

OVERVIEW AND SCRUTINY BOARD

Date:	Wednesday 21st September, 2022
Time:	10.00 am
Venue:	Mandela Committee Room

AGENDA

1. Apologies for Absence
2. Declarations of Interest
3. Minutes - Overview & Scrutiny Board - 22 June 2022 3 - 8
4. Mayor's Attendance at OSB 9 - 12
5. Executive Forward Work Programme 13 - 24
6. Chief Executive's Update
7. Corporate Performance Update: Quarter One 2022/23 25 - 56
8. Revenue and Capital Budget - Projected Outturn Position as at Quarter One 2022/23 57 - 92
9. Scrutiny Chairs Update
10. Any other urgent items which, in the opinion of the Chair, may be considered.

Town Hall
Middlesbrough
Tuesday 13 September 2022

MEMBERSHIP

Councillors M Saunders (Chair), T Mawston (Vice-Chair), C Cooke, D Davison, C Hobson, B Hubbard, D Jones, D McCabe, C McIntyre, J McTigue, J Platt, M Storey and J Thompson

Assistance in accessing information

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

OVERVIEW AND SCRUTINY BOARD

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

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.

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MIDDLESBROUGH COUNCIL

OVERVIEW AND SCRUTINY BOARD

21 SEPTEMBER 2022

**ATTENDANCE OF THE MAYOR AT THE
OVERVIEW AND SCRUTINY BOARD**

PURPOSE OF THE REPORT

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

RECOMMENDATIONS

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

BACKGROUND

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

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

BACKGROUND PAPERS

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

Contact Officer:

Caroline Breheny

Democratic Services

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Executive Portfolio:	The Elected Mayor of Middlesbrough
Portfolio Holder:	Andy Preston
Lead Officer:	The Chief Executive
SCOPE OF PORTFOLIO	
<p>The Mayor has overall responsibility for delivering the Mayor's Priorities and associated initiatives.</p> <p>Service areas and Functions</p> <p>The Mayor has overall responsibility for executive functions together with those general responsibilities detailed above. Service responsibilities have been delegated to the Executive Members.</p> <p>The Mayor is the first citizen of the town and will promote the town as a whole and act as a focal point for the community. He will also take precedence with regard to any civic duties but these may be delegated to the Chair/Vice-Chair of the Council.</p> <p>As the town's First Citizen, the Mayor promotes Middlesbrough in the sub-region, region and nationally.</p> <p>General responsibilities of the Mayor</p> <p>Duties and responsibilities of the Mayor include: -</p> <ul style="list-style-type: none"> • Providing strong and visible leadership in relation to the Council, citizens, stakeholders and partners of the Council. • Leading on partnerships and strategic matters of significance to Middlesbrough on a local, sub-regional, regional and national basis. • Promoting, wherever possible, public engagement in the work of the Council. • Leading in promoting the core values and objectives of the Council. • Leading on promoting proposals in relation to the Council's Budget and Policy Framework. • Leading on the delivery of continuous improvement in Council services. • Promoting the highest standards of conduct and ethics within the Council. • Making appointments to the Executive, determining portfolios and chairing the Executive. • Determining the Executive Scheme of Delegation. • Responsibility for the Armed Forces Covenant. <p>Correspondence address: c/o Democratic Services Town Hall Middlesbrough TS1 9FX</p> <p>Email: mayor@middlesbrough.gov.uk</p>	

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Report of:	Chief Executive
Submitted to:	Overview and Scrutiny Board – 21 September 2022
Subject:	Executive Forward Work Programme

Summary

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

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

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

Ward(s) affected
All Wards affected equally

What is the purpose of this report?

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

Why does this report require a Member decision?

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

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

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

What decision(s) are being asked for?

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

Other potential decisions and why these have not been recommended

No other options were considered.

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

Not Applicable

Financial

Not Applicable

Policy Framework

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

Equality and Diversity

Not Applicable

Risk

Not Applicable

Actions to be taken to implement the decision(s)

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

Appendices

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

Background papers

Executive Forward Work Plan

Contact: Caroline Breheny

Email: caroline_breheny@middlesbrough.gov.uk



Appendix 1

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
Deputy Mayor and Executive Member for Children's Services						
I012892 All Wards	Enhanced Youth Service To present proposals for the new Enhanced Youth Service in Middlesbrough.	Executive 4 Oct 2022	KEY Will have a significant impact in two or more wards	Public		Deputy Mayor and Executive Member for Children's Services <i>Director of Children's Care</i>
I014164 All Wards	Children's Services Improvement Update To provide the quarterly update to Executive on the Ofsted Improvement Journey	Executive 4 Oct 2022	KEY			Deputy Mayor and Executive Member for Children's Services <i>Executive Director of Children's Services</i>
Executive Member for Adult Social Care, Public Health, Public Protection and Digital Inclusion						
I013809 All Wards	Adult Social Care Reform Update To update Executive of local progress against central government's Adult Social		KEY Will have a significant impact in two or more wards	Public		

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
	Care reform agenda and the planned commencement of inspections of Adult Social Care by the Care Quality Commission in 2023					
I014027 All Wards	Approval for consultation on the Draft Statement of Licensing Policy 2022-2027 and Cumulative Impact Assessment. This report seeks Executive approval for the draft Statement of Licensing Act Policy 2022-27 for a period of consultation to be undertaken. It sets out the proposed changes to the Statement of Licensing Policy 2022-27 and the proposed Cumulative Impact Assessment which support the Cumulative Impact Policies in the town.	Executive 4 Oct 2022	KEY Will have a significant impact in two or more wards	Public		Executive Member for Adult Social Care, Public Health, Public Protection and Digital Inclusion <i>Director of Adult Social Care & Health Integration</i>
I013777 All Wards	Healthy Weight Declaration Adoption This report outlines the purpose and process of signing up to the Healthy Weight Declaration in Middlesbrough.	Executive 6 Dec 2022	KEY Will have a significant impact in two or more wards	Public		Executive Member for Adult Social Care, Public Health, Public Protection and Digital Inclusion <i>Director of Public Health South Tees</i>

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
Executive Member for Culture and Communities						
I013593 All Wards	Final Report of the Culture and Communities Scrutiny Panel - Tough Enough? Enforcement in Middlesbrough and its Impact on Crime and Anti-Social Behaviour - Service Response To present the final report of the Culture and Communities Scrutiny Panel following its investigation into 'Tough enough? Enforcement in Middlesbrough and its impact on crime and anti-social behaviour'.	Executive 4 Oct 2022	Will have a significant impact in two or more wards	Public		Executive Member for Environment <i>Director of Environment and Community Services</i>
I012891 All Wards	50 Futures Expansion Update and plans to expand the 50 Futures Work Experience programme	Executive 4 Oct 2022		Public		Executive Member for Culture and Communities <i>Director of Regeneration and Culture</i>
Executive Member for Environment						
I012273 All Wards	Tees Valley Waste Report To seek approval for MBC to enter with seven other councils a Special Purpose Vehicle company in order to manage the Tees Valley	Executive 8 Nov 2022	KEY Will incur expenditure or savings above £150,000 and will affect 2 or	Public		Executive Member for Environment <i>Director of Environment and Community Services</i>

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
	energy recovery facility that will be responsible for the disposal of Middlesbrough municipal waste.		more wards			
Executive Member for Finance and Governance						
I014121 All Wards	Estates Strategy - Lettings Policy This report advises on the introduction of a policy designed to govern the letting of Council held assets	Executive Member for Finance and Governance 6 Oct 2022	KEY	Public		Councillor Stefan Walker, Executive Member for Finance and Governance <i>Director of Finance</i>
I014163 All Wards	2022/2023 Budget Recovery Plan To provide an update to Executive following the Revenue and Capital Budget – Projected Outturn position as at Quarter One 2022/23 Report presented to Executive on 6th September.	Executive 4 Oct 2022	KEY			Executive Member for Finance and Governance <i>Director of Finance</i>
I013928 All Wards	Business Support Strategy The Business Support Strategy sets out the Council's approach to providing support to businesses; identifying initiatives both internal and external that can support a business through its business journey with the aim of	Executive 4 Oct 2022		Public		Executive Member for Finance and Governance <i>Director of Finance</i>

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
	providing a simplified effective route to accessing financial assistance, early identification of need (including any welfare issues) and signposting to relevant partners and services to provide appropriate support and guidance					
1013298 Nunthorpe	Poole Hospital Definitive Map Modification Order Decision to progress with the DMMO	Executive 4 Oct 2022		Public		Executive Member for Environment <i>Director of Environment and Community Services</i>
1013985 All Wards	Revision to Community Benefit Policy Arising from Asset Disposal Policy This report outlines amendments to the asset disposal policy to ensure that where assets are disposed above market value, the 3% community benefit expenditure is limited to local authority direct or procured provision only.	Executive Member for Finance and Governance 4 Oct 2022	KEY Will have a significant impact in two or more wards	Public		Executive Member for Finance and Governance <i>Director of Finance</i>
1012905	Impact Assessment policy 2024-27 (Date TBA - March 23) The policy sets out how the	Executive Member for Environment 1 Mar 2023		Public		Executive Member for Environment <i>Director of Legal and Governance Services</i>

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
	council ensures that it impact assesses decisions.					
Executive Member for Neighbourhood Safety						
I013842 Central; Newport	TS1 PSPO Extension Executive approves a reapplication as the current TS1 PSPO expires in October.	Executive 4 Oct 2022	KEY Will have a significant impact in two or more wards	Public		Executive Member for Neighbourhood Safety <i>Director of Environment and Community Services</i>
Executive Member for Regeneration						
I013821 Newport	Designation of the Newport 2 Ward Area for a Selective Landlord Licensing Scheme Executive approval is required as this scheme is delivered via a legislative framework that requires organisational approval to start formal consultation prior to implementation. The proposed designation contribute both to Middlesbrough Council's Housing Strategy through improving the quality of the private rented sector and reducing fuel poverty. The designation will also contribute to reducing health	Executive 4 Oct 2022		Public		Executive Member for Regeneration <i>Director of Adult Social Care & Health Integration</i>

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
	and social inequalities by tackling deprivation in the least well off areas; improving the quality of housing, environmental conditions and reducing crime and disorder which has a direct impact on health and wellbeing.					
I014016 All Wards Page 21	Planning and Building Control Fees The consideration of fees and financial implications is not an officer decision. As a consequence it requires a member decision.	Executive 4 Oct 2022	KEY Will have a significant impact in two or more wards	Public		Executive Member for Regeneration <i>Director of Regeneration and Culture</i>
I014080 Central; Newport	Exempt - Dealing with Major Vacant Town Centre Properties This report seeks to provide a synopsis of four of the town centre most significant physical assets and their potential to be brought back into use, The Crown, Centre North East, Gurney House and House of Fraser.	Executive 4 Oct 2022	KEY Will have a significant impact in two or more wards	Fully exempt		Executive Member for Regeneration <i>Director of Regeneration and Culture</i>
I013444 Central	Expansion of the Digital Sector - Boho 11 Part A To seek approval for the capital funding to progress	Executive 8 Nov 2022	KEY Will incur expenditure or savings that are	Public		Executive Member for Regeneration <i>Director of Regeneration and Culture</i>

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
	with the expansion of the digital sector in Middlesbrough through the development and delivery of Boho 11.		above the threshold decided by the Council i.e. Over £150,000			
I013446 Central	Exempt - Expansion of the Digital Sector - Boho 11 Part B To seek approval for the capital funding to progress with the expansion of the digital sector in Middlesbrough through the development and delivery of Boho 11.	Executive 8 Nov 2022	KEY Will incur expenditure or savings that are above the threshold decided by the Council i.e. Over £150,000	Fully exempt		Executive Member for Regeneration <i>Director of Regeneration and Culture</i>
I013742 Central	Tees Advanced Manufacturing Park – Phase 2 Funding Agreement Executive to approval an additional 1.5 million pounds of capital which will be repaired through retention through business rates of the enterprise zones site.	Executive 8 Nov 2022	KEY Will incur expenditure or savings that are above the threshold decided by the Council i.e. Over £150,000	Public		Executive Member for Finance and Governance
I012243 Central	Middlehaven - Electricity Reinforcement Works The report is seeking approval from Executive for funding to facilitate the upgrade of electricity provision in Middlehaven.	Executive 8 Nov 2022	KEY Will incur expenditure or savings that are above the threshold decided by the	Public		Executive Member for Regeneration <i>Director of Regeneration and Culture</i>

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
			Council i.e. Over £150,000			
Execuitve Member for Young People and Democratic Engagement						

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MIDDLESBROUGH COUNCIL	
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Report of:	The Elected Mayor of Middlesbrough; Chief Executive
Submitted to:	Overview & Scrutiny Board
Date:	21 September 2022
Title:	Corporate Performance Update: Quarter One 2022/23
Report for:	Information
Status:	Public
Strategic priority:	All
Key decision:	Not applicable
Why:	Report is for information only
Urgent:	No
Why:	N/A

Executive summary

This report advises the Overview and Scrutiny Board of corporate performance at the end of Quarter One 2022/2023, providing the necessary information to enable the Board to discharge its overview functions.

The report also asks that the Overview and Scrutiny Board:

- notes the amendments to Executive actions outlined at Appendix 1.
- notes progress of delivery of the Strategic Plan 2022-24 at Quarter One 2022/23, detailed in Appendix 2.
- notes the Council's updated position in relation to Strategic Risk, at Quarter One 2022/23.
- notes progress of the 2022/23 Directorate Priorities at Quarter One 2022/23, detailed in Appendix 3.

Purpose

1. This report advises OSB of corporate performance at the end of Quarter One 2022/23.

Background and relevant information

2. The Council's Scheme of Delegation gives the Overview and Scrutiny Board collective responsibility for the overview and scrutiny of corporate strategic performance.
3. This report provides the necessary information to enable the Overview and Scrutiny Board to discharge its performance monitoring responsibilities, setting out progress against Executive action, the Strategic Plan and other key associated items, together with actions to be taken to address any issues identified.
4. The projected 2022/23 financial outturns for Quarter One are presented separately to this meeting of the Overview and Scrutiny Board, 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 Quarter One

7. The Council's performance overall at Quarter One saw positive progress in performance at Quarter One 2022/23, with progress towards expected performance standards as set out in the Council's risk appetite, achieved in five out of six areas.

Progress in delivering Executive actions

8. Actions agreed by the Executive to deliver approved decisions are tracked by LMT, monthly. 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 the end of Quarter One 2022/23, 62 of 66 live actions (94%) were reported as on target to be delivered by the agreed timescales, improved from the reported at 2021/22 Year End position and above the 90% standard of achievement of actions, with 4 proposed amendments, as approved by the Executive on 6 September 2022, set out at Appendix 1. All remaining Executive actions are expected to be achieved within their approved timescales.

10. Of the proposed amendments to Executive actions:
 - Three relate to the Children and Young People's Learning Scrutiny Panel's Final Report: Behaviour, Discipline and Bullying in Schools (Service Response) actions which have seen slight delay to ensure survey findings are included in the SEND Green Paper and final Inclusion Strategy to further enhance.
 - A future report on Community Asset Transfers to be presented to Executive outlining outcome of financial appraisal and recommendations for community asset transfers, is delayed, due to changes in service area responsibility.

Progress in delivering the Strategic Plan 2022-24

11. On 23 February 2022 full 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 2022/23, to ensure that the Council has sufficient time to consider implications of national and potential forthcoming local changes on its strategic direction.
12. 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.
13. Progress continues 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.
14. The Strategic Plan for 2022-24, sets 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

15. The Strategic Plan measures are the outcomes expected from successful delivery of the Strategic Plan workplan and initiatives. As the Strategic Plan workplan was refreshed for 2022-24 in isolation to the existing Strategic Plan outcome measures, there is a diluted relationship between progress against delivery and outcome measures.
16. Whilst this will be addressed in the next annual refresh of the Strategic Plan itself, further consideration on effectively reporting against Strategic Plan outcomes measures for 2022-24 will be given and presented in the Corporate Performance Update: Quarter Two 2022/23 report.

Workplan

17. At Quarter One 2022/23, performance against the Strategic Plan workplan was as set out below, exceeding the corporate target of 90%.

Status	Q1 2022/23 position	Expected standard	Standard achieved	Trend
COMPLETED	0%	90%	Yes	-
GREEN	100%			
AMBER	0%	N/A	N/A	N/A
RED	0%	N/A	N/A	N/A

Strategic Risk Register

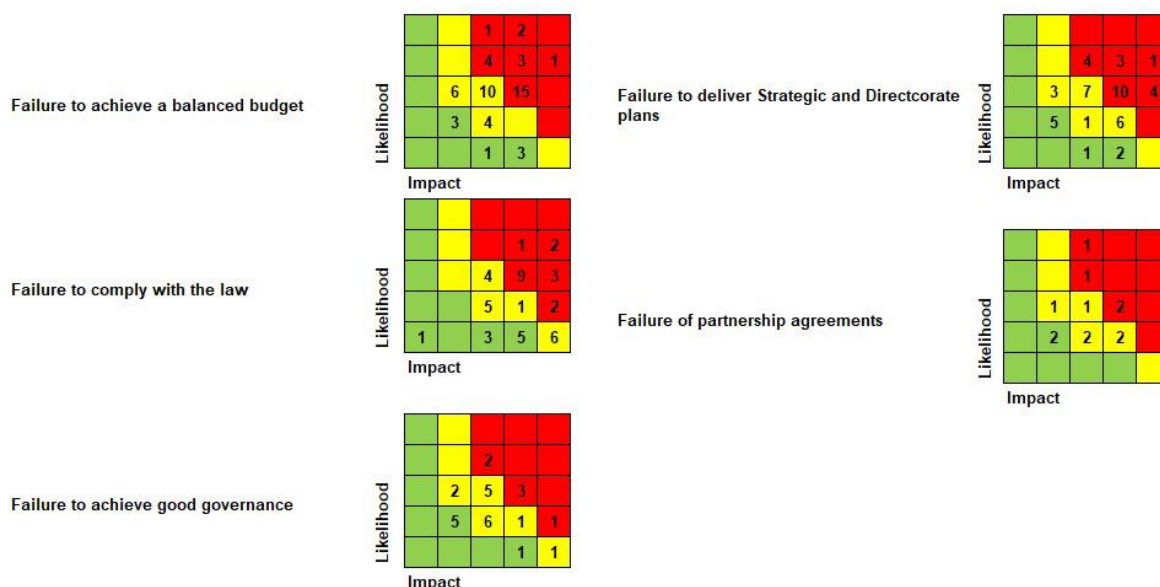
18. The Council's strategic risks are:

- 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.

19. All individual organisational risks are aligned to one of the above categories, with work ongoing to refine their content, which should see a reduction in the volume of risks reported in the Quarter Two report. The heat maps below demonstrate the number of risks that contribute to those overall strategic risks.

20. Future reports will set out trend information and reasons for changes to those heat map positions, providing Members with an overview of risk movement within the organisation and the narrative / context for such movement.

21. The risk category position at Quarter One 2022/23 is as follows:



22. During Quarter One, as a result of work undertaken to refine the number of individual risks that comprise the five strategic risk categories, the following significant change has been made to one existing risk:

- 'Failure to deliver good governance' strategic risk, had progressed from risk to issue. A new risk has therefore been created to capture the risk of failure to deliver the required improvements to address areas of non-compliance with the Local Code of Corporate Governance.

Progress in delivering Directorate Priorities 2022/2023

23. 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 2022/23 are set out at Appendix 3.
24. Since approval of the Directorate Priorities for 2022/23 at Executive on 5 April 2022, some minor amendments have been made to remove duplication of effort with the Strategic Plan workplan initiatives, as follows:

Ref.	Directorate Priority	Action	Reason
ALL	Deliver all budgeted savings initiatives and maintain spend within the limits provided for in the Medium-Term Financial Plan.	Remove	BAU activity
REG 08	Support Thirteen Group to deliver development at Gresham.	Remove	Not an MBC owned / led project
CUL 05	Increase attendance at existing Council events like Orange Pip.	Remove	Duplicate of SP workplan activity, CUL 01
EC 02 / EC 12	Increase the levels of Environment Enforcement and Increase levels of environment enforcement, where appropriate.	Remove	Duplicate of SP workplan activity, ASB 04
EC 05	Develop a five-year highways asset investment plan.	Remove	Duplicate of SP workplan activity, PEN 03
EC 07	Explore the potential to designate sites across the town as local wildlife / nature reserves, increasing biodiversity in Middlesbrough.	Remove	Duplicate of SP workplan activity, CCH 02
EC 08	Secure additional funding to improve the condition of the Council's operational estate and highways infrastructure.	Remove	Change title to 'Secure additional Capital funding to improve the condition of the Council's operational & commercial Built Asset Portfolio'.
EC 11	Further implement the locality working model to additional wards.	Remove	Duplicate of SP workplan activity, VUL 02
EC 13	Plant another 10,000 trees across Middlesbrough.	Remove	Duplicate of SP workplan activity, CCH 07
FI 11	Development and implementation of a series of projects to maximise opportunity to improve Council Tax collection.	Remove	Duplicate of Directorate Priority, FI 14
CC 02	Deliver the Quality Assurance and Performance Strategy.	Remove	BAU activity
CC 03	Strengthen the way the Children and Young People partnership work together and challenge the quality of practice through the delivery of the Safeguarding	Remove	REMOVE as element of wider strategic partnership working
CC 06	Improve the quality of practice to deliver the Middlesbrough Children's Services Improvement Plan.	Remove	Duplicate of SP workplan activity, CYP 05

25. At Quarter One 2022/23, 100% (98) of Directorate Priorities are on track; above the expected standard of 90%.

Status	Q1 2022/23 position	Expected standard	Standard achieved	Trend
COMPLETED	0%	90%	Yes	-
GREEN	100%			
AMBER	0%	N/A	N/A	N/A
RED	0%	N/A	N/A	N/A

Progress in delivering Programmes and Projects

26. The Council maintains a portfolio of programmes and projects in support of achievement of the Council's strategic and directorate priorities. At Quarter One 2022/23, 97% (30) of the 311 programmes / projects were on-track to deliver against project time, cost, scope and benefits; above the expected combined standard of 90%.

Status	Q1 2022/23 position	Expected standard	Standard achieved	Trend
COMPLETED	0%	90%	Yes	-
GREEN	77%			
AMBER	20%	N/A	N/A	N/A
RED	3%	N/A	N/A	N/A

Progress in other corporate performance matters

27. 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.
28. At Quarter One 2022/2023, the key points of note in matters of compliance were:
- Complaints dealt with within timescales continues to improve to 83%.
 - Freedom of Information Requests (FOI) and Environment Information Requests (EIR) responded to within statutory timescales improved, increasing to 80% from 76.8% at the end of 2021/2022
 - Overdue Subject Access Requests reduced further.

What decision(s) are being recommended?

29. That the Overview and Scrutiny Board:
- notes the amendments to Executive actions outlined at Appendix 1.
 - notes achievement progress of the Strategic Plan 2022-24 at Quarter One 2022/23, detailed in Appendix 2.
 - notes the Council's updated position in relation to Strategic Risk, at Quarter One 2022/23.
 - notes progress of the 2022/2023 Directorate Priorities at Quarter One 2022/23 detailed in Appendix 3.

Rationale for the recommended decision(s)

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

Other potential decisions and why these have not been recommended

31. Not applicable.

Impact(s) of recommended decision(s)

Legal

32. Not applicable.

Strategic priorities and risks

33. The information provided is key to and consistent with supporting delivery of the Council's strategic priorities and risks, as set out in the Strategic Plan.

Human Rights, Equality and Data Protection

34. 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

35. Any financial implications relating to issues set out in this report, are summarised in the Revenue and Capital Budget – Quarter One Outturn position 2022/23 report, also considered by OSB at its meeting of 21 September 2022.

Actions to be taken to implement the decision(s)

Action	Responsible Officer	Deadline
Executive action revisions to be implemented on modern.gov	Democratic and Registration Service Manager	16/09/2002
/Revised approach in reporting against Strategic Plan outcomes measures for 2022-24 to be developed by Quarter Two reporting	Strategy Delivery Manager	28/10/2022

Appendices

1	Proposed amendments to Executive actions at Quarter One 2022/23
2	Strategic Plan Workplan; progress at Quarter One 2022/2023
3	Directorate Priorities 2022/2023: progress at Quarter One 2022/2023

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	14/02/22
Executive	Refreshing the Strategic Plan workplan for the 2022-24 period	05/04/22
Executive	Corporate Performance Results: Year End 2021/22	14/06/22

Contact: Gemma Cooper, Strategy Delivery Manager

Email: gemma_cooper@middlesbrough.gov.uk

Appendix 1: Proposed amendments to Executive actions at Quarter One 2022/23

Executive of	Report	Action	Owner	Agreed Due Date	Proposed Revised Due Date
09/11/21	Children and Young People's Learning Scrutiny Panel's Final Report: Behaviour, Discipline and Bullying in Schools (Service Response)	Survey to be issued to staff and students across all schools, sharing feedback with school leaders to influence improvements to behaviour management practices.	CS	30/04/22	30/09/22
		Guidance to be developed and circulated to schools on the importance of language and its influence on changing perceptions and attitudes.	CS	30/04/22	30/09/22
		MBC to share good practice with schools by facilitating peer reviews and providing case study illustrations of good behaviour management practices.	CS	30/04/22	30/09/22
13/04/21	Community Asset Transfers	That a future report be presented to Executive, outlining outcome of financial appraisal and recommendations for community asset transfers.	ECS	30/04/22	31/07/2022

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Appendix 2: Strategic Plan Workplan: Progress at Quarter One 2022/23

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.	Q1 2022/23 position
Expand the current model for youth provision in areas that suffer high levels of deprivation	
Make steps towards every child playing a musical instrument by extending to one other school or year group	
Evidence that Middlesbrough Council listens to children's voices	
Create and deliver a strategy to increase digital inclusion for children, young people and adults across Middlesbrough	
Consolidate and build on recent Children's Services progress to improve Ofsted rating	
Explore potential for the establishment of an Eton Sixth Form in Middlesbrough	

We will work to address the causes of vulnerability and inequalities in Middlesbrough and safeguard and support the vulnerable.	Q1 2022/23 position
Deliver and extend the 50 Futures programme	
Further develop the Dementia Friendly Middlesbrough programme	
Achieve 'Age Friendly Communities' status	
Implement and extend locality working	

We will tackle crime and anti-social behaviour head on, working with our partners to ensure local people feel safer.	Q1 2022/23 position
Support the police and hold them to account for each neighbourhood	
Establish and support Neighbourhood Watch schemes across the whole town	
Increase CCTV across the whole town	
More environmental action and punishment for fly tipping	
Encourage more residents to report crime and ASB	
Reward and champion individuals for being good neighbours	

We will tackle crime and anti-social behaviour head on, working with our partners to ensure local people feel safer.	Q1 2022/23 position
Increased enforcement against problem properties / streets / gardens in disrepair	

We will ensure our town acts to tackle climate change, promoting sustainable lifestyles.	Q1 2022/23 position
Develop an Urban Farm	
Develop local wildlife / nature reserve in North Ormesby and one other site	
Demonstrate increased recycling rates	
Establish six community growing areas	
Double the size of our urban meadows / wildflower planting sites	
15 new EV charging points across town	
Big community tree planting days	
Middlesbrough hosts inaugural climate conference	

We will ensure the recovery of local communities, businesses and the Council's operations from COVID-19, taking opportunities to build back better.	Q1 2022/23 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	
Ensure effective Council response to immediate issues of COVID19 impacting upon individuals, families, communities and business	

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.	Q1 2022/23 position
Improve identified play parks and spaces in line with our Towns Fund Recommendation	
Establish the requirement for potential CPO of derelict buildings and problem sites	
Improve our Highways	
12 new back alleys are reclaimed, improved and showcased	

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.	Q1 2022/23 position
Neighbourhood and town wide front garden competitions	
Vastly improve Thorntree and Pallister Parks in line with Towns Fund Recommendation	
Creation of Tree Maintenance Squad and ongoing maintenance work programme	
Creation of a subsidised Pest Control service	

We will transform our town centre, improving accessibility, revitalising unused assets, developing iconic new spaces and building more town centre homes.	Q1 2022/23 position
Complete town-wide lighting scheme	
Consider potential for BOHO digital expansion	
St Hilda's housing starts around Old Town Hall	
Protect and celebrate heritage through marketing and comms strategies and complete planned works on Captain Cook pub and Old Town Hall	
Open three entertainment facilities within Captain Cook Square (cinema, Lane 7, eSports)	
Commence construction on the south side of the dock	
Action plan agreed and commenced for House of Fraser building	
Action plan agreed and commenced for Centre North East	
Action plan agreed and commenced for The Crown Pub building	
Action plan agreed and commenced for Gurney House	

We will invest in our existing cultural assets, create new spaces and events, and improve access to culture.	Q1 2022/23 position
Aim for all children to get an experience of live theatre	
Increase attendance at existing Council events like Orange Pip	
Increase visitor numbers to museums and attractions	

We will invest in our existing cultural assets, create new spaces and events, and improve access to culture.	Q1 2022/23 position
Increase tickets sales at town hall performances	

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.	Q1 2022/23 position
Encourage public to help drive decision making	
Introduce a marketing campaign and associated support to significantly grow Middlesbrough Lottery	
Work with the voluntary sector to create and promote volunteering opportunities and an increase in volunteers	
Introduce Neighbourhood Action Weeks, driven by volunteers	
Market a small local grant programme	
Market a strong buy-local campaign	
Commence work on the new Southlands Centre	
Commence work on Nunthorpe community centre	
Promote Middlesbrough on the national stage	
Increase sponsorship income from businesses for various council activities	
Improve user experience of the council website, increasing online transactions	

Appendix 3: Directorate Priorities 2022/23; Progress at Quarter One 2022/23

Environment and Community Services

Priority	Q1 2022/23 position
Review and deliver the Community Safety Strategy to reduce crime and anti-social behaviour across Middlesbrough	
Complete works on Column 22b.	
Complete inspections of bridges and structures and implement resulting works where appropriate.	
Determine the future operational status of the Transporter Bridge and secure appropriate investment.	
Secure additional Capital funding to improve the condition of the Council's operational and commercial built asset portfolio	
Review the Asset Management Framework for Middlesbrough.	
Seek funding to improve the A66 through Middlesbrough.	
Implement Year Two actions of the Council's Green Strategy.	
Embed corporate values within the Directorate and make staff feel more valued.	
Improve staff communication within the Directorate so that staff feel more engaged and understand organisational priorities.	

Regeneration and Culture

Priority	Q1 2022/23 position
Commence programme of investment in Middlesbrough Rail Station and the areas around it.	
Complete relocation of Teesside Archives.	
Development of central Middlehaven for commercial space (Boho X), housing units and restoration of the Old Town Hall and Captain Cook Pub.	

Priority	Q1 2022/23 position
Commence programme of site infrastructure at Middlehaven through the Brownfield Housing Fund.	
Complete relocation of Council headquarters to Fountain Court.	
Prepare a new balanced Local Plan for consultation, based on greater community engagement.	
Market the premium housing sites at Nunthorpe Grange and Newham Hall.	
Deliver 450 new homes across Middlesbrough.	
Deliver Middlesbrough's Future High Streets Fund programme.	
Deliver Middlesbrough's Town Fund programme.	
Deliver transport schemes to improve efficiency and capacity of the network.	
Embed corporate values within the Directorate and make staff feel more valued.	
Improve staff communication within the Directorate so that staff feel more engaged and understand organisational priorities.	

Finance

Priority	Q1 2022/23 position
Analyse impacts of Local Government finance reforms, including the Fair Funding Review and the provision of information to support the Council's position and representations to Government.	
Implementation of a centralised corporate welfare solution, to support the financial wellbeing of Middlesbrough residents.	
Review procurement policy and practice in preparation for the outcome of the Procurement Green Paper, including the opportunity for transformation and innovation.	
Review Valuation and Estates to ensure that both the development function and commercial management of assets are resourced and have clear strategic plans.	
Renegotiate the Section 75 arrangement with health partners to ensure services delivered are funded and fully accountable.	
Achieve an unqualified set of accounts for the 2021/22 financial year.	
Implement the 'payment to provider' solution, futureproofing with approach to procurement cards, ensuring the Council supports the local economy while delivering sound financial governance.	
Set a balanced budget for the Council and maintain an accurate and timely Medium-Term Financial Plan.	

Priority	Q1 2022/23 position
Implement the new accounting regulations in relation to leasing.	
Implement the insurance service review and tender insurance contract arrangements to commence 1 April 2023.	
Monitor the financial position of the Council, including close working with Directorates ensuring correct allocation / maximising use of grants received (e.g. COVID-19), and the monitoring of the Investment Strategy and the effects on the Council's MTFP.	
Improve working and integration between services provided by Financial Planning & Support and Financial Governance & Revenues to maximise available resources and improve the overall service provided.	
Deliver a ward-based cash collection strategy, supporting vulnerable groups with payment solutions to improve Council Tax collection.	
Prepare and complete the Pension Fund triennial valuation as at 31 March 2023.	
Deliver ongoing training and development to the Pension Fund Committee and Board.	
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.	
Re-procure pensions administration contract.	
Embed corporate values within the Directorate and make staff feel more valued.	
Improve staff communication within the Directorate so that staff feel more engaged and understand organisational priorities.	

Adult Social Care and Health Integration

Priority	Q1 2022/23 position
Prepare for the implementation of the Liberty Protection Safeguards.	
Develop a Clean Air Strategy for Middlesbrough.	
Review the Gambling Act Policy.	
Review the Licensing Act Statement of Licensing Policies.	
Implement the Newport 2 Selective Landlord Licensing scheme.	
Deliver next phase of integrated model of support for complex needs in Middlesbrough.	
Prepare for the implementation of the <i>People at the Heart of Care</i> White Paper.	

Priority	Q1 2022/23 position
Prepare for the implementation of the two-day reablement standard in April 2023.	
Complete the implementation of the Domestic Abuse Act and evaluate provision.	
Embed corporate values within the Directorate and make staff feel more valued.	
Improve staff communication within the Directorate so that staff feel more engaged and understand organisational priorities.	

Public Health

Priority	Q1 2022/23 position
Implementation of a partnership approach to ensure the best start in life for Middlesbrough children, reducing early health inequalities and focusing on the first 1001 days of life.	
Publish a revised Pharmaceutical Needs Assessment for South Tees.	
Publish the Director of Public Health's Annual Report.	
Develop the Public Health workforce plan.	
Recruit to shared Public Health Consultant roles with NHS and Teesside University.	
Develop robust plans to deliver the Holiday Activity Fund, building on the learning from 2021.	
Pilot the use of the health inequalities assessment tool on policies and business cases in at least five key areas across Council.	
Develop the 'Work Well' offer in collaboration with education partners to include the development of a bespoke employer-led programme for Public Health, with routes into long-term health and social care opportunities.	
Complete the action plan for the Health and Happiness strand of the Green Strategy.	
Complete in-depth insight work to understand how the Council can work with local communities to understand better local experiences of poverty and build better relationships.	
Complete the health protection assurance report.	
Develop and deliver an improved offer of support for addiction recovery through employment, housing and social / community re-integration.	
Embed corporate values within the Directorate and make staff feel more valued.	
Improve staff communication within the Directorate so that staff feel more engaged and understand organisational priorities.	

Children's Services

Priority	Q1 2022/23 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.	
Develop and deliver a workforce strategy to support a stable, skilled and focussed leadership at all levels and stable, permanent, skilled frontline workforce.	
Deliver the multi-agency Early Help and Prevention Strategy to commit to supporting families at the earliest stage possible and increase the offer of youth provision.	
Deliver the placement sufficiency strategy to increase our internal placement capacity (internal residential homes and in-house foster carers).	
Target young people who are NEET and provide support to progress into education, employment and training opportunities.	
Deliver the Inclusion and Specialist Support Strategic Plan to remove barriers to learning and wellbeing for children and young people.	
Deliver the Pupil Place Strategy, to ensure sufficient appropriate, high-quality school place are available for children and young people now in the future.	
Work with partners across Education, Health and Social Care to deliver the priorities within the local area SEND Strategy 2021-24.	
Deliver Middlesbrough Community Learning Strategy to increase learning opportunities across Middlesbrough in line with local, regional and national priorities.	
Deliver the Learning and Education Strategy to help school improvement and support educational outcomes in Middlesbrough.	
Work with school and partners to help improve attainment and attendance levels and reduce exclusions for all children across Middlesbrough.	
Deliver a refreshed Youth Justice Plan aligned to the Youth Justice Board's 'Child First' principle	
Embed corporate values within the Directorate and make staff feel more valued.	
Improve staff communication within the Directorate so that staff feel more engaged and understand organisational priorities.	

Legal and Governance Services

Priority	Q1 2022/23 position
Commence implementation of revised business intelligence dashboard plan following agreement by LMT.	
Commence implementation of Robotic Process Automation within the Council.	
Develop an Operations Strategy (incl. Customer, ICT, operational estate, etc.) for the Council, to reflect post-COVID changes / new ways of working.	
Develop and implement a strategic planning cycle to inform the Council's approach to budget planning and consultation.	
Carry out Local Government Pension Scheme re-enrolment, in-line with legal obligations and duties.	
Ensure limitation dates are met in-line with the Prosecutors Code when dealing with instances of Crime and Anti-Social Behaviour.	
Further embed the Legal Business Partner approach to ensure Regeneration project deadlines and legal needs of the Council are aligned.	
Ensure effective implementation and transition to the new Liberty Protection Safeguards, through Legal advice and support to Adults Services.	
Continued Legal Services support to Children's Services Improvement Journey.	
Review implementation of revised approach to appraisal framework to ensure employee objectives are aligned to the Council's values and Strategic Priorities.	
Complete the Community Governance Review to establish future parish and community councils for Middlesbrough.	
Oversee delivery of actions within the 2020/21 Annual Governance Statement.	
Oversee delivery of actions with the 2021 Annual Equality and Inclusion Report.	
Embed corporate values within the Directorate and make staff feel more valued.	
Improve staff communication within the Directorate so that staff feel more engaged and understand organisational priorities.	

Strategic Plan 2021-24



"COVID-19 is an unprecedented global event that has and will continue to have a huge impact on our communities and our local economy."

Introduction

Welcome to our Strategic Plan for the 2021-24 period.

In January 2020, Council approved a Strategic Plan for 2020-23, with the expectation that we would make only minor changes to the plan during that period. Since then, of course, the world has changed significantly.

Just nine days after we approved our plan, the first case of COVID-19 in Europe was reported, with the first case in the UK confirmed a week later on 31 January, in York. The first confirmed death from COVID-19 in Middlesbrough was on 19 March and it is now well-established that since then we have experienced one of the highest rates of confirmed cases in the UK.

COVID-19 is an unprecedented global event that has and will continue to have a huge impact on our communities and our local economy. On behalf of the Council we want to express our sincere condolences to the families and friends of all those that have lost their lives and our sympathy to those that have and are continuing to experience health issues after contracting the disease. We also want to express heartfelt thanks to our staff, partners and local businesses

and volunteers that continue to work tirelessly to reduce local transmission and support Middlesbrough's communities.

Recovery from COVID-19 will take some years, and will fundamentally change the way that we do business in the future. In the past year we have taken the time to review and streamline our priorities – set out in this plan – for the remainder of this Mayoral term in order to provide greater focus in this period, which will have both challenges and opportunities.

Building on our close engagement with local communities, businesses, families and individuals during the pandemic, we will ensure that our priorities are properly resourced and effectively delivered – so that together we build a better Middlesbrough for all.



Andy Preston
Elected Mayor of
Middlesbrough



Tony Parkinson
Chief Executive



Andy Preston, Elected Mayor of Middlesbrough



Tony Parkinson, Chief Executive

Our Aims

We have three simple, interrelated aims:



1 People
Working with communities and other public services in Middlesbrough to improve the lives of local people.



2 Place
Securing improvements in Middlesbrough's housing, infrastructure and attractiveness, improving the town's reputation, creating opportunities for local people and improving our finances.



3 Business
Promoting investment in Middlesbrough's economy and making sure we work as effectively as possible to support our ambitions for People and Place.

Our Values

We will deliver our aims in line with our values, which underpin everything we do:



Progress to date

Over the past year a number of significant achievements have been made in line with our aims, including:

- New street warden team
- TSI Public Spaces Protection Order
- Mobile CCTV patrols
- CCTV expansion
- Anti-Social Behaviour legal actions
- Revised Anti-Social Behaviour policy
- Free bulky waste collections
- Town-wide pothole purge
- Stop the Knock - improved debt collection
- New commissioning model for complex needs
- New youth provision model
- Initial response to Ofsted's inspection of our Children's Services
- Planting 10,000 new trees
- Prissick Base housing scheme
- Gresham housing scheme
- Centre Square office lettings
- Boho Zone North
- Boho X
- Buy Boro scheme
- COVID-19 response.




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Our Priorities for 2021-24






Our priorities for the next three years are set out as follows:

Priority	Supports the following aim(s)	Description	Political Lead(s)	Lead Directorate(s)
 Children and young people	People	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. E	Deputy Mayor and Lead Member for Children's Social Care; Executive Members for Communities and Education and Adult Social Care and Public Health	Adult Social Care and Health Integration; Children's Services
 Vulnerability	People	We will work to address the causes of vulnerability and inequalities in Middlesbrough and safeguard and support those made vulnerable. E		
 Crime and anti-social behaviour	People, Place & Business	We will tackle crime and anti-social behaviour head on, working with our partners to ensure local people feel safer. E	Mayor of Middlesbrough; Executive Member for Communities and Education	Environment and Community Services
 Climate change	People, Place & Business	We will ensure our town acts to tackle climate change, promoting sustainable lifestyles.	Mayor of Middlesbrough; Executive Members for Environment and Regeneration	Environment and Community Services; Regeneration and Culture

E Corporate equality objective

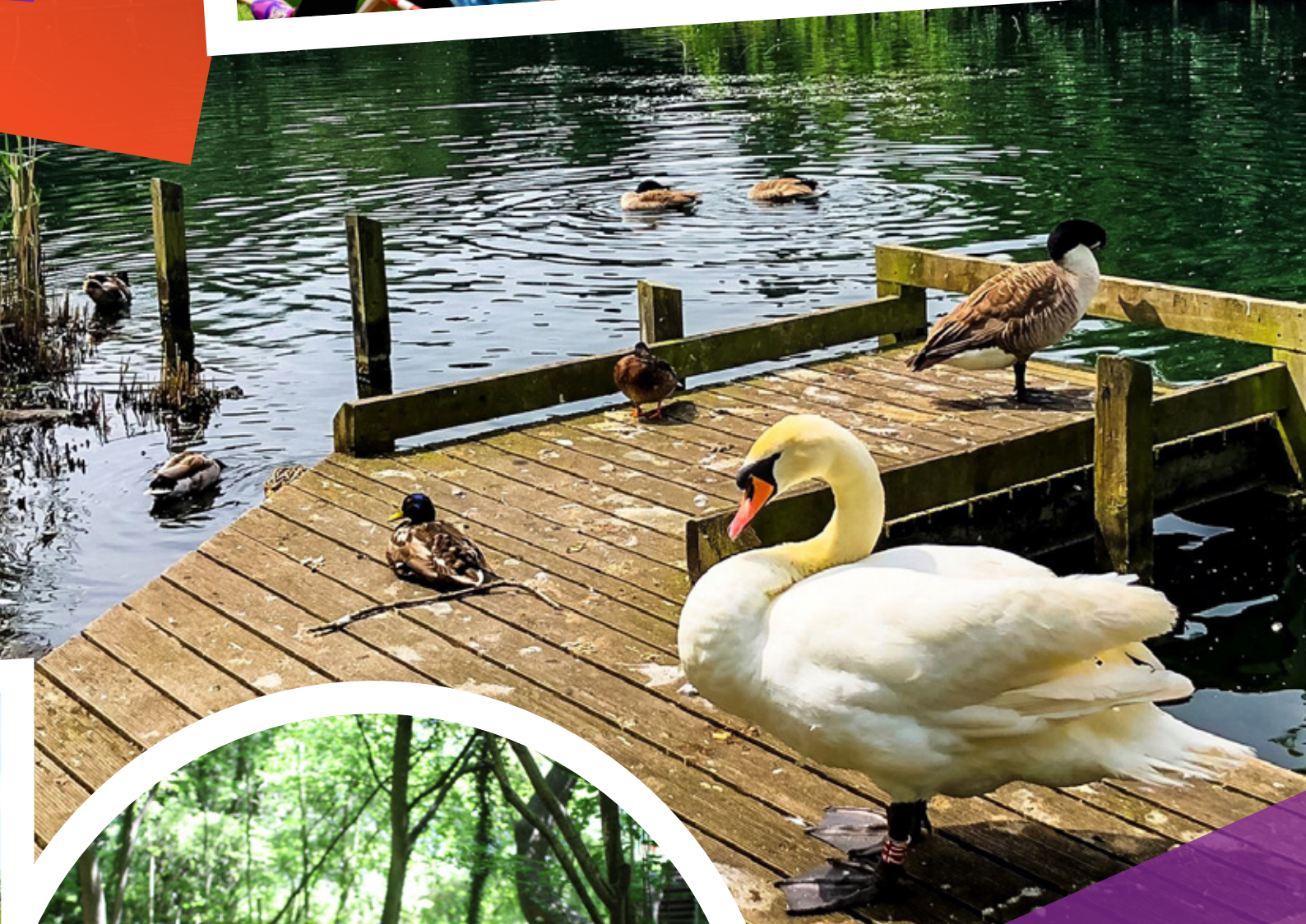


Priority	Supports the following aim(s)	Description	Political Lead(s)	Lead Directorate(s)
 COVID-19 recovery	People, Place & Business	We will ensure the recovery of local communities, businesses and the Council's operations from COVID-19, taking opportunities to build back better. E	Mayor of Middlesbrough	Chief Executive; all Directorates
 Physical environment	People & Place	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.	Mayor of Middlesbrough; Executive Members for Environment and Regeneration	Environment and Community Services; Regeneration and Culture
 Town centre	People, Place & Business	We will transform our town centre, improving accessibility, revitalising unused assets, developing iconic new spaces and building more town centre homes.	Mayor of Middlesbrough; Executive Members for Communities and Education and Regeneration	Regeneration and Culture; Environment and Communities

Our Priorities for 2021-24 (cont.)



Priority	Supports the following aim(s)	Description	Political Lead(s)	Lead Directorate(s)
 Culture	People, Place & Business	We will invest in our existing cultural assets, create new spaces and events and improve access to culture.	Executive Member for Communities and Education	Regeneration and Culture
 Quality of service	People, Place & Business	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.	Executive Members for Finance and Governance and Communities and Education	Finance; Legal and Governance Services; Environment and Community Services



Delivery and Outcomes



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We will develop and maintain a robust workplan to ensure that activity in support our strategic priorities is delivered effectively. If we are successful, we will see sustained improvements in the following outcomes up to and beyond 2024. We will report on our progress every three months.

- Crime and anti-social behaviour
- Street warden productivity
- Residents feeling safe
- Protected public space
- Brownfield development
- Tree cover
- Recycling
- OFSTED inspection outcomes
- Satisfaction with adult social care
- Dementia-friendly businesses
- Social and digital inclusion
- Town centre visits
- New homes built, including affordable homes
- Road and footpath condition
- Investment and jobs
- Town centre occupancy
- Festivals and events
- Council spending with local businesses
- Satisfaction with the Council
- Satisfaction with Middlesbrough as a place to live
- Overall resident life satisfaction.



Further information

You can find more information on our future plans for Middlesbrough on our website www.middlesbrough.gov.uk.

Main documents include:

- Joint Strategic Needs Assessment
- Strategic Plan workplan



People

- Health and wellbeing strategy
- Adult prevention strategy
- South Tees health and social care integration plan
- Children and young people's plan
- Community cohesion plan



Place

- City centre strategy
- Local plan
- Housing strategy
- Cultural strategy
- Local transport plan



Business

- Tees Valley strategic economic plan
- Middlesbrough investment prospectus
- Medium term financial plan
- Annual governance statement
- Customer strategy
- Digital strategy
- Information strategy

If you have any questions about our strategic plan or want to work with us to deliver our priorities, please contact us at:
strategicplan@middlesbrough.gov.uk.






Middlesbrough
moving forward

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MIDDLESBROUGH COUNCIL	
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Report of:	Executive Member for Finance and Governance Director of Finance
Submitted to:	Overview & Scrutiny Board
Date:	21 September 2022
Title:	Revenue and Capital Budget – Projected Outturn position as at Quarter One 2022/23
Report for:	Information
Status:	Public
Strategic priority:	All
Key decision:	Not applicable
Why:	Report is for information only
Urgent:	No
Why:	N/A

Executive summary	
<p>This report advises the Overview and Scrutiny Board of the Council's financial position as at Quarter One 2022/23.</p> <p>The report provides the necessary information to enable the Overview and Scrutiny Board to discharge its financial management responsibilities, setting out:</p> <ul style="list-style-type: none"> projected revenue and capital budget year-end outturns as at Quarter One 2022/23; position statements in relation to the Council's borrowing and prudential indicators, and its reserves and provisions; and actions that the Council has taken and plans to address the issues raised. <p>The report requests that the Overview and Scrutiny Board:</p> <ul style="list-style-type: none"> Notes the transfer of £5.665m of additional temporary budget to Children's Care in 2022/23 only to correspond with the current MTFP 3-year plan, funded by £3.702m 	

from centrally held contingency budgets and £1.963m from the Social Care Transformation Reserve.

- Notes that following the approval of the above proposed transfer, there is a projected 2022/23 revenue budget year-end outturn as at Quarter One of a £9.012m overspend.
- Notes the management action being taken to address the shortfall and recover the position to a balanced budget.
- Notes the proposed potential implementation of a Flexible Use of Capital Receipts Strategy for 2022/23 to fund transformation costs, in particular in Children's Services, which will be submitted for approval by Full Council on 7 September 2022.
- Notes that the current projected outturn will have a negative impact on the Council's current Medium Term Financial Plan and that the ongoing financial challenges will continue into 2023/24 and future years. The position is currently being assessed and will be reported to Members in due course as part of future Medium Term Financial Plan updates and as part of the budget strategy for 2023/24 to Executive and Council. It should be noted that there is currently a great deal of uncertainty in forecasting created by the pay award, inflationary pressures and the impact on demand for services.
- Notes the proposed revenue budget virements over £150,000 as detailed in Appendix 1.
- Notes the 2022/23 capital budget predicted year-end outturn of £90.614m as at Quarter One against a revised capital budget of £104.675m, and approves the revised Investment Strategy to 2024/25 at Appendix 2.

Purpose

1. This report advises the Overview and Scrutiny Board of the Council's financial position as at Quarter One 2022/23.

Background and relevant information

2. The Council's Scheme of Delegation gives the Overview and Scrutiny Board collective responsibility for the monitoring of corporate strategic performance and financial management, together with recommending associated action.
3. This report provides the necessary information to enable the Overview and Scrutiny Board to discharge its overview responsibilities, setting out:
 - projected revenue and capital budget year-end outturns as at Quarter One 2022/23;
 - position statements in relation to the Council's borrowing and prudential indicators, and its reserves and provisions; and
 - actions that the Council has taken and plans to address the issues raised.
4. As per Standing Orders and Financial Procedures and Regulations, Executive on 6 September 2021 approved the revenue budget virements over £150,000 attached at Appendix 1.
5. A revised Investment Strategy for the period to 2024/25, as approved by Executive on 6 September 2021, is attached at Appendix 2.

Revenue Budget Projected Year-End Outturn as at Quarter One 2022/23

6. The 2022/23 Revenue budget for the Council is £118,328,934 as set out in the Revenue Budget, Council Tax, Medium Term Financial Plan (MTFP) and Capital Strategy 2022/23 Report presented to Council on 23 February 2022.
7. As mentioned in previous reports and in the Revenue Budget, Council Tax, MTFP and Capital Strategy 2022/23 Report presented to Council on 23 February 2022, Children's Social Care remains the biggest area of financial concern and a three-year plan was drawn up in July 2021 for the potential MTFP impact. As part of this plan, Children's Care will receive a further £3m p.a. of permanent additional funding from 2024/25 and this is currently built in the Council's MTFP. Until the additional funding is built into the MTFP, it was proposed to fund the amounts requested in the July 2021 plan for 2022/23 and 2023/24 (totalling approximately £9.2m) from Reserves and Centrally Held Budgets. The amount requested by Children's Care for 2022/23 in the three-year plan drawn up in July 2021 was £5.665m. It is intended that the budget for Children's Care in 2022/23 will be temporarily increased for 2022/23 only by £5.665m, by transferring £3.702m from centrally held contingency budgets which are now not required (£2.334m relating to the Covid-19 Scarring in the Care Sector Contingency budget and £1.368m relating to the Covid-19 Impact on Council Tax & NNDR Contingency), and utilising £1.963m from the Social Care Transformation Reserve created at the end of 2021/22.
8. The Council's projected year-end outturn position for 2022/23 as at Quarter One is an overspend of £9.012m (7.6%). The split per Directorate is shown in the table below.

Directorate	2022/23 Full Year Budget	2022/23 Q1 Projected Outturn at year end	2022/23 Q1 INITIAL PROJECTED OVER / (UNDER) SPEND AT YEAR END	2022/23 Projected transfer to central additional inflation contingency (to be actioned at year end when finalised	2022/23 Q1 PROJECTED OVER / (UNDER) SPEND AT YEAR END (after projected transfer to central additional inflation contingency at year end)
	£'000s	£'000s	£'000s	£'000s	£'000s
Regeneration and Culture	3,474	2,945	(529)	0	(529)
Environment and Community Services	19,608	22,115	2,507	(2,112)	395
Public Health	(2,827)	(3,369)	(542)	0	(542)
Adult Social Care	43,281	46,476	3,195	(1,600)	1,595
Total - Adult Social Care and Health Integration	40,454	43,107	2,653	(1,600)	1,053
Education & Partnerships	989	821	(168)	0	(168)
Children's Care	44,113	51,755	7,642	(617)	7,025
Total - Children's Services	45,102	52,576	7,474	(617)	6,857
Legal and Governance Services	9,604	9,641	37	0	37
Finance	200	(956)	(1,156)	(20)	(1,176)
Central Budgets	(113)	(2,087)	(1,974)	4,349	2,375
TOTAL	118,329	127,341	9,012	0	9,012

9. 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 and this has continued in the start of 2022/23 and is expected to continue for the remainder of 2022/23. As shown in the table above a number of Directorates have been substantially affected by the hyper-inflationary increases that existed in areas such as fuel, energy, utilities, food, and also increased costs from providers for services such as Waste Disposal, transport provision for children and adults, and Adults and Children's Care providers due to the inflationary increases they have suffered. Further detail is provided within the Directorate variances section of the report. An additional inflation contingency of approximately £4.6m recurring funding was built into the updated Medium Term Financial Plan (MTFP) presented to Council in February 2022 and this is held centrally. In light of the uncertainty of the cost of these pressures, it is proposed that this additional inflation will be reported against the individual Directorates during 2022/23 and transfers from the centrally held budget will be made at year-end when the financial effects in 2022/23 are confirmed. There will be a need to closely monitor this and further updates will be provided in future budget monitoring reports and the MTFP will be amended accordingly as appropriate.
10. Another area where there are additional potential pressures is the pay award for 2022/23 for Local Government Services employees effective from 1 April 2022. Currently no agreement has been reached between the National Employers and the NJC Trade Unions. The NJC Trade Unions have put a claim in for a substantial increase with a minimum of £2,000 or the current rate of RPI (whichever is greater) on all pay points, alongside other requests such as for a reduced working week, an additional days leave, and various reviews of working arrangements and allowances. The National Employers have offered that with effect from 1 April 2022, an increase of £1,925 on all NJC pay

points 1 and above, and an increase of 4.04% on some allowances. Currently the Trade Unions have not agreed to the National Employers offer.

11. The MTFP presented to Council in February 2022 assumed a 2% pay award for 2022/23, and this along with 1% provided for within the centrally held Inflation Contingency and a further amount equating to approximately 1% remaining in the centrally held Pay and Prices Contingency budget, means that there is currently approximately £3.5m held in Central budgets for the 2022/23 pay award which equates approximately to a provision for a 4% pay award for 2022/23.
12. At this stage in the absence of any formal agreement, it has been assumed in the Quarter One projection that the National Employers offer will be implemented. The pay award offered is currently estimated to cost approximately £6.1m, which equates to approximately an average 6.5% pay award. The budget pressure caused by the effect of the 2022/23 pay award is currently estimated to be £2.6m, however this has been mitigated by savings of approximately £0.5m on the amount provided for the pay award for 2021/22 and £0.3m on the money set aside for the Employers NI increase implemented from April 2022. The resulting estimated pressure of £1.8m is included within Central Budgets as shown in the table in paragraph 8 and detailed in paragraph 79.
13. 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. Also in the 2021/22 outturn report to Executive on 14 June 2022, a new earmarked Car Parking Pressures Reserve of £782,000 was set up for the potential ongoing effects of Covid-19 on car parking income in future years. The Government have confirmed that no further Government funding will be provided for 2022/23 for the further continuing effects for Covid-19. The effects of Covid-19 are therefore no longer shown separately in these quarterly budget monitoring reports with any continuing effects included within the Directorate totals, and consideration will be made as to updating the MTFP as appropriate for any such effect which is not currently provided for in future years.
14. The financial position of the Council may be improved by the implementation of a Flexible Use of Capital Receipts Strategy for 2022/23 to fund transformation costs across the Council, principally within Children's Services, similar to that implemented for 2021/22. This was formally approved by a report to Council on 7 September 2022. In order to satisfy the legislation relating to this, confirmation will be required that the capital receipts are available in 2022/23 and that the transformation expenditure will provide future ongoing savings.
15. A number of revenue budget spending controls and measures are proposed in order to reduce the current projected year-end total overspend, and in particular that which exists in Children's Care, and these are detailed in paragraphs 88 to 91.
16. It is proposed that the final overspend at year-end resulting after the revenue spending controls have been implemented will be covered by Reserves. The current level of Reserves is shown in the Reserves and Provisions Section of this report (paragraphs 121 to 123) and detailed in Appendix 3.
17. The ongoing continuing financial effect of any pressures or underspends to budget will be built into future updates of the Council's MTFP.

Progress against budget savings

18. The Revenue Budget, Council Tax, MTFP and Capital Strategy 2022/23 Report presented to Council on 23 February 2022 included no further additional budget savings for 2022/23.

Directorate variances

19. The detail of the variances are set out below. At year-end, 31 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

£529,000 underspend

20. The annual negotiations with the bus service operators for the concessionary travel scheme have resulted in a saving to budget of £471,000. In addition to this saving, the bus service operators were in receipt of Government grants in 2021/22. Following reconciliation of grants paid and Local Authority contributions made in 2021/22, the Council has received a one-off refund of £240,000, which will be deducted from payments to be made in this financial year. The total savings to budget for 2022/23 in relation to the bus service operator payments therefore stands at £711,000. It was agreed by Executive on 6 September 2022 that this saving be transferred to the centrally held Pay and Prices provision, and a budget virement for this is included in Appendix 1.
21. Car parking income continues to be significantly lower than that achieved pre the Covid-19 pandemic. Year-end projections are currently showing a combined net loss of £266,000, broken down as follows:
- On Street Parking £406,000 pressure (includes £3,000 expenditure savings)
 - Off Street Parking £118,000 saving (includes £56,000 expenditure overspend)
 - Decriminalised Parking £22,000 saving (includes £19,000 expenditure savings)

22. The outturn projection for Off Street Parking includes a grant of £850,000 provided to the Council from Tees Valley Combined Authority in 2022/23 for the provision of 2 to 3 hour free parking across the Tees Valley.
23. At the end of financial year 2021/22 the Council created a Car Parking Pressures Reserve of £782,000, and it is intended that the projected £266,000 overspend within 2022/23 will be met from this Reserve and this will be actioned at year-end when the final year-end position is known.

Environment and Community Services

£2,507,000 overspend

24. There is a projected pressure of £360,000 due to an increase in the number of children eligible for home to school transport. This pressure could increase or decrease once the demand for the 2022/23 academic year has been established. A more accurate projection will be provided at Quarter Two.
25. As mentioned in paragraph 9 the Environment and Community Services Directorate has been substantially affected by hyper-inflationary increases in a number of areas. The current estimated effects of this are summarised in the table below. These are likely to

be subject to further change and as mentioned in paragraph 9, it is proposed that the final pressures at year-end will be funded from the £4.6m additional inflation contingency within Central budgets provided for this as part of the 2022/23 budget setting.

Service Area	Description	£
Property Running Costs	Inflation on Utilities	783,500
Building Maintenance	Inflation of Materials & Contractors Pricing	100,000
Integrated Transport Unit	Inflation on Fuel & Contractors Pricing	90,000
Waste Collection	Inflation on Fuel	100,000
Waste Disposal	Main Contract Disposal (increase of £7.36 per tonne)	292,000
Catering	Inflation on Food & Utilities	200,000
Fleet Services	Inflation on Fuel	153,300
Street Lighting	Inflation on Electricity	393,000
TOTAL DEMAND ON ADDITIONAL INFLATION CONTINGENCY BUDGET		2,111,800

26. In addition, there are a number of budget areas within Environment and Community Services which have variances below £150,000, and these account for the overall £2,507,000 total overspend on the budget.

Public Health

£542,000 underspend

27. There are projected savings on Public Health budgets totalling £542,000 in 2022/23, with £427,000 of the projected savings being due to staffing savings as a result of delayed recruitment to vacant posts and other pay related savings with the Service.

Adult Social Care

£3,195,000 overspend

28. There are projected staff savings across the Service totalling £164,000 mainly due to staff turnover and delayed recruitment to vacancies. Similar to Children's Care (as detailed in paragraph 57), 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. The Service are also currently in the process of introducing a recruitment and retention bonus scheme to attract and retain staff.
29. In the first quarter of 2022/23, there has been net growth of £825,000 in purchased care costs (mainly residential care) against the budget set at the start of 2022/23. Further growth of £542,000 is forecast to the year-end. As in previous years, this is subject to substantial change throughout 2022/23 depending on numbers of clients, and therefore this budget will be closely monitored and updates will be provided in future quarterly budget monitoring reports.
30. As mentioned in paragraph 9 the Adult Social Care Directorate has been substantially affected by hyper-inflationary increases mainly from providers of services. This is currently forecast at £1.6m for 2022/23. This amount was provided for as part of the £4.6m additional inflation contingency within Central budgets provided for this as part of the 2022/23 budget setting. This amount is likely to be subject to further change and as

mentioned earlier it is proposed that the final pressure at year-end will be funded from the centrally held budget.

31. The above pressure is offset by the recovery of an additional £155,000 of direct payments surpluses in excess of the budgeted target.
32. The Bed and Breakfast budget for providing temporary accommodation for the homeless within the town is forecast to be overspent by £224,000 (after maximising homelessness grants).
33. Day care income is forecast to be lower than budget by £196,000 due to the lack of availability in transport, and other local authority / health funded individuals that have either left the Service or reduced their attendance during the Covid-19 pandemic and since restrictions were lifted. There will be a need for the Service to establish if this is an ongoing trend, and if so they will be a need to conduct a review of the Service in order to ensure it remains within the budget provided in the future.
34. 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 projected £3,195,000 overspend on the Adult Social Care budget at year-end

Education & Partnerships

£168,000 underspend

35. This is mainly due to a projected unbudgeted income of £440,000 for 2022/23 relating to school contributions to capital schemes, as contributions are to be funded from other sources, thereby creating a revenue saving. This saving is partly offset by projected overspends on the Children's Centres and Nurseries budgets totalling £136,000, due to reduced income from lower take up of services than expected.
36. It is also offset by a projected pressure of £192,000 arising from an efficiencies target relating to Prevention Services. This target currently sits within the Education & Partnerships budget, but it is proposed that this is transferred to Children's Care where the budgets relating to this were transferred to at 2022/23 budget setting. This should provide opportunities to reduce this pressure. A budget virement was approved by Executive on 6 September 2022 and is detailed in Appendix 1.
37. For information, the Council received £168.6 m (before deductions and recoupment) of Dedicated Schools Grant (DSG) for 2022/23. 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).
38. It is projected that there will be a £5.3m total cumulative deficit on the DSG grant at the end of 2022/23, mainly attributed to the High Needs Block. This is an increase from the £3.756m total DSG deficit at the end of 2021/22, which included £5.062m attributed to the High Needs Block. This figure can fluctuate, both ways, and a more accurate forecast will be provided at Quarter Two once the young people from the start of the academic year in September 2022 are known.
39. 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.

40. 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.
41. The Council complete regular DSG management recovery plans to outline forecasts over the next 5 years, and are also working with the DfE and have received a grant from "Delivering Better Value" (DBV) that is supporting work to bring this deficit down in future years using best practice and benchmarking across the country. DBV is a long-term programme and 55 other local authorities as well as Middlesbrough Council are on the DBV programme. It should be noted that Middlesbrough Council are not in the "Safety Valve" programme, which is for those local authorities with the greatest DSG deficits.
42. DfE also expect that the schools forum be regularly updated about the authority's DSG account and plans for handling it, including high needs pressures and potential savings.
43. 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. In Middlesbrough, the number of EHCPs have increased from 1,370 in 2021 to a predicted level of 1,698 in 2022, a 24% increase. There has also been a 63% increase in requests for EHCP assessment. This is a national issue affecting many local authorities. 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

£7,642,000 overspend

44. As detailed in paragraph 7 the budget for Children's Care for 2022/23 has been temporarily increased for 2022/23 only by £5.665m as part of the current 3-year MTFP plan. The variances below report against the revised budget for Children's Care in 2022/23 following the £5.665m temporary budget increase for 2022/23.
45. There is a projected overspend on the total Children's Care budget at year-end of £7,642,000 as at Quarter One. The table below shows the split of the additional £5.665m budget provided between the individual budgets within Children's Care, and summarises the variances against the individual revised budgets, with further detail being provided in the paragraphs below.

Service Area:	2022/23 Original Budget	MTFP Temporary Increase in Budget for 2022/23	2022/23 Revised Budget	2022/23 Q1 Projected Outturn at year end	2022/23 Q1 PROJECTED OVER / (UNDER) SPEND AT YEAR END
	£000s	£000s	£000s	£000s	£000s
External Residential Agency Placements	9,008	(276)	8,732	13,616	4,884
Education Contributions to External Residential Agency Placements	(750)	0	(750)	(625)	125
CCG Contributions to External Residential Agency Placements	(1,253)	120	(1,133)	(1,888)	(755)
In-House Fostering	3,322	671	3,993	3,956	(37)
Independent Fostering Agency (IFA)	5,395	262	5,657	6,032	375
Adoption Services	1,282	0	1,282	1,298	16
Family & Friends Allowances	2,368	1,244	3,612	3,502	(110)
Safeguarding and Care Planning	2,909	727	3,636	4,540	904
Review and Development Unit	861	203	1,064	1,249	184
Referrals & Assessments	2,487	116	2,603	2,569	(34)
Children Looked After Teams	1,937	606	2,543	2,655	112
Internal Residential Service	3,793	0	3,793	4,087	293
Children with Disabilities service	1,499	0	1,499	1,859	359
Management and Administration	1,606	160	1,766	2,190	424
Improvement	0	1,832	1,832	2,964	1,132
Prevention Services	1,980	0	1,980	1,782	(198)
Other Resource Services	2,003	0	2,003	1,971	(32)
TOTAL	38,448	5,665	44,113	51,755	7,642

46. A proportion of the overspend is linked to transformation and improvement within Children's Services and as detailed in paragraph 14 it is proposed that a Flexible Use of Capital Receipts Strategy is implemented in 2022/23. It should be noted that as the amount was only confirmed and approved by Full Council on 7 September 2022, the figures for Children's Care have not yet been amended for the effect of this.
47. The external residential agency placements budget is currently projected to be £4,884,000 overspent at year-end, 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. This is based on the 50 external residential placements at the end of Quarter One (at 31st March 2022 there were 51) and currently known movements in or out throughout the remainder of 2022/23.
48. The average cost per placement has increased significantly over the past 24 months due to demand across the country and a national lack of placements. Requests for placements are being made multiple times with no interest being received from providers. This had led to increased costs and is a national challenge / pressure and not necessarily specific to Middlesbrough. Also there have been increased costs for some of the remaining placements due to the complex nature of the remaining young people. The Children's Care MTFP plan has a challenging target for getting the average number of external residential placements throughout 2022/23 to 42, with a year-end position for 2022/23 at 37 places. This will require a lot of work around place planning and movement in order to achieve this.
49. 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. 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.

50. As mentioned previously, 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 contributions 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 £625,000 for 2022/23, which is a £125,000 pressure on the £750,000 budget set for 2022/23. There is however a significant backlog of Education Health Care Plans and this figure may well in the future increase percentage wise in regards to contributions against the total Children's Care expenditure.
51. The above pressure on the external residential agency placements budget has however been partly offset by projected additional income received from the CCG of £755,000 above the revised budget for the contribution from Health towards the increased cost of placements due to the complex needs of the young people. Dedicated capacity has been provided to liaise with health commissioners in order to maximise health contributions.
52. The in-house fostering services budget is currently projected to be £37,000 underspent at year-end. There are currently 176 placements and this is creating a budget pressure of £483,000, and in addition there is a £152,000 pressure arising from agency and staffing costs above budget. This is however offset by an increased additional temporary budget increase of £671,000 for 2022/23. 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.
53. The Independent Fostering Agency (IFA) placements budget is currently projected to be £375,000 overspent at year-end. This is after an increased additional temporary budget increase of £262,000 for 2022/23. The number of placements / cases has reduced slightly to be currently at 143 (from 145 at 31/3/22), but this is still significantly above the figure allowed for in the 2022/23 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.
54. There are currently 33 children and young people in the adoption process and it is currently projected that there will be 25 Adoption Orders finalised in 2022/23, which is

very positive, and if they materialise into full adoption in 2022/23 this may help to reduce the expenditure in Children's Care later in 2022/23.

55. The Family and Friends Allowances budget is currently projected to be £110,000 underspent at year-end, after the provision of additional temporary budget for 2022/23 of £1,244,000. This is based on an increased number of 451 placements/cases. 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. The service, alongside Legal services, are reviewing the policy in order to attempt to mitigate this pressure. This area is seen as a challenge across the country.
56. There is a projected overspend at year-end of £904,000 on the Safeguarding and Care Planning teams revised budget for 2022/23, after the provision of additional temporary budget for 2022/23 of £727,000 relating to agency costs, which is area where there is significant expenditure on. There are also forecast pressures relating to Section 17 payments and support packages for families to keep the young people out of care, and due to the fact that appropriate placements cannot be found and support packages are having to be put in place, which generally cost more than the placements themselves would cost. There have also been 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.
57. As with previous quarters, staff agency costs to cover sickness and vacant posts and transform the Service are a continuing major element of expenditure within the Safeguarding and Care Planning teams budget. It remains a challenge to recruit and retain social workers and this is a significant regional and national challenge as well. 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. Agency staffing has been put forward as a reduction in spend by Directorate for the MTFP work alongside the recruitment and retention strategy, which includes the Council's own academy where newly qualified staff are now coming through and will replace agency staff over the coming next 12 to 24 months and onwards.
58. There is a projected overspend at year-end on the Review and Development budget of £184,000 after the provision of additional temporary budget for 2022/23 of £203,000 relating to agency costs, which is area where there is significant expenditure on. Agency staff to fill vacant posts due to challenges in recruiting are creating a pressure of £218,000 in 2022/23 but as mentioned above these have largely been offset by the additional budget provided on a temporary basis in 2022/23. There is also a forecast pressure of £169,000 relating to the academy and front line costs, which is part of the

recruitment and retention strategy, to improve training and retain staff and build up our own social workers within, which supports the reduction of agency pressure in line with MTFP projections.

59. The Children Looked After teams budget is projecting an overall £112,000 overspend at year-end, after the provision of additional temporary budget for 2022/23 of £606,000 relating to agency staff costs. Similar to that in the Safeguarding and Care Planning teams budget, there is significant expenditure on agency staffing costs to fill vacancies and cover absences, and to support the Improvement Plan. The agency costs in 2022/23 have largely been covered by the temporary additional budget provided for 2022/23 for this area of £606,000, but in the longer term this remains an area of concern. As stated in paragraph 57, the reliance on agency staff is a significant risk to the Council in the medium to longer term. The other key pressure in this service area is from Section 17 costs.
60. The Internal Residential Service budget is projecting a pressure of £293,000 due to challenges around recruitment, which is requiring the use of agency staff and additional overtime across the Service. There are also costs to support the transition to independence that are required to reduce costs in Adult Social Care services. These pressures have been partly offset by income generated from charging a place to another Local Authority.
61. The Children with Disabilities Service is projecting an overall £359,000 pressure on its budget, mainly due to a number of expensive care packages of support required for young people in the Service.
62. The Management and Administration budget is projecting a £424,000 pressure, even after the provision of additional temporary budget for 2022/23 of £160,000 relating to agency staff costs. There is a £266,000 projected net pressure arising from two very high cost agency payments for vacant Heads of Services posts which is offset partly by the additional budget provided of £160,000. Middlesbrough has now been invited to bid for DfE improvement money to offset the cost of one of these Head of Service posts, as was the case in 2021/22. There was an expectation that we would have been able to bid at the beginning of Quarter One 2022/23, but surprisingly this was not the case. There are also £272,000 of previous years savings not predicted to be fully achieved, and a £46,000 projected pressure within a variety of Strategic Services budgets.
63. The Improvement journey continues in Children's Services, and it is currently projected that there will be £2,964,000 of expenditure relating to this in 2022/23. £1,832,000 of additional temporary budget was provided for this in 2022/23 as per the current MTFP 3-year plan, comprising of £1,154,000 specially provided for Improvement posts and £678,000 from the amount provided for agency costs which is to be shown against this budget. After the provision of the additional funding for 2022/23, there is a projected pressure of £1,132,000 on this budget. A reduction in this budget is required in future years in order to achieve the planned level of ongoing budget of £1,154,000 from 2024/25 for this area as per the current MTFP plan.
64. Prevention Services are reporting a £198,000 forecast saving on their budgets, due mainly to a projected over achievement of grant income for the Payments by Results element of the Supporting Families Grant, along with continuing to achieve efficiencies whilst delivering this service.

65. As mentioned in paragraph 9 the Children's Care Directorate has been affected by hyper-inflationary increases from providers. These are currently forecast to be approx. £617,000 for 2022/23, comprising of £408,000 for External Residential Placements and £209,000 for Independent Fostering Agency (IFA) payments. This amount was provided for as part of the £4.6m additional inflation contingency within Central budgets as part of the 2022/23 budget setting. This amount is likely to be subject to further change, and as mentioned earlier it is proposed that the final pressures at year-end will be funded from the centrally held budget.

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 £7,642,000 current projected overspend on the Children's Care budget at year-end.

Legal and Governance Services

£37,000 overspend

67. There are no budget areas within Legal and Governance Services which have projected variances above £150,000.

Finance

£1,156,000 underspend

68. Teesside Advanced Manufacturing Park (TAMP) is now fully occupied. This has increased the amount of rent achievable on the site and decreased any financial liabilities to the Council such as business rates and service charges on voids. The projected outturn position at year-end is therefore significantly better than the budget, with an overachievement of income projected to be £233,000.

69. A net surplus of £336,000 is projected relating to excess rental income above budget from tenants renting space in Centre Square Buildings 1 & 2.

70. 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. It is projected that there will be additional income of £122,000 (after capital financing costs) above that budgeted for in 2022/23.

71. The Council purchased the Cleveland Centre Shopping Centre on 7 January 2022, however no income target was assigned to the Cleveland Centre at the 2022/23 budget setting, and therefore there is projected unbudgeted income for the Centre of £1,231,000. This is after capital financing costs for the acquisition of the Centre have been transferred to the Capital Financing budget. Further updates of this will be provided in future budget monitoring reports to Executive, and the MTFP will be updated accordingly.

72. There is however a pressure of £111,000 projected in 2022/23 relating to the House of Fraser building (owned by the Council) following the departure of the previous tenant, due to maintenance and other costs until new tenants are secured for the building.

73. The Commercial Property Income budget is projecting a pressure of £448,000 across the portfolio. This is due to a combination of vacancies, Council departments taking units preventing external rent income being achieved, and a small proportion of units being let to charitable and community organisations without charging. Additionally, the charge to tenants has not increased for a period of time, this is due to the quality of the units not being maintained. An exercise is planned to assess what capital would be

required to update the units and whether the rent could be increased to such a point that there would be a return on the investment.

74. There is currently a pressure of £30,000 on the costs of CIPFA providing independent support to review internal governance processes. These costs will be monitored throughout 2022/23 and reported in future quarterly budget monitoring reports.

75. In addition, there are a number of budget areas within Finance which have variances below £150,000, and these account for the overall £1,156,000 projected total underspend on the Finance budget at year-end.

Central Budgets

£1,974,000 underspend

76. The Capital Financing budget is projected to overspend by £120,000 due to rising interest rate costs.

77. As stated in paragraph 9 an additional inflation contingency of £4,644,000 recurring funding was built into the updated Medium Term Financial Plan (MTFP) presented to Council in February 2022 and this is held centrally under Central Budgets. As detailed in paragraph 9, it is proposed that the additional inflation will be reported against the individual Directorates during 2022/23 and transfers from the centrally held budget will be made at year-end when the financial effects in 2022/23 are confirmed. £900,000 of the additional inflation contingency provided relates to the Pay Award for 2022/23, which will be utilised in 2022/23 as shown in paragraph 12, and therefore currently the Central Budgets have a budget of £3,744,000 with no expenditure against it as the additional inflationary costs are held within Directorates.

78. It can be seen from the table in paragraph 8 that there are currently total projected costs of £4,349,000 in 2022/23 for additional inflation costs within Service Directorates. Therefore there is a projected pressure of £605,000 relating to additional non-pay inflation pressures across all Directorates against the total amount provided for in 2022/23. Whilst this is currently reported against the Directorates, the final amount will be reported at year-end against Central Budgets as the inflation contingencies are held centrally. This is based on best estimates, due to current hyper-inflationary increases the situation will continue to be monitored closely and updates provided in future reports. The anticipated ongoing inflationary requirement is also being considered as part of the updates of the MTFP.

79. As detailed in paragraph 12, the proposed pay award for 2022/23 is currently forecast to be higher than that provided for and there is a resulting pressure of approximately £1.8m due to this. This projected pressure will be shown against Central Budgets.

80. 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 £1,974,000 current projected underspend on the Central Budgets at year-end.

Council Tax and Business Rates income

81. 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.

82. 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.
83. Our budgeted Council Tax base includes assumptions on housing growth. If there is reduced growth in housing numbers, this will impact on income levels.
84. 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 and the start of 2022/23. 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.
85. 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.
86. The Government has also provided grant funding to the Council through the Council Tax Energy Rebate Scheme to support households with increasing energy costs for 2022/23. This should help improve the level of Council Tax income collected in 2022/23, as where applications are not received from Council Tax payers for the Council Tax Energy Rebate Scheme, the income can be allocated to individual council taxpayers accounts reducing any amounts of council tax owed.
87. 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

Revenue budget spending controls

88. 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.
89. For 2022/23 the Council is continuing to minimise the use of agency staff where it is appropriate to do so, but it is acknowledged that there will be a need in 2022/23 for the use of agency staff within Children's Care, principally to cover vacant posts due to recruitment issues and also to support the continued 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 will be provided to senior managers in order to provide information to enable them to monitor and control costs relating to this.

90. The new Director of Finance is working urgently in conjunction with Leadership Management Team, in line with their delegated authority to manage budgets, to identify areas for recovery to improve the financial position in 2022/23. Directors have been requested to curtail any discretionary expenditure wherever possible. Whilst this falls short of a spending freeze, further measures may be required if the position cannot be stabilised and improved. As an urgent measure a regular Member led meeting to discuss the key areas of spending and address the financial issues facing Children's Social Care will be implemented.
91. Clearly the ongoing financial challenges will continue into 2023/24 and future years, and the position is currently being assessed and will be reported to Members in due course as part of future Medium Term Financial Plan updates and as part of the budget strategy for 2023/24 to Executive and Council. There is currently a great deal of uncertainty in forecasting created by the pay award, inflationary pressures and the impact on demand for services.

Capital Budget Projected Year-End Outturn 2022/23 as at Quarter One

92. As part of the Revenue Budget, Council Tax, Medium Term Financial Plan and Capital Strategy 2022/23 report to Full Council on 23 February 2022, Council approved a capital budget for 2022/23 of £124,825,000 (the original 2022/23 capital budget). In the Revenue and Capital Budget – Year End Outturn Position 2021/22 report of 14 June 2022, Executive approved a revised capital budget for 2022/23 of £104,675,000. Following a further review and the inclusion of new additional schemes, increases to existing schemes, and reductions to existing schemes (as detailed in paragraphs 95 to 97), it is currently predicted at Quarter One that the Council will spend £90,614,000 at year-end.
93. The revised Investment Strategy to 2024/25 is included at Appendix 2 and was approved by Executive on 6 September 2022. .
94. No schemes over £150,000 are proposed to be removed from the Investment Strategy
95. It was agreed to add the following scheme above £150,000, to the revised Investment Strategy, as set out at Appendix 2 :
- On 10 May 2022, Executive approved the report titled “Cultural Capital Investment Prospectus”. The report detailed the Council’s successful bid for grant funding to the Department of Culture, Media and Sport (DCMS) Cultural Development Fund. The successful bid was a collaboration between the Council and three other cultural organisations within the town. The total value of the grant is £4,250,000, of which £4,108,000 is capital funding. The Council’s element of the grant funding will be utilised within the Central Library, refurbishing all of the library spaces and meeting rooms, creation of a new flexible event space, the provision of a new fully accessible lift, a new toilet / baby change facility and an external stage. The Council has provided match funding using £90,000 of its own resources and £250,000 of the Future High Streets Fund grant.

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

- On 12 July 2022, Executive approved the report titled “Centre Square – Future Office Provision”. The report approved £305,000 of Council resources to fit-out the remaining untenanted space at Centre Square 1 to category A standard. This will enhance the Councils opportunity to let the space which when done so will provide a return on this investment.
- £800,000 of Council resources have been added to the Investment Strategy for investment in equipment within the leisure facilities. This investment is as per the agreement with the Council’s external leisure provider (SLM). Whilst the provider manages the facilities, the equipment remains within the Councils ownership.
- As part of the “Developing a New Community Centre at Southlands” report of 14 June 2022, Executive approved £900,000 of additional Council resources towards the project. This funding, coupled with pre-existing funds and Towns Fund grant will deliver the Councils aim for an exciting and transformational new Community and Sport Centre which will help regenerate East Middlesbrough and greatly improve the lives of local people. The total investment stands at £3,100,000 with an additional £600,000 expected to be provided by a grant from the Football Foundation.
- The Executive report of 29 September 2020 titled “Land North of Marton Avenue – Preferred Bidder for Site Disposal” approved, along with the sale of the land, certain capital contributions from the capital receipt. Payment for the land has now been received and as such the contributions can be added to the Investment Strategy as follows:
 - £472,500 for the provision of off-site affordable housing.
 - £142,000 for the provision of a strategic road
 - £22,500 refund to the Environment Agency for culvert diversion works.
- On 10 May 2022 the Department for Levelling Up, Housing and Communities wrote to Councils to provide official confirmation of the 2022/23 Disabled Facilities Grant allocations, to which Middlesbrough Council has been awarded £2,268,123. This has been allocated within the Investment Strategy over financial years 2022/23 and 2023/24, as grant carried forward from previous years will be used to meet in-year demand for the service in the first instance.
- On 10 May 2022, Executive approved the “Improving our Highways” report, providing £15,000,000 of Council resources to be spent on the highways network. The report identified that the condition of Middlesbrough’s road network is in decline with 15% of the total carriageway network categorised as Red / Amber. Executive approved the prioritisation of immediate works for 2022/23 on the premise that during which time a re-evaluation exercise would be undertaken to Red / Amber carriageway defects; developing a longer term strategy for maintenance and improvements, in-line with the MTFP.

97. There were no schemes within the current investment strategy that were reduced by over £150,000.
98. The split by Directorate is shown in the table below, which also shows the “real” projected outturn variance if all of the additional new schemes, increased schemes, reduced schemes, and transfers between directorates are excluded. Explanations for variances of +/- £150,000 across fifteen 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	2022/23 Investment Strategy Budget (as per 21/22 outturn)	2022/23 Investment Strategy Projected Outturn at Q1	2022/23 Investment Strategy Projected Outturn Variance at Q1	MEMO	
	£'000	£'000	£'000	New, increased & reduced Schemes / transfers	Real outturn variance excluding new, increased, & reduced schemes / transfers
	£'000	£'000	£'000	£'000	£'000
Regeneration and Culture	74,388	60,612	(13,776)	691	(14,467)
Environment and Community Services	12,649	11,704	(945)	1,944	(2,889)
Public Health	896	140	(756)	0	(756)
Education & Partnerships	9,132	9,308	176	(40)	216
Children's Care	326	366	40	40	0
Adult Social Care and Health Integration	2,713	3,593	880	819	61
Legal and Governance Services	4,158	4,478	320	0	320
Finance	413	413	0	0	0
Total	104,675	90,614	(14,061)	3,454	(17,515)

Regeneration

99. Town Centre Related Projects - £428,000 of funds relating to the Heritage Action Zone scheme require re-profiling into 2023/24. This is due to two factors; building works associated with three of the property grants provided are at tender stage with works now anticipated to complete in 2023/24 and the public realm Zetland Road improvements have been paused until all works at the rail station are complete.
100. Housing Growth – Discussions between the Council and the housing developers are on hold until one of the developers planning application in respect of Nunthorpe Grange is approved by the Planning Committee. The application is expected to be tabled at the September committee. If successful, the Council will restart negotiations with regard to how the associated works are funded. The scheme also requires to be fully designed, costed and tendered. Consequently, the works are now not expected to commence in 2022/23, resulting in £1,758,000 of resources being transferred into 2023/24.
101. Brownfield Housing Fund – Natural England have raised significant concerns with regard to nutrient pollution within the waterways caused by house building. These concerns are currently preventing Planning Authorities from approving new schemes. This is directly impacting the Councils remediation works at Middlehaven. Whilst solutions are being sought with regard to the nutrient pollution issue, the significant delays in respect of the remediation works are expected to result in £4,361,000 of planned grant expenditure no longer being required within this financial year and therefore being re-profiled into 2023/24.
102. Towns Fund – A total of £3,861,000 requires re-directing into 2023/24 predominantly due to the following sub-projects;

- £1,076,000 relating to Urban Living and Place Making – Expenditure in relation to this element of the grant is predicated upon the Council agreeing to the provision of funding to developers regarding housing development. Whilst there are interested parties, there are currently no firm proposals. As such, the funding has been re-profiled into 2023/24.
- £574,000 relating to the Old Town Hall has been deferred until 2023/24. This is due to discussions that the Council is undertaking with Heritage Lottery Fund with regard to submitting a grant application associated which will potentially increase the resources available, resulting in a significantly greater improved scheme.
- £750,000 relating to Nunthorpe Community Hub has been transferred into 2023/24. Following a review by the Section 151 Officer, the development of the centre will be taken forward through direct Council process in consultation with the community, rather than being led by a community group. As a result, there is a delay in the project timeframe to ensure the location of the centre meets the community's needs.
- £1,461,000 relating to East Middlesbrough Community Hub. The plans for the hub are still to be finalised, this has resulted in a proportion of the expected expenditure now being re-profiled into 2023/24.

103. Future High Streets Fund - £1,282,000 of grant funding has been transferred into 2023/24 predominantly due to the following;

- £1,000,000 relating to Urban Living. The Council will enter into a grant agreement with a developer in respect to the creation of urban living units within the town centre. The formulation of the agreement has taken longer than anticipated with the grant no longer being expected to be provided within 2022/23.
- £320,000 relating to Retail Conversions. Whilst significant progress has been made in respect of the transformation of the Captain Cook Precinct into a leisure destination, with two tenants confirmed and a further two at heads of terms, the remaining provision for aiding tenants to decant from the site is deemed to be unrequired within this financial year and has been re-profiled into 2023/24.

104. Middlesbrough Development Company (MDC) – £975,000 of assumed expenditure has been transferred into 2023/24. This is by agreement with Council officers and the Managing Director of MDC following a review of all active acquisitions / projects associated with the Empty Homes and Eyesore Site schemes. Should any further opportunities arise within either scheme during this financial year the necessary funds will be transferred back into 2022/23.

105. Teesside Advanced Manufacturing Park Phase 2 – The Executive report of 10 May 2022 “Tees Advanced Manufacturing Park Next Phase” set out the required funding for the construction of the park, which included an assumption that TVCA would provide a grant to the Council of £1,550,000. TVCA has subsequently stated that they cannot provide the grant but have presented a solution, being that the Council can effectively retain all of the business rates on the site. This solution is effectively cost neutral to the

Council, however, as it is a departure from the original Executive approval, a subsequent report which further outlines the proposal is proposed to be tabled at a future Executive meeting. The change in the funding mechanism has caused a delay of approximately four months to the originally stated milestones, resulting in re-profiling of £1,250,000 into 2023/24.

106. Local Transport Plan – A total of £322,000 of grant funded expenditure associated with a number of small value schemes has been transferred into 2023/24.

Environment & Community Services

107. Cleveland Centre – An action plan and spending profile in respect of the required capital works to the centre has now been determined with major works to the car park, asbestos encapsulation, and fire protection, now being expected to conclude in 2023/24, with £1,344,000 of assumed expenditure transferring accordingly.
108. Municipal Buildings Refurbishment - £1,500,000 has been re-profiled into 2023/24. This is due to the time required to clear out the attics and basements and find alternative storage facilities taking longer than originally anticipated, resulting in the refurbishment works not being able to commence within the originally assumed timeframe.
109. Resolution House – Planned works cannot commence until an agreement has been reached with the other custodian local authorities concerning the future of the site. Discussions with the other local authorities are ongoing but these are taking longer than anticipated. This has caused a delay to the commencement of the scheme with £500,000 of funds now being redirected into 2023/24.
110. Town Hall Roof – Due to the complexity and nature of the works associated with the roof, the tender process has been delayed, resulting in £500,000 of planned expenditure being re-profiled into 2023/24.
111. Property Asset Investment Programme – £957,000 of Council funds earmarked for expenditure in 2023/24 and future years has been brought forward to 2022/23 in order to fund urgently required works in respect of boiler replacements and roof replacements at several Council properties.

Public Health

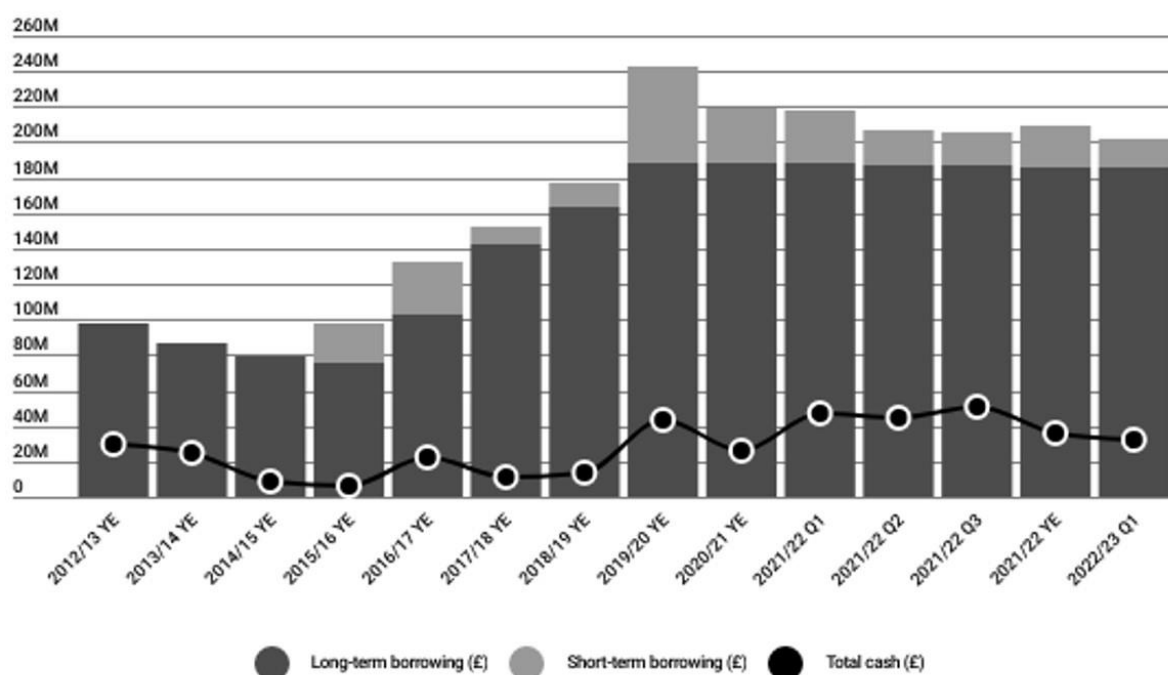
112. Health and Wellbeing Hub – As part of the wider accommodation strategy the Council has deferred the decision to expand the Live Well Centre. Should the expansion go ahead it would not do so within this financial year, resulting in £756,000 being re-profiled into 2023/24.

Legal & Governance Services

113. ICT - Essential Refresh & Licensing - £320,000 of funds have been brought into 2022/23 from 2023/24 and future years in order to fund the implementation of Microsoft 365 and the Councils new electronic storage facility, SharePoint, within the agreed project timeframe.

Borrowing & Prudential Indicators

114. The Council's total borrowing decreased from £208.8m at 31 March 2022 to £202.1m at 30 June 2022. This decrease of £6.7m reflects maturing debt on short-term borrowing of £6.5m, and repayment of principal amounts on existing annuity loans held by the Council at £0.2m. Cash balances remained robust during the first quarter of 2022/23 and were at £32.5m at 30 June 2022. As this level remained well above the Council's trigger level for borrowing of £15m (mainly due to grants being paid in advance of need by central government), no amounts were needed to be drawn down to finance the Investment Strategy.
115. The ratio of short-term to long-term borrowing has decreased during the quarter given the repayment of some of the short-term loan portfolio. The recent rises in both bank rate and longer-term interest rates mean that deferring borrowing decisions where possible and until cash levels reduce, will result in marginal savings to the capital financing budget. The overall strategy for borrowing in the current inflationary climate is being discussed with our external treasury management advisers.



116. 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.
117. The table below gives a comparison of the original budget against the actual position as at Quarter 1 for 2022/23 on each of the prudential indicators adopted by the Council.

<u>Prudential Indicators - 2022/23 Quarter 1</u>		
	<u>Original Budget (£M)</u>	<u>Actual (£M)</u>
Capital Expenditure	124.825	90.614
<u>Financing</u>		
External Sources	74.344	49.815
Own Resources	6.296	3.179
Debt	44.185	37.620
Capital Financing Requirement	295.865	295.375
External Debt	268.350	202.123
Investments	15.630	32.530
Capital Financing	10.466	10.587
Cost as a % of Revenue Budget	8.8%	8.9%

118. The total capital spend & level of financing has reduced by £34.2m since the original budget was set for this financial year. 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 changing needs on individual schemes, and low contractor availability. The reduction is mainly related to grant funding being deferred into the next financial year, but there is also some reduction in the debt levels required due to similar reasons.

119. The Council's total under borrowed position (external debt compared to the capital-financing requirement – or underlying need to borrow) is £93.3m, or 31.5%, at 30 June 2022. As cash balances reduce during the 2022/23 financial year to relatively normal levels, with the level of reserves planned to be spent, plus the borrowing requirements within the Investment Strategy, around £50m - £60m of this under-borrowing will be needed to maintain the Council's overall liquidity position.

120. The amount of external debt at £202.1m and the total underlying need to borrow of £295.4m are both well below the Council's authorised debt limit of £356m 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 recent increases in interest rates available for both short and long-term borrowing.

Reserves and Provisions

121. The table below sets out a summary of the balance of reserves and provisions at the start of 2022/23 and the current projection as at year-end, and further detail is provided in Appendix 3.

Reserves and Provisions 2022/23	Opening Balance	Proposed Use in Year	Additional Contributions	Transfers between reserves	Transfers from / (to) General Fund	Projected Balance at Year End
	£000's	£000's	£000's	£000's	£000's	£000's
General Fund Reserve	11,183	0	858	0	0	12,041
Earmarked Reserve - Social Care Transformation Reserve	7,072	(1,963)	0	0	0	5,109
Earmarked Reserves	25,750	(1,470)	230	0	0	24,510
Earmarked Reserve - Dedicated Schools Grant (DSG)	(3,756)	(1,544)	0	0	0	(5,300)
School balances	4,802	0	0	0	0	4,802
Provisions	1,921	0	0	0	0	1,921
TOTAL	46,972	(4,977)	1,088	0	0	43,083

122. As can be seen from the table above, a large proportion of the Reserves are earmarked for special purposes and cannot be used generally or to balance the budget.

123. It should be noted that the projected year-end balances do not currently include how the final revenue outturn at year-end 2022/23 will be funded, as it hoped that the implementation of the revenue budget controls outlined in paragraphs 88 to 91 will reduce the current projected overspend by the end of 2022/23. The final revenue outturn at year-end 2022/23 will be funded from Reserves, with the remaining £5.109m Social Care Transformation Reserve initially being used. As noted earlier, this will have a negative effect on the current MTFP and the position is currently being assessed and will be reported to Members in due course as part of future Medium Term Financial Plan updates and as part of the budget strategy for 2023/24 to Executive and Council.

124. 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 Overview and Scrutiny Board:

- Notes the transfer of £5.665m of additional temporary budget to Children's Care in 2022/23 only to correspond with the current MTFP 3-year plan, funded by £3.702m from centrally held contingency budgets and £1.963m from the Social Care Transformation Reserve.

- Notes that following the approval of the above proposed transfer, there is a projected 2022/23 revenue budget year-end outturn as at Quarter One of a £9.012m overspend.
- Notes the management action being taken to address the shortfall and recover the position to a balanced budget.
- Notes the proposed potential implementation of a Flexible Use of Capital Receipts Strategy for 2022/23 to fund transformation costs, in particular in Children's Services, which was approved by Full Council on 7 September 2022.
- Notes that the current projected outturn will have a negative impact on the Council's current Medium Term Financial Plan and that the ongoing financial challenges will continue into 2023/24 and future years. The position is currently being assessed and will be reported to Members in due course as part of future Medium Term Financial Plan updates and as part of the budget strategy for 2023/24 to Executive and Council. It should be noted that there is currently a great deal of uncertainty in forecasting created by the pay award, inflationary pressures and the impact on demand for services.
- Notes the agreed revenue budget virements over £150,000 as detailed in Appendix 1.
- Notes the 2022/23 capital budget predicted year-end outturn of £90.614m as at Quarter One against a revised capital budget of £104.675m, and notes the revised Investment Strategy to 2024/25 at Appendix 2.

Rationale for the recommended decision(s)

125. 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

126. Not applicable.

Impact(s) of the recommended decision(s)

Legal

127. Not applicable.

Strategic priorities and risks

128. The revenue and capital budgets form part of the Council's Policy Framework.

129. In line with the Council's Risk Management Policy, the corporate Strategic Risk Register will be reported to Overview and Scrutiny Board as part of the Corporate Performance Update: Quarter One 2022/23

Human Rights, Equality and Data Protection

130. As reported to Council on 23 February 2022, no negative differential impact on diverse groups and communities are anticipated from the Council's planned budgetary expenditure.

Financial

131. It was agreed by Executive on 6 September 2022 that there would be a transfer of £5.665m additional temporary budget to the Children's Care budget in 2022/23 only, to correspond with the current MTFP 3-year plan. This was funded by £3.702m from centrally held contingency budgets and £1.963m from the Social Care Transformation Reserve.

132. Following the approval of the transfer, the Council's revenue year-end outturn position for 2022/23 is currently projected to be an overspend of £9.012m.

133. The Council's financial position will potentially be improved by the proposed potential implementation of a Flexible Use of Capital Receipts Strategy in 2022/23 to fund transformation costs across the Council, particularly within Children's Services. This was approved by Full Council on 7 September 2022.

134. It should be noted that the current projected outturn position will have a negative impact on the Council's current Medium Term Financial Plan and that the ongoing financial challenges will continue into 2023/24 and future years. The position is currently being assessed and will be reported to Members in due course as part of future Medium Term Financial Plan updates and as part of the budget strategy for 2023/24 to Executive and Council. It should be noted that there is currently a great deal of uncertainty in forecasting created by the pay award, inflationary pressures and the impact on demand for services.

135. The 2022/23 capital budget predicted year-end outturn as at Quarter One is £90.614m. Following approval by Executive on 6 September 2022 it has become the revised Investment Strategy budget for 2022/23 as shown in Appendix 2.

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

Action	Responsible Officer	Deadline
Mitigation in the form of 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 2.	Head of Financial Planning & Support	30/9/22

Appendices

1	Proposed revenue budget virements above £150,000 at Quarter One 2022/23
2	Proposed revised Investment Strategy to 2024/25
3	Detail of projected reserves and provisions as at Quarter One 2022/23

Background papers

Body	Report title	Date
Council	Flexible Use of Capital Receipts Strategy	20/10/21
Council	Revenue Budget, Council Tax, Medium Term Financial Plan and Capital Strategy 2022/23	23/2/22
Council	Refreshing the Strategic Plan workplan for the 2022-24 period	5/4/22

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

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Appendix 1 : Revenue budget virements above £150,000 at Quarter One 2022/23

Virements	Regeneration & Culture £000s	Environment & Community Services £000s	Public Health £000s	Education & Partnerships £000s	Children's Care £000s	Adult Social Care £000s	Legal & Governance Services £000s	Finance £000s	Central Budgets £000s
<u>Permanent</u>									
Transfer of Prevention Efficiency to Children's Care from Education & Partnerships to match where budget sits				192	(192)				
Transfer of Community Learning budgets from Education & Partnerships to Regeneration & Culture following review	(564)			564					
Transfer of Marketing budgets from Finance to Regeneration & Culture following review	491							(491)	
Transfer of saving on Concessionary Fares Travel Scheme 2022/23	(471)								471
<u>Temporary</u>									
Transfer of 2022/23 additional temporary budget to Children's Care from Central Budgets and Reserves					5,665				(5,665)
Transfer of saving on Concessionary Fares Travel Scheme (one-off refund element)	(240)								240
Total Virement	(784)	0	0	756	5,473	0	0	(491)	(4,954)
								Total:	0

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Appendix 2: Revised Investment Strategy to 2024/25

	Total Funding Required					Council Funding	External Funding
	2021/22	2022/23	2023/24	2024/25	TOTAL	Funding	Funding
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Regeneration and Culture							
Town Centre Related Projects	1,250	954	1,021	-	3,225	2,264	961
Middlehaven Related Projects	73	507	-	-	580	563	17
Housing Growth	176	446	3,046	-	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	1,389	4,991	-	7,922	-	7,922
Towns Fund	1,030	2,605	10,101	4,267	18,003	-	18,003
Towns Fund - East Middlesbrough Community Hub	113	626	2,361	-	3,100	2,600	500
Towns Fund - Nunthorpe Community Hub	-	-	816	-	816	-	816
Future High Streets Fund	669	7,506	5,782	-	13,957	37	13,920
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	17,981	975	-	24,305	17,884	6,421
Teesside Advanced Manufacturing Park	1,179	11	-	-	1,190	1,190	-
Teesside Advanced Manufacturing Park - Phase 2	-	250	8,570	-	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	-	-	2,156	-	2,156	1,302	854
Highways Infrastructure Development Section 106	-	-	2,402	-	2,402	142	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	128	-	-	217	-	217
Local Transport Plan	1,054	614	322	-	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	-	800	875	875	-
Stewart Park Section 106	-	45	-	-	45	-	45
Investment In Parks	39	51	-	-	90	90	-
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	-
Cultural Development Fund - Enhancements To Central Library & Partner Organisations	-	785	2,633	940	4,358	-	4,358
Total Regeneration & Culture	35,668	60,612	46,746	6,577	149,603	65,021	84,582

	Total Funding Required					Council Funding	External Funding
	2021/22	2022/23	2023/24	2024/25	TOTAL	Funding	Funding
	£'000	£'000	£'000	£'000	£'000	£'000	£'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	23	-	-	90	67	23
Members Small Schemes	38	161	60	60	319	319	-
Property Asset Investment Strategy	1,236	1,547	80	1,095	3,958	3,957	1
Nunthorpe Sports Facilities	34	-	-	-	34	-	34
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	-	500	1,500	1,000	3,000	3,000	-
Municipal Buildings Refurbishment	-	-	1,500	-	1,500	1,500	-
Resolution House	22	87	500	-	609	609	-
Central Library WC	-	87	-	-	87	87	-
Cleveland Centre	-	626	1,344	-	1,970	1,970	-
Cargo Fleet Nature Reserve	6	94	-	-	100	-	100
Towns Fund Initiatives	-	778	-	-	778	-	778
Traffic Signals -Tees Valley Combined Authority	126	374	-	-	500	-	500
Hemlington MUGA	-	30	-	-	30	30	-
Capitalisation Of Transformation Expenditure (via Flexible Use of Capital Receipts)	263	-	-	-	263	263	-
Changing Places Toilet - Albert Park	-	65	-	-	65	10	55
Highways Infrastructure	-	2,000	6,500	6,500	15,000	15,000	-
Total Environment and Community Services	10,140	11,704	14,222	11,393	47,459	41,644	5,815

	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	-	140	791	-	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	-	138	-	-	138
Block Budget (Grant) Section 106 Avant Low Gill	-	35	-	-	35
Block Budget (Grant) School Condition Allocation	-	927	-	-	927
Block Budget (Grant) Basic Needs	-	93	1,441	-	1,534
BB (GRANT): C4/ES002/002 - Special Provision Capital Fund	-	58	-	-	58
Block Budget (Grant) High Needs Provision Capital Allocation (HNPCA)	-	1,659	3,529	-	5,188
Schemes in Maintained Primary Schools	1,005	1,314	28	-	2,347
Schemes in Primary Academies	138	255	399	-	792
Schemes in Secondary Academies	(81)	2,006	414	-	2,339
Schemes in Special Schools	144	1,064	6,581	-	7,789
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	9,308	12,392	-	23,063

Council Funding	External Funding
£'000	£'000
-	138
-	35
-	927
-	1,534
-	58
-	5,188
890	1,457
13	779
-	2,339
216	7,573
-	209
700	1,000
-	7
1,819	21,244

	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	-	78	-	-	78
Capitalisation Of Transformation Expenditure (via Flexible Use of Capital Receipts)	4,217	-	-	-	4,217
Total Children's Care	4,745	366	-	-	5,111

Council Funding	External Funding
£'000	£'000
15	-
179	-
274	-
327	-
21	-
-	78
4,217	-
5,033	78

	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	723	711	610	2,662
Disabled Facilities Grant - All schemes	1,735	2,579	1,318	-	5,632
Capitalisation of Staying Put Salaries	50	50	50	50	200
Home Loans Partnership (Formerly 5 Lamps)	23	30	30	-	83
Small Schemes	-	94	-	-	94
Connect / Telecare IP Digital Switchover	75	117	-	-	192
Total Adult Social Care and Health Integration	2,501	3,593	2,109	660	8,863

Council Funding	External Funding
£'000	£'000
2,602	60
4	5,628
200	-
-	83
-	94
138	54
2,944	5,919

	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	472	-	-	838
Enterprise Agreements	587	954	-	-	1,541
CRM	31	65	-	-	96
IT Refresh - Network Refresh	69	379	-	-	448
IT Refresh - Lights On	338	425	-	-	763
ICT Essential Refresh & Licensing	270	1,518	1,865	2,185	5,838
ICT Innovation Budget	12	-	-	-	12
GIS Replacement	36	43	-	-	79
Prevention & Partnership Tablets	3	67	-	-	70
SharePoint	-	518	-	-	518
HR Pay	-	37	-	-	37
Capitalisation Of Transformation Expenditure (via Flexible Use of Capital Receipts)	526	-	-	-	526
Total Legal and Governance Services	2,238	4,478	1,865	2,185	10,766

Council Funding	External Funding
£'000	£'000
838	-
1,541	-
96	-
448	-
763	-
5,838	-
12	-
79	-
70	-
518	-
37	-
526	-
10,766	-

	Total Funding Required				
	2021/22	2022/23	2023/24	2024/25	TOTAL
Finance	£'000	£'000	£'000	£'000	£'000
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
ALL DIRECTORATES	£'000	£'000	£'000	£'000	£'000
Total ALL DIRECTORATES	56,899	90,614	83,080	22,715	253,308

Council Funding	External Funding
£'000	£'000
135,418	117,890

	Total Funding				
	2021/22	2022/23	2023/24	2024/25	TOTAL
FUNDED BY:	£'000	£'000	£'000	£'000	£'000
Borrowing	22,596	37,620	31,339	11,813	103,368
Finance Leases			3,500	1,000	4,500
Capital Receipts	13,482	2,694	6,106	4,695	26,977
Grants	18,715	45,382	38,490	5,124	107,711
Contributions	2,085	4,433	3,578	83	10,179
Revenue Resources	21	485	67		573
Funding from Reserves	-	-	-	-	-
Total FUNDING	56,899	90,614	83,080	22,715	253,308

Council Funding	External Funding
£'000	£'000
103,368	-
4,500	-
26,977	-
-	107,711
-	10,179
573	-
-	-
135,418	117,890

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Appendix 3: Reserves and provisions as at Quarter One 2022/23

Reserves and Provisions 2022/23	Opening Balance	Proposed Use in Year	Additional Contributions	Transfers between reserves	Transfers from / (to) General Fund	Projected Balance at Year-End
	£000's	£000's	£000's	£000's	£000's	£000's
General Fund Reserve	11,183		858			12,041
Earmarked Reserve - Social Care Transformation Reserve	7,072	(1,963)				5,109
Earmarked for specific purposes						
Public Health Reserves	668	(553)				115
Adult Social Care Covid Recovery Reserve	1,530	(651)				879
Business Rates Deficit Reserve	6,617					6,617
Business Rates Risk Reserve	1,877					1,877
Business Rates Relief Reserve	49					49
Change Fund	174		230			404
Insurance Fund (MBC)	116					116
CCC Insurance Fund	0					0
Insurance Fund (Fire)	0					0
Car Parking Pressures Reserve	782	(266)				516
Other Reserves & Provisions	13,937					13,937
Earmarked Reserves	25,750	(1,470)	230	0	0	24,510
Earmarked Reserve - Dedicated Schools Grant (DSG) Reserve	(3,756)	(1,544)				(5,300)
School balances	4,802					4,802
Provisions	1,921				0	1,921
TOTAL	46,972	(4,977)	1,088	0	0	43,083

NOTE

That the projected year-end balances do not currently include how the final revenue outturn at year-end 2022/23 will be funded, as it hoped that the implementation of the revenue budget controls, outlined in paragraphs 88 to 91, will reduce the current projected overspend by the end of 2022/23. The final revenue outturn at year-end 2022/23 will be funded from Reserves, with the remaining £5.109m Social Care Transformation Reserve initially being used.

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