow process to embed this aim across Middlesbrough, it will ultimately provide gains across the town.
37. During 2021 new cycle lanes have been installed along Low Lane to ensure new housing developments are connected with existing network and to improve east/west connectivity. The cycle networks are intended to be used by both commuters and families. Not all cycle paths are designed to be the most direct route and this can lead to people cycling on the roads to reach their destination. The Council has a publically available map of all the cycle routes and a new cycle signage strategy is also being developed for the town.
38. A travel planning service, is being introduced which will be embedded in the Planning process. This service will provide information, advice and guidance to residents as to how they can access their neighbourhood and travel networks. Moving house is an opportunity for people to change their travel habits and the Council is keen to seize that opportunity. The Council also works with Housing Developers to secure Section 106 funding for new sustainable travel routes across the town.
39. Working with the Tees Valley Combined Authority (TVCA), the Council is in regular contact with transport operators and providers. Operators are keen to expand their networks and grow their services but plans have been severely impacted by the Covid 19 pandemic. Public transport usage has declined during the past eighteen months and the future of the public transport network is uncertain in terms of what the new normal will become.

40. The TVCA is the Strategic Transport Authority for the Tees Valley area. The five Tees Valley Local Authorities and the TVCA have been working collaboratively with bus operators to establish a Bus Service Improvement Partnership (BSIP). At the time writing this report, draft documentation for the partnership is out to consultation. The Partnership will help re-route services from different parts of the town to provide better coverage. Bus services need to be financially viable since no subsidies are available, as has been the case in previous years. The BSIP will give the Local Authorities more power to work with local operators and encourage the introduction of smart cards, easy payments options, marketing to encourage young people onto buses, and persuade people to leave their cars at home and use public transport. Whilst it is a voluntary partnership, there will be a signed agreement between operators, Local Authorities and the TVCA. The BSIP should be in place by April 2022.
41. The main constraints on the road network are generally experienced at two peak times during the day: coinciding with the school day and work commutes. During school holidays there is a 20% reduction of traffic at those times. If the town can continue to grow with housing and commercial developments, but live with the school holiday level of traffic, traffic congestion will not be an issue. The fact that more people are working from home since the Covid 19 pandemic, should also have a positive impact.
42. Work is also ongoing in respect of the rail network and the various franchises to increase more sustainable transport options at each station.
43. Another key aim is to continue to improve the air quality in Middlesbrough. Monitoring at various junctions in and out of Middlesbrough has shown that there has been improvement in the air quality. One proven measure is to introduce 20 mph speed limits. Low speed vehicles in urban areas naturally improves the air quality. Most residential areas in Middlesbrough have 20 mph speed limits but there are still a couple of areas where they need to be implemented. The Council is collaborating with the TVCA to secure additional funding to put more schemes in.
44. An Infrastructure Plan is currently being developed which will identify the location of new housing developments, pressures on the network, and measures that can be introduced to relieve those pressures. The Infrastructure Plan will highlight the key travel corridors across the town, be colour coded, and easy to understand. The Plan will also include details of how the travel corridors will be funded and where Section 106 funding is be available.
45. As of July 2021, there are approximately 1500 electric vehicles owned by Tees Valley residents. The Tees Valley Combined Authority has £2 million funding available to invest to fund the supply, installation, maintenance and back office system for a network of EVCPs across Tees Valley over a five year period.
46. Early in 2021, a market engagement exercise was undertaken to inform the procurement specification and process for the Tees Valley Combined Authority's Electric Vehicle Charging Infrastructure Project. An open procurement process was undertaken in March 2021 to appoint to a single supplier framework, which was awarded to EB Charging in June 2021. The framework is available for use by all public bodies across Tees Valley for the next five years, giving them the option to avoid carrying out a full procurement exercise if required.

47. A phased approach to Electric Vehicle Charging Point (EVCP) site construction has been adopted as follows:
- Phase 1 – Local Authority controlled sites – such as public car parks. This phase will be implemented over a two year period.
 - Phase 2 –Other public sites - including Further Education, NHS, Network Rail, Highways England - subject to future funding / bidding opportunities.

Over 50% of the sites put forward for Phase 1 have to support surrounding residential areas that do not have access to off-street parking. The development/feasibility work for Phase 2 will run simultaneously with Phase 1.

48. The TVCA worked closely with the five Tees Valley Councils to establish a list of prioritised sites for Phase 1 that are either owned by the local authorities, or the TVCA, as per the procurement specification. In January 2022, installation of EVCPs was approved by the Executive Member for Regeneration in the following Middlesbrough Council operated car parks: Zetland, Captain Cook, France Street, MIMA and Stewart Park. The car parks selected need to be accessible 24/7 and EVCPs will be installed in prominent areas, both to minimise the risk of vandalism and hopefully encourage electric vehicle ownership through their visibility. Phase 1 of the Tees Valley EVCP network should be operational by Summer 2023.
49. The EVCPs are compatible with all electric vehicles with the exception of Tesla vehicles, which can currently only use their own charging points. Users can set up an online account, and pay with a mobile phone or debit card.
50. The TVCA will fund all costs including equipment, installation, maintenance and back office system. The TVCA will retain ownership of the infrastructure and the revenue generated by the network to pay for electricity costs. Any remaining revenue will be re-invested into the network. The energy supplied is 100% renewable.

TERM OF REFERENCE C

To identify and investigate examples of best practice that can be adopted in Middlesbrough.

51. West Bromwich Outdoor Market

Sandwell Council is situated to the west of Birmingham in what is traditionally called the Black Country: comprising Sandwell, Walsall, Dudley and West Bromwich, with a population of approximately 300,000. There are quite high levels of deprivation compared to English averages. The Borough of Sandwell has six towns, with West Bromwich being the main one and it has been designated as a regional centre.

52. The West Bromwich market has been operating since 1984 and was originally set up in the pedestrianised high street and run on demountable stalls. In 2004 the stalls were replaced with permanent steel structures with a tin roof that was very functional and worked well. However, over time a high level of anti-social behaviour occurred within the market area.

53. Planners consider that street markets are a significant contributor to retail diversification and similar to most Councils currently, Sandwell was looking at how to diversify the high street. Street markets are seen as a contributor to that process, especially in Sandwell where many residents have a low income. Markets are used by quite a lot of the population who tend to shop often, and spend small amounts of money, rather than stocking up every two weeks at the larger supermarkets. Irrespective of commercial and regeneration benefits, the market also engenders a social element in town centres that otherwise might not be there.
54. Sandwell Council worked with the Police to find a solution to design out some of anti-social behaviour issues, and also considered how to improve the aesthetics of the market and contribute to environmental improvements. Various 'off the shelf solutions' were considered and one major issue was the roof structure. Demountable roofs or those that can be rolled off are operational problematic and expensive. The prospect of a glass roof on a high street on a market was proposed.
55. The Council approached a leisure operator that provides glass roof structures for amenity buildings. The roofs are solar panels, with filaments within the glass that are photocells which allow the structure to generate electricity. PolySolar is the only company in the UK to sell this unique transparent solar PV glass roof that generates renewable energy from sunlight. They have previously been used for amenity buildings and bus shelters but not for a market. The company worked with the Sandwell conceptually, and the product was procured through the Council's regular procurement process.
56. The final product is a self-supporting structure with a transparent apex roof. LED lighting is installed in the apex of the roof so that the stalls can be used during the evenings as they have their own integral lighting.
57. *"The 50 percent light transmission glass roof canopy generates 20,000 kWh of carbon free electricity annually, while allowing light to flood through to the stalls below. The solar PV glass further reduces the heat gain below, provides a safe and aesthetic environment, while delivering clear free renewable energy that is used locally or fed back to the grid."*²

² [Sandwell Metropolitan Borough Council: Urban greening - West Bromwich outdoor market | Local Government Association](https://www.local.gov.uk/case-studies/sandwell-metropolitan-borough-council-urban-greening-west-bromwich-outdoor-market) <https://www.local.gov.uk/case-studies/sandwell-metropolitan-borough-council-urban-greening-west-bromwich-outdoor-market>



59. Consideration is being given to retro-fitting some battery storage, although this is quite expensive.
60. The project cost was £467,000 which included the installation of 36 market stalls which contribute to wider climate action in Sandwell. Funding for the project came from the Towns Fund.
61. Grey to Green

“Grey to Green is an award-winning scheme bringing colour and sustainability to inner-city Sheffield. It offers a calm refuge in an urban environment and has transformed a tarmacked area into a green public space that encourages cycling and walking. Designed with climate change, wellbeing and economic investment in mind, Grey to Green is helping to lay foundations for a healthy, sustainable future for this part of Sheffield.”³

62. Grey to Green is a strategy rather than a project. Phase One was completed in 2016, Phase 2 is due to complete in 2022 and Phase 3 is in the planning stage.
63. The project area was badly flooded in 2007, it was not connected properly to the rest of the city centre, and there was no reason for people to go into that area. Sites had been dormant for a number of years, including an unoccupied Grade A office block. The riverside was nearby and there were businesses, the Home Office, and some residential flats in the area but little investment interest. Since 2014, the climate emergency has

³ [Grey to Green – Sheffield](https://www.greytogreen.org.uk/) <https://www.greytogreen.org.uk/>

become more prominent and the covid-19 pandemic encouraged people to utilise open and green spaces more. Although the greening of the area is the biggest single success for people, it is in fact an unintended consequence of the Grey to Green strategy as it was originally conceived to provide economic value.

64. The big challenges for the strategy were:

- Flooding and water management generally.
- Infrastructure and Maintenance.
- Connectivity and the wider city.
- Realising the area's economic potential.
- Safe and attractive settings that would draw people, uses and investment.
- Re-establishing the Riverside Business District.

65. The scheme is mainly a highways scheme and the project area was disconnected from the wider city centre. Four of the city's major hotels were on the wrong side of the former ring road as well as the Victoria Quays canal. The one and a half kilometre route coincided with the ring road. Phase 1 cost around £3.5 million, with £1 million contribution from the European Regional Development Fund (ERDF) and the rest from the Sheffield City Region Fund (SCRIF) and the Sheffield Local Sustainable Transport Fund (LSTF). Phase 2 has also been funded from European money but on the basis of environmental benefits such as increased biodiversity, reduction in CO2 and flooding, rather than economic activity.

66. Large scale retrofitted Sustainable Urban Drainage Systems (SuDs) have been implemented to manage surface flooding. Whilst SuDs do not prevent flooding they manage excess water by slowing its journey to the river or sewers. It is the longest retrofit SuDs project in the country.

67. The key concepts of the project are to use limited spaces – mainly a road – to provide multiple uses and functions and a strong sense of place. The role of city centres is changing, becoming more about residential areas and less about shops and retail. The strategy aims to:

- Create a setting for investment.
- Manage rainwater discharge to the river through SuDs.
- Provide opportunities for sustainable transport and connectivity.
- Introduce innovative meadow planting and develop the green linear route theme.
- Reclaim the highways and activate urban spaces that better reflect the surrounding area's opportunities.

68. Traffic modelling was undertaken to prove that the road could be re-purposed and used for cycle lanes and SuDs. As the roads were going to be narrowed and active travel routes created, it was important to make sure areas were connected appropriately. The Council team designed the narrowing of the road and there was work undertaken on the contamination below the tarmac surfaces. The landscape architects did not want to line the SuDs beds as there was a risk of plants dying. It was proved that plants actually cleaned some of the contaminant substances so that cleaner water went into the river and sewers. The Council also drew on evidence from other similar schemes such as High Line Park in New York.

69. The benefits and economic impact to date include:

- Integration of the Riverside Business District into the core of the city centre.
- Creation of a network of high quality public spaces and infrastructure which will establish the area as a distinctive location for new businesses.
- Positive impact on a high number of development sites.
- West Bar – the only quality location in the city for a large scale office development.
- High Speed 2 City Centre Station.
- Phase 1 provides a 0.492km green corridor (overall project 1.2 km).
- Improved signage to the Riverside Business District.

70. The planted areas consist of large number perennials, bulbs and trees are cut once a year at the end of January. A three year maintenance scheme was procured at the start of Phase 1 with the contractor who had done the planting. So if some plants failed they had to be replaced. The types of plants and trees used were carefully selected to be low maintenance. Although the trees are deciduous they do not drop a lot of leaves and do not need to be crowned. Plants grow at different heights throughout the year to a maximum of around one metre at their peak between April and September. The schemes are designed to provide colour and cover all year round. Additional litter bins have been installed and litter picking regimes are in place.

71. Whilst there had been some strong resistance to the scheme initially, these challenges have been overcome and generally people welcomed and enjoyed the new surroundings.

72. Before and After Photos ⁴



⁴ Grey to Green Phase 1 - Sheffield Riverside Business District – Sheffield City Council 2016 – Before & After Photos



CONCLUSIONS

73. The scrutiny panel reached the following conclusions in respect of its investigation:

74. **TERM OF REFERENCE A**

To examine the Council's proposals to meet Government targets for greenhouse gas emissions, make Middlesbrough more climate resilient, and minimise the environmental impact of services.

Since declaring a climate crisis in 2019, Middlesbrough Council set out a ten year plan to take the lead on environmental issues, become net carbon neutral by 2029 and ensure the town is net carbon neutral by 2029.

The Council's Green Strategy, based on the ten One Planet Living principles, will help the Council achieve its aims, along with Government targets, by taking sustained action on environmental improvements, standards and awareness, community cohesion, culture, wildlife, landscape, travel, materials, consumables, waste and carbon energy.

During the first year of the Green Strategy Action Plan, amongst other achievements, there have been many biodiversity improvements throughout the town, a Big Green

Week of action in September 2021, a carbon audit of the Council's vehicle fleet, and an awareness and education programme introduced to boost recycling rates.

75. **TERM OF REFERENCE B**

To investigate in detail the following elements of Middlesbrough Council's Green Strategy Action Plan:

- **Land Use and Wildlife**
- **Culture and Communities**
- **Sustainable Transport**

All three Action Groups have identified key areas for action and are developing initiatives that contribute to Middlesbrough becoming a greener and more sustainable place to live.

From the evidence presented, it is acknowledged that for the Council to achieve many of its green ambitions, community awareness and engagement must be encouraged and improved. Middlesbrough Council needs to lead by example and ensure that the Green Strategy is embedded in, and promoted by, everything that it does. There are several long-established community groups working hard on environmental issues in the town that could benefit from additional volunteers and publicity.

The introduction of measures such as the Local Implementation Plan (LIP), additional Electric Vehicle Charging Points (EVCPs), Travel Planning Service, Bus Service Improvement Partnership (BSIP) and the Council's new Infrastructure Plan, will aid the move to more sustainable travel around Middlesbrough and the Tees Valley. It was however recognised that there was still more action that needed to be taken in respect of improving public transport and encouraging modal shift and that there were no easy solutions. Similarly it was noted that the technologies associated with electric vehicles were still evolving and the TVCA's Electric Vehicle Charging Infrastructure Project would not necessarily meet the demand for EVCPs within the Tees Valley.

76. **TERM OF REFERENCE C**

To identify and investigate examples of best practice that can be adopted in Middlesbrough.

Sheffield City Council's Grey to Green Strategy and Sandwell Metropolitan Council's West Bromwich Market Outdoor Market project provided the Panel with ideas that could be potentially be adopted in Middlesbrough. As well as the positive environmental impacts of both projects there are also tangible social and economic benefits.

Sheffield's Grey to Green Strategy incorporates many of the key areas for action identified by the Land Use and Wildlife/Sustainable Water Action Group for Middlesbrough's Green Strategy. There are also ideas in both projects that could perhaps contribute to Middlesbrough's town centre regeneration - a topic explored in the Panel's scrutiny review of Middlesbrough Regeneration Post-Covid 19, which was undertaken in 2020/2021. In particular the Panel thought that the introduction of a regular street market could greatly

benefit the town, although further detailed investigation would need to be undertaken as to the viability of this suggestion.

Anecdotally, the outbreak of the Covid-19 Pandemic in the UK in early 2020, has increased the importance of attractive and well maintained outdoor public spaces for some businesses such as cafes, bars, restaurants and markets, as well as for exercise and other leisure activities and entertainment or performance venues.

RECOMMENDATIONS

77. Following the submitted evidence, and based on the conclusions above, the Economic Development, Environment and Infrastructure Scrutiny Panel's recommendations for consideration by the Executive are as follows:
- A) Explore the potential for a permanent structure modelled on the West Bromwich Outdoor Market project that could provide a covered performance area in Captain Cook Square, or stalls for street markets or community events, that would also generate renewable electricity and contribute to Middlesbrough's net carbon neutral targets.
 - B) Middlesbrough Council should liaise with Sheffield City Council regarding their Grey to Green Strategy, ensure that the Council's Sustainable Urban Drainage System (SuDS) Guide identifies appropriate plant species that are attractive, low maintenance, improve biodiversity net gain and provide all season coverage for use in SuDs planting schemes and more generally throughout the town.
 - C) Review and replace signage and information boards as necessary on dedicated cycle routes throughout the Town to help cyclists plan their leisure or commute journeys and use the available network efficiently.
 - D) Produce a map or guide to the cycle network either in paper format, or that could be downloaded onto a digital device from the Council's website or made available from the Middlesbrough's Town Hall, Libraries and/or Community Hubs.
 - E) Through the planning process, encourage Developers to include Electric Vehicle Charging Point (EVCPs) in new houses, housing or commercial developments.
 - F) Middlesbrough Council should continue to press the Tees Valley Combined Authority (TVCA) to seek further funding to at least maintain the current number of bus services, and increase them wherever possible.
 - G) Middlesbrough Council should ask the TVCA to work with Local Authorities to ensure that new bus routes are provided in all new housing developments at the point of delivery, so that greater patronage of services can be encouraged as soon as houses are occupied.
 - H) Introduce a Wash, Squash and Recycle Campaign to reduce the level and volume of contaminated items currently collected from domestic recycling bins, and improve current recycling rates.

- I) Trial a pilot scheme in one or two wards, for sowing more wildflower areas and moving to a monthly grass cutting regime, with more frequent litter picking, and grass cleared from the footpaths immediately after mowing.
- J) Continue to build on initiatives such as the Green Month Takeover and Green Action Days to promote and improve membership of established local volunteer groups and encourage greater participation by Elected Members, Council Employees and Middlesbrough Residents to make Middlesbrough greener.

ACKNOWLEDGEMENTS

78. The Economic Development, Environment and Infrastructure Scrutiny Panel would like to thank the following for their assistance with its work:

Simon Blenkinsop, Environment Sustainability Manager, Middlesbrough Council
 Sally Brown, Tees Valley Combined Authority
 Tom Bryant, Head of Transport, Tees Valley Combined Authority
 Paul Clarke, Head of Planning, Middlesbrough Council
 Craig Cowley, Transport and Infrastructure Manager, Middlesbrough Council
 Geoff Field, Director, Environment and Community Services, Middlesbrough Council
 Sam Gilmore, Head of Economic Growth, Middlesbrough Council
 Richard Horniman, Director of Regeneration, Middlesbrough Council
 Lucia Lorente-Arnau, Principal Development Officer, Sheffield City Council
 Charlotte Nicol, Head of Culture, Middlesbrough Council
 Chris Orr, Infrastructure Programme Manager, Middlesbrough Council
 Gerry Ritchie, Markets Manager, Sandwell Metropolitan Borough Council

79. BACKGROUND PAPERS

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

- Middlesbrough Council's Strategic Plan 2021-2024
- Green Strategy – A Greener Future for Middlesbrough
- Grey to Green Sheffield - <https://www.greytogreen.org.uk/>
- Grey to Green Phase 1 - Sheffield Riverside Business District – Sheffield City Council 2016 – Before & After Photos
- Minutes of the meetings of the EDEI Scrutiny Panel held on 8 September, 6 October, 1 December 2021, 12 January 2022, 9 February and 9 March 2022.
- Sandwell Metropolitan Borough Council: Urban greening - West Bromwich outdoor market | Local Government Association <https://www.local.gov.uk/case-studies/sandwell-metropolitan-borough-council-urban-greening-west-bromwich-outdoor-market>

80. ACRONYMS

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

BSIP – Bus Services Improvement Plan
 DFT – Department for Transport
 EVCP - Electric Vehicle Charging Point

GBIS - Green Blue Infrastructure Strategy
LIP – Local Implementation Plan
SuDS – Sustainable Drainage Systems
TVCA – Tees Valley Combined Authority
V2G – Vehicle to Grid

COUNCILLOR S WALKER
- CHAIR OF ECONOMIC DEVELOPMENT, ENVIRONMENT AND INFRASTRUCTURE
SCRUTINY PANEL

The membership of the scrutiny panel is as follows:

Economic Development, Environment and Infrastructure Scrutiny Panel 2021-2022
Councillors S Walker (Chair), R Arundale (Vice Chair), D Branson, D Coupe, T Furness,
J Hobson, B Hubbard, T Mawston, M Saunders, M Storey

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**ECONOMIC DEVELOPMENT, ENVIRONMENT AND INFRASTRUCTURE SCRUTINY PANEL
GREEN STRATEGY – ACTION PLAN**

SCRUTINY RECOMMENDATION	PROPOSED ACTION	POST TITLE	BUDGET COST	TIMESCALE
<p>A) Explore the potential for a permanent structure modelled on the West Bromwich Outdoor Market project that could provide a covered performance area in Captain Cook Square, or stalls for street markets or community events, that would also generate renewable electricity and contribute to Middlesbrough’s net carbon neutral targets.</p>	<p>These stalls would be too limiting or restrictive to performances that would take place in the space. There is a planned programme of events for this area. Businesses and new tenants are encouraged to make use of the existing canopy space in the square.</p>	<p>Head of Economic Growth.</p>	<p>N/A</p>	<p>Complete</p>
<p>B) Middlesbrough Council should liaise with Sheffield City Council regarding their Grey to Green Strategy, ensure that the Council’s Sustainable Urban Drainage System (SuDS) Guide identifies appropriate plant species that are attractive, low maintenance, improve biodiversity net gain and provide all season coverage for use in SuDs planting schemes and more generally throughout the town.</p>	<p>We will make contact with Sheffield City council to discuss their strategy. There is a Tees Valley Technical SUDS plan which is used for reference purposes for new schemes. We actively encourage developers to use SuDS features which incorporate biodiversity such as rain gardens and ponds. This is one of a range of measures that can be used to meet the objectives set out in the Green Blue Infrastructure Strategy. Developers are required to manage for a 1 in a 100 year storm event plus 40% allowance for climate change on site using SuDS features. Such features need to be cost effective and weighed up against the viability of the development in order for them to proceed.</p>	<p>Flood Risk Manager</p>	<p>N/A</p>	<p>By 30th Septmeber to respond to Sheffield CC. Each application is assessed as it arises.</p>

C) Review and replace signage and information boards as necessary on dedicated cycle routes throughout the Town to help cyclists plan their leisure or commute journeys and use the available network efficiently.	On-going where resources permit and are always included in new schemes and existing traffic management refresh schemes.	Transport & Infrastructure Manager	N/A	Complete
D) Produce a map or guide to the cycle network either in paper format, or that could be downloaded onto a digital device from the Council's website or made available from the Middlesbrough's Town Hall, Libraries and/or Community Hubs.	This already exists. Electronic version here: https://www.middlesbrough.gov.uk/site/default/files/Middlesbrough_Cycle_map.pdf	Transport & Infrastructure Manager	N/A	Complete
E) Through the planning process, encourage Developers to include Electric Vehicle Charging Point (EVCPs) in new houses, housing or commercial developments.	Through negotiations with developers and applicants officers will encourage the provision of new EVCPs as part of new developments. This will be encouraged on future developments. We will seek to incorporate charging stations as a requirement of a review of the Urban design SPD.	Development Control Manager	N/A	Complete- This is given consideration in all future applications are received.
F) Middlesbrough Council should continue to press the Tees Valley Combined Authority (TVCA) to seek further funding to at least maintain the current number of bus services, and increase them wherever possible.	Work on-going with TVCA as part of the BSIP (Bus Service Improvement Plan).	Transport & Infrastructure Manager	N/A	N/A

<p>G) Middlesbrough Council should ask the TVCA to work with Local Authorities to ensure that new bus routes are provided in all new housing developments at the point of delivery, so that greater patronage of services can be encouraged as soon as houses are occupied.</p>	<p>This is not a TVCA function, this would be actioned by MBC planning and highway development (n.b operators are commercial and often require subsidies for new developments). This is however considered at all developments, and in discussions with bus operators. This continues at appropriate locations.</p>	<p>Transport & Infrastructure Manager</p>	<p>N/A</p>	<p>N/A</p>
<p>H) Introduce a Wash, Squash and Recycle Campaign to reduce the level and volume of contaminated items currently collected from domestic recycling bins, and improve current recycling rates.</p>	<p>This will be incorporated into the wider Waste & Recycling Communications campaign for 2022/23.</p>	<p>Operations Manager Waste & Recycling</p>	<p>N/A</p>	<p>Target date by 31/12/22</p>
<p>I) Trial a pilot scheme in one or two wards, for sowing more wildflower areas and moving to a monthly grass cutting regime, with more frequent litter picking, and grass cleared from the footpaths immediately after mowing.</p>	<p>We have sewn 50,000m2 of wildflower / urban meadow during 2021 & 2022. With regards to trialling a Monthly Grass Cutting regime, additional Litter Picking & hard surface clearance, this will require substantial capital & revenue investment (machinery purchase & staffing costs). Current mowers that Area Care use are not capable of Monthly mowing regimes (due to the length of grass that would require cutting).</p>	<p>Environment Services manager</p>	<p>£20k co-funded with Thirteen Group.</p>	<p>November 2022.</p>
<p>J) Continue to build on initiatives such as the Green Month Takeover and Green Action Days to promote and improve membership of established local volunteer groups and encourage greater participation by Elected Members, Council Employees and</p>	<p>A Communications strategy for the councils Green Strategy highlights such opportunities and we will continue to roll out initiatives such as participation in the UN World Environment Day.</p>	<p>Environmental Sustainability manager</p>	<p>N/A</p>	<p>31st March 2023.</p>

<p>Middlesbrough Residents to make Middlesbrough greener.</p>	<p>We work closely with Middlesbrough's Green Spaces Forum (chaired by TVWT) which supports volunteer participation in our green spaces, where this can be raised to encourage member attendance.</p> <p>Continue to work on Community Ward initiatives will include residents, ward members and other agencies.</p> <p>A new corporate Logo '<i>Middlesbrough Going Greener</i>' has been created.</p>			
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