

OVERVIEW AND SCRUTINY BOARD

Date: Tuesday 13th December, 2022
Time: 10.00 am
Venue: Mandela Committee Room

AGENDA

1. Apologies for Absence
2. Declarations of Interest
3. Minutes - Overview and Scrutiny Board - 16 November 2022 3 - 8
4. Executive Forward Work Programme 9 - 20
5. Executive Member Update - Regeneration 21 - 34
6. Revenue and Capital Budget - Projected Outturn Position as at Quarter Two 2022/23 35 - 72
7. Corporate Performance Update - Quarter Two 2022/2023 73 - 106
8. Scrutiny Chairs Update
9. Any other urgent items which, in the opinion of the Chair, may be considered.
10. Date and Time of Next Meeting - Tuesday, 12 January 2023 at 10:00am

Charlotte Benjamin
Director of Legal and Governance Services

Town Hall
Middlesbrough
Monday 5 December 2022

MEMBERSHIP

Councillors M Saunders (Chair), T Mawston (Vice-Chair), R Arundale, C Cooke, D Davison, C Hobson, B Hubbard, D Jones, D McCabe, C McIntyre, 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 Scott Bonner, 01642 729708, scott_bonner@middlesbrough.gov.uk

OVERVIEW AND SCRUTINY BOARD

A meeting of the Overview and Scrutiny Board was held on Wednesday 16 November 2022.

PRESENT: Councillors M Saunders (Chair), D Davison, T Higgins (Substitute) (Substitute for J Thompson), C Hobson, B Hubbard, D Jones, D McCabe, C McIntyre and J Platt

PRESENT BY INVITATION: Councillors S Walker

OFFICERS: C Benjamin and H Seechurn

APOLOGIES FOR ABSENCE: Councillors T Mawston, C Cooke, M Storey and J Thompson

20/129 **DECLARATIONS OF INTEREST**

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

20/130 **MINUTES - OVERVIEW AND SCRUTINY BOARD - 25 OCTOBER 2022**

The minutes of the Overview and Scrutiny Board meeting held on 25 October 2022 were submitted and approved as a correct record.

20/131 **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

20/132 **EXECUTIVE MEMBER UPDATE**

The Executive Member for Finance and Governance provided an overview of his portfolio. As part of his presentation the following points were made:

- The Executive Member's portfolio covered an extensive range of issues and services and as such only a selection of those services and issues were covered in his presentation.
- The Board was advised about the continuing work initiated by the CIPFA Governance Improvement journey. Members were informed that the improvement journey was the result of CIPFA being appointed in the summer of 2022 to undertake diagnostic work. This had culminated in a report to Council in October 2022.
- That report had recommended that a Governance Improvement Board be established with four thematic Task and Finish groups reporting to it. Those themed were the Constitution; Culture and Communication; Roles and Responsibilities; and Training and Development.
- Members were advised that initial meetings of the Governance Improvement Board and its Task and Finish Groups had taken place.
- Actions arising from the groups had progress updates at 30, 60 and 90 day intervals and regular updates would be reported to full Council.
- Importantly, there was no desired outcome at the outset, instead outcomes would be established via conversation in the groups.
- The Executive Member informed OSB that some of the issues being examined were not new, but the process was an opportunity to address some of those long standing issues.
- There was a need to make sure the improvement journey moved at pace but that such pace did not inhibit meaningful dialogue.

- The first report on the improvement journey's progress will be made to Full Council on the 30th November and would outline the overall improvement plan.
- In terms of Corporate Performance; the Executive Member commented performance was monitored regularly and reported to both Executive and OSB.
- Performance was also linked to financial output and OSB was advised that, due to a forecast overspend of up to £9 million, a financial recovery plan was required. Members were also advised that if the recovery plan was successful that overspend would be reduced to approximately £2 million.
- As a consequence of such forecasted overspends, corporate performance had been effected but the Executive Member was confident that targets would be met.
- In terms of Human Resources; several initiatives were being implemented that aimed to improve employee wellbeing. Such initiatives included the "Email for All" whereby all staff members would receive the same information across the organisation and could equally access employee benefits.
- The Executive Member advised OSB that the Council needed to be seen as an attractive place to work and that he was concerned about the level of staff turnover at certain levels.
- OSB were advised that staff had been awarded approximately £1,900 as part of the NJC pay award.
- In terms of Resident and Business Support; it was noted that Middlesbrough had risen from being the 3rd worst Council for Council Tax Collection rates to 11th worst. This was a significant improvement.
- While there remained numerous challenges to Council Tax collection, the Council had implemented, or were in the process of implementing, several initiatives to maximise collection, such as Voicescape.
- With regard to Pensions; there was an actuarial review underway and there was more detail to follow. However, OSB was advised that the Pension Fund remained well funded and had increased from approximately £3 billion in 2019 to £5 billion pounds in 2022 and was funded at 116%.
- The Board was also advised that the Council had benefitted from having low contribution rates.
- The Executive Member advised the Board that higher contribution rates may be necessary.
- With regard to Valuation and Estates; the Council had launched an initiative whereby any Council assets sold for above 3% market value could have their profits re-invested into the local community.
- The Executive Member also advised Members that the Council's Commissioning and Procurement teams played a crucial role in engaging with the private sector so key services could be delivered. Examples included Adult Social Care whereby the Council had a legal duty to prevent services being affected by increased fuel prices. It was also noted that increased fuel prices for care homes was a significant risk for the future.
- In terms of financial planning and support; the Board were reminded that projected overspend for the current financial year was £9.4 million but this could be reduced to £2 million if the recovery plan was successful.
- There were many issues driving this, such as inflation and increased demand on Children's Services. It was recognised the funding mechanism for Children's Services was outdated, which did not reflect demand. It was also recognised this was a national problem.
- OSB were also made aware that the financial challenges faced by the Council was a national issue with Kent County Council having recently announced it would not be able to set a budget.
- The Executive Member commented that there was range of options to meet such cuts.

The Executive Member thanked OSB and received questions from Members.

A Member queried what the staff pay award equated to in percentage terms. It was clarified that the increase was set at £1,925 for all staff. What percentage this equated to was dependent on staff income.

The Member queried what proposals were in place to tackle food poverty. The Executive Member responded that there were already organisations working together in Middlesbrough that could work together to tackle food poverty. However, initiatives such as the Welfare Strategy hoped to bolster such relationships.

The Member also queried how Wards could be the beneficiaries of asset disposal profits. It was clarified that individual Ward Councillors would be able to make an application for such awards with those applications judged on their merits. It was also clarified that where such disposals happened there could be wider community benefits awarded, not just cash awards.

The Member also queried if central government was aware of the challenges being faced by Children's Services and if it was prudent to write to the government detailing those challenges. The Executive Member clarified the challenges faced by Children's Services were a national phenomenon and that those challenges were being expressed to government via a number of routes. The Executive Member also commented that if he were to draft a letter to government outlining the challenges he would prefer to include potential solutions to those challenges.

The Director of Finance commented there had been collective representations made to government about this issue, but it was impossible to accurately gauge their extent until the local government settlement was released in December.

A Member queried how realistic it was for Council assets to be sold above market value. It was clarified this would be dependent on the condition of the market at any given time. The Executive Member provided an example of the purchase of the Cleveland Centre as an asset bought for less than market value that allowed for commercial development.

A Member wished to support previous comments regarding the Executive Member making representations to Government so that the challenges faced by the Council were on the record. The Executive Member reaffirmed that while he would be prepared to make representations to Government, those representations would need to be accompanied by suggested solutions.

The Member also commented that proceeds from the sale of the Southlands Centre were impacted by the rate of inflation, and with inflation now increasing this would be something requiring attention. The Executive Member agreed and commented that not only was inflation an important element of the financial recovery plan, it was also important to ensure processes in this regard were as speedy as they could be.

A Member commented that, in terms of the Governance Improvement Journey, there needed to be a link between the different sub-groups as there was a significant amount of thematic cross over between them. The Member also commented that there needed to be a change to the Standards regime to make it stronger. Both the Executive Member and the Director of Legal and Governance clarified that work was being carried out as part of the Constitution CIPFA working sub group to bolster the Standards process but that wider work was required to ensure there was respect for the process from both officers and Members.

The Chair queried why Tees Amp had the prospect of being sold. The Executive Member explained valuable assets would not be sold and that he would provide further information about this to the Chair and OSB.

A Member queried if the Email to All initiative would be available to all staff, as those in manual jobs often did not have access to work emails. Such roles usually relied on information being cascaded via management. It was clarified that exploratory work was underway to establish if work emails could be installed on personal devices so that all staff received the same information.

A Member queried if the staff pay award was sustainable with existing budgets. It was clarified that the pay award was a contributory budget pressure but had been negotiated nationally and had been considered as part of the financial recovery plan.

A Member queried if Standards cases could be considered by other Councils to ensure objectivity. However, other Members commented that there would always be a political dimension to that suggestion and such cases needed an independent person to investigate them.

ORDERED that

- 1. The Executive Member for Finance and Governance provide OSB with clarity around any prospective sale of TeesAmp.**

2. That that information presented be noted.

20/133 **CHIEF EXECUTIVE'S UPDATE**

The Chair advised OSB that the Chief Executive had submitted his apologies for the meeting.

NOTED

20/134 **THE ADULT SOCIAL CARE AND SERVICES SCRUTINY PANEL - FINAL REPORT - THE ROLE OF THE VOLUNTARY AND COMMUNITY SECTOR (VCS) IN SUPPORTING ADULT SOCIAL CARE (WITH A FOCUS ON COVID-19 AND RECOVERY)**

The Chair of the Adult Social Care and Services Scrutiny Panel presented the Panel's final report on the issue of 'The Role of the Voluntary and Community Sector (VCS) in Supporting Adult Social Care (With a Focus on COVID-19 Recovery)'.

The Chair of the Panel advised OSB the review was both an interesting and worthwhile investigation and the panel commended the valuable work undertaken by Middlesbrough's vibrant and diverse VCS sector, which undoubtedly enhanced the support provided to residents.

The recommendations contained in the report were:

- a) That exploratory work be undertaken to identify opportunities for more collaborative working between the Council and the VCS, particularly in relation to the availability of meeting space. To be undertaken by Spring/Summer 2023.
- b) That the Director of Adult Social Care and Health Integration works with LMT to explore the most effective form of relationship management between the Council and the VCS. To be undertaken by Spring/Summer 2023.
- c) That a link between the VCS and the Council's Emergency Planning Team be established to assist with policy/practice statement development. To be undertaken by Spring/Summer 2023.

ORDERED: That the conclusions and recommendations of the Adult Social Care and Services Scrutiny Panel be endorsed and referred to the Executive.

20/135 **SCRUTINY CHAIRS UPDATE**

The Chair of the Adult Care and Services Scrutiny Panel

OSB was advised that at its last meeting on the 2nd November the Panel considered and approved its Final Report into the Role of the Voluntary and Community Sector (VCS) in Supporting Adult Social Care (With a Focus on Covid-19 and Recovery). The Panel also received updates from the Executive Member of Adult Social Care, Public Health, Public Protection and Digital inclusion and the Director of Social Care.

The Chair of the Children & Young People's Learning Scrutiny Panel

OSB was advised that at its last meeting the Panel would be receiving a presentation on school exclusions, which would include data and information on Middlesbrough's historic exclusion figures during the 2021/2022 academic year; suspensions during the same period as well as information about how the Council could increase support in this area.

The Panel was also expecting a response to Ofsted's finding of Outwood Academy Ormesby.

The Chair of the Children's Social Care and Services Scrutiny Panel

OSB was advised that at its last meeting on the 14th November the Panel had received information regarding young people transitioning to Adult Care and what support was

available to those young people. The Panel heard about what support was available to assist with securing employment and were keen to speak to a young person about their experiences.

Chair of Culture and Communities

OSB was advised the Panel had not met since the previous meeting of OSB and that the Panel's next meeting was scheduled for the 17th November at which Members would continue to examine the issue of dirt bikes and anti-social behaviour.

Vice Chair of Economic Development, Environment and Infrastructure Scrutiny Panel

OSB was advised that at its last meeting on the 9th November 2022 the Panel received the annual update on Flood Risk Management which also included a demonstration of the new Gully Smart Asset Management Software. The software was purchased to enable a proactive and reactive response to tackling flood risk and management of the highway drainage network.

The Vice Chair of the Panel also submitted a change to its in-year work programme to the extent that Nutrient Neutrality would be put on hold and that the issue of School Transport be examined given its statutory nature and ongoing spending and demand pressures. It was also requested that an additional investigation be added to the Panel's work programme. The investigation would be about a scheme operating in Greater Manchester whereby Business Rates were collected then redistributed according to need.

OSB were also advised that at its next meeting on 7th December the Panel had requested an update on the Linthorpe Road Cycle Lane.

Chair of the Health Scrutiny Panel

OSB was advised that the Health Scrutiny Panel had not met since the previous OSB meeting and that at its next meeting on 13th December it would continue to look at Dental Health and the impact of COVID-19.

ORDERED that:

- 1. The amendment to the Economic Development, Environment and Infrastructure Scrutiny Panel's work programme be amended to include School Transport and Business Rate collection;**
- 2. The information presented be noted.**

20/136 **ANY OTHER URGENT ITEMS WHICH, IN THE OPINION OF THE CHAIR, MAY BE CONSIDERED.**

None.

20/137 **DATE AND TIME OF NEXT MEETING - TUESDAY, 13 DECEMBER 2022 AT 10:00AM**

The Chair advised Members that the date of the next meeting of OSB was to be 13th December 2022 at 10:00am,

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Report of:	Chief Executive
Submitted to:	Overview and Scrutiny Board – 13 December 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: Scott Bonner
Email: scott_bonner@middlesbrough.gov.uk



Forward Plan 1 January 2022 - 31 December 2022

FOR THE PERIOD 1 JANUARY 2022 TO 31 DECEMBER 2022

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
The Mayor						
T014821 All Wards	Cost of Living Crisis The report provides Executive with an overview of the current cost-of-living crisis impacts in Middlesbrough and sets out the Council's ongoing response to support the town's residents, businesses and its employees.	Executive 6 Dec 2022	KEY Will have a significant impact in two or more wards	Public		Executive Member for Finance and Governance <i>Director of Legal and Governance Services</i>
I014314 All Wards	Corporate Performance Report: Quarter Three 2022/23 To review the corporate performance of Q3	Executive 14 Feb 2023	KEY	Public		The Mayor <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
Deputy Mayor and Executive Member for Children's Services						
I014164 All Wards	Children's Services Improvement Update To provide the quarterly update to Executive on the Ofsted Improvement Journey	Executive 10 Jan 2023	KEY	Public		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						
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 24 Jan 2023	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>
I014842 All Wards	Final Report of the Adult Social Care and Services Scrutiny Panel - The Role of the VCS in Supporting Adult	Executive 24 Jan 2023	KEY Will have a significant impact in two or	Public		Executive Member for Adult Social Care, Public Health, Public Protection and Digital Inclusion

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
	Social Care - Service Response TBC		more wards			<i>Director of Adult Social Care & Health Integration</i>
I014876 All Wards	Teesside Ability Support Centre (TASC) Day Service Contract – Futures Commissioning The proposed contract from April 2023 requires a Key Decision due to the financial commitment required	Executive 24 Jan 2023	KEY Will incur expenditure or savings above £150,000 and will affect 2 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>
Page 13 I014890 All Wards	EXEMPT Teesside Ability Support Centre (TASC) Day Service Contract – Future Commissioning Part B This report seeks approval to enter into a new contract with a key provider of day opportunities until 31st March 2026 with the potential full term to 31st March 2030. The primary reason for this recommendation is to provide consistency of service to current attendees, whilst achieving a better financial agreement under a block contract rather than spot purchasing, in addition to providing financial assurance to a key provider. The Executive decision is	Executive 24 Jan 2023	KEY Will incur expenditure or savings above £150,000 and will affect 2 or more wards	Fully exempt		Executive Member for Adult Social Care, Public Health, Public Protection and Digital Inclusion <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
	required due to the financial commitment required by entering into a block contracting arrangement.					
I014877 All Wards	Re-procurement of a Bereavement and Suicide Postvention Support Service (South Tees) To seek approval for Middlesbrough Council to undertake re-procurement for a Bereavement and Suicide Postvention Support Service with a view to commence 1st April 2023 for a period of 3 years with an option to extend dependant on funding.	Executive 24 Jan 2023	KEY Will incur expenditure or savings above £150,000 and will affect 2 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>
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 14 Feb 2023	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>
Executive Member for Culture and Communities						
I014857 All Wards	Refugee Resettlement To seek agreement to resettle 5 families per year,	Executive 10 Jan 2023	KEY Will have a significant	Public		Executive Member for Culture and Communities <i>Director of Environment and</i>

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
	being a mixture of ARAP/ACRS and UKRS.		impact in two or more wards			<i>Community Services</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 energy recovery facility that will be responsible for the disposal of Middlesbrough municipal waste.	Executive 14 Feb 2023	KEY Will incur expenditure or savings above £150,000 and will affect 2 or more wards	Public		Executive Member for Environment <i>Director of Environment and Community Services</i>
Executive Member for Finance and Governance						
I014730 All Wards	Calculation of Council Tax Base for 2023/24 This report is for Executive to endorse the Council Tax Base for 2023/24. The report is then to be presented to Council on 11 January 2023, and that following approval the Police and Crime Commissioner, the Cleveland Fire Authority and the Parish Councils are notified of the 2023/2024	Executive 6 Dec 2022	KEY Will incur expenditure or savings above £150,000 and will affect 2 or more wards	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
	council tax base.					
I014528 Central	Exchange House – Disposal [Part A] This report advises on the proposal to dispose of the Council’s freehold interest in Exchange House	Executive 6 Dec 2022	KEY	Public		Councillor Stefan Walker, Executive Member for Finance and Governance <i>Director of Finance</i>
I014529 Central	EXEMPT Exchange House Disposal (PART B) This report advises on the proposal to dispose of the Council’s freehold interest in Exchange House	Executive 6 Dec 2022	KEY	Fully exempt		Councillor Stefan Walker, Executive Member for Finance and Governance <i>Director of Finance</i>
I014732 All Wards	Corporate Food Poverty Policy This policy, part of the Council’s existing Welfare Strategy, and closely linked to the Crisis Policy, sets out the Council’s internal and local partnership guidelines for tackling the causes and effects of food poverty within the borough.	Executive Member for Finance and Governance 12 Dec 2022	KEY	Public		Executive Member for Finance and Governance <i>Director of Finance</i>
I012904	Annual Equality and Inclusion Report 2021 The report sets out how the council complies with its equality duties and provides equality and inclusion data	Executive Member for Finance and Governance 14 Dec 2022		Public		Executive Member for Finance and Governance <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
	about its workforce and the town.					
1012903	Surveillance Policy 2022/23 The proposed policy will ensure that surveillance activity undertaken by the Council is pursuit of its strategic priorities is lawful and that due regard is given to human rights and to data protection rights.	Executive Member for Finance and Governance 14 Dec 2022		Public		Executive Member for Finance and Governance <i>Director of Legal and Governance Services</i>
1012905	Impact Assessment policy 2024-27 (Date TBA - March 23) The policy sets out how the council ensures that it impact assesses decisions.	Executive Member for Environment 1 Mar 2023		Public		Executive Member for Environment <i>Director of Legal and Governance Services</i>
Executive Member for Regeneration						
1012243 Central	Middlehaven - Electricity Reinforcement Works The report is seeking approval from Executive for funding to facilitate the upgrade of electricity provision in Middlehaven.	Executive 14 Feb 2023	KEY Will incur expenditure or savings that are above the threshold decided by the Council i.e. Over £150,000	Public		Executive Member for Regeneration <i>Director of Regeneration and Culture</i>
1013742 Central	Tees Advanced Manufacturing Park – Phase	Executive 14 Feb 2023	KEY Will incur	Public		Executive Member for Finance and Governance

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
	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 enterprize zones site.		expenditure or savings that are above the threshold decided by the Council i.e. Over £150,000			
1014849 Coulby Newham Page 18	Newham Hall - Collaboration with Homes England - Part A To seek Executive approval to enter into a Collaboration Agreement with Homes England to develop the Newham Hall housing site.	Executive 14 Feb 2023	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, Executive Member for Regeneration <i>Director of Regeneration and Culture, Director of Finance</i>
1014850 Coulby Newham	EXEMPT - Newham Hall - Collaboration with Homes England - Part B To seek Executive approval to enter into a Collaboration Agreement with Homes England to develop the Newham Hall housing site.	Executive 14 Feb 2023	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 Finance and Governance, Executive Member for Regeneration <i>Director of Regeneration and Culture, Director of Finance</i>
1013444 Central	Expansion of the Digital Sector - Boho 11 Part A To seek approval for the capital funding to progress with the expansion of the digital sector in	Executive 14 Feb 2023	KEY Will incur expenditure or savings that are above the threshold	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
	Middlesbrough through the development and delivery of Boho 11.		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 14 Feb 2023	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>

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MIDDLESBROUGH COUNCIL
OVERVIEW AND SCRUTINY BOARD
13 DECEMBER 2022

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

PURPOSE OF THE REPORT

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

RECOMMENDATIONS

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

BACKGROUND

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

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

BACKGROUND PAPERS

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

Contact Officer:

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Democratic Services

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Executive Portfolio:	Executive Member for Adult Social Care and Public Health, Public Protection and Digital Inclusion
Portfolio Holder:	Councillor David Coupe
Lead Officer:	Executive Director of Adult Social Care and Health Integration
SCOPE OF PORTFOLIO	
<p>The Executive Member for Adult Social Care and Public Health, Public Protection and Digital Inclusion in respect of part of the portfolio relating to Adult Social Care, Public Health and Public Protection has responsibility for ensuring vulnerable adults are protected, reducing health inequalities and pushing forward on the dementia-friendly agenda.</p> <p>In respect of the part of the portfolio for Digital Inclusion, the Executive Member has the responsibility of ensuring that the Council operates efficiently, and promotes the use and the benefits of the internet and digital technologies.</p> <p>Responsible for:</p> <ul style="list-style-type: none"> • Adults with Social Care needs • Public Health • Public Protection • Welfare Reform • Digital Inclusion <p>Correspondence address: c/o Democratic Services Town Hall Middlesbrough TS1 9FX</p> <p>David_Coupe@middlesbrough.gov.uk</p>	

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EXECUTIVE MEMBER FOR REGENERATION

COUNCILLOR ERIC POLANO



PORTFOLIO

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

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

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

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c/o Democratic Services
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Middlesbrough
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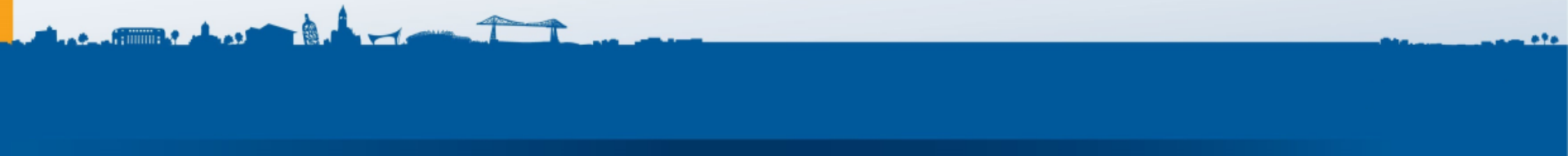
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Regeneration Portfolio

Eric Polano

December 13th 2022



Scope

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

Transportation

- 32 EV charging points installed
- Received Net Zero Hub funding for PV Solar Scheme

- Zetland MSCP roof

Cycle Lanes

- Linthorpe Road, Linthorpe Village
- Delivering LTP improvements
 - Trimdon Avenue, Stainton Way

Inward Investment

- Investment in the right property offer bearing fruit
 - Centre Square, Tees AMP, Boho etc.

Rental values rising, triggering private sector investment

- Albert Road, Cannon Park, Exchange Square
- Education investment coming through
 - Eton, DfE, TTE
- Digital sector investment in key companies
- Middlesbrough now ranked in the top five European Small Cities for Foreign Direct Investment in 2022 (FT)

Economic Development

- More of a focus on the town centre
 - Captain Cook Square, Cleveland Centre etc.
- Heritage investment is driving change
 - Exchange Square, Rail Station
- Investment contributing to MTFP
 - Tees AMP, Captain Cook Square & Cleveland Centre
- Highest rate of small business development in the North East
- Impact of Mayoral Development Corporation?

Housing Development

- Existing sites progressing very well
 - Hemlington, Brackenhoe etc.
- Urban sites more difficult, but starting
 - Boho Bright Ideas, disused buildings
- Preparing the next generation of sites
 - Stainsby Masterplan, Newham Hall
- Housing numbers exceeding targets each year
- Housing numbers contributing significantly to MTFP

Planning and Building Control

- Preparing new Local Plan
- Setting new standards in design
 - Stainsby and Newham Hall
- Massive capacity issues
 - Covid (applications and complaints), recruitment
- Impact of Mayoral Development Corporation?

Questions

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MIDDLESBROUGH COUNCIL	
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Report of:	Executive Member for Finance and Governance Director of Finance
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Submitted to:	Overview & Scrutiny Board
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Date:	13 December 2022
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Title:	Revenue and Capital Budget – Projected Outturn position as at Quarter Two 2022/23
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Report for:	Information
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Status:	Public
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Strategic priority:	All
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Key decision:	Not applicable
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Why:	Report is for information only
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Urgent:	No
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Why:	Not Applicable
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Executive summary

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

The report provides the necessary information to enable the Overview and Scrutiny Board to discharge its financial management responsibilities, setting out:

- projected revenue and capital budget year-end outturns as at Quarter Two 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.

The report requests that the Overview and Scrutiny Board:

- Notes that there is a projected 2022/23 revenue budget year-end outturn as at Quarter Two of a £9.429m overspend.

- Notes that if the Financial Recovery Plan 2022/23 as approved by Executive on 18 October 2022 is fully implemented, then the forecast overspend can potentially be reduced to approximately £2.1m.
- Notes the management action being taken to address the shortfall and to improve this position further, wherever possible, in order to mitigate the risk on reserves.
- Notes the proposed implementation of a Flexible Use of Capital Receipts Strategy for 2022/23 to fund transformation costs, in particular in Children's Services, as approved by Full Council on 7 September 2022.
- Notes that the current projected outturn and any non-implementation of the approved Financial Recovery Plan 2022/23 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 was reported in a separate report to Executive on 8 November 2022 and then to Council on 30 November 2022 as part of the Medium Term Financial Plan Update, and then will be reported 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 £69.241m as at Quarter Two against a revised capital budget of £90.614m, and 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 Two 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 financial management responsibilities, setting out:
 - projected revenue and capital budget year-end outturns as at Quarter Two 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 8 November 2022 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 8 November 2022, is attached at Appendix 2.

Revenue Budget Projected Year-End Outturn as at Quarter Two 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 previously in the Revenue Budget, Council Tax, MTFP and Capital Strategy 2022/23 Report presented to Council on 23 February 2022 and in the Quarter One report, 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, Executive approved at Quarter One that the budget for Children's Care in 2022/23 would be temporarily increased for 2022/23 only by £5.665m, which is the amount requested by Children's Care for 2022/23 in the three-year plan drawn up in July 2021.
8. At Quarter One a projected year-end outturn position for 2022/23 of £9.012m was reported. This was mainly due to pressures relating to additional inflation, the increased pay award, and increased demand, placement, and agency costs within Children's Services, all of which were largely unknown at the start of the financial year and are national issues. In light of the projected overspend reported at Quarter One, Executive on 18 October 2022 approved a Financial Recovery Plan 2022/23 which was intended to reduce the projected outturn for 2022/23. This included certain discretionary expenditure being curtailed, the early implementation of fees and charges increases, additional controls around vacancy and agency staff, the setting up of a Children's Focus Group, and the implementation of the approved Flexible Use of Capital Receipts

Strategy. Full details of the actions approved and the impact on each Directorate were included in the Financial Recovery Plan 2022/23 report presented to Executive. The report indicated that the forecast overspend could be substantially reduced to approximately £1.6m.

9. The Council's projected year-end outturn position for 2022/23 as at Quarter Two is an overspend of £9.429m (8%) before the implementation of the Financial Recovery Plan. The split per Directorate is shown in the table below along with a comparison of the position as at Quarter One. Details of the Directorate variances are included in paragraphs 23 to 90.

Directorate	2022/23 Revised Full Year Budget £'000s	2022/23 Q2 Projected Outturn at Year End £'000s	2022/23 Projected transfer to central additional inflation contingency (to be actioned at year end when finalised) £'000s	2022/23 Q2 PROJECTED OVER (UNDER) SPEND AT YEAR END (after projected transfer to central additional inflation contingency) £'000s	2022/23 Q1 PROJECTED OVER (UNDER) SPEND AT YEAR END (after projected transfer to central additional inflation contingency) £'000s
Regeneration and Culture	2,890	3,162	0	272	182
Environment and Community Services	20,033	23,206	(2,500)	673	395
Public Health	(2,827)	(3,485)	0	(658)	(542)
Adult Social Care	43,468	46,291	(1,180)	1,643	1,595
Total - Adult Social Care and Health Integration	40,641	42,806	(1,180)	985	1,053
Education & Partnerships	1,842	1,487	0	(355)	(168)
Children's Care	44,297	52,936	(617)	8,022	7,025
Total - Children's Services	46,139	54,423	(617)	7,667	6,857
Legal and Governance Services	9,787	9,874	0	87	37
Finance	(13)	(1,166)	(24)	(1,177)	(1,176)
Central Budgets	(1,148)	(4,547)	4,321	922	1,664
Revenue Outturn	118,329	127,758	0	9,429	9,012

Note – the Q1 variances for Regeneration and Culture and Central budgets have been adjusted from that reported at Quarter One to account for the transfer of savings on the Concessionary Fares budget approved as a virement at Quarter One (£711,000), in order to provide better comparisons of the variances between Quarter One and Two (see paragraph 84 for more details).

10. The table below shows by Directorate the potential effect if the Financial Recovery plan is fully implemented as per the Executive report, and shows a revised forecast variance position for 2022/23.

Directorate	2022/23 Revised Full Year Budget	2022/23 Q2 Forecast Variance	2022/23 Recovery Plan	2022/23 Fees & charges increases from 1 November 2022	2022/23 Revised Forecast Variance
	£'000s	£'000s	£'000s	£'000s	£'000s
Regeneration and Culture	2,890	272	648	129	(505)
Environment and Community Services	20,033	673	419	132	122
Public Health	(2,827)	(658)	165	0	(823)
Adult Social Care	43,468	1,643	1,229	53	361
Education & Partnerships	1,842	(355)	0	29	(384)
Children's Care	44,297	8,022	811	1	7,210
Legal and Governance Services	9,787	87	156	23	(92)
Finance	(13)	(1,177)	225	96	(1,498)
Central Budgets *	(1,148)	922	3,240	0	(2,318)
TOTAL	118,329	9,429	6,893	463	2,073

NOTE

* Recovery Plan for Central Budgets includes £2.7m for adoption of the Flexible Use of Capital Receipts Strategy and £0.5m for vacancy and agency control which are currently shown centrally within Central Budgets, however these may at year-end be shown within Directorate budgets.

11. The above table shows that if the recovery plan is fully implemented then the projected outturn position of £9.429m as shown in the table in paragraph 9 can be reduced to approximately £2.1m. It is proposed that Directorate budgets are adjusted for the planned savings and fees and charges increases included in the Financial Recovery Plan 2022/23, and for the remainder of 2022/23 the revised budgets are used to show the revised forecast variance per Directorate in future quarterly budget monitoring reports. Virements for this have been included in Appendix One. There will be a requirement for close monitoring of progress against the Financial Recovery Plan, as any non-achievement of this will lead to increased drawdown on reserves and affect the Council's MTFP.
12. The Financial Recovery Plan 2022/23 includes 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, as approved by Full 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.
13. It is proposed that the final overspend at year-end resulting after the revenue spending controls have been implemented will be covered by Reserves, principally the Social Care Transformation Reserve. The current level of Reserves are shown in the Reserves and Provisions Section of this report (paragraphs 140 to 144) and detailed in Appendix 3.
14. The ongoing continuing financial effect of any pressures or underspends to budget will be built into future updates of the Council's MTFP.

General issues

15. 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 in paragraph 9 several 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 final 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.
16. As mentioned at Quarter One 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. No formal agreement has still yet 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.
17. 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.
18. At this stage in the absence of any formal agreement, it has been assumed in the Quarter Two 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.
19. The budget pressure caused by the effect of the 2022/23 pay award has been mitigated by savings on the amount provided for the pay award for 2021/22, and also on the money set aside for the Employers National Insurance contributions increase following the Government's decision to reverse the increased employers National Insurance contributions from November 2022. The resulting estimated pressure of approximately £1.4m is included within Central Budgets as shown in the table in paragraph 9 and in paragraph 88.

20. 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.

Progress against budget savings

21. 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.

22. As mentioned in paragraph 11 close monitoring will take place of the in-year 2022/23 budget savings proposed as part of the Financial Recovery Plan 2022/23 approved by Executive on 18 October 2022. Updates on progress against these in-year savings will be included in future quarterly budget monitoring reports.

Directorate variances

23. The detail of the variances above or below £150,000 of the agreed budget are set out below. Where appropriate, the on-going effects of variances will be considered as part of future updates of the Council's MTFP.

Regeneration and Culture

24. 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 £98,000 at year end (after increasing car parking charges in November 2022 as part of the Financial Recovery Plan) which is a marked improvement from the £266,000 net loss reported at Quarter One, and can be attributed to a significant increase in income achieved from off-street parking.

25. 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.

26. 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 final overspend for car parking in 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

27. As mentioned in paragraph 15 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 15, 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	817,900
Building Maintenance	Inflation of Materials & Contractors Pricing	100,000
Integrated Transport Unit	Inflation on Fuel & Contractors Pricing	250,000
Area Care & Central Operations	Inflation on Fuel & Materials	117,100
Waste Collection	Inflation on Fuel	113,000
Waste Disposal	Main Contract Disposal (increase of £7.36 per tonne)	292,000
Catering	Inflation on Food & Utilities	250,000
Fleet Services	Inflation on Fuel and Materials	185,000
Street Lighting	Inflation on Electricity	375,000
TOTAL DEMAND ON ADDITIONAL INFLATION CONTINGENCY BUDGET		2,500,000

28. There is a projected pressure of £467,000 (after the effects of inflation as outlined above) due to a greater number of children eligible for home to school transport and an increase in costs to transport children out of the area. This overspend has increased from the £360,000 reported at Quarter One as the demand on the service for the new academic school year has now been established. The ongoing effects of this will be considered as part of the MTFP update.
29. A shortfall in income and an overspend on expenditure within Bereavement Services is expected to result in a £263,000 pressure. As part of the Financial Recovery Plan, fees and charges have been increased by 10% as from 1st November 2022 and this should reduce the pressure to £103,000 by year end. However, even with the revised pricing structure it is not expected that the revised income target for 2022/23 will be achieved. A comprehensive review of the service will be undertaken in order to get this back on track.
30. The Supported Communities Service is expecting to produce an overall underspend totalling £175,000, mainly due to vacant posts. Further savings, including the freezing of currently vacant Street Warden posts (£85,000) and the delay in the introduction of the subsidised residents Pest Control service (£90,000) are intended to be made as part of the Council's Financial Recovery Plan 2022/23.
31. 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 total overspend on the budget.

Public Health

32. There are projected savings on Public Health budgets totalling £658,000 in 2022/23, with the majority 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.

33. As part of the Financial Recovery Plan following the Quarter One report, the Service has deleted several vacant posts, which will save approximately £150,000 by year end.

Adult Social Care

34. There are projected staff savings across the Service totalling £663,000 mainly due to staff turnover and delayed recruitment to vacancies. Similar to Children's Care (as detailed in paragraph 62 below), 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 change to how Social Workers progress through the career structure grades as a staff retention incentive. Further consideration may however need to be given to a further recruitment and retention bonus scheme to attract and retain staff.

35. In Quarters One and Two of 2022/23, there has been net growth of £1,480,000 in purchased care costs (mainly residential care) against the budget set at the start of 2022/23. Further growth of £290,000 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.

36. As mentioned in paragraph 15 the Adult Social Care Directorate has been substantially affected by hyper-inflationary increases mainly from providers of services. This is currently forecast at approximately £1.2m for 2022/23. This is lower than the £1.6m provided for as part of the £4.6m additional inflation contingency within Central budgets provided 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. It should be noted that the £1.6m will be required in full ongoing in future years.

37. The above pressure is offset by the recovery of an additional £155,000 of direct payments surpluses in excess of the budgeted target.

38. The Bed and Breakfast budget for providing temporary accommodation for the homeless within the town is forecast to be overspent by £177,000 (after maximising homelessness grants).

39. 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 overspend £1,643,000 on the Adult Social Care budget. It is predicted that this overspend will be reduced to £361,000 by year-end following the implementation of the Financial Recovery Plan.

Education & Partnerships

40. This is mainly due to a projected unbudgeted income of £498,000 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 £75,000 due to reduced income from lower take up of services than expected.

41. 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).
42. It is projected that there will be a £5.1m 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 updates will be provided in future budget monitoring reports.
43. 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.
44. 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.
45. 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.
46. DfE also expect that schools be regularly updated via the Schools Management Forum about the authority's DSG account and plans for handling it, including high needs pressures and potential savings.
47. 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 1,272 in 2021 to a predicted level of 1,659 in 2022, a 30% increase, and this is predicted to increase further in the future. This is a national issue affecting a large number of 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

48. 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 in the table in paragraph 50 report against the revised budget for Children's Care in 2022/23 following the £5.665m temporary budget increase for 2022/23.
49. As mentioned in paragraph 15 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. The variances in the table in paragraph 50 below assume the inflation will be provided for from central budgets in order to provide a real variance against budget.
50. There is a projected overspend on the total Children's Care budget at year-end of £8,022,000 as at Quarter Two (before any mitigations as part of the Financial Recovery Plan), an increase of approximately £1m from that reported 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 and a comparison to Quarter One, 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 Q2 Projected Outturn at year end (after additional inflation funding)	2022/23 Q2 PROJECTED OVER / (UNDER) SPEND AT YEAR END (after additional inflation funding)	2022/23 Q2 Variance from Q1 Position	2022/23 Q1 Projected Outturn at year end (after additional inflation funding)
	£000s	£000s	£000s	£000s	£000s	£000s	£000s
External Residential Agency Placements	8,968	(276)	8,692	12,850	4,157	(318)	4,476
Education Contributions to External Residential Agency Placements	(750)	0	(750)	(625)	125	0	125
ICB Health Contributions to External Residential Agency Placements	(1,252)	120	(1,132)	(1,392)	(260)	495	(755)
In-House Fostering	3,346	671	4,017	3,777	(240)	(203)	(37)
Independent Fostering Agency (IFA)	5,395	262	5,657	6,156	499	333	166
Adoption Services	1,282	0	1,282	1,285	2	(14)	16
Family & Friends Allowances	2,368	1,244	3,612	3,563	(49)	61	(110)
Safeguarding and Care Planning	2,969	727	3,696	5,203	1,508	604	904
Review and Development Unit	882	203	1,085	1,499	414	229	184
Referrals & Assessments	2,542	116	2,658	2,456	(201)	(167)	(34)
Children Looked After Teams	1,974	606	2,580	2,714	134	22	112
Internal Residential Service	3,861	0	3,861	4,074	213	(81)	293
Children with Disabilities service	1,516	0	1,516	1,971	455	96	359
Management and Administration	1,643	160	1,803	2,195	392	(32)	424
Improvement	0	1,832	1,832	2,856	1,024	(108)	1,132
Prevention Services	1,847	0	1,847	1,687	(159)	38	(198)
Other Resource Services	2,042	0	2,042	2,049	8	40	(32)
TOTAL	38,632	5,665	44,297	52,319	8,022	997	7,025

51. A proportion of the overspend is linked to transformation and improvement within Children's Services and as detailed in paragraph 12 it is proposed that a Flexible Use of Capital Receipts Strategy is implemented in 2022/23. It should be noted that as the amount has not yet been confirmed, the figures for Children's Care have not yet been amended for the effect of this.
52. The external residential agency placements budget is currently projected to be £4,157,000 overspent at year-end before the implementation of the Financial Recovery Plan 2022/23 savings (a decrease of £318,000 from Quarter One), mainly due to price increases within the market generally and a national shortage of available placements. Also there has been some delays in available placements which has led to placements initially being made at a higher cost whilst reduced cost long-term permanent placements are sought. The use of external residential placements is monitored on a weekly basis and if possible young people are moved to lower cost placements if it is in line with their care plan to do so. This is based on the 50 external residential placements at the end of Quarter Two (similar to Quarter One) and currently known movements in or out throughout the remainder of 2022/23.
53. The average cost per placement has increased significantly over the past 24 months due to demand across the country and a national lack of suitable placements. Requests for placements are being made multiple times with no interest being received from providers. This has led to increased costs and is a national challenge / pressure and not specific to Middlesbrough, despite Middlesbrough having one of the highest levels of demand for social care in the country. 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, which may not result in a proportional level of cost avoidance.
54. The target in the Council's MTFP is to further reduce the number of paid external residential placements to 35 by April 2024. Whilst the reduction in numbers of children in external placements is broadly on track with that as per the action plan this will require close monitoring and regular review. The significant inflationary and market pressures on average placement costs also need to be closely monitored. Any significant variations from the targets currently set in the MTFP will require the MTFP to be adjusted.
55. As mentioned 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 Integrated Care Board (ICB) 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. However, the fewer placements Middlesbrough has the lower the Education and Health contributions. 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 regard to contributions against the total Children's Care expenditure.

56. The above pressure on the external residential agency placements budget has however been partly offset by projected additional income received from the ICB of £260,000 above the revised budget for the contribution from Health towards the increased cost of placements due to the complex needs of the young people. This is however a decrease from Quarter One of £495,000, due to a complex young person moving out of residential services which has helped to reduce the overall costs of external residential care as mentioned above. Dedicated capacity has been provided to liaise with health commissioners in order to maximise health contributions.
57. The in-house fostering services budget is currently projected to be £240,000 underspent at year-end, an increase in underspend of £203,000 from that reported at Quarter One. This is due to a reduction in carers during Quarter Two, there are currently 161 placements, which is a reduction from 176 at Quarter One. The reduction is due to a concerning number of carers opting to transfer to Independent Fostering Agency (IFA) due to higher fees paid. A report is currently being prepared by the Service to propose an increase in payments to internal foster carers to bring them broadly in line with the payments received by carers from Independent Fostering agencies, in order to attempt to prevent this worrying trend continuing further. An increase in expenditure against this budget should be positive as a whole as the cost per child is less expensive than other demand budgets, and the Service are working to further increase capacity over the next few years.
58. The Independent Fostering Agency (IFA) placements budget is currently projected to be £499,000 overspent at year-end, an increase of £333,000 from the Quarter One position due mainly to the above mentioned transfer of in-house foster carers to agency. The number of placements / cases has increased to be currently at 150 (from 143 at Quarter One). This is after an increased additional temporary budget increase of £262,000 for 2022/23. Reductions in expenditure within this area are part of the MTFP strategy for Children's Services and the target is to get down to 121 places by April 2024, however as with external residential places close monitoring needs to take place with regard to inflationary pressures as well as reducing numbers.
59. There are currently 30 children in the process of being adopted, and it is currently projected that 27 Adoption Orders will be finalised in 2022/23. This may help to reduce the expenditure in Children's Care later on in the financial year.
60. The Family and Friends Allowances budget is currently projected to be £49,000 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 473 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.

61. As with at Quarter One there is a significant overspend predicted at year-end on the Safeguarding and Care Planning teams revised budget for 2022/23. This is currently predicted to be £1,508,000, an increase of £604,000 from Quarter One, this is even 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.
62. 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 team's budget. It remains a challenge to recruit and retain social workers and this is a significant regional and national challenge as well. At the request of the Department of Education the Multi-Agency Strategic Improvement Board is now receiving updates on the work to recruit and retain social workers at every one of its meetings and this work is supported by the Council's leadership 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. Leadership Management Team recently agreed a 15% market supplement, which is an improved offer from the current recruitment and retention schemes and will come into effect on 1st November 2022.
63. There is a projected overspend at year-end on the Review and Development budget of £414,000 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. This is an increase from the Quarter One pressure of £184,000. Agency staff to fill vacant posts due to challenges in recruiting are creating a pressure 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 £373,000 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.
64. The Referrals and Assessments Service is projecting a £201,000 underspend (an improved position against that forecast at Quarter One of £167,000), due to staffing vacancies caused by the inability to recruit and the managed agency teams which have been covering the work being shown under the Improvement budget.

65. The Children Looked After teams' budget is projecting an overall £134,000 overspend at year-end (a slight increase from Quarter One) 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 62, 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 increased legal costs.
66. The Internal Residential Service budget is projecting a reduced pressure of £213,000 due to challenges around recruitment, which is requiring the use of agency staff and additional overtime across the Service. The Service are currently undertaking some work to review the salaries of residential workers to support the drive to recruit them. 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.
67. The Children with Disabilities Service is projecting an overall £455,000 pressure on its budget, an increase of £96,000 from Quarter One, mainly due to continued pressures from expensive care packages of support required for young people in the Service.
68. The Management and Administration budget is projecting a slightly reduced pressure of £392,000, 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 the very high cost of two agency payments for vacant Heads of Services posts, which is offset partly by the additional budget provided of £160,000. Middlesbrough has just recently been successful in being awarded a £330,000 grant from DfE for Improvement funding which should offset part of the cost of one of these Head of Service posts and also help towards some other expenditure. There are also £272,000 of previous years savings not predicted to be fully achieved, and a £43,000 projected pressure within a variety of Strategic Services budgets.
69. The Improvement journey continues in Children's Services, and it is currently projected that there will be £2,856,000 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 £1,024,000 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.
70. Prevention Services are reporting a forecast saving of £159,000 on their budgets (a slight reduction to that at Quarter One) 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.
71. In addition to the above, there are a number of budget areas within Children's Care which have variances below £150,000, and these account for the overall £8,022,000 current projected overspend on the Children's Care budget at year-end before the

Financial Recovery Plan savings. In the Financial Recovery Plan there are £811,000 of savings planned to be made by year-end. A large majority of the planned savings in the Financial Recovery Plan are around reducing agency workers and external placements and these will be challenging targets, and therefore close monitoring will take place of progress against these, and this will be reported in future quarterly budget monitoring reports.

Legal and Governance Services

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

Finance

73. 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 £151,000. This is a decrease from the £233,000 reported at Quarter One due to a failure of a business.

74. A net surplus of £355,000 is projected relating to excess rental income above budget from tenants renting space in Centre Square Buildings 1 & 2.

75. 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 £72,000 (after capital financing costs) above that budgeted for in 2022/23. This is similar to the position as at Quarter One following a virement of £50,000 actioned to the Car Parking budget at Quarter One.

76. 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 £1,232,000. 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.

77. 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.

78. The Commercial Property Income budget is projecting a pressure of £346,000 across the portfolio. This is a significant improvement to Quarter One position due to a review of service charges to tenants. The pressure 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.

79. There are projected savings currently estimated to be £400,000 across the overall Resident and Business Support Service mainly due to the receipt of new burdens grant funding and vacant posts.
80. There is a net projected pressure of £158,000 on audit fees due to scale fee increases received for external audits of the Council's accounts up to the 2021/22 accounts. This pressure is after grant income of £46,000 being predicted to be received relating to the Redmond Review, and also a £20,000 Public Sector Audit Appointments (PSAA) Arbitration saving. External audit fees are planned to increase further in the future, mainly due to the increased complexity of the audits required, and this is a national issue for local authorities.
81. There is currently a predicted pressure of £90,000 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.
82. In addition, there are a number of budget areas within Finance which have variances below £150,000, and these account for the overall £1,177,000 projected total underspend on the Finance budget at year-end (after inflation contingency funding). It is anticipated that there will be £321,000 savings achieved by year end as part of the Financial Recovery Plan which will further increase the underspend.

Central Budgets

83. As reported at Quarter One the Capital Financing budget is projected to overspend by £120,000 due to rising interest rate costs. In light of the increasing interest rates, this is a risk to the Council, and this will be closely monitored.
84. As reported at Quarter One there is a total budget saving for 2022/23 on payments to bus operators for the concessionary travel scheme of £711,000, which has been transferred from the Regeneration Directorate into the centrally held Pay and Prices Contingency.
85. Net projected savings of £325,000 are anticipated within the General Fund budget, mainly as a result of one-off income in year from credits on Business Rates accounts for Middlesbrough Council properties.
86. As stated in paragraph 15 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 15, 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, 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.
87. It can be seen from the table in paragraph 9 that there are currently total projected costs of £4,321,000 in 2022/23 for additional inflation costs within Service Directorates.

Therefore, there is a projected pressure of £577,000 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.

88. As detailed in paragraph 19, whilst the decision to reverse the increased employers National Insurance contributions from November 2022 will produce savings, the proposed pay award for 2022/23 is currently forecast to be higher than that provided for and there is a resulting net pressure of approximately £1.4m due to these factors. This projected pressure will be shown against Central Budgets.
89. In addition to the above, there are a number of budget areas within Central budgets which have variances below £150,000, and these account for the overall £922,000 current projected overspend on the Central Budgets at year-end (after the transfer of additional inflation costs from Directorates).
90. The Financial Recovery Plan includes an estimated £2.7m for the adoption of the Flexible Use of Capital Receipts Strategy and £0.5m for vacancy and agency control which will be shown centrally within Central Budgets, however these may at year-end be shown within Directorate budgets.

Council Tax and Business Rates income

91. 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.
92. 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.
93. There is currently a growing uptake by residents of the Council Tax Reduction Scheme, and due to the current economic climate it is likely that this will increase further throughout the rest of the financial year. This will be closely monitored and the MTFP will be updated for this as appropriate.
94. Our budgeted Council Tax base includes assumptions on housing growth. If there is reduced growth in housing numbers, this will impact on income levels.
95. 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.

96. 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.
97. 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.
98. 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

99. 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 were continued into 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.
100. 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 and market supplements 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.
101. As mentioned in paragraph 8 Executive approved a Financial Recovery Plan for 2022/23. This includes the following actions to recover the position in 2022/23:
- Each Directorate was requested to identify where discretionary expenditure could be curtailed, stopping short of an in year spending freeze.
 - Additional controls around the recruitment to vacant posts and procurement of agency staff.
 - Member led focus meetings on the challenges facing Children's Services with an objective to mitigate demand and workforce challenges, concurrently assisting both the financial position and improvement journey.
 - The subsequent approval of the adoption of a Flexible Use of Capital Receipts Strategy for 2022/23 at Full Council in September 2022 to support transformation

102. Clearly the ongoing financial challenges will continue into 2023/24 and future years, and the position is currently being assessed and was reported to Members as part of a separate Medium Term Financial Plan Update report to Executive on 8 November 2022 and then to Council on 30 November 2022, and will be reported 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 Two

103. As part of the Quarter One report to Executive on 6 September 2022, Executive approved a revised capital budget for 2022/23 of £90.614m. Following a further review and the inclusion of new additional schemes, removed schemes, increases to existing schemes, and the reductions to existing schemes (as detailed in paragraphs 105 to 108), it is currently predicted at Quarter Two that the Council will spend £69.241m at year-end.

104. The revised Investment Strategy to 2024/25 is included at Appendix 2 and was approved by Executive on 8 November 2022.

105. No schemes over £150,000 are proposed to be removed from the Investment Strategy.

106. No new schemes over £150,000 have been added to the Investment Strategy.

107. The following three additions to schemes in the current Investment Strategy which have been recently approved by Executive are also to be included in the revised Investment Strategy, set out at Appendix 2 for consideration and approval:

- On 4 October 2022, Tees Valley Combined Authority (TVCA) provided the Council with official confirmation from the Department of Transport (DoT) of the City Region Sustainable Transport Settlement: Local Highway Authority Funding. The settlement provides funding details for the five financial years commencing 2022/23 to 2026/27. The Council will receive a total of £17,017,981, £3,403,596 per annum in each of the five years and is allocated as follows:
 - £1,067,795 per annum for Pothole Funding
 - £1,270,627 per annum for Highways Maintenance Formula and Incentive
 - £1,065,174 per annum for Integrated Transport Block.

The total settlement has been added to the Investment Strategy with years 2025/26 and 2026/27 included in the 2024/25 allocation until such time that the respective years are added. The relevant increases are on the following lines of the Investment Strategy:

- £5,325,870 – Local Transport Plan within Regeneration
- £11,692,110 – Local Transport Plan – Highways Maintenance within Environment & Community Services.

- £875,000 has been added to the Investment Strategy in relation to Middlesbrough Development Company (MDC). This relates directly to additional costs incurred within MDC's Boho Village scheme, but will be refunded directly to the Council through sales receipts achieved from the onward disposal of the development which has already been secured.
- In addition, on 18 December 2018, Executive approved the "Housing Delivery Vehicle (HDV) – Preferred Delivery Model" report. The report approved a funding package of up to £10,000,000, comprising of part equity and part loan to MDC. £1,000,000 of the loan has not been required to date. However, due to cost overruns within the Newbridge Court scheme, MDC now require the funds to be allocated to the company. The £1,000,000 has been sourced from pre-existing Council funds within the Affordable Housing scheme via Section 106, resulting in no additional resources being added to the Investment Strategy.

108. One scheme over £150,000 is proposed to be reduced within the revised Investment Strategy, set out at Appendix 2 for consideration and approval:

- On 1 September 2020, Executive approved the "Middlesbrough Development Company: Strategic Plan, CSI Site and Boho Village" report. The report approved capital borrowing of up to £24,000,000 for the construction of an apartment development on the former CSI site in the town centre and the Boho Village development at Middlehaven, subject to further sign off from the Council's Section 151 Officer. Subsequently, the Section 151 Officer approved and added borrowing of £9,500,000 to the Investment Strategy in relation to the CSI site scheme. It is now deemed that this scheme will not proceed and consequently the borrowing has been removed from the Investment Strategy.

109. 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 twenty two 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	2022/23	2022/23
	Investment Strategy Revised Budget (as per Q1)	Investment Strategy Projected Outturn at Q2	Investment Strategy Projected Outturn Variance at Q2
	£'000	£'000	£'000
Regeneration and Culture	60,612	43,573	(17,039)
Environment and Community Services	11,704	12,205	501
Public Health	140	285	145
Education & Partnerships	9,308	4,571	(4,737)
Children's Care	366	442	76
Adult Social Care and Health Integration	3,593	3,608	15
Legal and Governance Services	4,478	4,441	(37)
Finance	413	116	(297)
Total	90,614	69,241	(21,373)

MEMO	
New, increased & reduced Schemes / transfers	Real outturn variance excluding new, increased, & reduced schemes / transfers
£'000	£'000
(8,273)	(8,766)
2,338	(1,837)
137	8
0	(4,737)
0	76
0	15
0	(37)
(105)	(192)
(5,903)	(15,470)

Regeneration

110. Boho X – £3,600,000 of the wider funding envelope for the construction of Boho X and Boho 8 is not required for the schemes. The funding, which consists of both Council resources and grant provided by TVCA has been re-profiled into 2023/24 with the intention of reallocation to other schemes within Middlehaven and the town centre as and when required.
111. Middlehaven Projects – £500,000 of resources are also available for schemes within Middlehaven. As per the above these resources will be allocated to specifically identified schemes as and when required. These resources are not expected to be expended within this financial year and have therefore been transferred into 2022/23.
112. Brownfield Housing Fund – The programme has been suspended until a solution is provided in relation to the issue of nutrient neutrality. Consequently, £1,050,000 of assumed grant funded expenditure has been redirected into 2023/24.
113. Future High Streets Fund – £1,835,000 of grant funding intended to be spent within the financial year has been transferred into 2023/24. This is due predominantly to extended negotiations with prospective new leisure tenants at Captain Cook Shopping Precinct. Whilst the negotiations are progressing positively, the delay in the anticipated dates of lease agreements has impacted upon assumed costs associated with fit-out works within the respective units at the precinct. Other delays for associated network adaptations and cycle infrastructure have also been encountered.
114. Teesside Advanced Manufacturing Park Phase 2 – Due to increased borrowing costs, additional work is being undertaken to determine the financial viability of the scheme. This has resulted in £250,000 of planned expenditure being transferred into 2023/24.
115. Housing Growth - £240,000 of resources have been re-profiled into 2023/24. This is largely due to the Council's considerations in respect of the most appropriate solution for the onward sale of the Newham Hall site, which has resulted in the pausing of the appointment of architects and consultants.
116. Cultural Development Fund – A tender process was undertaken with regard to the appointment of an architectural company to act as lead consultant on the project. Due to the disparity of the tenders in respect of the financial elements, in order to ensure that there was comparability in terms of expectations the tender process was extended with a clarification question. The extension has created delays in planned expenditure, resulting in £543,000 being re-profiled into 2023/24.
117. Towns Fund – East Middlesbrough Community Hub – Discussions are ongoing in respect of the final design and positioning of the building. This has impacted on the amount of assumed expenditure in-year, resulting in £500,000 being transferred to 2023/24.
118. Towns Fund – As per the Towns Fund Board, an allocation of £171,000 has been provided to Middlesbrough College as a contribution towards it identifying a property within the town centre for a college presence. The college is still considering options, resulting in the grant no longer being anticipated to be required in this financial year.

This, coupled with a delay in respect of improvement works at Pallister Park has resulted in a total of £236,000 being re-profiled into 2023/24.

119. New Civic Centre Campus – Whilst all costs associated with the scheme have not been finalised, it is currently envisaged that £360,000 of funds will be available upon completion of the scheme. These funds have been transferred to 2023/24 as contingency to ensure that any future amendments to the scheme can be funded from the overall budget provided.
120. Acquisition Of Town Centre Properties - £207,000 of funds relating to the acquisition of the Cleveland Centre remain available. The intended use of these funds are for landlord works within vacant units for the attraction of tenants and the optimisation of rent achieved within the units. It is not envisaged that the funds will be required within this financial year and have therefore been reallocated to 2023/24.

Environment & Community Services

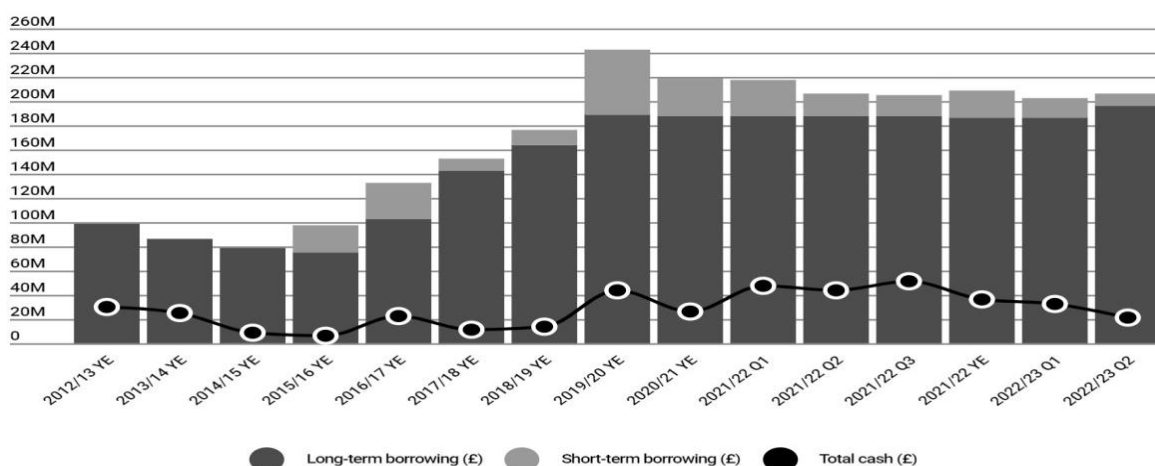
121. Purchase Of Vehicles – £200,000 of planned expenditure has been re-profiled into 2023/24, this is due to extended lead in times and therefore delays in the delivery of a number of vehicles on order.
122. Bridges & Structures (Non-Local Transport Plan) – Following the results of detailed inspections and consideration to contractor commitments, the schedule of works has been reviewed to ascertain which schemes can realistically be completed within the financial year. This has resulted in £800,000 of expenditure relating to the Newport and Marton Road schemes being transferred into 2023/24.
123. Town Hall Roof – The timing of the works has been reviewed with the decision being made to defer the commencement of the scheme until March 2024. This decision allows for the planning of events and avoids the cessation of bookings within the Town Hall, in order to minimise disruption and loss of revenue income. This has resulted in further slippage of £400,000 into 2023/24. The project is expected to be fully complete by the end of October 2024.
124. Towns Fund Ward Initiatives - Issues associated with procurement, planning permissions and the finalisation of specifications have resulted in delays in the creation of new play areas and community gardens. It has therefore been necessary to carry forward funds totalling £500,000 to 2023/24. All schemes are expected to be complete by the end of summer 2023.
125. CCTV – Due to the current volume of work within the service, the Safer Streets programme has taken priority. Additionally, two of the high rise buildings in East Middlesbrough which currently house major pieces of equipment are being demolished. The relocation of the equipment has taken precedent over the installation of new cameras. This has resulted in elements of the CCTV schemes completion being delayed. £200,000 of resources have been re-profiled into 2023/24 accordingly.
126. Property Asset Investment Programme - £474,000 of Council funds earmarked for expenditure in future years has been brought forward to 2022/23 in order to fund urgently required works, primarily at the crematorium and the Council's commercial sites.

Education & Partnerships

127. Contribution To New School at Middlehaven - The development of the Outwood Riverside school in Middlehaven has been delayed by the Department for Education (DfE) as a result of one of their contractors going into administration and unable to deliver the construction contract. As a result, the DfE have been required to go back out to tender to appoint a new preferred contractor, whilst this process is being progressing, the delay has resulted in £1,646,000 of the Council's contribution to the scheme being re-profiled into 2023/24.
128. Block Budget (Grant) School Condition Allocation – All works expected to be undertaken within the financial year have been allocated to specific schemes. £927,000 remains unallocated, this has been transferred for the funding of schemes expected to be undertaken 2023/24.
129. Block Budget (Grant) – High Needs Provision Capital Allocation – All works expected to be undertaken within the financial year have been allocated to specific schemes. £1,559,000 remains unallocated and has been transferred for the funding of schemes expected to be undertaken in 2023/24.
130. Maintained Primary Schools – Various small scale issues and delays in delivery have resulted in £166,000 being re-profiled into 2022/23
131. Special Schools – £185,000 has been reallocated to 2023/24, this is predominantly due to a delay in the relocation of the Cleveland Unit.

Borrowing & Prudential Indicators

132. The Council's total borrowing increased from £202.1m at 30 June 2022 to £205.7m at 30 September 2022. This increase of £3.6m reflects new short-term borrowing of £5.0m for cash flow purposes, the conversion of £10m of short-term borrowing into longer-term government borrowing, offset by a repayment of principal amounts on existing annuity loans held by the Council of £1.4m.
133. Cash balances started to reduce during the second quarter of 2022/23 from £32.5m at 30 June to £21.0m at 30 September. This reflects the usual trend of reduction in cash where government grants are received in advance early in each financial year and then these are utilised as time progresses. However, the cash balances are lower relative to previous Quarter Two reports and this reflects the ongoing revenue pressures evident in Children's Social Care. Cash is currently above the Council's trigger level for borrowing of £15m, but borrowing to fund the investment strategy and the use of revenue reserves will be needed in the third and fourth quarters of the year.
134. The ratio of short-term to long-term borrowing has decreased during the quarter given the repayment of £10m of the short-term loan portfolio into public works loan board long-term borrowing. This was to give an element of budget stability and certainty for the medium term. The recent rises in both bank rate and longer-term interest rates mean that deferring borrowing decisions where possible, and only taking cheaper short-term borrowing if essential, 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.



135. 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.

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

<u>Prudential Indicators - 2022/23 Quarter Two</u>		
	<u>Original Budget</u>	<u>Actual</u>
	<u>(£M)</u>	<u>(£M)</u>
Capital Expenditure	124.825	69.241
<u>Financing</u>		
External Sources	74.344	41.579
Own Resources	6.296	3.257
Debt	44.185	24.405
Capital Financing Requirement	295.865	283.324
External Debt	268.350	205.667
Investments	15.630	21.020
Capital Financing	10.466	10.587
Cost as a % of Revenue Budget	8.8%	8.9%

137. The total capital spend & level of financing has reduced by £55.6m 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.

138. The Council's total under borrowed position (external debt compared to the capital-financing requirement – or underlying need to borrow) is £77.7m, or 27.4%, at 30 September 2022. As cash balances reduce further during the 2022/23 financial year, with the level of reserves planned to be spent, plus the borrowing requirements within the Investment Strategy, between £40m - £50m of this under-borrowing will be needed to maintain the Council's overall liquidity position.

139. The amount of external debt at £205.7m and the total underlying need to borrow of £283.3m 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

140. 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	(8,613)	230	0	0	17,367
Earmarked Reserve - Dedicated Schools Grant (DSG)	(3,756)	(1,344)	0	0	0	(5,100)
School balances	4,802	0	0	0	0	4,802
Provisions	1,921	0	0	0	0	1,921
TOTAL	46,972	(11,920)	1,088	0	0	36,140

141. 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.

142. 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 and the Financial Recovery Plan

(outlined in paragraphs 99 to 102) 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. If the Financial Recovery Plan is fully implemented in 2022/23 then the projected final revenue outturn at year-end is currently projected to be £2.072m as shown in the table in paragraph 10, and this will mean that the balance on the Social Care Transformation reserve at year-end will be reduced to approximately £3m.

143. As noted earlier, any reduction in Reserves balances will have a negative effect on the current MTFP and the current position was reported to Executive on 8 November 2022 and then to Council on 30 November 2022 as part of the Medium Term Financial Plan Update, and a further update will be provided as part of the budget strategy for 2023/24 to Executive and Council.

144. 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 that there is a projected 2022/23 revenue budget year-end outturn as at Quarter Two of a £9.429m overspend.
- Notes that if the Financial Recovery Plan 2022/23 as approved by Executive on 18 October 2022 is fully implemented, then the forecast overspend can potentially be reduced to approximately £2.1m.
- Notes the management action being taken to address the shortfall and to improve this position further, wherever possible, in order to mitigate the risk on reserves.
- Notes the proposed implementation of a Flexible Use of Capital Receipts Strategy for 2022/23 to fund transformation costs, in particular in Children's Services, as approved by Full Council on 7 September 2022.
- Notes that the current projected outturn and any non-implementation of the approved Financial Recovery Plan 2022/23 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 was reported in a separate report to Executive on 8 November 2022 and then to Council on 30 November 2022 as part of the Medium Term Financial Plan Update, and then will be reported 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 £69.241m as at Quarter Two against a revised capital budget of £90.614m, and the revised Investment Strategy to 2024/25 at Appendix 2.

Rationale for the recommended decision(s)

145. 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

146. Not applicable.

Impact(s) of the recommended decision(s)

Legal

147. Not applicable.

Strategic priorities and risks

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

149. Any impact on the Council's Strategic Plan will be reported as part of the Corporate Performance Update: Quarter Two 2022/23 report to this Overview and Scrutiny Board.

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

Human Rights, Equality and Data Protection

151. 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.

152. The Financial Recovery Plan 2022/23 report to Executive on 18 October 2022 included that the financial recovery plan does not create policy change for service users, clients, and customers. The proposed Fees and Charges increases included in the Plan also do not result in disproportionate adverse impact on groups or individuals because they hold one or more protected characteristics.

Financial

153. The Council's revenue year-end outturn position for 2022/23 is currently projected to be an overspend of £9.429m.

154. If the Financial Recovery Plan 2022/23 as approved by Executive on 18 October 2022 is fully implemented, then the forecast overspend can potentially be reduced to approximately £2.1m.

155. As mentioned in paragraph 8 within the Financial Recovery Plan 2022/23, the Council's financial position will potentially be improved by the proposed implementation of a Flexible Use of Capital Receipts Strategy in 2022/23 to fund transformation costs across the Council, particularly within Children's Services, as approved by Full Council on 7 September 2022.

156. It should be noted that the current projected outturn and any non-implementation of the approved Financial Recovery Plan 2022/23 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 current position was reported in a separate report to Executive on 8 November 2022 and then to Council on 30 November 2022 as part of the Medium Term Financial Plan updates, and then will be reported 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.

157. The 2022/23 capital budget predicted year-end outturn as at Quarter Two is £69.241m. Following approval by Executive on 8 November 2022 the revised Investment Strategy budget for 2022/23 is 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 and in the Financial Recovery Plan 2022/23 approved by Executive on 18/10/22, 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

Appendices

1	Revenue budget virements above £150,000 at Quarter Two 2022/23
2	Revised Investment Strategy to 2024/25
3	Detail of projected reserves and provisions as at Quarter Two 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
Executive	Refreshing the Strategic Plan workplan for the 2022-24 period	5/4/22
Executive	Revenue and Capital Budget – Projected Outturn position as at Quarter One 2022/23	6/9/22
Council	Flexible Use of Capital Receipts Strategy 2022/23	7/9/22
Executive	Financial Recovery Plan 2022/23	18/10/22
Executive	Revenue and Capital Budget – Projected Outturn position as at Quarter Two 2022/23	8/11/22
Executive	Medium Term Financial Plan Update and Budget Savings Proposals 2023/24	8/11/22
Council	Medium Term Financial Plan Update and Budget Savings Proposals 2023/24	30/11/22

Contact: Andrew Humble, Head of Financial Planning & Support
(Deputy S151 Officer)

Email: andrew_humble@middlesbrough.gov.uk

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

<i>Proposed Virement Request</i>	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
<i>Permanent</i>									
<i>Temporary</i>									
Financial Recovery Plan savings 2022/23 (as per Executive report 18/10/22)	(648)	(419)	(165)	0	(811)	(1,229)	(156)	(225)	3,653
Early implementation of fees and charges increases as part of Financial Recovery Plan 2022/23 (as per Executive report 18/10/22)	(129)	(132)	0	(29)	(1)	(53)	(23)	(96)	463
<i>Total Virement</i>	(777)	(551)	(165)	(29)	(812)	(1,282)	(179)	(321)	4,116
								Total:	0

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Appendix 2: Revised Investment Strategy to 2024/25

	Total Funding Required					Council Funding £'000	External Funding £'000
	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	TOTAL £'000		
Regeneration & Culture							
Town Centre Related Projects	1,250	854	1,142	-	3,246	2,285	961
Middlehaven Related Projects	73	7	500	-	580	563	17
Housing Growth	176	206	3,286	-	3,668	3,668	-
BOHO X	7,345	12,890	3,600	-	23,835	1,362	22,473
BOHO 8	13	21	-	-	34	-	34
Brownfield Housing Fund	1,542	339	6,041	-	7,922	-	7,922
Towns Fund	1,030	2,369	10,453	4,967	18,819	-	18,819
Towns Fund - East Middlesbrough Community Hub	113	126	2,861	-	3,100	2,600	500
Future High Streets Fund	669	5,639	7,617	-	13,925	37	13,888
Acquisition of Town Centre Properties	12,829	-	1,207	-	14,036	14,036	-
New Civic Centre Campus	1,245	5,408	360	-	7,013	7,013	-
Middlesbrough Development Company	5,349	10,356	975	-	16,680	10,259	6,421
Teesside Advanced Manufacturing Park	1,179	15	-	-	1,194	1,194	-
Teesside Advanced Manufacturing Park - Phase 2	-	-	8,820	-	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	20	80	40	160	160	-
Affordable Housing Via Section 106	-	-	1,156	-	1,156	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	-	89	100	-	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	995	2,071	3,195	7,315	15	7,300
Town Hall Venue Development	48	-	-	-	48	48	-
Cultural Transformation	13	-	-	-	13	13	-
Theatre Winches / Lifts	13	24	-	-	37	37	-
Dorman Museum	17	-	-	-	17	17	-
Contribution To Public Arts Projects	23	-	-	-	23	23	-
Public Art Work	34	-	-	-	34	34	-
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	53	120	-	250	250	-
Archives Relocation	233	118	10	-	361	117	244
Capitalisation Of Transformation Expenditure (via Flexible Use of Capital Receipts)	11	-	-	-	11	11	-
Cultural Development Fund - Enhancements To Central Library & Partner Organisations	-	242	2,992	1,124	4,358	-	4,358
Total Regeneration & Culture	35,668	43,573	56,374	10,656	146,271	56,396	89,875

	Total Funding Required					Council Funding £'000	External Funding £'000
	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	TOTAL £'000		
Environment & Community Services							
Purchase of New Vehicles	990	740	1,400	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	2,521	2,338	7,016	15,176	-	15,176
Street Lighting-Maintenance	648	465	468	468	2,049	2,049	-
Urban Traffic Management Control	54	137	100	-	291	-	291
Flood Prevention	67	23	-	-	90	67	23
Members Small Schemes	38	161	60	60	319	319	-
Property Asset Investment Strategy	1,236	1,941	160	621	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	1,085	800	-	2,026	2,026	-
Henry Street	47	17	-	-	64	-	64
CCTV	31	169	200	-	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	-	100	-	2,900	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	-	605	1,365	-	1,970	1,970	-
Cargo Fleet Nature Reserve	6	94	-	-	100	-	100
Towns Fund Ward Initiatives	-	278	500	-	778	-	778
Traffic Signals -Teess 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	-	90	-	-	90	10	80
Highways Infrastructure	-	2,000	6,500	6,500	15,000	15,000	-
Total Environment & Community Services	10,140	12,205	16,996	19,835	59,176	41,644	17,532

	Total Funding Required					Council	External
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	2021/22	2022/23	2023/24	2024/25	TOTAL
	£'000	£'000	£'000	£'000	£'000
Public Health					
Health & Wellbeing Hub	-	-	679	-	679
Relocation of the Safe Haven to Middlesbrough Bus station	-	285	-	-	285
Total Public Health	-	285	679	-	964

Funding	Funding
£'000	£'000
679	-
154	131
833	131

	Total Funding Required				
	2021/22	2022/23	2023/24	2024/25	TOTAL
	£'000	£'000	£'000	£'000	£'000
Education & Partnerships					
Block Budget (Grant) Devolved Formula Capital - Various Schools	-	138	-	-	138
Block Budget (Grant) S106 Avant Low Gill	-	-	35	-	35
Block Budget (Grant) School Condition Allocation	-	-	541	-	541
Block Budget (Grant) Basic Needs	-	-	93	4,641	4,734
Block Budget (Grant) Special Provision Capital Fund	-	58	-	-	58
Block Budget (Grant) High Needs Provision Capital Allocation (HNPCA)	-	-	1,139	-	1,139
Schemes in Maintained Primary Schools	1,005	1,263	409	60	2,737
Schemes In Primary Academies	138	21	633	-	792
Schemes In Secondary Academies	(81)	2,006	414	-	2,339
Schemes In Special Schools	144	879	1,516	5,400	7,939
Capitalisation Of Salary Costs	103	106	111	-	320
Contribution to New School at Middlehaven	54	-	500	1,146	1,700
Block Budget (Grant) EFA Early Years 2 Year olds Entitlement (Trajectory Project)	-	-	7	-	7
Special Education Needs Projects	-	100	549	50	699
Total Education & Partnerships	1,363	4,571	5,947	11,297	23,178

Council Funding	External Funding
£'000	£'000
-	138
-	35
-	541
-	4,734
-	58
-	1,139
1,005	1,732
13	779
-	2,339
216	7,723
-	320
700	1,000
-	7
-	699
1,934	21,244

	Total Funding Required				
	2021/22	2022/23	2023/24	2024/25	TOTAL
	£'000	£'000	£'000	£'000	£'000
Children's Care					
Edge Of Care Project (Hub)	15	-	-	-	15
Rosecroft renovations	173	6	-	-	179
34 Marton Avenue, Fir Tree - Garage Conversion	246	23	5	-	274
Contact Centre - Bus Station Unit 1	76	221	30	-	327
Bathroom Refurbishment	18	3	-	-	21
Holly Lodge Sensory Room	-	100	-	-	100
Capitalisation Of Transformation Expenditure (via Flexible Use of Capital Receipts)	4,217	-	-	-	4,217
Fir Tree Refurbishment	-	39	-	-	39
Caravan Purchase	-	50	-	-	50
Total Children's Care	4,745	442	35	-	5,222

Council Funding	External Funding
£'000	£'000
15	-
179	-
274	-
327	-
21	-
22	78
4,217	-
39	-
50	-
5,144	78

	Total Funding Required				
	2021/22	2022/23	2023/24	2024/25	TOTAL
	£'000	£'000	£'000	£'000	£'000
Adult Social Care & Health Integration					
Chronically Sick & Disabled Persons Act - All schemes	618	960	711	610	2,899
Disabled Facilities Grant - All schemes	1,735	2,446	1,318	-	5,499
Capitalisation of Staying Put Salaries	50	50	50	50	200
Home Loans Partnership (formerly 5 Lamps)	23	5	55	-	83
Small Schemes	-	30	-	-	30
Connect/Telecare IP Digital Switchover	75	117	-	-	192
Total Adult Social Care & Health Integration	2,501	3,608	2,134	660	8,903

Council Funding	External Funding
£'000	£'000
2,602	297
4	5,495
200	-
-	83
-	30
138	54
2,944	5,959

	Total Funding Required				
	2021/22	2022/23	2023/24	2024/25	TOTAL
	£'000	£'000	£'000	£'000	£'000
Legal & Governance Services					
Desktop Strategy / Device Refresh	366	472	-	-	838
Enterprise Agreements	587	954	-	-	1,541
CRM	31	42	-	-	73
IT Refresh - Network Refresh	69	379	-	-	448
IT Refresh - Lights On	338	425	-	-	763
ICT Essential Refresh & Licensing	270	1,483	1,865	2,185	5,803
ICT Innovation Budget	12	-	-	-	12
GIS Replacement	36	43	-	-	79
Prevention & Partnership Tablets	3	67	-	-	70
Sharepoint	-	541	-	-	541
HR Recruitment	-	35	-	-	35
HR Pay	-	-	37	-	37
Capitalisation Of Transformation Expenditure (via Flexible Use of Capital Receipts)	526	-	-	-	526
Total Legal & Governance Services	2,238	4,441	1,902	2,185	10,766

Council Funding	External Funding
£'000	£'000
838	-
1,541	-
73	-
448	-
763	-
5,803	-
12	-
79	-
70	-
541	-
35	-
37	-
526	-
10,766	-

	Total Funding Required				
	2021/22	2022/23	2023/24	2024/25	TOTAL
	£'000	£'000	£'000	£'000	£'000
Finance					
Former Partnership Investment (ICT Infrastructure Revenues & Benefits)	130	20	247	-	397
Business World Upgrade	8	27	-	-	35
Derisking Sites	97	69	1,400	900	2,466
Capitalisation of Property Finance Lease Arrangements	-	-	3,500	1,000	4,500
White Feather Project North Ormesby	9	-	-	-	9
Total Finance	244	116	5,147	1,900	7,407

Council Funding	External Funding
£'000	£'000
397	-
35	-
2,466	-
4,500	-
9	-
7,407	-

	Total Funding Required				
	2021/22	2022/23	2023/24	2024/25	TOTAL
	£'000	£'000	£'000	£'000	£'000
ALL DIRECTORATES					
Total ALL DIRECTORATES	56,899	69,241	89,214	46,533	261,887

Council Funding	External Funding
£'000	£'000
127,068	134,819

	Total Funding				

Council	External

	2021/22	2022/23	2023/24	2024/25	TOTAL
FUNDED BY:	£'000	£'000	£'000	£'000	£'000
Borrowing	22,596	24,405	32,906	13,685	93,592
Finance Leases	-	-	3,500	1,000	4,500
Capital Receipts	13,482	2,700	7,362	4,695	28,239
Grants	18,715	38,638	41,009	26,365	124,727
Contributions	2,085	2,941	4,283	783	10,092
Revenue Resources	21	557	154	5	737
Funding from Reserves	-	-	-	-	-
Total FUNDING	56,899	69,241	89,214	46,533	261,887

Funding	Funding
£'000	£'000
93,592	-
4,500	-
28,239	-
-	124,727
-	10,092
737	-
-	-
127,068	134,819

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Appendix 3: Detail of projected reserves and provisions as at Quarter Two 2022/23

Reserves and Provisions 2022/23	Opening Balance £000's	Proposed Use in Year £000's	Additional Contributions £000's	Transfers between reserves £000's	Transfers from / (to) General Fund £000's	Projected Balance at Year-End £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	(773)				757
Business Rates Deficit Reserve -S31 Grant re. 21/22	6,617	(6,617)				0
Business Rates Risk Reserve	1,877					1,877
Business Rates Relief Reserve	49					49
Change Fund	174	(404)	230			0
Insurance Fund (MBC)	116					116
CCC Insurance Fund	0					0
Insurance Fund (Fire)	0					0
School Achievement Reserve	0					0
Car Parking Pressures Reserve	782	(266)				516
Other Reserves & Provisions	13,937					13,937
Earmarked Reserves	25,750	(8,613)	230	0	0	17,367
Earmarked Reserve - Dedicated Schools Grant (DSG) Reserve	(3,756)	(1,344)				(5,100)
School balances	4,802					4,802
Provisions	1,921				0	1,921
TOTAL	46,972	(11,920)	1,088	0	0	36,140

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 and Financial Recovery Plan 2022/23, outlined in paragraphs 99 to 102, 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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MIDDLESBROUGH COUNCIL



Report of:	The Elected Mayor of Middlesbrough; Chief Executive
Submitted to:	Overview and Scrutiny Board
Date:	13 December 2022
Title:	Corporate Performance Update: Quarter Two 2022/23
Report for:	Information
Status:	Public
Strategic priority:	All
Key decision:	No
Why:	Report is for information only
Urgent:	No
Why:	Not applicable

Executive summary

This report advises OSB of corporate performance at the end of Quarter Two 2022/23, providing the necessary information to enable the Board to discharge its overview functions.

The report also asks that the Overview and Scrutiny Board:

- notes progress of delivery of the Strategic Plan 2022-24 at Quarter Two 2022/23, detailed in Appendix 1
- notes the impact of proposed / approved in-year savings as part of the Financial Recovery Plan 2022/23 on the Strategic Plan workplan, detailed in Appendix 2
- notes the Council's updated position in relation to Strategic Risk, at Quarter Two 2022/23, with heatmaps detailed in Appendix 3
- notes progress of the 2022/23 Directorate Priorities at Quarter Two 2022/23, detailed in Appendix 4

Purpose

1. This report advises OSB of corporate performance at the end of Quarter Two 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 are presented separately to this meeting of 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 Two

7. The Council's performance overall at Quarter Two saw a slight dip in performance, with progress towards expected performance standards as set out in the Council's risk appetite, achieved in three out of five performance disciplines.
8. Significant work has taken place to address the projected 2022/23 overspend position and to provide for a balanced budget in 2023/24. The outcome of this work will likely impact on some of the current Strategic Plan workplan initiatives, previously approved by Executive and has a result, impacted on performance monitoring outcomes in Quarter Two 2022/23, as referenced in paragraph 21 of this report and detailed in Appendix 2.

Progress in delivering Executive actions

9. 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.
10. At the end of Quarter Two 2022/23, 80 of 97 live actions (82%) were reported as on target to be delivered by the agreed timescales, worsened from the reported position at Quarter One and below the 90% standard of achievement of actions.

11. With no amendments for Executive approval proposed, it is assumed that overall, Executive actions will be achieved within their approved timescales.

Progress in delivering the Strategic Plan 2022-24

- 12. At the 23 February 2022 meeting, Council was advised that an annual refresh for the Strategic Plan 2021-24 would not be brought forward and that as such the Strategic Plan would remain in place for 2022/23, to ensure that the Council has sufficient time to consider implications of national and potential forthcoming local changes on its strategic direction.
- 13. 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.
- 14. 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.
- 15. 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

- 16. 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.
- 17. This will be addressed in the next annual refresh of the Strategic Plan to ensure demonstrable impact and effective reporting against Strategic Plan outcomes measures.
- 18. On that basis, reporting of Strategic Plan 2022-24 outcome measures will be deferred to the Year End 2022/23 Corporate Performance Update.

Workplan

19. At Quarter Two 2022/23, performance against the Strategic Plan workplan was as set out below, exceeding the corporate target of 90% with 98.4% (62 of 63) of initiatives on track.

Status	Q2 2022/23 position	Q1 2022/23 position	Expected standard	Standard achieved	Trend
COMPLETED	1.6%	0%	90%	Yes	

GREEN	96.8%	100%			↓
AMBER	0%	0%	N/A	N/A	N/A
RED	1.6%	0%	N/A	N/A	↓

20. The Red / off-track workplan initiative (*PEN05: Neighbourhood and town wide front garden competitions*) reported at the end of Quarter Two, will see a change control request for Executive approval, submitted in the Quarter Three corporate performance report.

21. Delivery of the Strategic Plan workplan will be further impacted following approval of the Financial Recovery Plan 2022/23 at a meeting of the Executive on 18 October 2022. The report details in-year savings proposals to address the forecasted overspend for 2022/23 of approximately £9m - as reported in the Quarter One outturn position. The effect of the in-year Recovery Plan on the Strategic Plan workplan is categorised by impacted, delayed and / or removed workplan activities, as outlined in Appendix 2 of this report.

Strategic Risk Register

22. 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.

23. 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. The heat maps below demonstrate the number of risks that contribute to those overall strategic risks.

24. Corporate performance reports advise on trend information and reasons for changes to those heat map positions, providing an overview of risk movement within the organisation and the narrative / context for such movement.

25. Appendix 3 sets out the movement of risks, split by risk category alongside a Quarter One comparison.

26. During Quarter Two rationalisation of risks continued, with risks meeting target and / or completed, removed from the register. It is anticipated that there will be a further rationalisation of risks during Quarter three. Significant changes to risk during Quarter Two to note, are as follows:

- The likelihood of Middlesbrough being disproportionately affected by low economic growth was increased in response to rising inflation and cost of living concerns.
- Risks around the Centre Square development was reduced further, following successful delivery of occupancy targets.
- The likelihood of the risk that there will be insufficient school places for Year 7 pupils in 2023/24 and 2024/25 has increased in likelihood following a Department

for Education decision to delay the expected completion date of the new secondary school to 2025.

Progress in delivering Directorate Priorities 2022/23

27. Each year, Directorates set and are accountable for a set of Directorate-specific actions 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.

28. At Quarter Two 2022/23, 91% (89 of 98) of Directorate Priorities are on-track or completed; above the expected standard of 90% though with a slight dip against reported position at Quarter One.

Status	Q2 2022/23 position	Q1 2022/23 position	Expected standard	Standard achieved	Trend
COMPLETED	6%	0%	90%	Yes	↓
GREEN	85%	100%			
AMBER	0%	0%	N/A	N/A	-
RED	9%	0%	N/A	N/A	↓

Progress in delivering Programmes and Projects

29. The Council maintains a portfolio of programmes and projects in support of achievement of the Council's strategic and directorate priorities. At Quarter Two 2022/23, 91% (28 out of 31) of the programmes / projects were on-track to deliver against project time, cost, scope and benefits, remaining above the expected combined standard of 90%.

Status	Q2 2022/23 position	Q1 2022/23 position	Expected standard	Standard achieved	Trend
COMPLETED	0%	0%	90%	Yes	↓
GREEN	81%	77%			
AMBER	10%	20%	N/A	N/A	↑
RED	10%	3%	N/A	N/A	↓

Progress in other corporate performance matters

30. In addition to the above performance and risk issues, LMT reviews a range of other performance measures on a monthly basis, including compliance with agreed actions from internal audits, responsiveness to statutory information requests, information security incidents and complaints.

31. At Quarter Two 2022/23, the key points of note in matters of compliance, were:

- Complaints dealt with within timescales remains at 83%.
- Freedom of Information Requests (FOI) and Environment Information Requests (EIR) responded to within statutory timescales improved, increased from 80% to 86.9%.
- Overdue Subject Access Requests reduced further.

What decision(s) are being recommended?

32. That the Overview and Scrutiny Board:

- notes progress of delivery of the Strategic Plan 2022-24 at Quarter Two 2022/23, detailed in Appendix 1
- notes the impact of proposed / approved in-year savings as part of the Financial Recovery Plan 2022/23 on the Strategic Plan workplan, detailed in Appendix 2
- notes the Council's updated position in relation to Strategic Risk, at Quarter Two 2022/23, with heatmaps detailed in Appendix 3
- notes progress of the 2022/23 Directorate Priorities at Quarter Two 2022/23, detailed in Appendix 4

Rationale for the recommended decision(s)

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

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

34. Not applicable.

Impact(s) of the recommended decision(s)

Legal

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

Strategic priorities and risks

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

Human Rights, Equality and Data Protection

37. 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

38. Any financial implications relating to issues set out in this report, are summarised in the Revenue and Capital Budget – Quarter Two Outturn Position 2022/23 report, also considered by OSB at its meeting of 13 December 2022.

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

Action	Responsible Officer	Deadline
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Impact of Financial Recovery 2022/23 on Strategic Plan 2022-24 workplan to be implemented on associated performance systems	Strategy Delivery Manager	28/10/2022
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Appendices

1	Strategic Plan Workplan: progress at Quarter Two 2022/23
2	Strategic Plan Workplan: Financial Recovery Plan 2022/23 impact
3	Strategic Risk at Quarter Two 2022/23
4	Directorate Priorities 2022/23: progress at Quarter Two 2022/23

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
Executive	Corporate Performance Results: Quarter One 2022/23	06/09/22
Executive	Financial Recovery Plan 2022/23	18/10/22

Contact: Gemma Cooper, Strategic Delivery Manager

Email: gemma_cooper@middlesbrough.gov.uk

Appendix 1: Strategic Plan Workplan; Progress at Quarter Two 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	Q2 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	Q2 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	Q2 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	Q2 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	Q2 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	Q2 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	Q2 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	Q2 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	Q2 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	Q2 2022/23 position
Increased ticket sales and attendance of events through effective marketing		
Complete improvements to Teesaurus Park		
Create three new annual events in 2022 as per existing approvals		
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		
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	Q2 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 2: Strategic Plan workplan; Financial Recovery Plan 2022/23 impact

Strategic Plan workplan initiative	Impact on Strategic Plan workplan for 2022/23
Children and Young People	
Expand the current model for youth provision in areas that suffer high levels of deprivation	A delay to the expansion of Youth Provision services.
Evidence that Middlesbrough Council listens to children's voices	Deletion of two participation posts will see limited capacity to work with children and young people to gather and address views.
Vulnerability	
Deliver and extend the 50 Futures programme	Milestone plan to be revised to address likely reluctance to provide placements during potential redundancy consultation.
Implement and extend locality working	Removal of vacant post for dedicated locality working officer in Hemlington.
Crime and Anti-Social Behaviour	
Support the police and hold them to account for each neighbourhood	Maintaining 5 vacant existing Street Warden posts will reduce the ability to support police operations.
More environmental action and punishment for fly tipping	Maintaining 5 vacant existing Street Warden posts will see a reduction in incident reporting of fly-tipping.
Increased enforcement against problem properties / streets / gardens in disrepair	Milestone plan to be revised to reference reliance on Neighbourhood Safety Team during potential redundancy consultation.
Climate Change	
Middlesbrough hosts inaugural climate conference	Climate Conference did not take place as planned.

COVID19 Response and Recovery	
Delivery of the Council's COVID19 Recovery Plan to enable individuals, families, communities, and business across Middlesbrough achieve a proper level of functioning	Milestone plan to be revised to reference in-year spending restrictions and reliance on existing services and teams, during potential redundancy consultation.
Ensure effective Council response to immediate issues of COVID19 impacting upon individuals, families, communities, and business	Milestone plan to be revised to reference in-year spending restrictions and reliance on existing services and teams, during potential redundancy consultation.
Physical Environment	
Improve our Highways	Reduced investment will see 20% less priority Red / Amber carriageways improvements.
Creation of Tree Maintenance Squad and ongoing maintenance work programme	Delay to creation of Tree Maintenance Squad and ongoing maintenance programme.
Creation of a subsidised Pest Control service	Delay to creation of a subsidised Pest Control service.
Town Centre	
Complete town-wide lighting scheme	Additional areas to be lighted will now not progress.
Culture	
Increased ticket sales and attendances of events through effective marketing	In-year spending restrictions will limit ability to promote some community-based activities and events.
Create three new annual events in 2022 as per existing approvals	In-year spending restrictions will see only pre-agreed in-year events taking place.
Increase tickets sales at Town Hall performances	In-year spending restrictions will limit the ability to promote some activities and shows, specifically community-based
Quality of Service	
Market a small local grant programme	Removal of local grants offered to community groups up to the overall value in total of £20k.

Appendix 3: Strategic Risk at Quarter Two 2022/23

	Quarter One					Quarter Two				
Failure to achieve a balanced budget	Likelihood					Likelihood				
	1	2	3	4	5	1	2	3	4	5
Failure to comply with the law	Impact					Impact				
	1	2	3	4	5	1	2	3	4	5
Failure to achieve good governance	Likelihood					Likelihood				
	1	2	3	4	5	1	2	3	4	5
Failure to deliver Strategic and Directorate plans	Impact					Impact				
	1	2	3	4	5	1	2	3	4	5
Failure of partnership agreements	Likelihood					Likelihood				
	1	2	3	4	5	1	2	3	4	5
	Impact					Impact				
	1	2	3	4	5	1	2	3	4	5

Appendix 4: Directorate Priorities 2022/23; Progress at Quarter Two 2022/23

Environment and Community Services

Priority	Q1 2022/23 position	Q2 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	Q2 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.		
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.		

Priority	Q1 2022/23 position	Q2 2022/23 position
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	Q2 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.		
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.		

Priority	Q1 2022/23 position	Q2 2022/23 position
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	Q2 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.		
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	Q2 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.	Green	Green
Publish a revised Pharmaceutical Needs Assessment for South Tees.	Green	Green
Publish the Director of Public Health's Annual Report.	Green	Green
Develop the Public Health workforce plan.	Green	Red
Recruit to shared Public Health Consultant roles with NHS and Teesside University.	Green	Red
Develop robust plans to deliver the Holiday Activity Fund, building on the learning from 2021.	Green	Blue
Pilot the use of the health inequalities assessment tool on policies and business cases in at least five key areas across Council.	Green	Green
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.	Green	Green
Complete the action plan for the Health and Happiness strand of the Green Strategy.	Green	Green
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.	Green	Green
Complete the health protection assurance report.	Green	Green
Develop and deliver an improved offer of support for addiction recovery through employment, housing and social / community re-integration.	Green	Green
Embed corporate values within the Directorate and make staff feel more valued.	Green	Green
Improve staff communication within the Directorate so that staff feel more engaged and understand organisational priorities.	Green	Blue

Children's Services

Priority	Q1 2022/23 position	Q2 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.	Green	Red
Develop and deliver a workforce strategy to support a stable, skilled and focussed leadership at all levels and stable, permanent, skilled frontline workforce.	Green	Red
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.	Green	Green

Priority	Q1 2022/23 position	Q2 2022/23 position
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	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.		

Priority	Q1 2022/23 position	Q2 2022/23 position
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.		

Appendix 1: Strategic Plan Workplan; Progress at Quarter Two 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	Q2 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	Q2 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	Q2 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	Q2 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	Q2 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	Q2 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	Q2 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	Q2 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	Q2 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	Q2 2022/23 position
Increased ticket sales and attendance of events through effective marketing		
Complete improvements to Teesaurus Park		
Create three new annual events in 2022 as per existing approvals		
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		
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	Q2 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 2: Strategic Plan workplan; Financial Recovery Plan 2022/23 impact

Strategic Plan workplan initiative	Impact on Strategic Plan workplan for 2022/23
Children and Young People	
Expand the current model for youth provision in areas that suffer high levels of deprivation	A delay to the expansion of Youth Provision services.
Evidence that Middlesbrough Council listens to children's voices	Deletion of two participation posts will see limited capacity to work with children and young people to gather and address views.
Vulnerability	
Deliver and extend the 50 Futures programme	<i>Limited</i> . Milestone plan to be revised to address likely reluctance to provide placements during potential redundancy consultation.
Implement and extend locality working	Removal of vacant post for dedicated locality working officer in Hemlington.
Crime and Anti-Social Behaviour	
Support the police and hold them to account for each neighbourhood	Maintaining 5 vacant existing Street Warden posts will reduce the ability to support police operations.
More environmental action and punishment for fly tipping	Maintaining 5 vacant existing Street Warden posts will see a reduction in incident reporting of fly-tipping.
Increased enforcement against problem properties / streets / gardens in disrepair	Milestone plan to be revised to reference reliance on Neighbourhood Safety Team during potential redundancy consultation.
Climate Change	
Middlesbrough hosts inaugural climate conference	Climate Conference did not take place as planned.

COVID19 Response and Recovery	
Delivery of the Council's COVID19 Recovery Plan to enable individuals, families, communities, and business across Middlesbrough achieve a proper level of functioning	Milestone plan to be revised to reference in-year spending restrictions and reliance on existing services and teams, during potential redundancy consultation.
Ensure effective Council response to immediate issues of COVID19 impacting upon individuals, families, communities, and business	<i>Limited.</i> Milestone plan to be revised to reference in-year spending restrictions and reliance on existing services and teams, during potential redundancy consultation.
Physical Environment	
Improve our Highways	Reduced investment will see 20% less priority Red / Amber carriageways improvements.
Creation of Tree Maintenance Squad and ongoing maintenance work programme	Delay to creation of Tree Maintenance Squad and ongoing maintenance programme.
Creation of a subsidised Pest Control service	Delay to creation of a subsidised Pest Control service.
Town Centre	
Complete town-wide lighting scheme	Additional areas to be lighted will now not progress.
Culture	
Increased ticket sales and attendances of events through effective marketing	<i>Limited.</i> In-year spending restrictions will limit ability to promote some community-based activities and events.
Create three new annual events in 2022 as per existing approvals	In-year spending restrictions will see only pre-agreed in-year events taking place.
Increase tickets sales at Town Hall performances	<i>Limited.</i> In-year spending restrictions will limit the ability to promote some activities and shows, specifically community-based
Quality of Service	
Market a small local grant programme	Removal of local grants offered to community groups up to the overall value in total of £20k.

Appendix 3: Strategic Risk at Quarter Two 2022/23

	Quarter One					Quarter Two				
Failure to achieve a balanced budget	Likelihood					Likelihood				
	1	2	3	4	5	1	2	3	4	5
Failure to comply with the law	Impact					Impact				
	1	2	3	4	5	1	2	3	4	5
Failure to achieve good governance	Likelihood					Likelihood				
	1	2	3	4	5	1	2	3	4	5
Failure to deliver Strategic and Directorate plans	Impact					Impact				
	1	2	3	4	5	1	2	3	4	5
Failure of partnership agreements	Likelihood					Likelihood				
	1	2	3	4	5	1	2	3	4	5
	Impact					Impact				
	1	2	3	4	5	1	2	3	4	5

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Appendix 4: Directorate Priorities 2022/23; Progress at Quarter Two 2022/23

Environment and Community Services

Priority	Q1 2022/23 position	Q2 2022/23 position
Review and deliver the Community Safety Strategy to reduce crime and anti-social behaviour across Middlesbrough	Green	Green
Complete works on Column 22b.	Green	Green
Complete inspections of bridges and structures and implement resulting works where appropriate.	Green	Green
Determine the future operational status of the Transporter Bridge and secure appropriate investment.	Green	Red
Secure additional Capital funding to improve the condition of the Council's operational and commercial built asset portfolio	Green	Green
Review the Asset Management Framework for Middlesbrough.	Green	Green
Seek funding to improve the A66 through Middlesbrough.	Green	Green
Implement Year Two actions of the Council's Green Strategy.	Green	Green
Embed corporate values within the Directorate and make staff feel more valued.	Green	Green
Improve staff communication within the Directorate so that staff feel more engaged and understand organisational priorities.	Green	Green

Regeneration and Culture

Priority	Q1 2022/23 position	Q2 2022/23 position
Commence programme of investment in Middlesbrough Rail Station and the areas around it.	Green	Green
Complete relocation of Teesside Archives.	Green	Blue
Development of central Middlehaven for commercial space (Boho X), housing units and restoration of the Old Town Hall and Captain Cook Pub.	Green	Green
Commence programme of site infrastructure at Middlehaven through the Brownfield Housing Fund.	Green	Red
Complete relocation of Council headquarters to Fountain Court.	Green	Green
Prepare a new balanced Local Plan for consultation, based on greater community engagement.	Green	Green

Priority	Q1 2022/23 position	Q2 2022/23 position
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	Q2 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.		
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.		

Priority	Q1 2022/23 position	Q2 2022/23 position
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	Q2 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.		
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	Q2 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.	Green	Green
Publish a revised Pharmaceutical Needs Assessment for South Tees.	Green	Green
Publish the Director of Public Health's Annual Report.	Green	Green
Develop the Public Health workforce plan.	Green	Red
Recruit to shared Public Health Consultant roles with NHS and Teesside University.	Green	Red
Develop robust plans to deliver the Holiday Activity Fund, building on the learning from 2021.	Green	Blue
Pilot the use of the health inequalities assessment tool on policies and business cases in at least five key areas across Council.	Green	Green
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.	Green	Green
Complete the action plan for the Health and Happiness strand of the Green Strategy.	Green	Green
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.	Green	Green
Complete the health protection assurance report.	Green	Green
Develop and deliver an improved offer of support for addiction recovery through employment, housing and social / community re-integration.	Green	Green
Embed corporate values within the Directorate and make staff feel more valued.	Green	Green
Improve staff communication within the Directorate so that staff feel more engaged and understand organisational priorities.	Green	Blue

Children's Services

Priority	Q1 2022/23 position	Q2 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.	Green	Red
Develop and deliver a workforce strategy to support a stable, skilled and focussed leadership at all levels and stable, permanent, skilled frontline workforce.	Green	Red
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.	Green	Green

Priority	Q1 2022/23 position	Q2 2022/23 position
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	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.		

Priority	Q1 2022/23 position	Q2 2022/23 position
Ensure effective implementation and transition to the new Liberty Protection Safeguards, through Legal advice and support to Adults Services.	Green	Green
Continued Legal Services support to Children's Services Improvement Journey.	Green	Green
Review implementation of revised approach to appraisal framework to ensure employee objectives are aligned to the Council's values and Strategic Priorities.	Green	Green
Complete the Community Governance Review to establish future parish and community councils for Middlesbrough.	Green	Green
Oversee delivery of actions within the 2020/21 Annual Governance Statement.	Green	Red
Oversee delivery of actions with the 2021 Annual Equality and Inclusion Report.	Green	Green
Embed corporate values within the Directorate and make staff feel more valued.	Green	Green
Improve staff communication within the Directorate so that staff feel more engaged and understand organisational priorities.	Green	Green