

OVERVIEW AND SCRUTINY BOARD

A meeting of the Overview and Scrutiny Board was held on Wednesday 22 June 2022.

PRESENT: Councillors M Saunders (Chair), C Cooke, D Davison, B Hubbard, D McCabe, C McIntyre, J Platt, M Storey, J Thompson and R Arundale

OFFICERS: C Breheny, T Parkinson, G Cooper, A Perriman, S Reynolds, A Humble and S Blood

APOLOGIES FOR ABSENCE: Councillors T Mawston, D Jones and J McTigue

20/97 **DECLARATIONS OF INTEREST**

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

20/98 **MINUTES - OVERVIEW AND SCRUTINY BOARD - 27 APRIL 2022**

The minutes of the Overview and Scrutiny Board meeting held on 27 April 2022 were submitted and approved as a correct record.

20/99 **MINUTES - OVERVIEW & SCRUTINY BOARD - 11 MAY 2022**

The minutes of the Overview and Scrutiny Board meeting held on 11 May 2022 were yet to be finalised and were deferred for consideration at the next meeting.

20/100 **EXECUTIVE FORWARD WORK PROGRAMME**

The Chief Executive submitted a report which identified the forthcoming issues to be considered by the Executive, as outlined in Appendix A to the report.

The report provided the Overview and Scrutiny Board with the opportunity to consider whether any item contained within the Executive Forward Work Programme should be considered by the Board, or referred to a Scrutiny Panel.

NOTED

20/101 **CHIEF EXECUTIVE'S UPDATE**

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

- LMT 'hot topics'
- Executive decisions update

In terms of LMT 'hot topics' it was advised that the key issues for consideration were the MTFP refresh and 2022/2023 budget planning; closure of accounts / External Auditors opinion; reoccupation and the move to Fountains Court; Strategic Plan performance monitoring; locality working; health and safety; the town centre; nutrient neutrality and the Mayoral Development Corporation.

In relation to Executive decisions a number of reports were expected to be considered by the Executive in July 2022 and these included; approval for Middlesbrough Council to join the Global Network of Age Friendly Cities and Communities and to achieve Age Friendly Town Status; to expand the work of the 50 futures work experience programme; to enhance Youth Service provision in Middlesbrough and to respond to the Children and Young People's Social Care and Services Scrutiny Panel Final Report on Locality Working from a Children's Perspective.

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

NOTED

20/102 **THE COMMUNITIES AND CULTURE SCRUTINY PANEL - FINAL REPORT - ENFORCEMENT IN MIDDLESBROUGH AND ITS IMPACT ON CRIME AND ANTI-SOCIAL BEHAVIOUR**

The recommendations to be submitted to the Executive were:

- a) That a general awareness session be established for elected members to discuss the Community Safety partnership, the roles of the community safety teams and how to raise a community trigger.
- b) That further promotion of the community trigger process be shared with elected members and the local communities, this could be done through, for example, ward council meetings, lovemiddlesbrough magazine and community councils.
- c) That given the recent concerns surrounding the number of police officers within the wards, the panel ask that the Council continue discussions with Cleveland Police to ensure the correct resources are allocated to Middlesbrough.
- d) That Middlesbrough council work in partnership with ASB help to sign up to the ASB pledge.
- e) That the panel members receive 6 monthly updates from the locality wards regarding crime/ anti-social behaviour statistics.
- f) That members receive further updates, as and when, to the rolling out of locality working in other wards within the town.

AGREED that the findings and recommendations of the Communities and Culture Scrutiny Panel be endorsed and referred to the Executive.

20/103 **SCHOOL EXCLUSIONS: FEEDBACK FROM SCHOOL VISITS**

The Chair advised that a number of Board Members had taken part in a recent visit to Outwood Academy Ormesby on 25 May 2022 and the following feedback was provided:-

- The support provided to pupils by the school was impressive and Members had the opportunity to visit all areas of the school and meet with pupils, including those who had previously received numerous fixed term exclusions. It was evident that the school was doing everything possible to keep the children in a mainstream school, one to one support was provided to pupils and the Principal and Vice Principal were actively involved in monitoring those children at risk of receiving a fixed term exclusion.
- Outwood Academy Ormesby had invested significantly in specialist provision so that any child at risk of a fixed term exclusion was able to spend time outside of their normal classroom, for a period of a few weeks, prior to being reintegrated back into their normal provision. This approach was proving really effective and since introducing the new model a number of pupils who had previously received a number of fixed term exclusions hadn't received any. In addition their attendance in school had improved and their overall engagement in school was much more positive. Specialist staff had been recruited to manage the facility and it was evident that pupils were really benefiting from form of provision.

AGREED that the Board take up the offer provided by Outwood Academy Ormesby to undertake a further visit to the school in 6 months' time.

20/104 **STRATEGIC PLAN 2021-24 - PROGRESS AT YEAR-END 2021/22**

The Strategy Delivery Manager and Corporate Strategy Manager provided an update to the Board, which included the following points:

- This report set out in brief the key headlines relating to progress made in 2021-22 against the 2021-2024 Strategic Plan, delivery of the 2021/22 Directorate Priorities and outlined strategic risks at Year-End;
- 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;
- 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 were updated annually, there was no trend information available for 4 (16.7%) outcome measures at the present time.
- Those which were Red or of a worsening trend included household waste sent for reuse, recycling and composting; additional affordable homes; number of Street Warden enforcement actions; 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 and self-reported wellbeing (people with a high or very high satisfaction score as %);
- At 2021/22 Year-End, performance against the Strategic Plan workplan was initiatives completed (42%), green (51%), amber (3%) and red (4%), exceeding the corporate target of 90% of initiatives achieving completed or green status.
- At 2021/22 Year-End, 60% (65) of Directorate Priorities were completed, which was below the expected standard of 90%.
- Performance in delivering mitigating actions associated with high or medium risks on Directorate Risk Registers was 90% and 93% respectively, above the performance standard of 90%.
- Strategic risks – two new risk had been added to the SRR during Quarter Four, namely 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 and a risk in relation to the Adult Education budget to reflect the risk of funding loss from the impact of Covid on a particular set of adult learning courses.

AGREED that the information provided be noted.

20/105

REVENUE AND CAPITAL BUDGET - YEAR-END OUTTURN POSITION 2021/22

The Head of Financial Planning and Support presented the Board with information in respect of the Revenue Budget Outturn Year-End 2021/2022. The following points were made:

- As reported previously, the Covid-19 pandemic has had a significant impact on the Council's financial position. This has also made the management of the Council finances more difficult in 2021/22 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 were being monitored separately from the normal non-Covid-19 financial position, and these were reported separately in paragraphs 84 to 111.
- The Council's initial outturn position for 2021/22 for non-Covid-19 elements was an overspend of £2,462,000 (2.1%). One of the major areas of increased expenditure during the latter part of 2021/22 had been the level of inflation that existed in the economy.
- The Environment and Commercial Services Directorate outturn position had been 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 highlighted to the Board in previous quarterly budget monitoring reports at year-end these had been funded in 2021/22 only from the Central Pay and Prices Contingency budget.
- The financial position of the Council had been improved by the implementation of the Flexible Use of Capital Receipts Strategy, which was approved by Full Council on 20 October 2021. Entries had been made in the Council's accounts for this having due regard to the Local Authority Accounting Code of Practice, with the impact of this being that the Council's financial position across a number of Directorates (mainly Children's Services) had been improved by a total of £5,017,000 at year-end.
- The Council's overall final year-end revenue outturn position for 2021/22 for non-Covid-19 expenditure was a £2,325,000 underspend. The underspend had been transferred to the General Fund Reserve.
- Covid-19 pressures of £390,000 at year-end 2021/22 were detailed in paragraphs 84 to 111. This was a reduction of £1,431,000 from the £1,821,000 total projected Covid-19 pressures reported at Quarter Three. This had been 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.

- On 14 June 2002 Executive had approved the transfer of £782,000 of the Covid Recovery Reserve to a new earmarked Car Parking Pressures Reserve and the remaining balance of £3,340,000 had been transferred initially to the General Fund Reserve.
- Due to the significant and continued transformation work taking place within the Council, principally within Children's Services and that which would take place within Adult Social Care regarding the Fair Cost of Care and Social Care reforms a transfer of £5.665m was made to a new specific earmarked Social Care Transformation Reserve. The remaining balances on the Children's Services Improvement Reserve (£175,000), Children's Services Demand Reserve (£732,000) and the Social Care Transformation Reserve had been 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 level of Reserves remaining after the us and creation of these reserves was shown in the Reserves and Provisions Section of the report (paragraphs 158 to 163) and detailed in Appendix 2.
- Paragraphs 114-119 detailed the revenue budget spending controls, which included a vacancy control process; checks against expenditure over £5,000; and strong controls over staff travel, stationery and first class post. Agency staff was also being looked at, but 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 was likely to continue in 2022/23, however this would be minimised as far as possible. The Council was using additional recruitment and retention packages to support the reduction of use of agency staff in future years.
- The financial impact of the Covid-19 pandemic in 2020/21 was summarised in a table at paragraph 88, which showed that there had been a financial pressure due to Covid-19 of £4.5m in 2021/22.
- The 2021/22 capital budget final outturn was £56.899m against a revised capital budget of £59.035m. Full details were provided in the report.
- Regarding borrowing and reserves, the Council's balance of borrowing had increased from £205.2m at 30 December 2021 to £208.8m at 31 March 2021. This increase of £3.6m reflected 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.

The Chair enquired as to how secure the Council was in terms of its financial position. In response the Head of Financial Planning advised that the Council's position was as good as it could be given the challenges. It was emphasised that the specified reserves, as detailed in the report were significant and had these not been in place then there would have been some real concerns. However, Council's approval in February 2022 to set aside around £4.6million for additional inflation meant that those pressure could be met, for now. It was evident that Council's across the country were facing huge pressures and many were currently preparing emergency budgets including in year service cuts before next year's budget. Middlesbrough Council was nowhere near that position however there would have to be some difficult decisions made in order to balance next year's budget. It would be a difficult year ahead but that was no different to any other Council and everyone was preparing for the challenges ahead.

On behalf of the Board the Chair wished to place on record its appreciation for the huge amount of work undertaken by the Finance Team this year to ensure the Council was in the strongest financial position possible.

AGREED the information provided be noted.

20/106

SCRUTINY CHAIRS UPDATE

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

20/107

ANY OTHER URGENT ITEMS WHICH, IN THE OPINION OF THE CHAIR, MAY BE CONSIDERED.

22 June 2022

The Chair invited Members views in respect of in person meetings and the merits of virtual meetings and a number of views were expressed. It was accepted that this issue would be debated at the forthcoming Council meeting as scheduled to be held on 6 July 2022.