

## EXECUTIVE

<b>Date:</b> Tuesday 20th June, 2023
<b>Time:</b> 1.00 pm
<b>Venue:</b> Mandela Room

## AGENDA

1. Apologies for Absence
2. Declarations of Interest
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4. Minutes - Executive - 18 April 2023 5 - 6

### EXECUTIVE MEMBER FOR FINANCE AND GOVERNANCE

5. Corporate Performance Review: Year End 2022/23 7 - 30
6. Revenue and Capital Budget – Year end Outturn position 2022/23 31 - 72

### THE MAYOR AND EXECUTIVE MEMBER FOR ADULT SOCIAL CARE AND PUBLIC HEALTH

7. Proposal to bring Substance Misuse Clinical Prescribing Service In-house 73 - 116

### DEPUTY MAYOR AND EXECUTIVE MEMBER FOR EDUCATION AND CULTURE

8. Final Report of the Children and Young People's Learning Scrutiny Panel - Youth Offending and Partnership Working with Schools - Service Response 117 - 144

### EXECUTIVE MEMBER FOR CHILDREN'S SERVICES

9. Final Report of the Children and Young People's Social Care and Services Scrutiny Panel: Supporting Young People to Prepare for Adulthood and Independence - Service Response 145 - 210

## **EXECUTIVE MEMBER FOR REGENERATION**

10. Approach to Nutrient Neutrality and delivery of Middlesbrough Council housing schemes 211 - 242
11. Any other urgent items which in the opinion of the Chair, may be considered.

Charlotte Benjamin  
Director of Legal and Governance Services

Town Hall  
Middlesbrough  
Monday 12 June 2023

## **MEMBERSHIP**

Mayor C Cooke (Chair), D Branson, T Furness, P Storey, J Thompson, Z Uddin and N Walker

## **Assistance in accessing information**

**Should you have any queries on accessing the Agenda and associated information please contact Chris Lunn / Scott Bonner, 01642 729742 / 01642 729708, [chris\\_lunn@middlesbrough.gov.uk](mailto:chris_lunn@middlesbrough.gov.uk) / [scott\\_bonner@middlesbrough.gov.uk](mailto:scott_bonner@middlesbrough.gov.uk)**

**EXECUTIVE**

A meeting of the Executive was held on Tuesday 4 April 2023.

**PRESENT:** Councillor M Smiles (Chair), Councillors B Cooper, D Coupe, TA Grainge, S Hill, L Mason, E Polano, M Smiles and S Walker

**ALSO IN ATTENDANCE:** Emily Craigie (Local Democracy Reporting Service)

**OFFICERS:** S Bonner, R Brown, G Field, C Heaphy, R Horniman, A Humble, A Pain and A Perriman

**APOLOGIES FOR ABSENCE:** Mayor A Preston

22/108 **DECLARATIONS OF INTEREST**

Name of Member	Type of Interest	Item/ Nature of Interest
Cllr B Cooper	Non-Pecuniary	Agenda Item 4 – School Capital Programme/ Ward Member

22/109 **MINUTES - EXECUTIVE - 7 MARCH 2023**

The minutes of the Executive meeting held on 7 March were submitted and approved as a correct record.

22/110 **SCHOOLS CAPITAL PROGRAMME 2023**

The Deputy Mayor and Executive Member for Children’s Services submitted a report for Executive’s consideration.

The report sought approval of schemes to be added to the schools capital programme for delivery to start in the academic year 2022/23.

Middlesbrough Council shared responsibility with governing bodies for the maintenance of 12 community and foundation school buildings across the town:

- Responsibility for general maintenance, repairs and minor capital works is devolved to schools;
- The Council was responsible for major capital schemes such as the replacement of substantial parts of buildings, the provision of new buildings and other high-value, strategic schemes that would be unaffordable by schools on their own.

The Council was also responsible for ensuring there was sufficient school places across the town to be able to meet demand. Investment could be in both locally maintained schools and Academies.

The schools capital programme, maintained and delivered by the Assets Team within Corporate Property, set out all of the centrally funded school capital works being undertaken to discharge these duties. It was a multi-year, rolling programme of capital improvements to school buildings.

Schemes were selected to address maintenance, sufficiency and other strategic priorities. Schemes were prioritised to address those elements of schools with the most urgent need or to secure value for money as part of a larger programme of work.

**OPTIONS**

**The Executive could not approve the schemes for inclusion in the Schools Capital Programme. In the short term this could lead to elements of the buildings identified**

failing, resulting in lost teaching and learning time, inappropriate learning environments, Health and Safety risks, and a shortage of school places to meet demand.

In the longer-term, such an approach would lead to the gradual decline of the condition of the schools, children being out of school unnecessarily and escalated costs for both the schools and the Council.

#### **ORDERED**

That Executive approve the new schemes, discussed in both the report and Appendix 1, be added to the schools capital programme for delivery to commence in the 2022/23 academic year.

#### **REASONS**

To ensure that that the grant funding available was spent in a timely manner on improving teaching and learning environments and outcomes for young people.

To deliver the Council's statutory obligation to ensure there were sufficient school places to meet demand, in particular for Year 7 pupils seeking admission into secondary schools in September 2023.

There was no obligation for the Council to consult over these schemes. Schools named in the programme had been engaged on a tentative basis to ensure that, where a school contribution to the cost of schemes was required, this could be agreed.

The Schools Capital Programme had not been examined by the Overview and Scrutiny Board or by a Scrutiny Panel.

22/111

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

None.

All decisions will come into force after five working days following the day the decision(s) was published unless the decision becomes subject to the call in procedures.

**EXECUTIVE**

A meeting of the Executive was held on Tuesday 18 April 2023.

**PRESENT:** Councillors A Preston (The Mayor) (Chair), B Cooper, D Coupe, S Hill, L Mason, E Polano and M Smiles

**PRESENT BY INVITATION:** Councillors T Mawston

**OFFICERS:** S Bonner, G Field, C Heaphy, R Horniman, A Hoy, A Humble and A Wilson

**APOLOGIES FOR ABSENCE:** Councillors TA Grainge and S Walker

22/112 **DECLARATIONS OF INTEREST**

Name of Member	Type of Interest	Item/ Nature of Interest
Cllr M Smiles	Non-Pecuniary	Agenda Item 3 – Call In Referral Ward Member

22/113 **OVERVIEW AND SCRUTINY BOARD - CALL IN REFERRAL**

The Vice Chair of Overview and Scrutiny Board (OSB) submitted a report for Executive’s consideration.

The report provided recommendations to Executive following the OSB Call-In meeting of 31 March 2023.

The Vice Chair of OSB explained that information provided at the Call-In meeting, relating to the Executive decision of 7 March 2023, was ambiguous and lacked clarity. As such OSB felt Executive should reconsider the decision.

The Executive Member for Regeneration responded to the points made in the report and explained that relevant processes had been adhered to. The Executive Member also explained that all the information presented to Executive on 7 March was adequate.

**ORDERED**

**That Executive proceed with the original decision made on 7 March 2023.**

**OPTIONS**

**Executive could have decided to pause the decision made on 7 March 2023 based on the reasons contained in OSB’s report.**

**REASONS**

**Executive considered the Call-In Referral report in accordance with the Council’s Call-In procedures.**

22/114 **ANY OTHER URGENT ITEMS WHICH IN THE OPINION OF THE CHAIR, MAY BE CONSIDERED.**

None.



<b>MIDDLESBROUGH COUNCIL</b>	
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<b>Report of:</b>	The Mayor Chief Executive
<b>Submitted to:</b>	Executive
<b>Date:</b>	20 June 2023
<b>Title:</b>	Corporate Performance Review: Year End 2022/23
<b>Report for:</b>	Decision
<b>Status:</b>	Public
<b>Strategic priority:</b>	All
<b>Key decision:</b>	No
<b>Why:</b>	Not applicable
<b>Urgent:</b>	No
<b>Why:</b>	Not Applicable

<b>Executive summary</b>	
<p>This report advises the Executive of corporate performance at 2022/23 Year End, providing the necessary information to enable the Executive to discharge its performance management responsibilities and where appropriate, seeks approval of any changes (where these lie within the authority of the Executive).</p> <p>This report also asks that the Executive:</p> <ul style="list-style-type: none"> <li>• approves the proposed changes to Executive actions, detailed in Appendix 1,</li> <li>• notes progress of delivery of the Strategic Plan 2022-24 at Quarter Four / 2022/23 Year End, detailed in Appendix 2,</li> <li>• approves the proposed changes to the Strategic Plan workplan initiatives, detailed in Appendix 3,</li> <li>• notes the Council's updated position in relation to Strategic Risk, at Quarter Four 2022/23 at Appendix 4,</li> <li>• notes progress of the 2022/23 Directorate Priorities at Quarter Three 2022/23, detailed in Appendix 5.</li> </ul>	

## **Purpose**

1. This report advises the Executive of corporate performance at 2022/23 Year End and where appropriate seeks approval of any changes, where these lie within the authority of the Executive.

## **Background and relevant information**

2. The Council's Scheme of Delegation gives the Executive collective responsibility for corporate strategic performance, together with associated action.
3. This report provides the necessary information to enable the Executive to discharge its performance management responsibilities, setting out progress against Executive action, the Strategic Plan and other key associated items, together with actions to be taken to address any issued identified.
4. The projected 2022/23 Year End financial outturns are presented separately to this meeting of the Executive, and so not repeated here. Where performance has had a significant impact on finances this is highlighted within the body of the report.
5. As part of continuous improvement in performance and risk management, the Council's Leadership Management Team (LMT) has implemented monthly reviews of corporate performance utilising a Directorate Performance dashboard, drawing data from a range of performance systems.
6. The output from these sessions is reflected through quarterly updates to the Executive and Overview and Scrutiny Board and covering in addition, progress in delivering actions agreed by the Executive, key Directorate performance issues and other performance-related matters.

## **Overall progress at Quarter Four / 2022/23 Year End**

7. The Council's performance overall at Quarter Four / Year End, maintained the short-term trend for 2023/23 performance, with progress towards expected performance standards as set out in the Council's risk appetite achieved in two 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 which has seen some impact on current Executive actions and Strategic Plan workplan initiatives, impacting upon performance outcomes for the last two Quarters of 2022/23.
9. Additionally, the significant proportion of actions and initiatives with end of year due dates has created a cliff-edge in terms of performance and will be addressed as part of the review of performance management, as part of the new Strategic Plan planning cycle.

## **Progress in delivering Executive actions**

10. Actions agreed by the Executive to deliver approved decisions are tracked by LMT, monthly. If following 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.

11. At the Quarter Four / 2022/23 Year End, 40 of 91 live actions (44%) were reported as on target to be delivered by the agreed timescales, worsened from the reported position at Quarter Three of 62% and below the 90% standard of achievement of actions.
12. There are two requests for amendments to Executive actions presented for approval, summarised below, and detailed in Appendix 1.
  - An action relating to Phase 2 of the cycle infrastructure improvements along the Linthorpe Road corridor, be extended to allow new political administration to consider potential options.
  - To extend the due date for the fit-out on Centre Square further office provision, through a successful tender exercise/
13. It is assumed that outside of these revisions, all Executive actions will be achieved within their approved timescales.

### **Progress in delivering the Strategic Plan 2022-24**

14. 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.
15. 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.
16. 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.

### **Outcomes**

17. There continues to be a diluted relationship between delivery of the Strategic Plan workplan and the agreed outcomes and measures, originally expected as a result of successful delivery, as a result of the refreshed Strategic Plan workplan in 2022.
18. This is reflected in the performance overall at Quarter Four / Year End 2022/23 against Strategic Plan outcomes, reported as 26% against the 90% performance standard.
19. This will be addressed in the review and refresh of the Strategic Plan, ensuring demonstrable impact and effective reporting against Strategic Plan outcomes measure, work for which will begin in earnest, in June 2023.

## Workplan

20. At Quarter Four / Year End 2022/23, performance against the Strategic Plan workplan was as set out below, below the target corporate standard of 90%, with 73% (46 of 59) of initiatives on-track, with RAG-rated progress detailed at Appendix 2.

Status	Q4 2022/23 position	Q3 2022/23 position	Q2 2022/23 position	Q1 2022/23 position	Expected standard	Standard achieved	Trend
COMPLETED	25%	17%	1.6%	0%	90%	No	↓
GREEN	48%	65%	96.8%	100%			
AMBER	0%	2%	0%	0%	N/A	N/A	N/A
RED	27%	16%	1.6%	0%	N/A	N/A	↓

21. There are 17 workplan initiatives off-track at the end of Quarter Four and of these 17, six have requested extensions to due dates, which are detailed in Appendix 3. Executive approval of the proposed revisions is required, in order to avoid future slippage and to ensure delivery.

22. As reported at Quarter Three, five Strategic Plan workplan initiatives were placed on-hold, with the potential to be withdrawn from the workplan if the savings proposals were approved, as part of the 2023/24 budget. As such, they will be closed and removed from the reporting process going forward, detailed as follows:

- Middlesbrough hosts climate conference
- Creation of tree maintenance team
- Creation of subsidised pest control service
- Expand current model for Youth Provision
- Complete town-wide lighting scheme

23. It is assumed that outside of these revisions, all Strategic Plan workplan initiatives will be achieved as per approved timescales.

## Strategic Risk Register

24. The Council's strategic risks are currently grouped under the following themes:

- 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.

25. All individual organisational risks are currently aligned to one of the above categories. Following a review of this approach, it has been agreed that this approach will cease, and the Council will revert back to a traditional three-tier approach to risk as set out in the current Risk and Opportunity Management Policy, due to be refreshed during 2023. The 2023/24 Quarter One corporate performance report will reflect this revised approach.

26. As a result, much of the work of the Risk Business Partner and the organisation has been focussed on the development and population of the replacement structure and movement in the Quarter, compared to Quarter Three.

27. The score of one risk regarding the Council’s technical ICT infrastructure in relation to internet connectivity in a Council site was reduced following resolution of minor technical issues.

### Progress in delivering Directorate Priorities 2022/23

28. Each year, Directorates set and are accountable for a set of Directorate-specific actions for delivery across that operational year, ensuring ongoing compliance with legal duties and best practice alongside well-managed business change. Directorate Priorities for 2022/23 are set out at Appendix 3.

29. At Quarter Four / Year End 2022/23, 46% (44 of 96) of Directorate Priorities were on-track or completed; under the target corporate standard of 90% against reported position at Quarter Three.

Status	Q4 2022/23 position	Q3 2022/23 position	Q2 2022/23 position	Q1 2022/23 position	Expected standard	Standard achieved	Trend
COMPLETED	42%	18%	6%	0%	90%	No	↓
GREEN	0%	62%	85%	100%			
AMBER	0%	0%	0%	0%	N/A	N/A	-
RED	58%	20%	9%	0%	N/A	N/A	↓

30. There are several factors behind the drop in reported performance at 2022/23 Year End, and in order to provide context, the percentage of Directorate Priorities reported as Red are as a result of one of the following reasons:

- **Reason 1:** 6% as a direct result of the impact of 2022/23 financial recovery plan and / or 2023/24 budget savings proposals **(R1)**
- **Reason 2:** 11% are awaiting further strategic decision following May 2023 elections **(R2)**
- **Reason 3:** 39% have been impacted as a result of external decisions, outside of Council control **(R3)**
- **Reason 4:** 44% are as a result of Directorate capacity to deliver **(R4)**

31. Where reason for non-delivery was as a result of one of the above reasons, this is reflected in Appendix 5 with an R1 – R4, annotation.

### Progress in delivering Programmes and Projects

32. The Council maintains a portfolio of programmes and projects in support of achievement of the Council’s strategic and directorate priorities. At Quarter Four 2022/23, 100% (20 out of 20) 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	Q4 2022/23 position	Q3 2022/23 position	Q2 2022/23 position	Q1 2022/23 position	Expected standard	Standard achieved	Trend
GREEN	90%	72%	81%	77%	90%	Yes	↑
AMBER	10%	24%	10%	20%	N/A	N/A	↑
RED	0%	4%	10%	3%	N/A	N/A	↓

### Progress in other corporate performance matters

33. 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.

34. At Year End 2022/23, the key points of note in matters of compliance, were:

- Complaints dealt with within timescales increased slightly to 86%.
- Freedom of Information Requests (FOI) and Environment Information Requests (EIR) responded to within statutory timescales were at 88% at Year End, compared to 86.8% in Quarter Three of 2022/23.

### What decision(s) are being recommended?

35. That the Executive:

- approves the proposed changes to Executive actions, detailed in Appendix 1,
- notes progress of delivery of the Strategic Plan 2022-24 at Quarter Four / 2022/23 Year End, detailed in Appendix 2,
- approves the proposed changes to the Strategic Plan workplan initiatives, detailed in Appendix 3,
- notes the Council's updated position in relation to Strategic Risk, at Year End 2022/23 at Appendix 4,
- notes progress of the 2022/23 Directorate Priorities at Quarter Three 2022/23, detailed in Appendix 5.

### Rationale for the recommended decision(s)

36. 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

37. Not applicable.

### Impact(s) of the recommended decision(s)

#### *Legal*

38. 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**

39. 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**

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

### **Financial**

41. Any financial implications relating to issues set out in this report, are summarised in the Revenue and Capital Budget – Quarter Four Year End Outturn Position 2022/23 report, also considered by the Executive at its meeting of 20 June 2023.

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

Action	Responsible Officer	Deadline
Approved 2022/23 Year End amendments to Executive actions to be implemented, via modern.gov	Bernie Carr	30/06/2023
Approved 2022/23 Year End amendments to Strategic workplan to be implemented, via Pentana	Joanne Chapman	30/06/2023

### **Appendices**

1	Executive actions; proposed amendments at Quarter Four / 2022/23 Year End
2	Strategic Plan Workplan: progress at Quarter Four / 2022/23 Year End
3	Strategic Plan Workplan: proposed amendments at Quarter Four / 2022/23 Year End
4	Strategic Risk at Quarter Four / 2022/23 Year End
5	Directorate Priorities 2022/23: progress at Quarter Four / 2022/23 Year End

### **Background papers**

Body	Report title	Date
Council	Strategic Plan 2021-24	24/02/21
Executive	Strategic Plan 2021-24: approach to delivery	11/05/21
Executive	Strategic Plan 2020-23 – Progress at Year End 2020/21	15/06/21
Executive	Corporate Performance Update: Quarter One 2021/22	07/09/21
Executive	Corporate Performance Update: Quarter Two 2021/22	07/12/21
Executive	Corporate Performance Update: Quarter Three 2021/22	14/02/22
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
Executive	Corporate Performance Results: Quarter Two 2022/23	08/11/22
Executive	Corporate Performance Results: Quarter Three 2022/23	14/02/23

**Contact:** Gemma Cooper, Head of Strategy, Business and Customer  
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## Appendix 1: Executive actions; proposed amendments at Quarter Four 2022/23

Executive of	Report	Action	Owner	Agreed Due Date	Proposed Revised Due Date
05/04/2022	Local Cycling and Walking Implementation Plan; Linthorpe Road Corridor Phase 2	That the ambitious, re-allocation of road space to deliver cycle infrastructure improvements along the Linthorpe Road corridor, as per plans contained in the appendix, be taken forward.	REG	31/03/2023	30/06/2023
12/07/2022	Centre Square: further office provision	Complete the CAT A fit-out	REG	31/03/2023	14/07/2023

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## Appendix 2: Strategic Plan Workplan; progress at Quarter Four 2022/23

<b>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.</b>	<b>Q1 2022/23 position</b>	<b>Q2 2022/23 position</b>	<b>Q3 2022/23 position</b>	<b>Q4 2022/23 position</b>
Expand the current model for youth provision in areas that suffer high levels of deprivation	Green	Green	Red	Red
Make steps towards every child playing a musical instrument by extending to one other school or year group	Green	Green	Green	Green
Evidence that Middlesbrough Council listens to children's voices	Green	Green	Red	Green
Create and deliver a strategy to increase digital inclusion for children, young people and adults across Middlesbrough	Green	Green	Blue	Blue
Consolidate and build on recent Children's Services progress to improve Ofsted rating	Green	Green	Green	Blue
Explore potential for the establishment of an Eton Sixth Form in Middlesbrough	Green	Green	Green	Green

<b>We will work to address the causes of vulnerability and inequalities in Middlesbrough and safeguard and support the vulnerable.</b>	<b>Q1 2022/23 position</b>	<b>Q2 2022/23 position</b>	<b>Q3 2022/23 position</b>	<b>Q4 2022/23 position</b>
Deliver and extend the 50 Futures programme	Green	Green	Red	Green
Further develop the Dementia Friendly Middlesbrough programme	Green	Green	Green	Blue
Achieve 'Age Friendly Communities' status	Green	Green	Blue	Blue
Implement and extend locality working	Green	Green	Green	Red

<b>We will tackle crime and anti-social behaviour head on, working with our partners to ensure local people feel safer.</b>	<b>Q1 2022/23 position</b>	<b>Q2 2022/23 position</b>	<b>Q3 2022/23 position</b>	<b>Q4 2022/23 position</b>
Support the police and hold them to account for each neighbourhood	Green	Green	Green	Blue
Establish and support Neighbourhood Watch schemes across the whole town	Green	Green	Green	Red
Increase CCTV across the whole town	Green	Green	Blue	Blue
More environmental action and punishment for fly tipping	Green	Green	Blue	Blue
Encourage more residents to report crime and ASB	Green	Green	Green	Green
Reward and champion individuals for being good neighbours	Green	Green	Green	Red
Increased enforcement against problem properties / streets / gardens in disrepair	Green	Green	Green	Blue

<b>We will ensure our town acts to tackle climate change, promoting sustainable lifestyles.</b>	<b>Q1 2022/23 position</b>	<b>Q2 2022/23 position</b>	<b>Q3 2022/23 position</b>	<b>Q4 2022/23 position</b>
Develop an Urban Farm	Green	Green	Red	Red
Develop local wildlife / nature reserve in North Ormesby and one other site	Green	Green	Green	Green
Demonstrate increased recycling rates	Green	Green	Green	Green
Establish six community growing areas	Green	Green	Green	Green
Double the size of our urban meadows / wildflower planting sites	Green	Green	Green	Green
15 new EV charging points across town	Green	Green	Green	Green
Big community tree planting days	Green	Green	Blue	Blue
Middlesbrough hosts inaugural climate conference	Green	Green	Red	Red

<b>We will ensure the recovery of local communities, businesses and the Council's operations from COVID-19, taking opportunities to build back better.</b>	<b>Q1 2022/23 position</b>	<b>Q2 2022/23 position</b>	<b>Q3 2022/23 position</b>	<b>Q4 2022/23 position</b>
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	Blue	Blue	Blue	Blue
Ensure effective Council response to immediate issues of COVID19 impacting upon individuals, families, communities and business	Blue	Blue	Blue	Blue

<b>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.</b>	<b>Q1 2022/23 position</b>	<b>Q2 2022/23 position</b>	<b>Q3 2022/23 position</b>	<b>Q4 2022/23 position</b>
Improve identified play parks and spaces in line with our Towns Fund Recommendation	Green	Green	Green	Green
Establish the requirement for potential CPO of derelict buildings and problem sites	Green	Green	Blue	Blue
Improve our Highways	Green	Green	Green	Blue
12 new back alleys are reclaimed, improved and showcased	Green	Green	Blue	Blue
Neighbourhood and town wide front garden competitions	Green	Red	Red	Green
Vastly improve Thorntree and Pallister Parks in line with Towns Fund Recommendation	Green	Green	Yellow	Green
Creation of Tree Maintenance Squad and ongoing maintenance work programme	Green	Green	Red	Red
Creation of a subsidised Pest Control service	Green	Green	Red	Red

<b>We will transform our town centre, improving accessibility, revitalising unused assets, developing iconic new spaces and building more town centre homes.</b>	<b>Q1 2022/23 position</b>	<b>Q2 2022/23 position</b>	<b>Q3 2022/23 position</b>	<b>Q4 2022/23 position</b>
Complete town-wide lighting scheme	Green	Green	Red	Red
Consider potential for BOHO digital expansion	Green	Green	Green	Green
St Hilda's housing starts around Old Town Hall	Green	Green	Green	Green
Protect and celebrate heritage through marketing and comms strategies and complete planned works on Captain Cook pub and Old Town Hall	Green	Green	Green	Green
Open three entertainment facilities within Captain Cook Square (cinema, Lane 7, eSports)	Green	Green	Red	Red
Commence construction on the south side of the dock	Green	Green	Green	Green
Action plan agreed and commenced for House of Fraser building	Green	Green	Green	Green
Action plan agreed and commenced for Centre North East	Green	Green	Green	Green
Action plan agreed and commenced for The Crown Pub building	Green	Green	Green	Green
Action plan agreed and commenced for Gurney House	Green	Green	Green	Green

<b>We will invest in our existing cultural assets, create new spaces and events, and improve access to culture.</b>	<b>Q1 2022/23 position</b>	<b>Q2 2022/23 position</b>	<b>Q3 2022/23 position</b>	<b>Q4 2022/23 position</b>
Increased ticket sales and attendance of events through effective marketing	Green	Green	Green	Red
Complete improvements to Teesaurus Park	Green	Green	Blue	Blue
Create three new annual events in 2022 as per existing approvals	Green	Green	Green	Red
Aim for all children to get an experience of live theatre	Green	Green	Green	Green
Increase attendance at existing Council events like Orange Pip	Green	Green	Green	Red
Increase visitor numbers to museums and attractions	Green	Green	Green	Red
Increase tickets sales at town hall performances	Green	Green	Green	Green

<b>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.</b>	<b>Q1 2022/23 position</b>	<b>Q2 2022/23 position</b>	<b>Q3 2022/23 position</b>	<b>Q4 2022/23 position</b>
Encourage public to help drive decision making	Green	Green	Green	Red
Introduce a marketing campaign and associated support to significantly grow Middlesbrough Lottery	Green	Green	Blue	Blue

<b>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.</b>	<b>Q1 2022/23 position</b>	<b>Q2 2022/23 position</b>	<b>Q3 2022/23 position</b>	<b>Q4 2022/23 position</b>
Work with the voluntary sector to create and promote volunteering opportunities and an increase in volunteers	On-track	On-track	On-track	On-track
Introduce Neighbourhood Action Weeks, driven by volunteers	On-track	On-track	Complete	Complete
Market a small local grant programme	On-track	On-track	Unachievable	Unachievable
Market a strong buy-local campaign	On-track	On-track	On-track	Unachievable
Commence work on the new Southlands Centre	On-track	On-track	On-track	On-track
Commence work on Nunthorpe community centre	On-track	On-track	On-track	On-track
Promote Middlesbrough on the national stage	On-track	On-track	Complete	Complete
Increase sponsorship income from businesses for various council activities	On-track	On-track	On-track	Unachievable
Improve user experience of the council website, increasing online transactions	On-track	On-track	On-track	On-track

<b>Key</b>	
Complete	Complete
On-track	On-track
Some slippage	Some slippage
Unachievable	Unachievable

### Appendix 3: Strategic Plan Workplan; change controls

Initiative	Owner	Agreed Due Date	Reason for (R) / Impact (I) of delay	Proposed Due Date
QOS 01: Encourage public to help drive decision making	LGS	31/03/2023	(R) Strategic delay and capacity to deliver (I) Minimal	30/06/2023
CUL06: Increase visitor numbers to museums and attractions	REG	31/03/2023	(R) Delayed due to museums review (I) Minimal	30/06/2023
TOC 04: Protect and celebrate heritage through marketing strategies and complete Captain Cook pub / Old Town Hall works	REG	31/03/2023	(R) Delay to HLF bid process timeline (I) Delayed spend of Towns Fund monies	31/03/2024
QOS 06: Market a strong buy-local campaign	FIN	31/03/2023	(R) Capacity to deliver (I) Minimal	31/07/2023
QOS 10: Increase sponsorship income from businesses for various council activities	CHIEF EXEC	31/03/2023	(R) Delay to approval of Council Advertising Network agreement (I) Minimal	31/07/2023
TOC 05: Open three entertainment facilities within Captain Cook Square (cinema, Lane 7, eSports)	REG	31/03/2023	(R) Delay due to cost inflation, amended legal agreements, planning permission and licencing committee. (I) Revised completion date.	31/10/2023

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### Appendix 4: Strategic Risk at Quarter Four 2022/23

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## Appendix 5: Directorate Priorities 2022/23; Progress at Quarter Four 2022/23

### Environment and Community Services

Priority	Q1 2022/23 position	Q2 2022/23 position	Q3 2022/23 position	Q4 2022/23 position
Review and deliver the Community Safety Strategy to reduce crime and anti-social behaviour across Middlesbrough				
Complete works on Column 22b.				R1
Complete inspections of bridges and structures and implement resulting works where appropriate.				R3
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				R1
Review the Asset Management Framework for Middlesbrough.				R2
Seek funding to improve the A66 through Middlesbrough.				R3
Implement Year Two actions of the Council's Green Strategy.				R2
Embed corporate values within the Directorate and make staff feel more valued.				R4
Improve staff communication within the Directorate so that staff feel more engaged and understand organisational priorities.				R4

### Regeneration and Culture

Priority	Q1 2022/23 position	Q2 2022/23 position	Q3 2022/23 position	Q4 2022/23 position
Commence programme of investment in Middlesbrough Rail Station and the areas around it.				R3
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.				R3
Commence programme of site infrastructure at Middlehaven through the Brownfield Housing Fund.				R3
Complete relocation of Council headquarters to Fountain Court.				
Prepare a new balanced Local Plan for consultation, based on greater community engagement.				R2
Market the premium housing sites at Nunthorpe Grange and Newham Hall.				R2
Deliver 450 new homes across Middlesbrough.				

Priority	Q1 2022/23 position	Q2 2022/23 position	Q3 2022/23 position	Q4 2022/23 position
Deliver Middlesbrough's Future High Streets Fund programme.				
Deliver Middlesbrough's Town Fund programme.				R3
Deliver transport schemes to improve efficiency and capacity of the network.				R2
Embed corporate values within the Directorate and make staff feel more valued.				R4
Improve staff communication within the Directorate so that staff feel more engaged and understand organisational priorities.				R4

## Finance

Priority	Q1 2022/23 position	Q2 2022/23 position	Q3 2022/23 position	Q4 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.				R3
Implementation of a centralised corporate welfare solution, to support the financial wellbeing of Middlesbrough residents.				R3
Review procurement policy and practice in preparation for the outcome of the Procurement Green Paper, including the opportunity for transformation and innovation.				R3
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.				R3
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.				R3
Implement the insurance service review and tender insurance contract arrangements to commence 1 April 2023.				R3
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.				R4
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.				R4
Prepare and complete the Pension Fund triennial valuation as at 31 March 2023.				

Priority	Q1 2022/23 position	Q2 2022/23 position	Q3 2022/23 position	Q4 2022/23 position
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.				R3
Embed corporate values within the Directorate and make staff feel more valued.				R4
Improve staff communication within the Directorate so that staff feel more engaged and understand organisational priorities.				R4

## Adult Social Care and Health Integration

Priority	Q1 2022/23 position	Q2 2022/23 position	Q3 2022/23 position	Q4 2022/23 position
Prepare for the implementation of the Liberty Protection Safeguards.				R3
Develop a Clean Air Strategy for Middlesbrough.				R2
Review the Gambling Act Policy.				R3
Review the Licensing Act Statement of Licensing Policies.				R4
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.				R3
Prepare for the implementation of the two-day reablement standard in April 2023.				R3
Complete the implementation of the Domestic Abuse Act and evaluate provision.				
Embed corporate values within the Directorate and make staff feel more valued.				R4
Improve staff communication within the Directorate so that staff feel more engaged and understand organisational priorities.				R4

## Public Health

Priority	Q1 2022/23 position	Q2 2022/23 position	Q3 2022/23 position	Q4 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.				R4

Priority	Q1 2022/23 position	Q2 2022/23 position	Q3 2022/23 position	Q4 2022/23 position
Publish a revised Pharmaceutical Needs Assessment for South Tees.				
Publish the Director of Public Health's Annual Report.				R4
Develop the Public Health workforce plan.				
Recruit to shared Public Health Consultant roles with NHS and Teesside University.				R3
Develop robust plans to deliver the Holiday Activity Fund, building on the learning from 2021.				
Pilot the use of the health inequalities assessment tool on policies and business cases in at least five key areas across Council.				R3
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.				R1
Complete the action plan for the Health and Happiness strand of the Green Strategy.				
Complete in-depth insight work to understand how the Council can work with local communities to understand better local experiences of poverty and build better relationships.				
Complete the health protection assurance report.				R4
Develop and deliver an improved offer of support for addiction recovery through employment, housing and social / community re-integration.				
Embed corporate values within the Directorate and make staff feel more valued.				
Improve staff communication within the Directorate so that staff feel more engaged and understand organisational priorities.				

## Children's Services

Priority	Q1 2022/23 position	Q2 2022/23 position	Q3 2022/23 position	Q4 2022/23 position
Deliver the Participation Strategy to support our service users to develop the services they receive in partnership with the Children and Young People's partnership.				
Develop and deliver a workforce strategy to support a stable, skilled and focussed leadership at all levels and stable, permanent, skilled frontline workforce.				R3
Deliver the multi-agency Early Help and Prevention Strategy to commit to supporting families at the earliest stage possible and increase the offer of youth provision.				
Deliver the placement sufficiency strategy to increase our internal placement capacity (internal residential homes and in-house foster carers).				

Priority	Q1 2022/23 position	Q2 2022/23 position	Q3 2022/23 position	Q4 2022/23 position
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.				R4
Deliver the Pupil Place Strategy, to ensure sufficient appropriate, high-quality school place are available for children and young people now in the future.				R3
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.				R4
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.				R4
Improve staff communication within the Directorate so that staff feel more engaged and understand organisational priorities.				R4

## Legal and Governance Services

Priority	Q1 2022/23 position	Q2 2022/23 position	Q3 2022/23 position	Q4 2022/23 position
Commence implementation of revised business intelligence dashboard plan following agreement by LMT.				R4
Commence implementation of Robotic Process Automation within the Council.				R4
Develop an Operations Strategy (incl. Customer, ICT, operational estate, etc.) for the Council, to reflect post-COVID changes / new ways of working.				R4
Develop and implement a strategic planning cycle to inform the Council's approach to budget planning and consultation.				

Priority	Q1 2022/23 position	Q2 2022/23 position	Q3 2022/23 position	Q4 2022/23 position
Carry out Local Government Pension Scheme re-enrolment, in-line with legal obligations and duties.	On-track	Complete	Complete	Complete
Ensure limitation dates are met in-line with the Prosecutors Code when dealing with instances of Crime and Anti-Social Behaviour.	On-track	On-track	On-track	Complete
Further embed the Legal Business Partner approach to ensure Regeneration project deadlines and legal needs of the Council are aligned.	On-track	On-track	Complete	Complete
Ensure effective implementation and transition to the new Liberty Protection Safeguards, through Legal advice and support to Adults Services.	On-track	On-track	Unachievable	R3
Continued Legal Services support to Children's Services Improvement Journey.	On-track	On-track	On-track	R4
Review implementation of revised approach to appraisal framework to ensure employee objectives are aligned to the Council's values and Strategic Priorities.	On-track	On-track	On-track	R4
Complete the Community Governance Review to establish future parish and community councils for Middlesbrough.	On-track	On-track	Complete	Complete
Oversee delivery of actions within the 2020/21 Annual Governance Statement.	On-track	Unachievable	On-track	Complete
Oversee delivery of actions with the 2021 Annual Equality and Inclusion Report.	On-track	On-track	Complete	Complete
Embed corporate values within the Directorate and make staff feel more valued.	On-track	On-track	On-track	R4
Improve staff communication within the Directorate so that staff feel more engaged and understand organisational priorities.	On-track	On-track	On-track	R4

Key	
Complete	Complete
On-track	On-track
Some slippage	Some slippage
Unachievable	Unachievable

<b>MIDDLESBROUGH COUNCIL</b>	
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<b>Report of:</b>	Executive Member for Finance and Governance Interim Director of Finance (s151 Officer)
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<b>Submitted to:</b>	Executive
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<b>Date:</b>	20 June 2023
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<b>Title:</b>	Revenue and Capital Budget – Year-End Outturn position 2022/23
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<b>Report for:</b>	Decision
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<b>Status:</b>	Public
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<b>Strategic priority:</b>	All
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<b>Key decision:</b>	Yes
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<b>Why:</b>	Decision(s) will incur expenditure or savings above £150,000 and have a significant impact in two or more wards
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<b>Urgent:</b>	No
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<b>Why:</b>	Not Applicable
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<b>Executive summary</b>
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The report advises the Executive of the Council’s financial position at year-end 2022/23.

The report enables the Executive to discharge its financial management responsibilities, by setting out the:

- final pre-audited revenue and capital budget outturn for the year-end 31 March 2023;
- statement of the Council’s borrowing and reserves and provisions; and
- actions that the Council has taken and plans to take in order to address the issues identified.

In respect of the General Fund Revenue Budget, the Executive is requested to:

- Note the 2022/23 final pre-audited net revenue outturn of £121.084m against an approved budget of £118.329m, an overspend of £2.755m (2.3%). This is an improvement of £0.656m from the forecast outturn at Quarter Three.

- Note that within the outturn, total revenue expenditure of £0.755m in relation to transformation of Children's Services was assessed as qualifying expenditure under the Government's Flexible Use of Capital Receipts initiative and therefore supported the reduction of the overall revenue outturn overspend position. The Flexible Use of Capital Receipts Strategy was approved by Full Council on 7 September 2022.
- Note the progress against the Financial Recovery Plan 2022/23 as approved by Executive on 18 October 2022, which has succeeded in contributing to reducing the forecast overspend from £9.012m (7.6%) at Quarter One to £2.755m (2.3%) at year-end.
- Approve that the final revenue overspend of £2.755m will be met by a contribution from the earmarked Social Care Transformation Reserve, leaving a balance of £2.354m in the Reserve. This Reserve will now be closed and its balance transferred.
- Approve, in recognition of the pressures that face the wider Council financial position, that a corporate Financial Resilience Reserve (FRR) be established as part of the closure of accounts process at the 31 March 2023. The purpose of the Reserve will be for meeting unforeseen financial pressures that cannot ultimately be managed within directorate budgets, and to meet exceptional one-off costs of meeting the Council's improvement work to satisfy the Department for Levelling Up, Housing and Communities (DLUHC) and the External Auditor's requirements.
- Approve that the balance of £2.354m on closing the Social Care Transformation Reserve shall be transferred to the Financial Resilience Reserve.
- Note that further consideration will be given to the feasibility of revising the 2023/24 Flexible Use of Capital Receipts Strategy to support further transformation across Council services during 2023/24 and in developing the 2024/25 Medium Term Financial Plan (MTFP), and this will be addressed in future reports to the Executive in due course.
- Notes that the initial analysis of the financial outturn has highlighted the risk of potential ongoing financial pressures arising from 2022/23 (Table 14 and paragraphs 62 and 63). These will be investigated further and will be subject to management action by the Leadership Management Team within 2023/24, and will inform the update and development of the Council's Medium Term Financial Plan for 2024/25 to 2026/27.
- Notes the management actions being taken to control expenditure in order to mitigate the risk of overspending in the future. (paragraphs 64 to 67).

In respect of the Capital Programme and Treasury Management, the Executive is requested to:

- Note the 2022/23 capital programme final pre-audit outturn of £58.962m against a revised capital budget of £61.456m, an underspend of £2.494m (4%). The outturn represents an underspend of £65.863m (53%) against the original capital budget approved by Council in February 2022.
- Approves the revised Investment Strategy to 2025/26 at Appendix 1, including £181.194m for financial years 2023/24 to 2025/26. Note the 2023/24 allocation includes £4.942m of funds that were assumed to be spent in 2022/23 as in the Quarter Three Executive report and which have now been slipped to 2023/24.



- Notes the Treasury Management outturn position with respect to the Council's prudential indicators as set out at paragraphs 91 to 99.

In respect of the Dedicated Schools Grant (DSG), the Executive is requested to:

- Note the in-year deficit of £2.809m for 2022/23, including £1.959m relating to the High Needs Block.
- Note the total cumulative deficit of £6.565m at 31 March 2023, including £7.021m relating to the High Needs Block, as set out in Table 15 and paragraphs 68 to 74.
- Note under existing government regulations this cannot be funded from the General Fund, and the Council is required to deliver a recovery plan to the Department for Education (DfE).

In respect of the Council's reserves and provisions, the Executive is requested to:

- Note that the balance on the General Fund Reserve at the 31 March 2023 is £12.041m as planned in the 2023/24 MTFP.
- Note the balance on other earmarked reserves and provisions as set out in Table 19 (paragraphs 100 to 104) and detailed in Appendix 2.
- Note that usable earmarked reserves as set out in Table 19 are at a critically low level and measures will be required during 2023/24 and in developing the 2024/25 budget and MTFP to rebuild the Council's financial resilience over the medium term.

## **Purpose**

1. This report advises the Executive of the Council's financial position at year-end 2022/23.

## **Background and relevant information**

2. The Council's Scheme of Delegation gives the Executive collective responsibility for corporate strategic performance and financial management / monitoring, together with associated actions. Standing Orders and Financial Procedures require the Executive's approval for major virements between revenue budgets, and in-year changes to the Council's Capital Investment Strategy (Capital Programme).
3. This report enables the Executive to discharge its financial management responsibilities, by setting out the:
  - final pre-audited revenue budget and capital programme outturns for the year-end 31 March 2023;
  - statement of the Council's borrowing and reserves and provisions; and
  - actions that the Council has taken and plans to take in order to address the issues identified.
4. A revised Investment Strategy (Capital Programme) for the period 2023/24 to 2025/26 is attached at Appendix 1 in light of the 2022/23 outturn for the Executive's consideration and approval.

## **Revenue Budget Outturn 2022/23**

5. The approved 2022/23 Revenue budget for the Council was £118,328,934 as set out in the Revenue Budget, Council Tax, Medium Term Financial Plan (MTFP) and Capital Strategy 2022/23 Report approved by Council on 23 February 2022.
6. The Council continues to operate in a challenging financial and economic environment with inflation as measured by CPI at the financial year-end 2022/23 running at 10.1%, and is forecast to remain high throughout 2023/24 and potentially into 2024/25. The Council's financial resilience has been depleted by the reduction in earmarked reserves in recent years, as referenced by the former interim s151 Officer, with earmarked usable reserves totalling £4.515m at 31 March 2023. It is essential that actions are taken through 2023/24 financial year to rebuild the Council's financial resilience over the medium term. The General Fund Reserve stands at £12.041m as planned in the MTFP. This is equivalent to 9.5% of the 2023/24 net revenue budget and should only be used in exceptional circumstances as a last resort.
7. Children's Social Care expenditure levels remain the biggest area of financial risk for the Council given the demand and price pressures facing the service. As previously reported to Executive, the Children's Social Care budget was increased during 2022/23 by £5.665m to a total of £45.409m. The final outturn against this budget was £54.832m an overspend of £9.423m (20.8%). The 2023/24 base budget approved by Council in February 2023 recognised the ongoing financial pressures in the service, setting a budget of £54.649m and the Service has a Finance Improvement Plan requiring the delivery of savings totalling £2.9m in 2023/24 and a further £1.8m

in 2024/25. It is essential that this Plan is delivered in full to avoid further weakening of the Council's financial position.

8. The Council incurred a net revenue outturn of £121.084m against an approved budget of £118.329m, an overspend of £2.755m (2.3%). This is an improvement of £0.656m from the forecast outturn at Quarter Three which forecast an overspend of £3.411m and reflects the successful implementation of elements of the Financial Recovery Plan approved by Executive on 18 October 2022. In addition, it incorporates the implementation of the Flexible Use of Capital Receipts Strategy for 2022/23 approved by Full Council on 7 September 2022.
9. The summary of financial performance by Directorate is shown in Table 1 below and a comparison is made as to that reported at Quarter Three. Details of the Directorate variances are included in paragraphs 28 to 53.

**Table 1 – Summary of Revenue Budget Financial Performance 2022/23**

Directorate	2022/23 Revised Full Year Net Budget	2022/23 Outturn at Year-End	2022/23 Adjustment for Flexible Use of Capital Receipts	2022/23 Final Outturn at Year-End	2022/23 FINAL OVER /(UNDER) SPEND AT YEAR-END	2022/23 FINAL OVER / (UNDER) SPEND AT YEAR-END AS A % OF REVISED NET BUDGET	2022/23 Q3 PROJECTED OVER / (UNDER) SPEND AT YEAR-END	2022/23 CHANGE SINCE Q3 PROJECTION	Direction of travel (arrow up improved performance and arrow down decreased performance from Q3)	Ref.
	£'000s	£'000s	£'000s	£'000s	£'000s	%	£'000s	£'000s		
Regeneration and Culture	(720)	(2,206)	0	(2,206)	(1,486)	(206.4)	(1,404)	(82)	↑	Table 5
Environment and Community Services	20,855	20,967	0	20,967	112	0.5	(18)	130	↓	Table 6
Public Health	(2,453)	(3,434)	0	(3,434)	(981)	(40.0)	(738)	(243)	↑	Table 7
Adult Social Care	46,370	46,448	0	46,448	78	0.2	577	(499)	↑	Table 8
<b>Total - Adult Social Care and Health Integration</b>	<b>43,917</b>	<b>43,014</b>	<b>0</b>	<b>43,014</b>	<b>(903)</b>	<b>(2.1)</b>	<b>(161)</b>	<b>(742)</b>		
Education & Partnerships	5,054	5,590	0	5,590	536	10.6	302	234	↓	Table 9
Children's Care	45,409	55,587	(755)	54,832	9,423	20.8	10,463	(1,040)	↑	Para. 29 to 53 & Table 10
<b>Total - Children's Services</b>	<b>50,463</b>	<b>61,177</b>	<b>(755)</b>	<b>60,422</b>	<b>9,959</b>	<b>19.7</b>	<b>10,765</b>	<b>(806)</b>		
Legal and Governance Services	10,534	10,545	0	10,545	11	0.1	(124)	135	↓	Table 11
Finance	3,716	3,999	0	3,999	283	7.6	(78)	361	↓	Table 12
Central Budgets	(10,436)	(15,657)	0	(15,657)	(5,221)	(50.0)	(5,569)	348	↓	Table 13
<b>Revenue Outturn</b>	<b>118,329</b>	<b>121,839</b>	<b>(755)</b>	<b>121,084</b>	<b>2,755</b>	<b>2.3</b>	<b>3,411</b>	<b>(656)</b>		

10. It should be noted that the following two services transferred between Directorates following approval by Executive as part of the Quarter Three budget monitoring report:
- Integrated Transport Unit from Environment & Community Services to Education & Partnerships (budget of £2.769m transferred)
  - Valuation & Estates (including Commercial Income) from Finance to Regeneration & Culture (budget of £3.493m transferred)

The Quarter Three variances shown in Table 1 have been adjusted to reflect this, in order to enable meaningful comparison between the two quarters to be made.

11. It is proposed that the final overspend at year-end will be met by a contribution of £2.755m from the Social Care Transformation Reserve, leaving £2.354m in the Reserve. It is proposed that future transformation expenditure will be funded by the development of a further Flexible Use of Capital Receipts Strategy; that this reserve is closed, and its balance transferred as set out below.
12. In recognition of the wider financial risks that are faced by the Council, it is proposed that a new corporate Financial Resilience Reserve (FRR) is established. The purpose of the Reserve will be for meeting unforeseen financial pressures that cannot ultimately be managed within directorate budgets and to meet exceptional one-off costs of delivering the Council's improvement work to satisfy DLUHC and the External Auditor's requirements. The Executive is asked to approve that the £2.354m balance remaining on the Social Care Transformation Reserve is transferred to this new Financial Resilience Reserve.
13. The current level of earmarked reserves and provisions is shown in Table 19 the Reserves and Provisions Section of this report (paragraphs 100 to 104) and detailed in Appendix 2.
14. In preparing the financial outturn position, a number of ongoing financial pressures have been identified and are detailed in Table 14 and paragraphs 62 and 63 of this report. These will require further investigation and analysis to ensure that timely management actions are taken to manage within the overall 2023/24 approved budget and/ or factored into the development of the 2024/25 MTFP.

### ***Savings Delivery***

15. The Revenue Budget, Council Tax, MTFP and Capital Strategy 2022/23 Report approved by Council on 23 February 2022 included no new budget savings for 2022/23.
16. However, due to the emergence of unforeseen financial pressures, in-year 2022/23 budget savings were proposed as part of the Financial Recovery Plan for 2022/23 approved by Executive on 18 October 2022. Table 2 provides the year-end outturn position of the achievement of the Financial Recovery Plan for each Directorate.

**Table 2 – Financial Recovery Plan 2022/23 Savings Delivery**

Directorate	2022/23 In-Year Financial Recovery Plan  £'000s	2022/23 Fees & charges increases from 1 November 2022  £'000s	2022/23 Total In-Year Financial Recovery Plan  £'000s	2022/23 Total In-Year Savings Achieved  £'000s	2022/23 Over delivery / (shortfall) in savings achieved  £'000s
Regeneration and Culture	648	129	777	777	0
Environment and Community Services	419	132	551	551	0
Public Health	165	0	165	165	0
Adult Social Care	1,229	53	1,282	1,282	0
Education & Partnerships	0	29	29	29	0
Children's Care	811	1	812	287	(525)
Legal and Governance Services	156	23	179	179	0
Finance	225	96	321	243	(78)
<b>Total Directorates</b>	<b>3,653</b>	<b>463</b>	<b>4,116</b>	<b>3,513</b>	<b>(603)</b>
Central Budgets	40	0	40	40	0
Vacancy and agency control	500	0	500	500	0
Flexible Use of Capital Receipts Strategy	2,700	0	2,700	755	(1,945)
<b>Total Central Budgets &amp; Corporate Items</b>	<b>3,240</b>	<b>0</b>	<b>3,240</b>	<b>1,295</b>	<b>(1,945)</b>
<b>TOTAL</b>	<b>6,893</b>	<b>463</b>	<b>7,356</b>	<b>4,808</b>	<b>(2,548)</b>

17. It should be noted that savings against the £500,000 vacancy and agency control saving target reported under Central budgets as part of the Financial Recovery Plan report, are now reflected within individual Directorate year-end outturn figures reported in Table 1.

18. The following approved savings have not been achieved and therefore contribute to the reported overspend in these service areas:

- **Children's Care:**

- planned reduction in external residential placements of £300,000,
- planned savings on Section 17 expenditure of £100,000,
- planned reduction in the number of agency staff of £125,000.

In light of the financial challenges Children's Care faced in 2022/23, detailed in paragraphs 29 to 52, it was not possible to achieve these proposed in-year savings.

- **Finance** – the planned increase in council tax / business rates court costs income of £78,000 as part of the fees and charges increases from 1 November 2022 could not be implemented mid-year. This was implemented from 1 April 2023 so does not present an ongoing pressure as a result.

19. The non-achievement of the above savings are reflected in the final year-end outturn position, shown in Table 1.

***Flexible Capital Receipts***

20. The Financial Recovery Plan 2022/23 also included 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. It was projected that approximately £2.7m of capital receipts would be received in 2022/23, however it was noted at Quarter Three that there was a potential risk around this being achieved. At year-end only £755,000 of capital receipts were received and for which transformation expenditure qualified under the Government regulations, i.e. that future ongoing cost/demand savings could be identified. The report to Full Council included the potential projects that could be funded. Table 3 provides an update on the projects to transform services that are to be funded through the Flexible Use of Capital Receipts for 2022/23 along with the final costs for 2022/23, and the associated estimated annual revenue cashable savings or future cost avoidance.

**Table 3 – Transformation Projects Summary**

Project	Further Details	Investment Required 2022/23 £000	Estimated ongoing annual savings £000
Children's Services	<b>Funding for transformation of Service and Children's Services Ofsted Improvement Plan to improve services and outcomes</b>		
	Workforce Development - set up costs for the creation of a Social Worker Academy to reduce the requirement for agency staff	451	641
	Children's Services Ofsted Improvement Plan - Additional posts to improve and embed good practice	304	Enabling
<b>TOTAL</b>		<b>755</b>	<b>641</b>

21. Entries have been made in the Council's accounts for these having due regard to the Local Authority Accounting Code of Practice, including the effect on the Council's Investment Strategy (see paragraph 78), and the year-end outturn detailed in Table 1 has been adjusted to reflect this accounting treatment. This has the effect of reducing the revenue outturn by £755,000 in 2022/23. This will help support the significant and continued transformation work taking place within the Council, principally within Children's Services, which will deliver further improvement and efficiencies over the medium term.

### **General issues**

#### **Inflation**

22. The Council, like other local authorities, continues to face significant challenges as a result of ongoing high levels of inflation which was not funded in the Local Government Finance Settlement. An additional inflation contingency of approximately £4.6m recurring funding was built into the 2022/23 Medium Term Financial Plan (MTFP) approved by Council in February 2022. This budget was initially held centrally comprising approximately £3.7m for non-pay additional inflation and approximately £0.9m for additional pay inflation.
23. The final effect of additional non-pay inflation in 2022/23 for each Directorate is summarised in the Table 4 below. A total of £4.044m was incurred by Directorates in

2022/23 for additional non-pay inflation costs. This has resulted in a pressure of £0.3m compared to the budget provision of £3.7m. Directorate budgets have been adjusted to align with additional inflation requirements, with the overall pressure reported against Central Budgets in Table 1 and noted in Table 13, as the inflation contingencies are held centrally. The increase of £533,000 since the projected amount reported at Quarter Three is mainly due to ongoing increases in utilities inflation, with the actual Government Energy Support Scheme refund not being as much as was expected at Quarter Three.

**Table 4 – summary of additional costs arising due to non-pay inflationary increases in 2022/23**

<b>Directorate</b>	<b>2022/23 Actual £'000s</b>
Regeneration and Culture	0
Environment and Community Services	2,281
Public Health	0
Adult Social Care	822
<b>Total - Adult Social Care and Health Integration</b>	<b>822</b>
Education & Partnerships	300
Children's Care	617
<b>Total - Children's Services</b>	<b>917</b>
Legal and Governance Services	0
Finance	24
<b>Total 2022/23</b>	<b>4,044</b>

24. As shown in Table 4, 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. Further detail is provided within the Directorate variances section of this report. The ongoing impact of inflation upon the 2023/24 budget will continue to be monitored going forward. Further updates will be provided in future budget monitoring reports and reflected in the development of the Council's 2024/25 MTFP.
25. Another area where there were additional pressures in 2022/23 was the pay award for Local Government Services employees effective from 1 April 2022. Agreement was reached in November 2022 between the National Employers and the NJC Trade Unions of an increase of £1,925 on all NJC pay points 1 and above, and an increase of 4.04% on some allowances.
26. As reported to Executive in Quarter Three, the nationally agreed pay award cost £5.5m in 2022/23, which equated to an average 6.2% pay award. This resulted in a net pressure of £0.858m in 2022/23 against the amount set aside for this in the budget, savings from the pay award 2021/22, and savings from the funding 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. This is included within Central Budgets as shown in Table 1 and noted in Table 13. Directorate budgets were adjusted accordingly for the agreed pay award in December 2022.

### ***Covid-19***

27. Provision was made in the 2022/23 approved budget for the ongoing effects of Covid-19 upon 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 was set up for the potential ongoing effects of Covid-19 on car parking income in future years. No further general Government funding for local authorities was provided for 2022/23 for the further continuing effects for Covid-19. The effects of Covid-19 are therefore no longer shown separately in the Council's financial reports. They are incorporated within the Directorate totals, and will be reviewed as part of ongoing monitoring and updating of the MTFP.

### ***Directorate variances***

28. The detail of the adverse and favourable variances of £150,000 or more of the approved budget are summarised by directorate in the following paragraphs. Where appropriate, the on-going effects of variances will be considered as part of 2023/24 budget monitoring and development of the 2024/25 MTFP.

***Table 5 - Regeneration and Culture – (£1.486m) underspend***

<b>Adverse/ (favourable) Variance £'000s</b>	<b>Service area</b>	<b>Reason</b>	<b>Impact on 23/24 Budget assumptions</b>
(5)	Car parking income	Post Covid-19 Pandemic recovery (income includes £850k grant from TVCA that is not recurring)	Additional budget of £677k provided through MTFP to mitigate the loss of grant. Early assessments indicate under achievement of income of £230k in 23/24, which can be met from the Car Parking Pressures reserve.
190	Planning - Development Control	Delay in expected major planning applications therefore income will be received in 23/24 rather than 22/23.	Favourable impact in 23/24 - timing issue.



(87)	Planning - other	One-off mitigations within the wider planning service to offset Development Control income shortfall	No impact re. mitigations
(148)	Teesside Advanced Manufacturing Park (TAMP)	TAMP is 97% occupied exceeding the budget assumptions. Increase in rent, and reduction of void costs, e.g. business rates/service charges that would have fallen to Council	23/24 budget already adjusted to acknowledge additional income. Potential unachievement of income in 23/24 due to current vacant unit.
(382)	Centre Square Buildings 1 & 2	Occupancy and Income from tenants has exceeded budget assumptions	23/24 budget already adjusted to acknowledge additional income. Very early assessments indicate a break even position. Projection would improve if vacant space was tenanted.
(196)	Captain Cook Square	Additional Income above budget set for 2022/23. Uncertainty at the time budget was set as to what income could be achieved due to volatility of the sector and the transformation of the Square into a leisure destination	23/24 budget already adjusted to acknowledge additional income. Very early assessment indicates potential income in excess of budget. However, as stated, this sector is volatile with potential for business failure.

(1,098)	Cleveland Shopping Centre	The Centre was acquired in January 2022 and therefore no budget was set for 2022/23	23/24 budget already adjusted to acknowledge additional income. Potential for income in excess of budget. However, this sector is volatile with potential for significant business failure
148	House of Fraser building	Owned by the Council and currently vacant so holding costs incurred by Council	23/24 budget adjusted to acknowledge the ongoing pressure, assuming new occupier for building by 1/1/24. Anticipating break-even.
387	Commercial Property Income	Vacancies & occupancy by Council departments or charities therefore foregoing income. Units in need of refurbishment - under review for business case for future investment to generate income return	23/24 income budget reduced by £300k to acknowledge continuing under achievement of income.
(295)	Across Directorate	Other variances below £150,000	
<b>(1,486)</b>	<b>TOTAL</b>		

**Table 6 - Environment and Community Services - £0.112m overspend**

<b>Adverse/ (favourable) Variance £'000s</b>	<b>Service area</b>	<b>Reason</b>	<b>Impact on 23/24 Budget assumptions</b>
429	Bereavement Services	Income shortfall due to competition from recent opening of facility in Stockton	Under review to mitigate pressure
(245)	Highways Maintenance	Internal staff recharges to capital schemes that were	Under review

		originally planned to be delivered by external contractors	
(72)	Across Directorate	Other variances below £150,000	
<b>112</b>	<b>TOTAL</b>		

**Table 7 - Public Health – (£0.981m) underspend**

<b>Adverse/ (favourable) Variance £'000s</b>	<b>Service area</b>	<b>Reason</b>	<b>Impact on 23/24 Budget assumptions</b>
(712)	Across service	Staff savings - Delayed recruitment / deletion of vacant posts and other pay related savings	£325k of savings already included in 23/24 budget
(260)	Across service	Reduced demand on some services, mainly prescribing costs	Under review
(9)	Across Directorate	Other variances below £150,000	
<b>(981)</b>	<b>TOTAL</b>		

**Table 8 - Adult Social Care - £0.078m overspend**

<b>Adverse/ (favourable) Variance £'000s</b>	<b>Service area</b>	<b>Reason</b>	<b>Impact on 23/24 Budget assumptions</b>
(1,253)	Across service	Staff savings – turnover, delayed recruitment to vacancies due to recruitment/ retention issues. Currently exploring introduction of recruitment/retention incentives	Under review
1,814	Care packages	Mainly long term residential care pressures in demand	Potentially £2.1m without mitigation
(364)	Contribution from reserve	Earmarked Adult Social Care Recovery reserve	Reserve now exhausted
(284)	Direct Payments	Recovery of unused direct payments in excess of budget	Under review
156	Bad debt provision	Assessment of debt recovery performance on client contributions to care packages	Under review

9	Across Directorate	Other various variances below £150,000	
<b>78</b>	<b>TOTAL</b>		

**Table 9 - Education & Partnerships - £0.536m overspend**

<b>Adverse/ (favourable) Variance £'000s</b>	<b>Service area</b>	<b>Reason</b>	<b>Impact on 23/24 Budget assumptions</b>
1,080	Integrated Transport Unit	Increased number of children eligible for home to school transport, including SEND. Increase in costs per child of transportation.	£0.64m growth provided in 23/24 budget. Current early forecast of £0.6m above 23/24 budget provided
(609)	Schools' contributions to capital schemes	Cost of capital schemes already met from capital financing budget, therefore schools' contributions received are additional unbudgeted income	23/24 budget already adjusted for additional income
65	Across Directorate	Other various variances below £150,000	
<b>536</b>	<b>TOTAL</b>		

**Children's Care - £9.423m overspend**

29. The Children's Care budget was increased by £5.665m during 2022/23 from £39.744m to £45.409m as a result of a fundamental review of the adequacy of the budget provision during the year following successive overspends in previous years. This budget revision exercise was subject to independent review and challenge by the Chartered Institute of Public Finance and Accountancy (CIPFA). The budget for 2023/24 was re-based as a result of the review and totals £54.649m.
30. In addition, the Directorate has incurred significant inflationary pressures which were funded by Central inflation contingency budgets as reported in Table 4. These totalled £617,000 in 2022/23, comprising of £408,000 for External Residential Placements and £209,000 for Independent Fostering Agency (IFA) payments.
31. The outturn on the Children's Care budget after taking account of £0.755m of Flexible Use of Capital Receipts is £54.832m against an approved budget of £45.409m. This represents an overspend of £9.423m (20.7%). This is an improvement of £0.285m compared to the forecast at Quarter Three excluding the effects of the Flexible Use of Capital Receipts.

32. The year-end outturn includes an overspend of £525,000 in relation to savings within the approved 2022/23 in-year recovery plan that have not been achievable as shown in Table 2.
33. The application of Flexible Use of Capital Receipts relates to qualifying transformation expenditure in accordance with the approved Flexible Use of Capital Receipts Strategy for 2022/23.
34. Table 10 summarises the variances against the individual revised budgets and a comparison to Quarter Three with further detail in supporting paragraphs.

**Table 10 Summary of Children's Care - £9.423m overspend**

Service Area:	2022/23 Revised Budget	2022/23 Outturn at year end	2022/23 OUTTURN OVER / (UNDER) SPEND AT YEAR END	2022/23 Outturn Variance from Q3 Position	2022/23 Q3 Projected Outturn at year end	Para. Ref.
	£000s	£000s	£000s	£000s	£000s	
External Residential Agency Placements	8,802	15,188	6,385	218	6,167	35-37
Education Contributions to External Residential Agency Placements	(750)	(510)	240	115	125	38
Health Contributions to External Residential Agency Placements	(1,129)	(1,472)	(343)	(12)	(330)	39
In-House Fostering	4,072	3,981	(91)	16	(108)	40
Independent Fostering Agency (IFA)	5,866	6,292	426	(187)	613	41
Adoption Services	1,282	1,389	106	23	83	42
Family & Friends Allowances	3,612	3,385	(228)	(154)	(73)	43
Safeguarding and Care Planning	3,621	5,719	2,099	280	1,819	44-45
Review and Development Unit	1,130	1,611	481	(3)	484	46
Referrals & Assessments	2,807	2,859	52	90	(38)	n/a
Children Looked After Teams	2,677	2,930	253	(56)	309	47
Internal Residential Service	4,093	3,644	(449)	(435)	(14)	48
Children with Disabilities service	1,556	2,068	512	58	454	49
Management and Administration	1,864	2,321	457	147	310	50
Improvement	1,832	2,610	778	(181)	959	51
Prevention Services	1,920	1,534	(386)	(164)	(222)	52
Other Resource Services	2,154	2,041	(113)	(40)	(72)	n/a
<b>TOTAL - before Flexible Use of Capital Receipts</b>	<b>45,409</b>	<b>55,587</b>	<b>10,178</b>	<b>(285)</b>	<b>10,463</b>	
<b>Flexible Use of Capital Receipts</b> (£451,000 Review and Development Unit and £304,000 Improvement budget)	0	(755)	(755)	(755)	0	Table 3
<b>TOTAL - after Flexible Use of Capital Receipts</b>	<b>45,409</b>	<b>54,832</b>	<b>9,423</b>	<b>(1,040)</b>	<b>10,463</b>	

35. The external residential agency placements budget is £6,385,000 overspent at year-end (an increase of £218,000 from Quarter Three), due to a number of placement increases within the final months of 2022/23, and this will impact upon 2023/24 residential costs if there is no movement of these places to a reduced cost provision. 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 line with their care plan to do so. This is based on the final position of 59 external residential placements at the end of the financial year, which was unexpectedly higher than at the end of Quarter Three, and therefore requires continued scrutiny throughout 2023/24.

36. 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, however this appears to have reached a plateau in last two quarters of the year. Requests for placements are being made multiple times with no interest being received from providers. This had led to increased costs and is a national challenge / pressure and not 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.
37. Targets of the number of external residential agency placements are set in the Council's MTFP and in the Children's Services Financial Improvement Plan approved by Executive on 14 February 2023, and therefore close monitoring and regular review of the numbers of external residential agency placements takes place and will continue to do so in the future
38. The Directors within Children's Services have 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, this subsequently lowers 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 £510,000 for 2022/23, which is a £240,000 unachievement of income on the £750,000 budget set for 2022/23. There is however a significant increase in requests for Education Health Care Assessments. In 2021 this was 324, rising to 512 in 2022 with a predicted figure of 550 by the end of December 2023 . This figure may well in the future increase percentage wise in regard to contributions against the total Children's Care expenditure as the service work through this.
39. The above overspend on the external residential agency placements budget has been partly offset by additional income received from the ICB of £343,000 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 an increase from Quarter Three of £12,000, due to contributions identified for other services provided in Children's Services. Dedicated capacity has been provided to liaise with health commissioners in order to maximise health contributions.
40. The in-house fostering services budget is £91,000 underspent at year-end, a decrease in underspend of £16,000 from that reported at Quarter Three. This is predominantly due to a Winter Fee payment agreed to existing Foster Carers. There are currently 151 placements, which is a reduction from the 164 placements reported at Quarter Three. The strategy from Quarter Three of increased payments to internal foster carers appears to have halted the transfer of Internal Carers to Independent

Foster Carers after the initial transfers. 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 to reflect the business case for increased fees.

41. The Independent Fostering Agency (IFA) placements budget is £426,000 overspent at year-end (a decrease of £187,000 from the Quarter Three 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 153 (from 152 at Quarter Three). Reductions in expenditure within this area are part of the MTFP strategy for Children's Services and the target is to get down to 141 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.
42. The increase of £23,000 overspend from the Quarter Three forecast for the Adoption Service reported at year-end, is due to final Inter-Agency costs for the year being shared to partners across the Tees Valley. There are currently 30 children in the process of being adopted, 13 confirmed to date, 7 in the final stages, with the remaining 10 currently having possible plans. This may help to reduce the expenditure in Children's Care in future financial years.
43. The Family and Friends Allowances budget is £228,000 underspent at year-end against the revised budget for 2022/23. This is due to a lower than forecast number of approved places within this budget. 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, though it would not be an immediate reduction if allowed and approved. This area is seen as a challenge across the country and finance will work with service to split this budget into categories if supporting further scrutiny.
44. As with at Quarter Three there is a significant overspend reported at year-end on the Safeguarding and Care Planning teams revised budget for 2022/23. This is £2,099,000, an increase of £280,000 from Quarter Three. 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 included as a reduction in spend by Directorate for the MTFP 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 came into effect on 1st November 2022, and this needs close scrutiny to how effective this is in regards to recruiting permanent staff.

45. There are also 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 continues to work with Finance and wider council services to analyse the costs further to evaluate value for money of these, to identify any matching grants available, 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.
46. There is an overspend at year-end on the Review and Development budget of £481,000, similar to that reported at Quarter Three. Agency costs is an area where there is significant expenditure on, and the use of agency staff to fill vacant posts due to challenges in recruiting have created pressures in 2022/23, however within this service area, they have experienced applications and subsequent recruitment to vacant posts filled by agency staff following the market supplement being implemented from November 2022. The main element of the service area pressure is £407,000 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.
47. The Children Looked After teams' budget is £253,000 overspent at year-end, a decrease of £56,000 from Quarter Three. 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 additional budget provided for 2022/23 for this area of £606,000, however the service has overspent by £232,000 on agency staff against the revised budget, a decrease of £37,000 overspend from Quarter Three. As stated in paragraph 44, 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 are from increased legal costs.
48. The Internal Residential Service budget has underspent by £449,000, predominantly from an internal double block bedding (not confirmed at Quarter Three), along with partners no longer currently being part of Future for Families service. There have been reducing challenges around recruitment, which no longer require as much use of agency staff and additional overtime across the Service. The Service has reviewed the salaries of residential workers to support the drive to recruit them. There have also been costs to support the transition to independence that are required to reduce costs in Adult Social Care services. These costs have been offset by income generated from charging a place to another Local Authority, and also a place to Adult Social Care services as a young person has remained in the Service but with no additional cost to Council as the placement is now fully funded from Health. It is to be



noted that some of the savings in this area are one-off and were unexpected in year, and are not foreseen to continue into 2023/24.

49. The Children with Disabilities Service is reporting a £512,000 overspend on its budget at year-end, an increase of £58,000 from Quarter Three, mainly due to continued pressures from expensive care packages of support required for young people in the Service.
50. The Management and Administration budget is reporting an overspend of £457,000 against the revised budget at year-end, a £147,000 increased pressure from Quarter Three. A large part of the overspend during 2022/23 was due to the cost of two agency payments for vacant Heads of Services posts. Middlesbrough was successful in being awarded a £330,000 grant from DfE for Improvement funding which has offset part of the cost of one of these Head of Service posts and also contributed towards some other expenditure. There is a plan to recruit to the agency Head of Service posts within the Children's Services Strategy for 2023/24. There are also £272,000 of previous years savings not fully achieved, and a £27,000 reported overspend within Strategic Services budget.
51. The Improvement journey continues in Children's Services, and there was £2,610,000 of expenditure relating to this in 2022/23. £1,832,000 of additional budget was provided for this in 2022/23. After the provision of the additional funding for 2022/23, there is a reported overspend of £778,000 on this budget. A reduction in this budget spend 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.
52. Prevention Services are reporting an underspend of £386,000 on their budgets (an increased saving of £164,000 from that reported at Quarter Three) due mainly to an over achievement of grant income for the Payments by Results element of the Supporting Families Grant (note that this saving is likely to reoccur in 2023/24 but has already been used in 2023/24 as part of the budget savings for 2023/24 approved by Council), along with continuing to achieve efficiencies whilst delivering this service to support the vacancy freeze across the Council during 2022/23.
53. 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 £9.423m overspend at year-end.

**Table 11 - Legal and Governance Services - £11,000 overspend**

<b>Adverse/ (favourable) Variance £'000s</b>	<b>Service area</b>	<b>Reason</b>	<b>Impact on 23/24 Budget assumptions</b>
165	Mail and Print	Higher than expected usage of the hybrid mail system and contractual price increases	Under review
(154)	Across Directorate	Compensating one off savings	Under review
<b>11</b>			

**Table 12 - Finance – £0.283m overspend**

<b>Adverse/ (favourable) Variance £'000s</b>	<b>Service area</b>	<b>Reason</b>	<b>Impact on 23/24 Budget assumptions</b>
134	Resident & Business Support	Housing benefit subsidy insufficient to meet the cost of homeless household accommodation on Bed & Breakfast placements in adult services	Under review – work currently underway - not exclusive to Middlesbrough, risk for every Local Authority
171	Resident & Business Support	Housing benefit scheme does not provide full subsidy for supported housing providers that are not registered social landlords or housing associations.	Under review – expected to increase – not exclusive to Middlesbrough, risk for every Local Authority
381	Resident & Business Support	Housing Benefit overpayments relating to prior years and other changes following audit, leading to reduction in subsidy payable upon audit of final subsidy claim.	Under review
464	Resident & Business Support	Council Tax & Business Rates Court costs year-end assessment of debt collectability resulted in increase in the bad debt provision. Also, income shortfall due to the delay in planned mid-year uplift in court fees.	Court costs issue should improve 23/24 position as costs increased more than required. Bad debt provision – under review

(745)	Resident & Business Support	Higher New Burdens grant than expected and increase in staff vacancies	Under review
158	Finance	Higher than budgeted external audit fees for work undertaken up to current stage of ongoing 21/22 audit	Adverse – further increase expected – national issue
(305)	Commissioning & procurement	Income in excess of budget, supplies and services savings, and staff vacancies	Under review – but some savings/increased income one off only in 22/23
25	Across Directorate	Other various variances below £150,000	Under review – some are one off relating to 22/23 only
<b>283</b>	<b>TOTAL</b>		

**Table 13 - Central Budgets - (£5.221m) underspend**

<b>Adverse/ (favourable) Variance £'000s</b>	<b>Service area</b>	<b>Reason</b>	<b>Impact on 23/24 Budget assumptions</b>
(2,408)	Capital Financing Budget	Review of Minimum Revenue Provision (MRP) policy Jan 2023	Already included in 23/24 budget
(125)	General Fund	Top up Adult Social Care Reserve following prior year audit adjustment to create Insurance provision. Also S13a Council Tax payments for Care Leavers, offset by credits on Middlesbrough Council Business Rates accounts, and receipt of unexpected government funding for Levy Account surplus.	Mostly one off, but potentially need to include in MTFP S13a Council Tax payments for Care Leavers – figure TBC
858	Pay and prices contingencies	Inflation increases exceeded budget provision due to pay award	Some provision for future pay award already included – amount equal

			to 5% pay award currently provided in 23/24 budget
(711)	Concessionary Travel	Reduced payments to operators	(£471k) of which ongoing saving – already included
300	Non pay inflation	Inflation increases exceed budget provision	Additional inflation provision already included
(3,226)	Financial Recovery Plan	Delivery of Recovery Plan savings controlled centrally	Where ongoing, already included
160	CIPFA Review – internal governance/financial resilience	Costs incurred not budgeted	Budget is required for this
(69)	Across Directorate	Other various variances below £150,000	N/A – one offs
<b>(5,221)</b>	<b>TOTAL</b>		

### ***Council Tax and Business Rates income***

54. Income from Council Tax and Business Rates (NNDR) is accounted for within the Collection Fund. Because of the mechanisms for operating the Collection Fund, the financial impact of the 2022/23 outturn variances do not immediately affect the General Fund position. The impact is fed into the development of the 2024/25 budget and MTFP.
55. The 2023/24 MTFP presented to Council in February 2023 included the estimated effect of Council Tax and Business Rates income during 2022/23, but it is clear that there are a number of issues, including the current economic climate, which may potentially result in adverse pressures continuing in relation to the collection of Council Tax and Business Rates income over the medium term. The in-year collection rate for 2022/23 was 92.81% for Council Tax (however it should be noted this was at an increased level due to the Council Tax Energy Rebate Scheme as noted in paragraph 60) and 96.99% for Business Rates. This position will be closely reviewed and the MTFP will be updated for this as appropriate.
56. There is currently a growing uptake by residents of the Council Tax Reduction Scheme due to the cost of living crisis as a consequence of the current adverse economic climate. At the end of the first quarter 2022/23 there were 17,918 Localised Council Tax Support Claimants, however by the end of 2022/23 there were 18,130

claimants. It is likely that this will increase further in future years. This will be closely monitored and the MTFP will be updated for this as appropriate.

57. The budgeted Council Tax base includes assumptions on housing growth. If there is a variance in growth in housing numbers, this will impact upon Council tax income levels realised vs budget.
58. 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, there is a risk that Business Rates revenue reduces in the future if businesses fail or are unable to pay. This area will be reviewed in detail to inform budget forecasting for 2023/24 at Quarter One and the development of the 2024/25 budget and MTFP.
59. 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 and the adequacy of the bad debt provision over the period of the MTFP.
60. The Government has provided grant funding to the Council through the Council Tax Energy Rebate Scheme to support households with increasing energy costs for 2022/23. This helped to improve the level of Council Tax income collected in 2022/23, as where applications were 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.
61. The position relating to Council Tax and Business Rates income for future years and the effects on the Collection Fund will be closely monitored, and updates will be provided in future budget monitoring reports and MTFP updates.

***Potential Future MTFP issues***

62. There are number of ongoing financial issues detailed in this report. These will require further investigation and analysis, and any ongoing continuing financial effect of any overspends or underspends to budget will need to be considered for inclusion in future updates of the Council’s MTFP. Without mitigating action these could potentially have a negative impact on the Council’s current MTFP approved by Council on 27 February 2023.
63. The following table summarises the major financial issues occurring during 2022/23 and the main actions required.

***Table 14 – Potential Future MTFP Issues***

<b>Budget</b>	<b>Issue</b>	<b>Action required</b>	<b>Responsible Director</b>
Bereavement Services	Reduced income due to recent opening of new	<ul style="list-style-type: none"> <li>• Detailed analysis of activity and price levels</li> <li>• Increase in understanding of the effects of</li> </ul>	Director of Environment & Community Services

	crematorium at Stockton	competition from the crematorium at Stockton	
Integrated Transport Unit	Increasing demand	<ul style="list-style-type: none"> <li>Review provision and eligibility</li> </ul>	Director of Children's Services / Director of Education & Partnerships
Children's Care	External Residential Agency Placement costs	<ul style="list-style-type: none"> <li>Analysis on demand volume, complex cases, unit costs per week, and how Service are working to mitigate cost and improve outcomes</li> <li>Transformation plans to manage demand medium to long term</li> </ul>	Director of Children's Services / Director of Children's Care
Children's Care	Agency costs	<ul style="list-style-type: none"> <li>Workforce strategy to deal with staff turnover, procurement and deployment of agency staff</li> </ul>	Director of Children's Services / Director of Children's Care
Public Health	Underspend	<ul style="list-style-type: none"> <li>Understand the reasons for the underspend and impact on service delivery</li> <li>Determine whether the underspend is perpetual and recurring each year</li> </ul>	Director of Public Health
Adult Social Care	Staffing underspend	<ul style="list-style-type: none"> <li>Understand the reasons for the underspend and impact on service delivery</li> <li>Determine whether the underspend is perpetual and recurring each year</li> <li>Workforce strategy to recruit and retain staff</li> </ul>	Director of Adult Social Care
Adult Social Care	Demand growth	<ul style="list-style-type: none"> <li>Understand main aspects of growth in demand and actions being taken to manage this</li> <li>Compare with other local authorities (benchmarking)</li> </ul>	Director of Adult Social Care
Homelessness and supported accommodation	Escalating costs of provision	<ul style="list-style-type: none"> <li>Understand reasons for homelessness</li> <li>Review provision</li> <li>Review responsibility for this within the Council</li> </ul>	Council wide
Mail and Print	Increased usage and contractual	<ul style="list-style-type: none"> <li>Understand the reasons for the demand increase</li> <li>Review current contract</li> </ul>	Director of Legal & Governance Services

	price increases		
Collection Fund	Potential pressure upon council tax and business rate income collection performance	<ul style="list-style-type: none"> <li>• Review current and anticipated performance</li> <li>• Review bad debt provision and requirement to revise the provision</li> </ul>	Interim Director of Finance

### ***Revenue budget spending controls***

64. As previously reported to the Executive, a number of controls continued to operate during 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.
65. In 2022/23 the Council continued to minimise the use of agency staff where it was appropriate to do so, but there is still currently a need 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.
66. As mentioned in paragraph 16 and Table 2, Executive approved a Financial Recovery Plan for 2022/23. This included the following actions to recover the position in 2022/23:
- a. Each Directorate was requested to identify where discretionary expenditure could be curtailed, stopping short of an in year spending freeze.
  - b. Additional controls around the recruitment to vacant posts and procurement of agency staff.
  - c. 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.
  - d. 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
67. Clearly the ongoing financial challenges will continue into 2023/24 and future years, and these were assessed and reported to Council on 27 February 2023, as part of the budget strategy for 2023/24 and the future. There is currently a great deal of uncertainty in forecasting created by the pay award, inflationary pressures, and the impact on demand for services. Updates will be provided in future budget monitoring reports and MTFP updates.

## Dedicated Schools Grant (DSG)

68. The Council received £168.6m (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).

**Table 15 - Dedicated Schools Grant (DSG) after recoupment and deductions**

	2022/23 INCOME	2022/23 EXPENDITURE	2022/23 IN YEAR MOVEMENT	BALANCE AS AT 31/03/2022	BALANCE AS AT 31/03/2023
	£000s	£000s	£000s	£000s	£000s
Early years	11,872	12,858	986	(1,240)	(254)
Schools Block	18,699	18,563	(136)	(46)	(182)
High Needs	26,903	28,862	1,959	5,062	7,021
Central	1,042	1,042	0	(20)	(20)
<b>TOTAL</b>	<b>58,516</b>	<b>61,325</b>	<b>2,809</b>	<b>3,756</b>	<b>6,565</b>

69. There was a £3.756m total cumulative deficit on the DSG grant at the end of 2021/22, which included £5.062m attributed to the High Needs Block. The DSG deficit has increased during 2022/23 and there was a total DSG deficit of £6.565m at 31 March 2023, including £7.021m relating to the High Needs Block.
70. The Dedicated Schools Grant (DSG) statutory override which instructs Councils to account for the DSG negative balance in a separate reserve and not to fund it by using its General Fund was planned to end on 31 March 2023, however this has been extended to 31 March 2026. This was a major risk to the Council as it could have meant that the Council would have had to fund this deficit itself (current balance is £6.565m) and whilst it is still a risk to the Council the risk has been mitigated significantly in the medium term.
71. 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 and reducing the deficit. 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.
72. 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.
73. 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.



74. 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 1,659 in 2022 to a predicted level of 2,115 in 2023, a 28% 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 finance settlements for 2022/23 and 2023/24 for both Schools and High Needs Blocks.

### Capital Budget Outturn 2022/23

75. The Council approved a capital programme of £124.825m for 2022/23 on 23 February 2022. This budget was subsequently revised throughout the year and as part of the Quarter Three report on 14 February 2023, Executive approved a revised capital budget for 2022/23 of £62.167m. This was then reviewed, with a further year being added and amending for the capital effect of a budget saving, and this was approved by Council on 27 February 2023, meaning a revised capital budget for 2022/23 of £61.456m as the starting position for Quarter Four 2022/23 monitoring.
76. Following a further review and the inclusion of new additional schemes (paragraph 79), and increases to existing schemes (paragraph 80), the Council spent £58.962m at year-end. This is 47% of the original initial approved budget of £124.825m at the start of 2022/23, and 96% of the revised budget of £61.456m approved by Council on 27 February 2023.
77. The reasons for the £63.369m reduction in expenditure to the original initial approved £124.825m capital budget for 2022/23 during Quarters One to Three were detailed in previous budget monitoring reports and are summarised in Table 16 below.

**Table 16 - Summary of reduction in 2022/23 capital expenditure in Quarters One to Three 2022/23**

Scheme	Reason for reduction in expenditure in 2022/23	Value £000s
Affordable Housing via Section 106	No schemes eligible for expenditure were identified in 2022/23	1,678
Highways Infrastructure Section 106	No schemes eligible for expenditure were identified in 2022/23	2,010
Towns Fund	Mainly the Urban Living Programme due to a lack of developer uptake	17,597
Capitalisation Of Property Finance Leases	Delay in required technical adjustment by CIPFA	3,500
Cleveland Centre	Review of timetable for the essential repairs following acquisition	1,656
Municipal Buildings Refurbishment	Delays in receipt of surveys and other supporting documentation	1,500
Town Hall Roof	Works delayed so as not to disrupt planned programme of shows	900
Resolution House	Protracted discussions with other Local Authorities regarding the agreeing of the level of works	500
Bridges & Structures (Non Local Transport Plan)	Review of programme of works following detailed inspections	1,100
Block Budget (Grant) School Condition Allocation	In-year grant received greater than the set programme of works	927
Block Budget (Grant) High Needs Provision Capital Allocation (HNPCA)	In-year grant received greater than the set programme of works	1,559
Contribution To Free School At Middlehaven	Delays encountered by DfE due to their contractor going into liquidation	1,646
Boho X	Significant delays encountered with Northern Powergrid in respect of the electricity connection for the building	5,880
Brownfield Housing Fund	Issues associated with nutrient neutrality	5,411
Future High Streets Fund	Delays caused by protracted negotiations with prospective leisure focussed tenants	3,135
Housing Growth	Mainly delays due to contractor negotiation regarding the implementation of a roundabout at Nunthorpe Grange	1,998
Middlesbrough Development Company	Contractor delays, and reduced expenditure on Eyesore Sites and Empty Homes projects due to decision to cease operating the company	4,851
Middlehaven Projects	No schemes eligible for expenditure were identified in 2022/23	500
Teesside Advanced Manufacturing Park Phase 2	Review of scheme	1,500
Local Transport Plan	Number of minor delays	521
Linthorpe Road Cycleway	Carry forward of unrequired grant funding, which will be returned to TVCA upon final reconciliation of the scheme	424
Health & Wellbeing Hub	Uncertainty over expansion of the Live Well Centre, therefore re-profiled and now removed from capital programme	756
Other Schemes	Miscellaneous reprofiling over a number of individual schemes	3,820
	<b>TOTAL</b>	<b>63,369</b>

78. The reasons for the further underspend during Quarter Four on the revised capital budget for 2022/23 of £61.456m and any changes required to the Investment Strategy are provided in the paragraphs below. The revised Investment Strategy to 2025/26 is included at Appendix 1 for approval.
79. The following four new schemes above £150,000 have been added to the revised Investment Strategy, set out at Appendix 1 for consideration and approval.
- On 18 January 2023, the Department for Levelling Up, Housing and Communities (DLUHC) announced the successful Levelling Up round two bidders. Redcar and Cleveland Borough Council's bid was successful and within it contained £4,812,000 which will be expended by Middlesbrough Council for infrastructure improvements within South Middlesbrough, specifically for the construction of a roundabout and spine road which will unlock the Newham Grange housing site and ultimately result in the construction of approximately 1,100 new houses. £1,604,000 in 2023/24 and £3,208,000 in 2024/25 has been added to the Investment Strategy.
  - On 24 January 2023, Executive approved the acquisition of the former Crown building to ensure the control and protection of the locally important asset. A business case is intended to be developed to restore and convert the spaces to a commercially viable use, which could include a diverse range of uses including public, commercial, leisure and cultural spaces, as a critical part of the transformation of Middlesbrough's town centre. £887,000 (£785,000 in 2022/23 and £102,000 in 2023/24) has been added to the Investment Strategy for the cost of acquisition which includes £100,000 for initial essential capital works.
  - The Council has successfully received a grant of £311,000 for 2023/24 from the Department of Culture, Media and Sport (DCMS) in relation to building improvements at the Dorman Museum. The improvements include an electrical re-wire of the building, roof repairs, refurbishment of the passenger lift and upgrades to the toilets, CCTV and environmental monitoring systems. The grant is matched funded by £20,000 of pre-existing Council resources.
  - Capitalisation of Transformation Expenditure via Flexible Use of Capital Receipts Strategy - £755,000 of expenditure has been added to the Investment Strategy in 2022/23 for Children's Care as part of the required correct accounting treatment for the adoption of this Strategy (see paragraphs 20 and 21).
80. The following two additions to schemes within the current Investment Strategy which have recently been approved by Executive are also to be included in the revised Investment Strategy, set out at Appendix 1 for consideration and approval:
- Highways Infrastructure Development Section 106 - £1,240,000 of Section 106 contributions received from housing developers have been added to the Investment Strategy in 2023/24.
  - Block Budget (Grant) School Condition Allocation & Devolved Formula Capital – The Department for Education has recently announced the 2023/24 allocation for each grant, the following has accordingly been added to the Investment Strategy

- £634,760 – Schools Condition Allocation
- £114,976 – Devolved Formula Capital

81. There are no schemes over £150,000 that have been removed from the Investment Strategy
82. There are no schemes within the Investment Strategy that have been reduced by over £150,000.
83. The split by Directorate is shown in the table below, which also shows the “real” outturn variance if all of the additional new schemes, increased schemes, reduced schemes and transfers between Directorates are excluded. Explanation of variances +/- £150,000 across 7 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.

**Table 17 – Summary of Capital Budget Financial Performance 2022/23**

Directorate	2022/23	2022/23	2022/23	2022/23	MEMO		Para. Ref.
	Investment Strategy Initial Budget at start of year (approved by Council 23/2/22)	Investment Strategy Revised Budget (approved by Council 27/2/23)	Investment Strategy Year End Outturn	Investment Strategy Year End Outturn Variance from Revised Budget	New, increased & reduced Schemes / transfers	Real outturn variance excluding new, increased, & reduced schemes / transfers	
	£'000	£'000	£'000	£'000	£'000	£'000	
Regeneration and Culture	92,877	38,829	36,371	(2,458)	529	(2,987)	83-87
Environment and Community Services	9,766	11,123	11,006	(117)	214	(331)	n/a
Public Health	756	285	219	(66)	32	(98)	n/a
Education & Partnerships	11,498	4,141	4,050	(91)	0	(91)	n/a
Children’s Care	138	393	1,100	707	10	697	n/a
Adult Social Care	2,272	2,606	2,884	278	0	278	88-89
Legal and Governance Services	3,573	3,941	3,223	(718)	0	(718)	n/a
Finance	3,945	138	109	(29)	0	(29)	n/a
<b>Total</b>	<b>124,825</b>	<b>61,456</b>	<b>58,962</b>	<b>(2,494)</b>	<b>785</b>	<b>(3,279)</b>	

*Regeneration*

84. Boho X – Further delays associated with Northern Powergrid with respect to the provision of the necessary infrastructure required to power the building, including the installation of an incorrect piece of equipment have been experienced. This has adversely affected the remainder of the programme with practical completion being further delayed but finally occurring at the end of May 2023. This has resulted in £1,640,000 of funds being transferred into 2023/24.
85. Middlesbrough Development Company – £1,292,000 of funds have been transferred into 2023/24. This is primarily due to contractor delays, coupled with inclement

weather at both the Boho Bright Ideas (£960,000) and Newbridge Court (£230,000) sites.

86. Linthorpe Road Cycleway – The remaining grant of £164,000 has been carried into 2023/24 to carry out corrective works on the cycleway, with any remaining funds being transferred back to TVCA as per the condition of the grant.
87. Local Transport Plan – There has been small scale delays on a number of schemes within the wider Local Transport Plan project, resulting in £164,000 of grant funding being re-profiled into 2023/24.
88. Future High Street Fund - £517,000 of the grant that was assumed to be spent in 2023/24 and future years has been brought into 2022/23. This is by and large due to an Urban Living project progressing quicker than envisaged and the grant providing support to one of the commercial tenants within the town centre.

#### *Adult Social Care and Health Integration*

89. Disabled Facilities Grant - £260,000 of grants that were assumed to be spent in 2023/24 have been brought forward into 2022/23 to fund costs that were incurred over and above those assumed at Quarter Three.

#### *Legal And Governance Services*

90. Sharepoint – There has been an over assumption of the work that would have been undertaken in-year in 2022/23 with respect of the Sharepoint Online project. This has resulted in £310,000 of funds now being transferred into 2023/24.

#### **Treasury Management - Borrowing & Prudential Indicators**

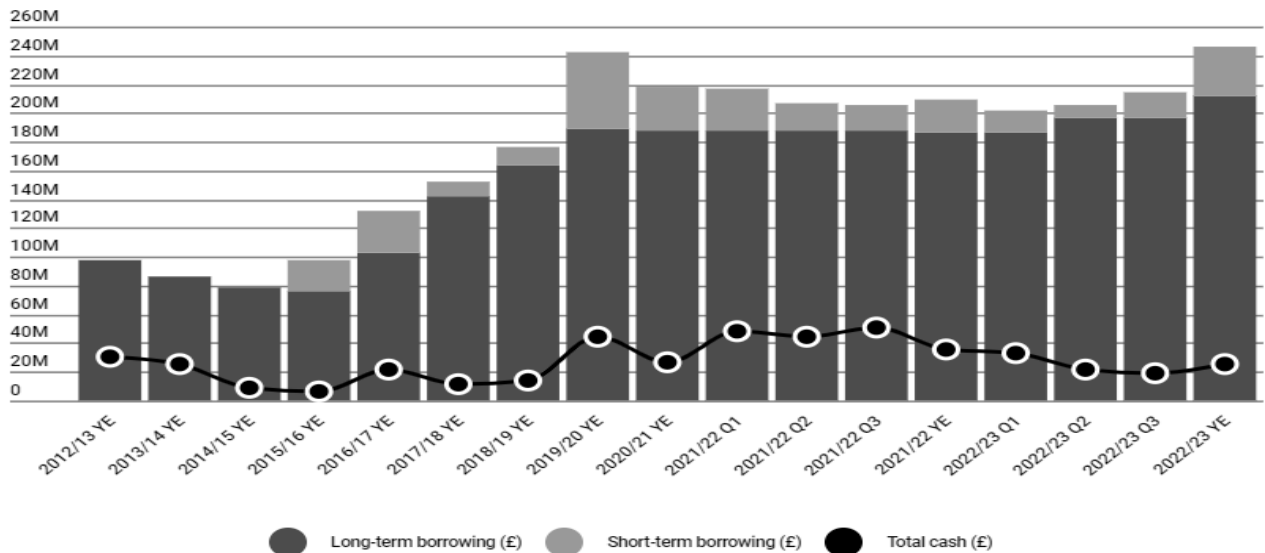
91. The Council's investment and borrowing activity is managed in accordance with the Treasury Management Strategy (TMS) which is a key element of the MTFP alongside the annual revenue budget and capital programme which are approved by Council annually in before the start of the financial year.
92. Treasury Management activity is governed by the Prudential Indicators which are set within the TMS. The Council uses external expert Treasury Management Advisers to inform the development of its strategy and operational in year decisions. The budgeted and actual Prudential Indicators for 2022-23 are summarised in table 18.
93. Investment and borrowing decisions are taken to manage the short, medium and long term cash needs of the Council and are driven primarily by:
  - a. the extent to which the Council finances its capital expenditure by borrowing which is measured by the Capital Financing Requirement (CFR)
  - b. The timing differences between operational income and expenditure flows
  - c. The level of cash backed reserves held by the Council;and informed by short to long term interest rate forecasts.

**Table 18 – Prudential Indicators Outturn 2022/23**

<b>Prudential Indicators - 2022/23 outturn position</b>				
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>	<u>Variance as a % of budget</u>
	<u>(£m)</u>	<u>(£m)</u>	<u>(£m)</u>	<u>%</u>
Capital Expenditure	124.825	58.962	(65.863)	(52.8)
<u>Financing</u>				
External Sources	74.344	33.610	(40.734)	(54.8)
Capital Receipts	6.072	0.755	(5.317)	(87.6)
Revenue Resources	0.224	0.000	(0.224)	(100.0)
Debt	44.185	24.597	(19.588)	(44.3)
Capital Financing Requirement	295.865	282.355	(13.510)	(4.6)
External Debt	268.350	245.889	(22.461)	(8.4)
Investments	15.630	24.500	8.870	56.7
Revenue costs of Capital Financing	10.466	8.058	(2.408)	(23.0)
Revenue Budget	118.329	118.329	118.329	n/a
Cost as a % of revenue budget	8.8%	6.8%		

94. The Council's Capital Expenditure outturn was £58.962m compared to an original approved budget of £124.825m, an underspend of £65.863m (52.8%). This resulted in a lower level of debt funding and CFR than was anticipated at budget setting.
95. The Council's budgeted level of total external borrowing was £268.350m compared to an outturn of £245.899, a variance of £22.461m (8.4%). During the final quarter, external borrowing increased from £214.5m at 31 December 2022, to £245.9m at 31 March 2023. This increase of £31.4m reflects the need to borrow £20m for new capital expenditure plus additional short-term borrowing of £15m for cashflow purposes, less repayment of principal amounts on existing annuity loans held by the Council at £3.6m.
96. Cash balances have been under significant pressure during the fourth quarter of 2022/23 due to the depletion of the Council's reserves associated with in year revenue spending pressures and the delivery of capital schemes funded from borrowing being achieved. Consequently new borrowing was required to maintain the cashflow position of the Council. which requires a minimum of £15m cash balance to be held. Although it is not uncommon for borrowing activity to increase during the final quarter, due to the relative income and spending profiles, the size of the increase is greater than in previous years.
97. The ratio of short-term to long-term borrowing has increased during the quarter given the addition of a further £15m to the short-term loan portfolio. Long term Public Works Loan Board (PWLB) rates remain higher at present, although these have become more attractive during the final quarter as rates have flattened over time. Given that the Council has lower levels of external debt than its underlying borrowing requirement as measured by the CFR, it has been useful to balance the portfolio with £20m longer term funding which gives greater stability and certainty on the debt portfolio over the medium term. The Council's total under borrowed position (external debt compared to the capital-financing requirement – or underlying need to

borrow) is £36.5m at 31 March 2023, or 12.9%. The overall strategy for borrowing in the current inflationary climate is complex and is regularly discussed with the Council’s appointed external treasury management advisers.



98. 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 approved by Council as part of the annual budget process in February each year. CIPFA and Government view this approach as best practice in ensuring resources are allocated prudently to capital schemes.
  
99. The amount of external debt at £245.9m and the total underlying need to borrow of £282.4m are both well below the Council’s authorised debt limit of £356m for the year. This is the threshold above which any borrowing would be illegal. The cost of capital financing to the Council is significantly lower than set as part of the budget process by £2.4m. This is due to the change in minimum revenue provision policy from straight line to an annuity basis on post 2008 balance sheet debt, approved by Full Council on 18 January 2023. Without this, the total financing cost would have been in line with the budget provided.

**Reserves & Provisions**

100. Table 19 below sets out a summary of the balance of reserves and provisions at the 1 April 2022 and at year-end 31 March 2023. Further detail is provided in Appendix 2. The year-end balances assume that the transfer to reserves as detailed in this report are approved by Executive.

**Table 19 – Reserves and Provisions 2022/23**

	Adjusted Opening Balance	Use in Year	Additional Contributions	Transfers from / (to) General Fund	Transfers between reserves at year-end	Balance at Year-End
	£000's	£000's	£000's	£000's	£000's	£000's
<b>General Fund Reserve</b>	<b>11,183</b>	<b>0</b>	<b>858</b>	<b>0</b>		<b>12,041</b>
<b>Usable Earmarked Reserves</b>						
Social Care Transformation Reserve	7,072	(1,963)	0	(2,755)	(2,354)	0
Financial Resilience Reserve (new)	0	0	0	0	2,354	2,354
Other	10,867	(9,583)	696	0	181	2,161
<b>Total Usable Earmarked Reserves</b>	<b>17,939</b>	<b>(11,546)</b>	<b>696</b>	<b>(2,755)</b>	<b>181</b>	<b>4,515</b>
<b>Unusable Earmarked Reserves</b>						
Earmarked Reserve - Revenue Grants Unapplied	11,657	(1,118)	0	0	0	10,539
Earmarked Reserve - Dedicated Schools Grant (DSG)	(3,756)	(2,944)	135	0	0	(6,565)
<b>Total Unusable Earmarked Reserves</b>	<b>7,901</b>	<b>(4,062)</b>	<b>135</b>	<b>0</b>	<b>0</b>	<b>3,974</b>
<b>School balances</b>	<b>4,802</b>	<b>(4,802)</b>	<b>3,962</b>	<b>0</b>	<b>0</b>	<b>3,962</b>
<b>Provisions</b>						
Provisions - Business Rates Appeals & Other	1,921	(14,676)	14,881	0	0	2,126
Provisions - Insurance	3,250	0	0	0	(181)	3,069
<b>Total Provisions</b>	<b>5,171</b>	<b>(14,676)</b>	<b>14,881</b>	<b>0</b>	<b>(181)</b>	<b>5,195</b>
<b>TOTAL</b>	<b>46,996</b>	<b>(35,086)</b>	<b>20,532</b>	<b>(2,755)</b>	<b>0</b>	<b>29,687</b>

101. As mentioned in paragraphs 11 to 13 the table above assumes that the final overspend at year-end resulting will be covered by the remaining £5.109m Social Care Transformation Reserve, and then the £2.354m balance remaining on the Reserve at year-end will be transferred to a new Financial Resilience Reserve (FRR). The purpose of the FRR will be for meeting unforeseen financial pressures that cannot ultimately be managed within directorate budgets and to meet exceptional one-off costs of meeting the Council's improvement work to satisfy DLUHC and the External Auditor's requirements.
102. It should also be noted that the year-end balances may be subject to further change due to further technical adjustments which may be required as part of the closure of the Council's accounts. These will be mainly relating to the closure of the Collection Fund accounts, DSG, school balances and the Insurance Fund. There may also be potential changes required as part of the external audit of the Council's accounts. The final year-end balances will be reported in the Council's Statement of Accounts for 2022/23, and as part of the Quarter One 2023/24 budget monitoring report.
103. Table 19 shows that the level of Reserves the Council holds has reduced considerably during 2022/23 and it is critical that the Council takes action to replenish reserves to achieve a greater level of financial resilience for the Council over the medium term.
104. 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?

In respect of the General Fund Revenue Budget, the Executive is requested to:

- Note the 2022/23 final pre-audited net revenue outturn of £121.084m against an approved budget of £118.329m, an overspend of £2.755m (2.3%). This is an improvement of £0.656m from the forecast outturn at Quarter Three.
- Note that within the outturn, total revenue expenditure of £0.755m in relation to transformation of Children's Services was assessed as qualifying expenditure under the Government's Flexible Use of Capital Receipts initiative and therefore supported the reduction of the overall revenue outturn overspend position. The Flexible Use of Capital Receipts Strategy was approved by Full Council on 7 September 2022.
- Note the progress against the Financial Recovery Plan 2022/23 as approved by Executive on 18 October 2022, which has succeeded in contributing to reducing the forecast overspend from £9.012m (7.6%) at Quarter One to £2.755m (2.3%) at year-end.
- Approve that the final revenue overspend of £2.755m will be met by a contribution from the earmarked Social Care Transformation Reserve, leaving a balance of £2.354m in the Reserve. This Reserve will now be closed and its balance transferred.
- Approve, in recognition of the pressures that face the wider Council financial position, that a corporate Financial Resilience Reserve (FRR) be established as part of the closure of accounts process at the 31 March 2023. The purpose of the Reserve will be for meeting unforeseen financial pressures that cannot ultimately be managed within directorate budgets, and to meet exceptional one-off costs of meeting the Council's improvement work to satisfy the Department for Levelling Up, Housing and Communities (DLUHC) and the External Auditor's requirements.
- Approve that the balance of £2.354m on closing the Social Care Transformation Reserve shall be transferred to the Financial Resilience Reserve.
- Note that further consideration will be given to the feasibility of revising the 2023/24 Flexible Use of Capital Receipts Strategy to support further transformation across Council services during 2023/24 and in developing the 2024/25 Medium Term Financial Plan (MTFP), and this will be addressed in future reports to the Executive in due course.
- Notes that the initial analysis of the financial outturn has highlighted the risk of potential ongoing financial pressures arising from 2022/23 (Table 14 and paragraphs 62 and 63). These will be investigated further and will be subject to management action by the Leadership Management Team within 2023/24, and will inform the update and development of the Council's Medium Term Financial Plan for 2024/25 to 2026/27.
- Notes the management actions being taken to control expenditure in order to mitigate the risk of overspending in the future. (paragraphs 64 to 67).

In respect of the Capital Programme and Treasury Management, the Executive is requested to:

- Note the 2022/23 capital programme final pre-audit outturn of £58.962m against a revised capital budget of £61.456m, an underspend of £2.494m (4%). The outturn represents an underspend of £65.863m (53%) against the original capital budget approved by Council in February 2022.
- Approves the revised Investment Strategy to 2025/26 at Appendix 1, including £181.194m for financial years 2023/24 to 2025/26. Note the 2023/24 allocation includes £4.942m of funds that were assumed to be spent in 2022/23 as in the Quarter Three Executive report and which have now been slipped to 2023/24.
- Notes the Treasury Management outturn position with respect to the Council's prudential indicators as set out at paragraphs 91 to 99.



In respect of the Dedicated Schools Grant (DSG), the Executive is requested to:

- Note the in-year deficit of £2.809m for 2022/23, including £1.959m relating to the High Needs Block.
- Note the total cumulative deficit of £6.565m at 31 March 2023, including £7.021m relating to the High Needs Block, as set out in Table 15 and paragraphs 68 to 74.
- Note under existing government regulations this cannot be funded from the General Fund, and the Council is required to deliver a recovery plan to the Department for Education (DfE).

In respect of the Council's reserves and provisions, the Executive is requested to:

- Note that the balance on the General Fund Reserve at the 31 March 2023 is £12.041m as planned in the 2023/24 MTFP.
- Note the balance on other earmarked reserves and provisions as set out in Table 19 (paragraphs 100 to 104) and detailed in Appendix 2.
- Note that usable earmarked reserves as set out in Table 19 are at a critically low level and measures will be required during 2023/24 and in developing the 2024/25 budget and MTFP to rebuild the Council's financial resilience over the medium term.

#### **Rationale for the recommended decision(s)**

105. 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**

106. Not applicable.

#### **Impact(s) of the recommended decision(s)**

##### ***Legal***

107. 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***

108. The revenue and capital budgets form part of the Council's Policy Framework. All proposed variations set out in this report are in line with authority delegated to the Executive.

109. Any impact on the Council's Strategic Plan will be reported as part of the Corporate Performance Review : Year End 2022/23 report to this Executive.

110. In line with the Council's Risk Management Policy, the corporate Strategic Risk Register will be reported to this Executive as part of the Corporate Performance Review : Year End 2022/23 report.

## ***Human Rights, Equality and Data Protection***

111. 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.
112. The Financial Recovery Plan 2022/23 report to Executive on 18 October 2022 included that the financial recovery plan did not create policy change for service users, clients, and customers. The Fees and Charges increases included in the Plan also did not result in disproportionate adverse impact on groups or individuals because they hold one or more protected characteristics.

## ***Financial***

113. This report sets out the financial implications associated with the financial performance of the Council in managing its revenue and capital resources for the financial year 2022/23 and the financial implications are incorporated throughout.

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

<b>Action</b>	<b>Responsible Officer</b>	<b>Deadline</b>
Corporate revenue budget spending controls set out in the main body of the report will continue to be applied to Directorates as stated.	Director of Finance	31/3/24
Process the movement in reserves detailed in the report subject to approval	Director of Finance	30/9/23
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	31/3/24
Adoption of the revised Investment Strategy included at Appendix 1. Subject to approval	Head of Financial Planning & Support	30/6/23

## **Appendices**

<b>1</b>	Proposed revised Investment Strategy to 2025/26
<b>2</b>	Detail of reserves and provisions as at 31/3/23

## 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	14/11/22
Council	Medium Term Financial Plan Update and Budget Savings Proposals 2023/24	30/11/22
Council	Capital Strategy 2022/23 Mid Year Update	18/1/23
Executive	Revenue Budget, Council Tax, Medium Term Financial Plan, and Capital Strategy 2023/24	14/2/23
Executive	Children's Services Financial Improvement Plan	14/2/23
Executive	Revenue and Capital Budget – Projected Outturn position as at Quarter Three 2022/23	14/2/23
Council	Revenue Budget, Council Tax, Medium Term Financial Plan, and Capital Strategy 2023/24	27/2/23

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(deputy s151 Officer)

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## Appendix 1: Proposed Revised Investment Strategy to 2025/26

	Total Funding Required					Council Funding £'000	External Funding £'000
	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	TOTAL £'000		
<b>Regeneration &amp; Culture</b>							
Town Centre Related Projects	736	1,240	-	-	1,976	1,558	418
Middlehaven Related Projects	-	7	500	-	507	500	7
Housing Growth	42	250	3,200	-	3,492	2,792	700
BOHO X	10,610	7,980	-	-	18,590	2,062	16,528
BOHO 8	2	19	-	-	21	-	21
Brownfield Housing Fund	236	4,144	2,000	-	6,380	-	6,380
Towns Fund	2,275	2,292	11,167	-	15,734	100	15,634
Towns Fund - East Middlesbrough Community Hub	19	2,581	1,088	-	3,688	2,600	1,088
Future High Streets Fund	5,621	7,603	-	-	13,224	-	13,224
Acquisition of Town Centre Properties	-	207	1,000	-	1,207	1,207	-
Acquisition of The Crown	785	102	-	-	887	887	-
New Civic Centre Campus	5,358	410	-	-	5,768	5,768	-
Middlesbrough Development Company	6,480	4,851	-	-	11,331	6,165	5,166
Teesside Advanced Manufacturing Park	10	5	-	-	15	15	-
Teesside Advanced Manufacturing Park - Phase 2	-	-	8,820	-	8,820	8,820	-
Local Authority Delivery 2 Green Homes Grant	798	-	-	-	798	-	798
Capitalisation Of Major Schemes Salaries	530	530	530	530	2,120	2,120	-
Capitalisation of Planning Services Surveys	20	80	40	40	180	180	-
Affordable Housing Via Section 106	-	-	1,495	-	1,495	302	1,193
Highways Infrastructure Development Section 106	-	-	2,942	-	2,942	142	2,800
Linthorpe Road Cycleway	1,425	424	-	-	1,849	-	1,849
Replacement of Ticket Machines	26	163	-	-	189	189	-
Zetland Solar Panels	100	-	-	-	100	70	30
Lingfield Education Units	38	9	-	-	47	47	-
Levelling Up Fund - South Middlesbrough Accessibility	-	1,604	3,208	-	4,812	-	4,812
Gresham Projects	10	-	-	-	10	8	2
Empty Homes 2015 To 2018	128	-	-	-	128	-	128
Local Transport Plan	805	1,761	1,565	2,130	6,261	3	6,258
Theatre Bar Refurbishment	4	40	-	-	44	44	-
Leisure Trust Investment - Equipment	2	4	800	-	806	806	-
Stewart Park Section 106	6	39	-	-	45	-	45
Investment in Parks	35	16	-	-	51	51	-
Teessaurus Park	43	13	-	-	56	56	-
Archives Relocation	126	2	-	-	128	40	88
Cultural Development Fund - Enhancements to Central Library & Partner Organisations	101	2,633	1,624	-	4,358	-	4,358
Museum Estate & Development Fund	-	331	-	-	331	20	311
<b>Total Regeneration &amp; Culture</b>	<b>36,371</b>	<b>39,340</b>	<b>39,979</b>	<b>2,700</b>	<b>118,390</b>	<b>36,552</b>	<b>81,838</b>

	Total Funding Required					Council Funding £'000	External Funding £'000
	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	TOTAL £'000		
<b>Environment &amp; Community Services</b>							
Purchase of New Vehicles	734	4,266	2,250	2,260	9,510	9,510	-
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	-
Waste Disposal Plant Investment	139	-	-	-	139	139	-
Local Transport Plan - Highways Maintenance	2,433	2,426	2,338	4,678	11,875	-	11,875
Street Lighting-Maintenance	465	468	468	468	1,869	1,869	-
Urban Traffic Management Control 1	163	74	-	-	237	-	237
Flood Prevention	23	-	-	-	23	-	23
Members Small Schemes	63	158	60	60	341	341	-
Property Asset Investment Strategy	1,661	450	581	1,200	3,892	3,892	-
East Middlesbrough Community Hub	199	-	-	-	199	-	199
Section 106 Ormesby Beck	-	15	-	-	15	-	15
Section 106 Cypress Road	-	20	-	-	20	-	20
Hostile Vehicle Mitigation	100	31	-	-	131	131	-
Bridges & Structures (Non Local Transport Plan)	707	3,698	2,420	2,240	9,065	9,065	-
Henry Street	1	39	-	-	40	-	40
CCTV	168	201	-	-	369	369	-
Captain Cook Public House	255	-	-	-	255	-	255
Town Hall Roof	44	56	2,900	-	3,000	3,000	-
Municipal Buildings Refurbishment	-	1,500	-	-	1,500	1,500	-
Resolution House	85	502	-	-	587	587	-
Central Library WC	-	87	-	-	87	87	-
Cleveland Centre	310	1,660	-	-	1,970	1,970	-
Cargo Fleet Nature Reserve	47	47	-	-	94	-	94
Towns Fund Initiatives	399	379	-	-	778	-	778
Traffic Signals -Tees Valley Combined Authority	301	73	-	-	374	-	374
Hemlington MUGA	30	-	-	-	30	30	-
Changing Places Toilet-Albert Park	83	7	-	-	90	10	80
Highways Infrastructure	1,374	3,126	3,000	-	7,500	7,500	-
Libraries Improvement Fund	23	97	-	-	120	-	120
Urban Traffic Management Control 2	129	2,388	-	-	2,517	-	2,517
Traffic Signals Non Tees Valley Combined Authority	-	1,150	1,150	980	3,280	3,280	-
Newport Bridge	-	1,513	-	1,617	3,130	3,130	-
Street Lighting Column Replacement	-	464	464	500	1,428	1,428	-
<b>Total Environment &amp; Community Services</b>	<b>11,006</b>	<b>25,965</b>	<b>16,701</b>	<b>15,073</b>	<b>68,745</b>	<b>52,118</b>	<b>16,627</b>

	Total Funding Required					Council Funding £'000	External Funding £'000
	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	TOTAL £'000		
<b>Public Health</b>							
Relocation Of The Safe Haven To Middlesbrough Bus Station	219	31	-	-	250	105	145
<b>Total Public Health</b>	<b>219</b>	<b>31</b>	<b>-</b>	<b>-</b>	<b>250</b>	<b>105</b>	<b>145</b>

	Total Funding Required					Council Funding £'000	External Funding £'000
	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	TOTAL £'000		
<b>Education &amp; Partnerships</b>							
Block Budget (Grant) Devolved Formula Capital - Various Schools	-	194	-	-	194	-	194
Block Budget (Grant) Devolved Formula Capital (Energy Efficiency) - Various Schools	-	182	-	-	182	-	182
Block Budget (Grant) Section 106 Avant Low Gill	-	35	-	-	35	-	35
Block Budget (Grant) School Condition Allocation	-	702	-	-	702	-	702
Block Budget (Grant) Basic Needs	-	-	4,403	-	4,403	-	4,403
Block Budget (Grant) Special Provision Capital Fund	-	66	-	-	66	-	66
Block Budget (Grant) High Needs Provision Capital Allocation (HNPCA)	-	954	-	-	954	-	954
Schemes in Maintained Primary Schools	1,047	958	60	-	2,065	619	1,446
Schemes in Primary Academies	-	654	-	-	654	-	654
Schemes in Secondary Academies	2,414	456	-	-	2,870	-	2,870
Schemes in Special Schools	480	2,289	5,400	-	8,169	113	8,056
Capitalisation Of Salary Costs	109	111	-	-	220	-	220
Contribution To New School At Middlehaven	-	500	1,146	-	1,646	646	1,000
Block Budget (Grant) EFA Early Years 2 Year olds Entitlement (Trajectory Project)	-	7	-	-	7	-	7
Special Education Needs Projects	-	649	50	-	699	-	699
Family Hubs	-	95	40	-	135	-	135
<b>Total Education &amp; Partnerships</b>	<b>4,050</b>	<b>7,852</b>	<b>11,099</b>	<b>-</b>	<b>23,001</b>	<b>1,378</b>	<b>21,623</b>

	Total Funding Required					Council Funding £'000	External Funding £'000
	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	TOTAL £'000		
<b>Children's Care</b>							
Rosecroft renovations	8	8	-	-	16	16	-
34 Marton Avenue, Fir Tree - Garage Conversion	9	19	-	-	28	28	-
Contact Centre - Bus Station Unit 1	234	17	-	-	251	251	-
Bathroom Refurbishment	5	2	-	-	7	7	-
Holly Lodge Sensory Room	89	11	-	-	100	22	78
Transformational Expenditure Funded Through Flexible Use of Capital Receipts	755	-	-	-	755	755	-
Fir Tree Refurbishment	-	34	-	-	34	34	-
Caravan Purchase	-	50	-	-	50	50	-
Children's Services Financial Improvement Plan	-	2,000	2,500	-	4,500	4,500	-
<b>Total Children's Care</b>	<b>1,100</b>	<b>2,141</b>	<b>2,500</b>	<b>-</b>	<b>5,741</b>	<b>5,663</b>	<b>78</b>

	Total Funding Required					Council Funding £'000	External Funding £'000
	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	TOTAL £'000		
<b>Adult Social Care &amp; Health Integration</b>							
Chronically Sick & Disabled Persons Act - All schemes	788	826	610	610	2,834	1,304	1,530
Disabled Facilities Grant - All schemes	1,963	394	-	-	2,357	-	2,357
Capitalisation of Staying Put Salaries	50	50	50	50	200	100	100
Home Loans Partnership (formerly 5 Lamps)	6	73	-	-	79	-	79
Small Schemes	-	30	-	-	30	-	30
Connect/Telecare IP Digital Switchover	77	74	-	-	151	-	151
<b>Total Adult Social Care &amp; Health Integration</b>	<b>2,884</b>	<b>1,447</b>	<b>660</b>	<b>660</b>	<b>5,651</b>	<b>1,404</b>	<b>4,247</b>

	Total Funding Required					Council Funding £'000	External Funding £'000
	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	TOTAL £'000		
<b>Legal &amp; Governance Services</b>							
Desktop Strategy / Device Refresh	739	-	-	-	739	739	-
Enterprise Agreements	922	32	-	-	954	954	-
CRM	41	1	-	-	42	42	-
IT Refresh - Network Refresh	283	96	-	-	379	379	-
IT Refresh - Lights On	313	120	-	-	433	433	-
ICT Essential Refresh & Licensing	517	2,469	2,185	2,185	7,356	7,356	-
GIS Replacement	39	4	-	-	43	43	-
Prevention & Partnership Tablets	51	16	-	-	67	67	-
Sharepoint	318	310	-	-	628	628	-
HR Recruitment	-	35	-	-	35	35	-
HR Pay	-	37	-	-	37	37	-
<b>Total Legal &amp; Governance Services</b>	<b>3,223</b>	<b>3,120</b>	<b>2,185</b>	<b>2,185</b>	<b>10,713</b>	<b>10,713</b>	<b>-</b>

	Total Funding Required					Council Funding £'000	External Funding £'000
	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	TOTAL £'000		
<b>Finance</b>							
Former Partnership Investment (ICT Infrastructure Revenues & Benefits)	3	264	-	-	267	267	-
Business World Upgrade	1	26	-	-	27	27	-
Derisking Sites	105	288	1,978	500	2,871	2,869	2
Capitalisation of Property Finance Lease Arrangements	-	-	4,500	-	4,500	4,500	-
<b>Total Finance</b>	<b>109</b>	<b>578</b>	<b>6,478</b>	<b>500</b>	<b>7,665</b>	<b>7,663</b>	<b>2</b>

	Total Funding Required					Council Funding £'000	External Funding £'000
	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	TOTAL £'000		
<b>ALL DIRECTORATES</b>							
<b>Total ALL DIRECTORATES</b>	<b>58,962</b>	<b>80,474</b>	<b>79,602</b>	<b>21,118</b>	<b>240,156</b>	<b>115,596</b>	<b>124,560</b>

	Total Funding					Council Funding £'000	External Funding £'000
	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	TOTAL £'000		
<b>FUNDED BY:</b>							
Borrowing	24,597	27,436	31,311	5,860	89,204	89,204	-
Finance Leases	-	-	4,500	-	4,500	4,500	-
Capital Receipts	755	5,965	6,543	8,450	21,713	21,713	-
Grants	30,653	45,542	31,767	6,808	114,770	-	114,770
Contributions	2,957	1,357	5,476	-	9,790	-	9,790
Revenue Resources	-	174	5	-	179	179	-
Funding from Reserves	-	-	-	-	-	-	-
<b>Total FUNDING</b>	<b>58,962</b>	<b>80,474</b>	<b>79,602</b>	<b>21,118</b>	<b>240,156</b>	<b>115,596</b>	<b>124,560</b>

## Appendix 2: Detail of reserves and provisions as at 31/3/23

	Adjusted Opening Balance	Use in Year	Additional Contributions	Transfers from / (to) General Fund	Transfers between reserves at year- end	Balance at Year-End
	£000's	£000's	£000's	£000's	£000's	£000's
<b>GENERAL FUND RESERVE</b>	<b>11,183</b>		858			<b>12,041</b>
<b>USABLE EARMARKED RESERVES</b>						
Social Care Transformation Reserve	7,072	(1,963)		(2,755)	(2,354)	0
Financial Resilience Reserve (new)	0				2,354	2,354
Public Health Reserves	668	(539)				129
Adult Social Care Covid Recovery Reserve	280	(746)	466			0
Business Rates Deficit Reserve -S31 Grant re. 21/22	6,617	(6,617)				0
Business Rates Risk Reserve	0					0
Business Rates Relief Reserve	0					0
Change Fund	174	(404)	230			0
Insurance Fund (MBC)	116	(269)			181	28
Car Parking Pressures Reserve	741				0	741
Other	2,271	(1,008)				1,263
<b>TOTAL USABLE EARMARKED RESERVES</b>	<b>17,939</b>	<b>(11,546)</b>	<b>696</b>	<b>(2,755)</b>	<b>181</b>	<b>4,515</b>
<b>UNUSABLE EARMARKED RESERVES</b>						
Revenue Grants Unapplied	11,657	(1,118)				10,539
Dedicated Schools Grant (DSG) Adjustment Account	(3,756)	(2,944)	135			(6,565)
<b>TOTAL UNUSABLE EARMARKED RESERVES</b>	<b>7,901</b>	<b>(4,062)</b>	<b>135</b>	<b>0</b>	<b>0</b>	<b>3,974</b>
<b>SCHOOL BALANCES</b>	<b>4,802</b>	<b>(4,802)</b>	<b>3,962</b>			<b>3,962</b>
<b>PROVISIONS</b>						
Business Rates Appeals	1,754	(14,676)	14,881			1,959
Other	167					167
Insurance	3,250	0			(181)	3,069
<b>TOTAL PROVISIONS</b>	<b>5,171</b>	<b>(14,676)</b>	<b>14,881</b>	<b>0</b>	<b>(181)</b>	<b>5,195</b>
<b>TOTAL</b>	<b>46,996</b>	<b>(35,086)</b>	<b>20,532</b>	<b>(2,755)</b>	<b>0</b>	<b>29,687</b>

### NOTES

That the opening balances at the start of the year were amended on the reserves highlighted, due to the requirement to create an insurance provision in the 2020/21 accounts following the actuarial review and external audit.

That the year-end balances include how the final revenue outturn at year-end 2022/23 of £2.755m will be funded, with the remaining Social Care Transformation Reserve initially being used, and then the remaining balance of £2.354m being transferred to a new Financial Resilience Reserve

That the year-end balances may be subject to further change due to further technical adjustments which may be required as part of the closure of the Council's accounts. These will be mainly relating to the closure of the Collection Fund accounts, DSG, school balances, and Insurance Fund. There may also be potential changes required as part of the external audit of the Council's accounts. The final year-end balances will be reported in the Council's Statement of Accounts for 2022/23, and as part of the Quarter One 2023/24 budget monitoring report.

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<b>MIDDLESBROUGH COUNCIL</b>	
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<b>Report of:</b>	The Mayor and Executive Member for Adult Social Care & Public Health Director of Public Health (South Tees)
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<b>Submitted to:</b>	Executive
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<b>Date:</b>	20 June 2023
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<b>Title:</b>	Proposal to bring the Substance Misuse Clinical Prescribing Service In-house.
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<b>Report for:</b>	Decision
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<b>Status:</b>	Public
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<b>Strategic priority:</b>	Vulnerability
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<b>Key decision:</b>	Yes
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<b>Why:</b>	Decision(s) will incur expenditure or savings above £150,000
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<b>Urgent:</b>	No
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<b>Why:</b>	Not Applicable
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**Executive summary**

This report seeks approval to bring the specialist clinical/prescribing service for substance misuse into Middlesbrough Council, for delivery to commence 1 October 2023.

Due to the current service provider ending their provision on 30 September 2023 and a procurement process resulted in no organisations submitted tender proposals. There is an absolute requirement to have the service in place, therefore, a need for as much certainty as possible in order to mobilise a new service within these extremely challenging timescales.

It is imperative that essential elements such as securing clinical staff, having a prescribing system and appropriate buildings to deliver the service from are all in place. These are complex undertakings and require specialist knowledge from a broad range of individuals, teams and organisations.

The recommended option will allow the remaining timeframe to be fully utilised in ensuring a seamless transition in terms of priority actions, including:

- Securing the necessary clinical staff via TUPE and recruitment (as required);
- Suitable delivery locations being available for 1<sup>st</sup> October;
- Developing and testing an appropriate prescribing system solution;
- Ensuring the necessary clinical governance and Care Quality Commission (CQC) arrangements are in place;
- Managing the pathways and interdependencies with essential partners, primarily the Recovery Solutions team, which is already delivered by Middlesbrough Council;
- Utilising the broad range of knowledge and expertise within the Council, as well as the existing links to key partner organisations to ensure that this complex transition can be achieved within the timescales.

It also enables the current provider's exit to be carried out directly in tandem with South Tees Integrated Care Board (ICB) colleagues, which is beneficial given the crossover of the current services commissioned by both health and public health.

The proposed decision is that the Middlesbrough Council Executive approve that the specialist clinical/prescribing service for substance misuse is brought into Middlesbrough Council.

The primary reason for this recommendation is that the remaining time until 1 October 2023 is not a sufficient timescale to carry out all of the necessary steps (identify a provider willing to deliver the service, carry out negotiations on the specification and funding, agree and sign contracts and ensure adequate mobilisation and implementation periods) for a direct award.

The in-house option removes uncertainties and enables work to commence immediately on ensuring a quality service offer is in place for the necessary date. The budget allocation for this service and delivery sites is £989,000. The one-off implementation costs and on-going service delivery costs will be achieved within this budget. It also presents opportunities – for example in the short-term regarding improved resilience by increasing the skilled, delivery workforce within the substance misuse service, and longer-term regarding the potential to align with other clinical Public Health South Tees (PHST) services like the specialist stop smoking service and the school nursing team.

Any disruption to prescribing and clinical care would result in serious risk of overdoses and deaths. It would also increase health inequalities for an extremely vulnerable, underserved group in terms of their healthcare needs not being delivered in an accessible manner. There are also many wider, negative implications for the local system, such as increased crime and ASB (anti-social behaviour), and impacts on other public sector services (urgent and emergency care settings, frontline police and custody services, etc.).

## **Purpose**

1. This report seeks approval to bring the specialist clinical/prescribing service for substance misuse into Middlesbrough Council, for delivery to commence 1 October 2023.

## **Background and relevant information**

2. The specialist prescribing service in Middlesbrough is currently contracted with Foundations Medical Practice. Historically this service has been delivered as part of a coterminous arrangement with the former South Tees Clinical Commissioning Group – (CCG, now NENC Integrated Care Board (ICB)), who commission Foundations for primary care.
3. The ICB provide an enhanced service payment in relation to the Foundations patient group, to augment the general medical element of service delivery. This, along with the public health and various primary care contracts, have historically made the service financially viable and ensured that the healthcare needs of an underserved population group have been more effectively met.
4. The service has been affected by the overall budget reductions to substance misuse with significant cuts to the funding since 2013. These impositions, on both the service and wider substance misuse model, have resulted in caseload sizes becoming dangerously high, which restricts the amount of support that can be provided to individuals who are reliant on the service.
5. In 2020, a two year contract was awarded to Foundations via VEAT Notice (Voluntary Ex Ante Transparency), with an annual value of £800,000. It was agreed that, during this period, work with the CCG to look at new, complementary models would take place. This work was delayed due to COVID 19 and, in August 2021, the CCG (now ICB) had to seek approval from their Executive to extend the Foundations contract by one year to 31st March 2023. Middlesbrough Council agreed to do the same.
6. As this contract was transferred from Tees Primary Care Trust on transfer of Public Health to the Council and has not, to date, been part of a tendering activity, Middlesbrough Council agreed that a review of their current specialist clinical/prescribing contract was required. To carry out a review ahead of any major procurement exercise is standard practice within public health, to ensure new contracts both meet the current needs of the local population and provide value for money.
7. Due to the complexity of the system and the need to carry out separate reviews of the public health and enhanced primary care service elements. A new specification and associated changes to the overall operating model could not have been developed without the aforementioned review being undertaken.
8. An independent, clinical expert was secured to lead the review of the specialist clinical/prescribing contract. This has been undertaken between July-October 2022, in conjunction with members of the council's public health and procurement teams. The ICB also carried out a review of their primary care service.

9. Foundations also provided several other service elements across the local system, including the HILT hospital-based support service, Project ADDER and other grant funded activity (both for public health), plus the asylum seekers' practice and the violent patients service (for the ICB).
10. In September 2022, Foundations served notice on their public health substance misuse clinical contract and also their primary care elements of service. This would have resulted in the service ceasing to operate on 31/3/23 and their decision was based on the financial risks of continuing without all components being in place and funded.
11. To avert this situation, a one year extension was granted a Single Executive approval in November 2022. This enabled a procurement process to be undertaken and a subsequent safe mobilisation period (approx. nine months) for delivery to commence on 1/4/24. The ICB also agreed a one year extension to their primary care and violent patients service contracts, in order to plan and develop how those services would be delivered from April 2024 onwards.
12. Foundations agreed to and signed the extensions with both the Council and the ICB. The recommendations of the review and needs of the local population were considered within the development of a new service specification for the Council's contract. This was put out to tender in early 2023, as a standalone specialist clinical/prescribing service for substance misuse, with delivery to commence 1 October 2023.
13. On 31/3/23 Foundations served their six months' notice periods on their remaining contracts with both the Council and the ICB. The partners stated that they had agreed prior that they were not interested in tendering for the new service contract. This early notice severely reduced both the mobilisation period available to the next provider and for the ICB to disperse the Foundations patients throughout the rest of the local primary care system.
14. The tender submission closing date was 12 May 2023. No organisations submitted proposals and there was little interest throughout the process. This is deemed to be due to a combination of:
  - a. It being only for the clinical aspect of the overall substance misuse model (the majority areas have a single provider leading on delivery of the entire system but this is not deemed to be the optimum solution for Middlesbrough, nor was it possible within the current circumstances);
  - b. Perceived risk regarding potential TUPE/redundancy liabilities of existing staff, given that the current provider is an NHS body;
  - c. The incredibly tight mobilisation timescales.
15. There are a number of factors meaning it is not feasible to amend the current model. These include having an externally commissioned recovery service with several years of its contract remaining and, having only recently brought the Recovery Solutions team in-house, there is a risk that disruption and uncertainty (associated with putting it back out to a provider so soon) would result in the loss of key, hard to replace staff.
16. The preferred model is deemed to be the optimum solution for addressing local issues due to the range of specialities within the services and ongoing collaboration with public health as an intrinsic part of the delivery and oversight. This enables the complex needs of this cohort of people to be more effectively supported. It has also been held up as innovative and an example of good practice nationally.

17. All wards are affected by the proposals, given that the service supports more than 2,000 people per year across a variety of settings.

**What decision(s) are being recommended?**

18. The proposed decision is that the Middlesbrough Council Executive approve that the specialist clinical/prescribing service for substance misuse is brought into Middlesbrough Council.

**Rationale for the recommended decision(s)**

19. There is no option to risk having any break in service provision. This would result in serious risk of overdoses and deaths, and have extremely negative consequences for a large number of extremely vulnerable people. This decision provides appropriate timescales to enable the future service to be planned, developed and implemented safely, in conjunction with relevant partners and stakeholders.

20. The service was offered to the market via a procurement process, which commenced in March 2023, but no submissions were received. Following the lack of interest in the tender opportunity, work has been undertaken to understand the reasons the market have chosen not to bid. There is insufficient time to undertake a further procurement exercise within the notice period, therefore, bringing the service in-house is the option that enables the Council to effectively manage the risks in the current circumstances. Plans will be made to incorporate the understanding from the feedback into the work to bring the service in-house.

21. The whole process has caused a significant impact on the service and their ability to retain key staff. Due to Foundations having served notice on all of their local contracts, they have already informed their staff that the service was going to cease. As a result, many staff have actively been seeking alternative employment and several clinical members of staff have already left.

22. If there is a delay of another month, the risk of losing a significant number of staff is amplified, particularly in terms of further clinical roles. These are very difficult to recruit in normal circumstances but, as there are only a matter of months until October, they would be virtually impossible to replace. Roles such as Non-medical Prescribers are critical to the running of the service and, given the uncertainties around the future, staff are already unsettled. Further losses would leave us in a position where the next provider is unable to deliver the service within the timescales.

23. The TUPE situation does not present any major risk to the Council due to the relatively small number of people that will potentially transfer across. Their current terms and conditions do not vary significantly from existing, equivalent posts within the authority, with the potential exception of pension costs. Whilst full TUPE details have not been shared yet (including ages) it is understood that there are less than ten staff in the NHS pension scheme and none in the pre-1995 NHS pension scheme. The potential additional pension financial liabilities are therefore considered not to be significant.

24. The staffing resource requirements reflects the current service demand and that which is forecasted in the foreseeable future. The service is very much led by demand and, as

such, this capacity will be reviewed annually, as a minimum. Please see appendix 5 for more detail of the anticipated staffing structure.

25. The in-house option has the most advantages of the available options and enables the preferred model to be implemented as envisaged. It also presents a wide range of opportunities and potential benefits, including:
  - a. Providing additional staffing capacity within the overall Middlesbrough Council substance misuse service. By having multi-skilled roles wherever appropriate, the clinical support and care co-ordination functions can be combined, which will help to address the high caseload levels. The Dame Carol Black/national drug strategy recommends caseloads of forty but we are currently approx. double that amount;
  - b. There is existing experience within the PHST team of transferring services, including specialist clinical, in-house. Allied to this is additional resilience, capacity and expertise from the PHST specialist Clinical and Pharmaceutical Advisors, and the specialist stop smoking service clinicians;
  - c. The Council having the ability to offer development opportunities, plus competitive terms and conditions in order to retain specialist clinical staff in a competitive market. Having a high quality service within the Council will also help with recruitment to any future vacant posts and 'growing our own' specialist staff;
  - d. Enhancing the current case management system to include prescribing functionality. This will enable it to hold singular, full client records encompassing all elements of needs and support provided;
  - e. Potential to enhance the existing collaborative working arrangements with adult's and children's services and other LA teams, which is beneficial for safeguarding concerns, early intervention, prevention, etc.
26. This service is part of a broader service offer from the former Berwick Hills Housing Office building, adjacent to the large Morrisons supermarket. A report on the regeneration of this site, to be called LiveWell East, will be brought to a future Executive meeting.
27. This site will be the main base for the in-house team, including the clinical staff, as the current premises at the Acklam Road site are unaffordable within the scope of the substance misuse service alone. Delivery from the MACE building on Ayresome Green Lane (i.e. in close proximity to the current service's location) and via a satellite offer from the Hemlington locality hub will also take place, ensuring that more people than ever can be supported closer to their homes.
28. Securing this building has enabled investment to be made into an empty Middlesbrough Council building. We have carried out refurbishment and made it fit for purpose to be brought back into use. The TEWV (Tees, Esk and Wear Valley NHS Mental Health Trust) Middlesbrough Community Mental Health team are also utilising it as their main staff base. This enables collaborative delivery to be carried out, addressing drugs and/or alcohol-related issues and supporting lower level mental health needs at the same time. Existing TEWV delivery locations and multi-agency outreach will continue to be used. It will not be a case of bringing people from the whole town to Berwick Hills.
29. It is essential that we have the facility to deliver joint reviews and support people across a variety of locations. In recent years, there has been extreme pressure on the space available in the current Acklam Road site and a very limited clinical offer away from this location. It is both best practice and an expectation of OHID (formerly Public Health

England) that joint reviews are regularly carried out and recorded/reported via NDTMS (the national monitoring system that we have a statutory responsibility to report via).

30. Utilising these multiple delivery sites will provide the vital, additional delivery space required. Costs associated with the development of the new Live Well East location are reflected in the financial information within this report. The other locations are existing Middlesbrough Council sites, which do not incur additional costs. This will facilitate both an improved wider system approach to service provision (including joint review meetings of both clinical and wider needs) and also a broader geographical offer across the town.
31. The recommended option delivers efficiencies in terms of not having to pay a management fee to an external organisation. The funding will be directed primarily to staffing and the elements that are essential to the delivery of the service (e.g. equipment and clinical consumables). Providing clinical expertise and frontline capacity from within the existing budgetary envelope will be the priority.
32. The management fee efficiencies will be utilised to fund necessary specialist clinical expertise to support the mobilisation within the timescales. Essential elements in terms of clinical governance, development of more than forty policies and associated procedures/pathways and the application for CQC registration process all have to be carried out. This will not be achievable from within the PHST team alone, due to other existing priorities and workloads. Suitably skilled and experienced options have already been identified and their availability confirmed. The cost of this work is £40,000 and will be funded from the existing budget allocation for this service.
33. The recommended option enables public health to work with the ICB and directly implement a communications strategy. This will ensure that service users and stakeholders within the local system are appropriately informed and assurance is given regarding high quality service continuity and support. The development of the communications plan is already underway and will continue as a priority to ensure that fear of negative changes and potential disengagement from the service are minimised.
34. Should there be any issues, beyond the control of Middlesbrough Council, which delay the commencement of the service, then contingency plans will be enacted. These will consist of working with existing substance misuse providers already operating in nearby areas and/or large NHS partner organisations to ensure there is no break in service provision.

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

35. Please see the Business Case within the appendices, which contains a detailed options appraisal.
36. In summary, other potential decisions were considered but were not recommended for the following reasons:
  - a. Do nothing – not a feasible option as the outcome would be having no service provision on 1/10/23;
  - b. Direct award of a contract to a suitable provider organisation – there are several major risks associated with this option, mainly regarding to the lack of certainty in this process within the already tight timescales. Other risks include:

- i. There has been no market interest in the tender, therefore, may not yield a suitable provider willing to take this on;
  - ii. Potential that the process may fail during negotiations, which would leave no timescales to get alternative provision in place;
  - iii. Highly likely to be a more costly option in order to secure a suitable provider and expected that the preferred delivery model would have to be compromised;
  - iv. Would be a limited time solution and require taking the service back to the market in the near future – likely to have to change the model to secure a bid;
- c. Direct award of a contract to a Primary Care Network or GP practice – the risks outlined in option b. also apply here. There is even less likelihood of securing a suitable provider from this sector, most crucially due to the lack of skills and experience within local primary care.

## Impact of the recommended decision

### **Legal**

37. Section 12 of the Health and Social Care Act 2012 introduced a duty for all unitary local authorities in England to take appropriate steps to improve the health of the people who live in their areas. From 1 April 2013, local authorities became responsible for improving the health of their local populations through the provision of a range of public health services and interventions, including alcohol and drug treatment services. A disruption to the provision of the service may be considered as a failure to act, which leaves Middlesbrough Council at risk of Judicial Review.

### **Strategic priorities and risks**

38. Please see a detailed assessment of risks within the appendices.

39. The proposed option will contribute as follows to the Council's strategic plan:

<b>People</b>	<b>Place</b>	<b>Business</b>
<i>We will work to address the causes of vulnerability and inequalities in Middlesbrough and safeguard and support those made vulnerable.</i>	<i>We will tackle crime and anti-social behaviour head on, working with our partners to ensure local people feel safer.</i>	<i>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.</i>

40. This option will impact positively on the following risks:

- O3-030 Improved offer of support for addiction recovery

### **Human Rights, Equality and Data Protection**

41. The ICB is managing the swift dispersal of approx. 3,000 extremely vulnerable patients, from the variety of primary care contracts that the current provider served notice on. If



there were to be any disruption to the substance misuse service element, then there would be a significant increase in demand for urgent and emergency care provision. The ICB are concerned that this could have a severe, negative impact on the overall local health system.

42. Public Health South Tees is equally concerned that there is significant risk of these extremely vulnerable patients not being re-engaged. They consist of people affected by substance misuse-related issues, with a majority having serious co-morbidities and/or multiple additional vulnerabilities; and asylum seekers, most with no recourse to other support. Both of these population groups struggle to navigate the system effectively and, consequently, end up with no healthcare nor specialist substance misuse support.
43. Although asylum seekers make up less than 10% of the local substance misuse treatment population, they have greater levels of need. This is in terms of the support they require for a wide range of factors that have a negative impact on their lives.
44. Overall, the vast majority of people in substance misuse treatment are shown to be living with a variety of vulnerabilities, in addition to their drugs and/or alcohol use. These factors include more than 20% having a significant housing problem, more than two thirds being impacted by mental health-related issues and approx. 90% not in work or education. These issues are all linked to deprivation, which is clearly a factor in this area, and place this cohort of people at far greater risk of poor outcomes.
45. The in-house option has been proposed in response to the risks associated with extremely limited timeframes for the mobilisation and safe transition to a new service (as highlighted by the Risk Profile, provided as an appendix to this report). The human rights of an extremely vulnerable group of our local population would likely be significantly and negatively impacted by any disruption to this vital service provision. By maintaining and improving the current provision, there are no impacts on equality nor data protection.
46. An Equality Impact Assessment (EIA) has been completed and is attached within the appendices. This document includes assessment of the anticipated impacts on equality, patients/individuals and the wider system.
47. Taking into account the potential negative impacts highlighted in the attached assessment, the purpose of the decision recommended in this report is to mitigate these risks. The recommendation would not have any disproportionately negative impacts on protected groups.
48. All of the options require the transfer of sensitive data from the current prescribing system. The recommendation presents the least risk, as the existing provider is contracted to input information on to the Council's case management system. In terms of the in-house approach, this system will be utilised for prescribing going forward and all of the patients being prescribed should already have their details within it. The benefit will be moving from the current separate systems being used, to a single, dominant client record on the internal case management system.
49. Should a direct award be explored, there is a significant chance that, given the timescales, any provider could insist that their own prescribing system be utilised. This would necessitate a far greater level of sensitive information being transferred and perpetuate the continuation of dual entry across two different systems. Clearly these issues present greater risks than using the single, in-house case management system.

50. The process in terms of the Executive considering the options/recommendation within this paper and taking a decision does not involve the collation and use of personal data.

### ***Financial***

51. This clinical service has a budget allocation of £989,000 as is already a core part of the mainstream public health budget. In addition, a one-off £90,000 partnership contribution has been secured to fund the refurbishment costs of the part of the Live Well East site.

52. The cost of the mobilisation, implementation and operation of the core service, for the period October 2023 to March 2024, will be a total of £575,000. This is accounted for in the £989,000 budget. Assuming similar demand for services, the ongoing cost of the service is anticipated to be £843,000-£877,000 per annum in 2024-26. This cost will be met from the public health budget.

53. In addition, the Substance Misuse Supplemental Grant and other external grant funding will continue to be utilised for the enhancements to the service delivery (funding is confirmed to 31/3/2025). This will primarily fund additional staff and also be utilised to make a range of improvements/enhancements to specialist interventions and support. This is existing additional support and is not affected by this decision.

54. A summary of the costs is shown on the next page, please see appendix 4 for a detailed overview.

## Summary of Costs:

Core Service	Clinical Service Cost 2023 - 2026		
	23/24 Cost £000	24/25 Cost £000	25/26 Cost £000
Foundations (upto 30/9/23)	480	0	0
Staffing - 12.7 fte	349	725	753
Live Well Centre East	54	81	86
Service Delivery Running Cost	43	37	39
LWCE refurbishment	90	0	0
Consultancy (service set-up)	40	0	0
<b>TOTAL COST</b>	<b>1056</b>	<b>843</b>	<b>878</b>
<u>Resources Available</u>			
Public Health Grant	989	856	884
Partnership Contribution	90	0	0
<b>AVAILABLE FUNDING</b>	<b>1079</b>	<b>856</b>	<b>884</b>
<b>(Surplus) / Shortfall</b>	<b>(23)</b>	<b>(13)</b>	<b>(6)</b>

Enhanced Service	Enhanced Service Cost 2023 - 2026		
<b>Service enhancement (to 31/3/25)</b>			
Staffing (service enhancement) - 3 fte	140	147	0
<b>TOTAL COST</b>	<b>140</b>	<b>147</b>	<b>0</b>
<u>Resources Available</u>			
Substance Misuse Specific Grant	140	147	0
<b>AVAILABLE FUNDING</b>	<b>140</b>	<b>147</b>	<b>0</b>
<b>(Surplus) / Shortfall</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

Action	Responsible Officer	Deadline
<p>The service mobilisation plan for 1 October 2023 will immediately commence, including:</p> <ul style="list-style-type: none"> <li>• Workforce and TUPE;</li> <li>• Clinical governance/CQC;</li> <li>• Prescribing system and information governance;</li> <li>• Estates and pathways;</li> <li>• Communications plan – for service users and stakeholders.</li> </ul> <p><i>See appendices for more detailed plan overview.</i></p>	Jonathan Bowden/Vicky Franks	Immediately following approval.
The ICB are formally informed of the Council's decision to bring the service in-house.	Mark Adams	Immediately following approval.
The TUPE process regarding the existing staff from the current service provider will be prioritised. This is to ensure the essential clinical staff, required to deliver the service, feel well informed and supported and, therefore, are more likely to transfer.	Legal/HR	Immediately following approval.
All necessary, external support (specialist clinical provision) is swiftly contracted to ensure that the timescales for the mobilisation and implementation can be met.	Corporate Procurement/Legal	Immediately following approval.

## Appendices

1	Risk Profile - Specialist substance misuse clinical/prescribing service.
2	Equality Impact Assessment.
3	Options Appraisal.
4	Financial overview.
5	Staffing structures.
6	Mobilisation plan overview.

## Background papers

Body	Report title	Date
N/A		

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Middlesbrough Council Substance Misuse Clinical Prescribing Service - Transfer to in-house service		Deadline No. Working Days	30/09/23 86
Project module	Module Areas	Identified Risk	Risk Management Plan
Transfer Management	Project Resource & Management	Lack of appropriate resources from necessary LA departments will impact negatively on ability to meet the incredibly challenging timescales.	Gaining LMT approval to bring the service in-house and senior leadership buy-in to supporting the process. Early identification of key project members and the development of exception reporting mechanisms which can be escalated.
		Public Health capacity is already extremely stretched but this needs to be prioritised, which could impact on other workstreams.	Gain approval to buy-in the necessary clinical expertise to support getting all elements in place within timescales. Also re-purpose an existing programme support role from another workstream to assist with this project.
	Approval & Financial Considerations	Identified additional clinical governance/processes support and oversight, and project management support functions are required impacting on the budget position.	Financial modelling based on staffing model and TUPE info, support requirements and projections of service. Early budget meetings and escalation of risk.
		Necessary staffing model and TUPE liabilities present a financial risk.	As above.
	Foundations Exit Management	Potential negative financial impact in start-up costs and purchasing the necessary support functions.	The in-house option saves costs re. management fees to external organisations (now typically up to 15% of contract value), therefore, these elements can be covered via these savings.
		Delays in Foundations responding to transfer-related requests.	Notice has been formally served, consultation with staff has commenced and TUPE list provided. Need to ensure partners/service are responsive in the remaining time to avoid any delays - this is being managed via regular meetings with the Service Manager.
	Estates & Facilities	If building work at Live Well East (LWE) is not completed in time and if premises to maintain an offer in West M'bro are not available, this will risk disengagement of patients/clients.	Work is already well underway at Live Well East and the MACE and Hemlington will cover West M'bro. Escalation through DMT/LMT if necessary.
		Need to ensure an appropriately robust data connection in all delivery locations.	Exploring Wifi system with ICT for LWE and potential to get data dongles for relevant staff.
Insurance	The liabilities associated with this service and the prescribing of controlled drugs may not be covered by the existing policy.	Insurance already covers clinical staff within Specialist Stop Smoking service (SSSS) but working with corporate insurance officer to see if any additional cover is required re. this service/controlled drugs.	
Clinical Governance	Accountability & Reporting	Governance structures are not transferring from Foundations, therefore, we will need to ensure appropriate in-house structures are in place for 1st October 2023.	Some structures are already in place re. the SSSS, so we are not starting from scratch. We have vastly experienced clinical expertise within the S.Tees Public Health (STPH) team already and they are committed to working with us to ensure service continuity. TEWV have agreed to support us and we plan to procure clinical support for SOP, policy and CQC registration, in order to meet the timescales.
	Clinical Leadership	There is no current senior clinical leadership role in-house, which could result in poor clinical oversight, operational guidance and quality assurance issues. These types of role can be difficult to recruit.	We have existing capacity and expertise within the service and will endeavour to secure the Foundations staff via TUPE. We will utilise all the staffing capacity at our disposal to put an appropriate structure in place with the relevant senior input/guidance/oversight.
	Service Model & Structure	The main risk is having any interruption to the clinical prescribing service, within the overall substance misuse model, given the timescales.	By choosing the in-house option, we have commenced work immediately on planning for the transition. The in-house Recovery Support team and Recovery Connections staff will be fully briefed and tasked with supporting this process.
	Policy & Procedure	There is a significant number of complex policy documents and standard operating procedures (SOPs), which need to be developed within time limited restrictions and already stretched resources.	Clear project planning and securing dedicated, clinical resources is required to ensure that all of these processes are in place for 1st October 2023. Conversations have already commenced re. this support from multiple sources.
	Quality Assurance & Performance	Quality assurance mechanisms for the service have been previously embedded in Foundations' structures and arrangements, thus necessitating new, in-house assurance and performance processes to be developed.	Development of an appropriate quality assurance framework will be associated with the overall clinical governance and policies work. National reporting requirements and the extraction of system information is already led by the existing, in-house team.
Information Governance	Systems (Prescribing) & IT	No current prescribing system is available for 1st October onwards.	We are already working with the current case management system provider, CDP Soft, to develop a prescribing module and ensure a single record for all service users exists (removing the current dual system entry issue).
	Information Governance	Potential risks re. data transfer of current patient records from SystemOne (currently used by Foundations) to CDP Soft.	Liaise with IG colleagues to ensure all requirements to safeguard information are considered pre-transfer.
Workforce	Workforce Transfers (TUPE) & Staff Engagement	Submitted TUPE list from Foundations has roles that are deemed not applicable to their currently commissioned service.	Take further legal and HR advice on this prior to transfer.
	Pensions Directions Order	Any delays in pension directions process and/or different terms will lead to raised anxiety levels in staff transferring.	Ensure appropriate pensions guidance is sought in order to provide accurate guidance to transferring staff.
Communications	Patient and Stakeholder Engagement	Ineffective and unclear communications in conjunction with limited timescales pose a significant risk to successful service transfer.	Clear project remit and robust communications strategy will be developed.
		Inability to manage public perceptions and provide a positive steer could result in lack of confidence in the future service and patients disengaging.	Well planned, co-ordinated (with ICB) and organised comms developed to provide timely and necessary information to reassure patients/service users that there will be a seamless service offer and support for any necessary changes to their routine. Include Councillor briefings to give assurance to the areas where key delivery locations are situated.

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**Template for Impact Assessment Level 1: Initial screening assessment**

<b>Subject of assessment:</b>	Change of service provision			
<b>Coverage:</b>	Specialist Substance Prescribing Service across Middlesbrough			
<b>This is a decision relating to:</b>	<input type="checkbox"/> <b>Strategy</b>	<input type="checkbox"/> <b>Policy</b>	<input checked="" type="checkbox"/> <b>Service</b>	<input type="checkbox"/> <b>Function</b>
	<input type="checkbox"/> <b>Process/procedure</b>	<input type="checkbox"/> <b>Programme</b>	<input type="checkbox"/> <b>Project</b>	<input type="checkbox"/> <b>Review</b>
	<input type="checkbox"/> <b>Organisational change</b>	<input type="checkbox"/> <b>Other (please state)</b>		
<b>It is a:</b>	<b>New approach:</b>	<input type="checkbox"/>	<b>Revision of an existing approach:</b>	<input checked="" type="checkbox"/>
<b>It is driven by:</b>	<b>Legislation:</b>	<input type="checkbox"/>	<b>Local or corporate requirements:</b>	<input type="checkbox"/>

**Description:****Key aims, objectives and activities:**

The aim of the integrated service is to reduce and prevent the harm caused by substance misuse to individuals, families and the community while providing the opportunity to become 'free from their dependence'. This is something we know is the desire of the vast majority of people entering drug and alcohol treatment. Supporting people to live a drug and alcohol-free life is at the heart of our vision for recovery.

**Statutory Drivers:**

The service is guided by the National Drug Strategy:

From Harm to Hope, will be monitored by CQC (Care Quality Commission) and follow

NICE guidelines.

**Description of Service:**

This Specialist Prescribing service provides clinical interventions as part of a substance misuse treatment model.

It is currently commissioned as part of the overall substance misuse treatment and recovery provision within Middlesbrough: the ACT Recovery Solutions model. The clinical service will operate as an integrated substance misuse service, along with the in-house care co-ordination team and the recovery service.

**Differences from any previous approach:**

The specialist prescribing service in Middlesbrough is currently contracted to Foundations Medical Practice delivered from their premises on Acklam Road, as a single site.

Following a service review as part of the commissioning cycle, it was agreed that the contract for specialist substance prescribing would go out to tender, and a 12-month extension until March 24 was put in place to allow time for the process and mobilisation. Foundations Medical Practice have now service notice on the contract,

which is now due to end 30 September 2023. The procurement process has also failed, with no organisations submitting bids for a contract to commence 1<sup>st</sup> October 2023.

Public Health are currently seeking agreement to bring the specialist prescribing service in house, which will allow greater flexibility in delivery and financially will enable a greater level of clinical staffing provision.

The ACT Recovery Solutions model is, in line with Middlesbrough Council's locality working agenda, is working towards a more dispersed delivery model across 3 main bases within Middlesbrough to increase accessibility for those requiring support.

The current Specialist Prescribing service is delivered from Foundations Medical Practice, however this delivery site will end with the contract. This will mean a change in the delivery location for those accessing clinical interventions, as clinical interventions will be delivered from the ACT Recovery Solutions 3 main bases moving forward. This more local offer will improve support and access within local communities, and delivery within multi-agency settings will improve the ability to meet the diverse needs of service users within one building.

In recent service user feedback the current location and lack of alternative locations was stated as a barrier, and localising treatment provision and increasing accessibility is a national priority of OHID.

In terms of staffing they will TUPE on current T&C, which will retain current expertise.

Service experience for the client will not be adversely impacted as they will be able to access a more local, accessible offer, with all elements of the ACT Recovery Solutions model available in the same place, and in a multi-agency setting with access to other support functions.

**Key stakeholders and intended beneficiaries (internal and external as appropriate):**

Social Care, health and primary care, mental health, legal/enforcement, community services. Middlesbrough Council internal teams/services as bringing the provision in house allows greater control in responding flexibly to locally identified trends and needs of the treatment population and local community.

**Intended Outcomes:**

The intended outcome is to disperse our clinical provision from one building across 3 main bases in line with the Council's locality based working agenda within the strategic priorities. This will better support individuals and

communities, and developing the ability to connect and respond more flexibly to the local needs of the communities. This will have the following benefits:

- Greater engagement with wider health and support needs through basing in a multi-agency setting;
- Create cost efficiencies for Middlesbrough Council, maximising the provision and enhancing the delivery through the financial benefits created by bringing the service in house;
- Improve connections between the service and the local community, raising awareness and breaking down stigma with a marginalised and vulnerable group;
- Increase the prevention and early intervention offer through closer links to the local community;
- Reduce harm and associated health and crime costs through increased engagement;
- Health Improvement benefits through greater integration with wider Public Health and Local Authority services and work streams, allowing greater efficiencies within the wider system and more holistic, integrated provision;
- Prevention of drug related death and crime, improved rates of recovery, and improved mental health and health/wellbeing, again through increased engagement and access;
- Locality based, multi-agency support/wellbeing offers are aspirational within health and support settings, and this model will be held as an innovative model of best practice.

<b>Live date:</b>	Change to location will be phased throughout June to September with a go live date for the new service of 01/10/23
<b>Lifespan:</b>	On going
<b>Date of next review:</b>	March 26

Screening questions	Response			Evidence
	No	Yes	Uncertain	
<b>Human Rights</b> Could the decision impact negatively on individual Human Rights as enshrined in UK legislation?*	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The proposed review will not impact on the duties performed by the service and will not impact on individual Human Rights as defined in the UK legislation.

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

**Equality**

Could the decision result in adverse differential impacts on groups or individuals with characteristics protected in UK equality law? Could the decision impact differently on other commonly disadvantaged groups?\*



The Equality Act 2010 requires that the impact of recommendations is considered as part of the decision-making process. The Act requires that the Council must have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act.
- Advance equality of opportunity between people who share a protected characteristic and those who do not.
- Foster good relations between people who share a protected characteristic and those who do not.

Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular the need to:

- remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic
- take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;
- encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.

The decision to change service provision will result in improved access for all groups, the move to 3 bases making provision more accessible to those living further from the current delivery site

It will allow us to better respond to local complexities and the needs of the local community.

Screening questions	Response			Evidence
	No	Yes	Uncertain	
<p><b>Community cohesion</b>            Could the decision impact negatively on relationships between different groups, communities of interest or neighbourhoods within the town?*</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<p>The current service with Foundations Medical Practice provides additional services for groups who are at risk of impacting on the community, in addition to those accessing for specialist prescribing. Current delivery indicated the Specialist Prescribing Service does not have a significant impact on particular communities nor neighbourhoods, however there may be concerns that the change of service within the main bases may have an impact on community cohesion around the type and needs of the service users along anti-social behaviour which is an ongoing issue within those areas that is regularly monitored.</p> <p>A full communication and engagement plan is in development to mitigate against this and the service will be working closely with the local communities to tackle any issues or concerns brought forward. It is predicted more residents engaged with recovery will in turn reduce anti-social behaviour, crime, hospital attendance and improve overall health and well-being within communities.</p>
<p><b>Next steps:</b></p> <ul style="list-style-type: none"> <li>➤ If the answer to all of the above screening questions is No then the process is completed.</li> <li>➤ If the answer of any of the questions is Yes or Uncertain, then a Level 2 Full Impact Assessment must be completed.</li> </ul>				
<b>Assessment completed by:</b>	Vicky Franks		<b>Head of Service:</b>	Rebecca Scott



**Date:**

18/05/23

**Date:**

18/05/23

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# MIDDLESBROUGH COUNCIL

## Options Appraisal

**Report Title:** Substance Misuse Clinical Service Options – Urgent Issue

**LMT Lead:** Mark Adams

**Date:** 5 May 2023

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### PURPOSE OF THE REPORT

1. The contract for the clinical (substitute prescribing) service is currently out to tender but there is a very significant chance of market failure. The incumbent provider, Foundations Medical Practice, has recently served (early) notice and we require a new provider in place for 1<sup>st</sup> October 2023. This issue necessitates urgent attention from relevant department leads in order to agree a plan that ensures service continuity for this vital, statutory service provision.

### BACKGROUND

2. The specialist prescribing service in Middlesbrough is currently contracted with Foundations Medical Practice. Historically this service had been delivered as part of a coterminous arrangement with the CCG (now ICB). The current provider has been delivering the service for over 15 years. Due to a review of primary care, the coterminous arrangement was severed and Middlesbrough Council determined that the substance misuse clinical service needed to go to the market.
3. Prior to this, in 2020, a two year contract was awarded (via VEAT Notice) due to a suitable contract not being in place. This was due to end on 31st March 2023, however, a one year extension was agreed to enable a review, specification design and procurement process to be undertaken within safe timescales.
4. The ICB elements – two separate primary care services, one for those affected by substance use and the other for asylum seekers, plus the South Tees violent patients service - were also due to continue within the same timescales. However, Foundations served early notice on the asylum seeker practice and that ceased on 31 March 2023.
5. The annual value of the council contract has been £800,000, however, there was a 20% uplift applied to 2023/24 to enable Foundations Medical Practice to deliver the additional year and apply cost of living increases to their staff. This enabled up to nine months for the mobilisation period, due to the complexities of the service. It requires a case management system capable of prescribing controlled drugs, a mixture of clinical and support staff, appropriate clinical governance arrangements and a suitable building to operate from.

6. On 31 March 2023, Foundations served their six months of notice on all of their remaining South Tees contracts. This meant that all of their primary care patients had to be swiftly dispersed within the PCNs, to ensure continuity of primary care provision. It also meant that a new substance misuse clinical provider needed to be operational on 1 October 2023.
7. The council tender process was already live at this point, however, there has been extremely limited interest – the majority of models have a single/lead provider service, which places the onus and control to the delivery organisation, however, this wasn't possible nor the best option for Middlesbrough. There is a significant likelihood of market failure at this stage, which presents a critical issue in terms of ensuring service continuity. The process was extended
8. Less than five months to ensure a new provider can be operational is a risky timescale and there is no realistic prospect of getting the current provider to continue beyond 30 September 2023.

## OPTIONS

9. The realistic options within the current circumstances are:

**A. Do nothing.**

**B. Direct award to suitable provider.**

**C. Offer direct award to GP Federations/PCNs.**

**D. Bring in-house.**

10. The following table contains an overview of each of the options:

Option	Pros	Cons	Costs - these are likely to be high level / estimated at this stage
A. Do nothing	<ul style="list-style-type: none"> <li>• N/A</li> </ul>	<ul style="list-style-type: none"> <li>• Non-delivery on statutory function;</li> <li>• Will increase drug and alcohol-related deaths;</li> <li>• Reputational damage;</li> <li>• Will result in financial penalties due to external grant funding conditions;</li> <li>• Will significantly increase demand for services;</li> <li>• Will significantly increase acute safeguarding issues, increasing pressure on adults and children's services;</li> <li>• Staff pressure will increase sickness levels and turnover;</li> <li>• The vast majority of those currently stable in treatment will disengage and return to illicit drug</li> </ul>	Incalculably high.

		<p>use and/or harmful drinking;</p> <ul style="list-style-type: none"> <li>• Associated increases in crime and ASB;</li> <li>• Increased levels of drug litter and open use in the town.</li> </ul>	
<p><i>B. Direct award of contract to a suitable provider</i></p>	<ul style="list-style-type: none"> <li>• Could secure a suitably experienced provider to ensure continuity of service;</li> <li>• Reduces capacity impact on the rest of the substance misuse service model and council staff;</li> <li>• May have their own prescribing system (case management);</li> <li>• Should have existing, appropriate clinical governance structure;</li> <li>• May be resilience for clinical/ prescribing capacity (depending on the provider);</li> <li>• Potentially reduced TUPE/ redundancy liabilities for the LA;</li> <li>• May already know the area (depending on the provider).</li> </ul>	<ul style="list-style-type: none"> <li>• Likely to lead to increased costs in order to secure a suitable provider within the circumstances (e.g. to mitigate risks such as underwriting redundancy liabilities);</li> <li>• Very limited market interest in the tender, therefore, may not yield a suitable provider willing to take this on;</li> <li>• Potential that the process may fail during negotiations, which would leave no timescales to get alternative provision in place;</li> <li>• Unsure if the &lt;5 month timescales may not be enough time for this option already;</li> <li>• Maximum contract award is 18-24 months, which would leave the service in a state of flux and require another tender to be undertaken in the meantime – there is a</li> <li>• Less control for the LA – e.g. may have to compromise on the delivery model in order to secure the provider;</li> <li>• Introduces a new provider to the existing substance misuse model – i.e. they have to work with Recovery Solutions and Recovery Connections staff;</li> <li>• If the provider does not have their own prescribing system, it would increase costs and impact on the timescales.</li> </ul>	<p>Likely to exceed the current £700k budget (i.e. with the uplift already added). This would negatively impact on in-house staffing capacity.</p> <p>Will increase further if a new prescribing system/licences needed to be purchased.</p>
<p><i>C. Offer a direct award to PCNs/ GP practices via the GP Federation</i></p>	<ul style="list-style-type: none"> <li>• Will have their own prescribing system (case management) – if SystemOne, this would ensure continuity from the existing service;</li> <li>• Will have existing, appropriate clinical governance structure;</li> <li>• Likely to provide resilience for clinical/ prescribing capacity;</li> </ul>	<ul style="list-style-type: none"> <li>• Already huge pressure on primary care, exacerbated by both of the Foundations practices having their patients dispersed;</li> <li>• Patient group is unlikely to yield a great deal of interest in this contract;</li> <li>• Would need to be offered to all PCNs, which means that it will be a significant, timely process to appoint;</li> </ul>	<p>May deliver within current budget envelope but likely to want additional funding due to the circumstances.</p>

	<ul style="list-style-type: none"> <li>• Potentially reduced TUPE/ redundancy liabilities for the LA;</li> <li>• Will already know the area as a local organisation;</li> <li>• Possibly improved access if a PCN took this on (e.g. multiple sites/ practices);</li> <li>• Could foster improved collaboration with primary care/ICB.</li> </ul>	<ul style="list-style-type: none"> <li>• Potential that the process may fail during negotiations, which would leave no timescales to get alternative provision in place;</li> <li>• Unsure if the &lt;5 month timescales may not be enough time for this option already;</li> <li>• Likely to require existing clinicians to undertake additional training in order to prescribe the substitute medication;</li> <li>• Likely to be less appetite for risks re. potential TUPE liabilities (than a large national organisation or LA).</li> </ul>	
D. Bring the service in-house	<ul style="list-style-type: none"> <li>• Will enable the model to be implemented as planned;</li> <li>• Maintaining control of integrated approach with recovery teams – should enable us to future proof the service and be more responsive to changing needs;</li> <li>• Existing resilience from STPH Clinical Advisor and specialist stop smoking service clinicians;</li> <li>• Existing experience within STPH of transferring services, inc. clinical, in-house;</li> <li>• Will enable us to ‘grow our own’ non-medical prescribers and clinical staff to create greater resilience;</li> <li>• TUPE transfer of existing staff would safeguard local expertise/ knowledge;</li> <li>• Brining in-house existing management staff would mitigate pressures on LA team/staff;</li> <li>• Service will be delivered from existing estates;</li> <li>• Maximises the minimal mobilisation timescales and removes uncertainties associated with other options;</li> <li>• Existing options for the prescribing system are available;</li> <li>• Commitment already gained from TEWV (re. providing clinical governance and clinical</li> </ul>	<ul style="list-style-type: none"> <li>• Timescales are very tight (as with all options);</li> <li>• Can only be achieved if strategic commitment across multiple departments is in place from the outset – this could conflict with other priorities;</li> <li>• Potentially increases risks to the LA (can be mitigated by ensuring appropriate clinical governance is in place);</li> <li>• Increased pressure on current service staff during mobilisation and implementation periods;</li> <li>• Additional costs associated with buying-in required support in terms of SOP/Policy development, CQC registration process and clinical governance arrangements (mitigated by not having to pay management fees associated with other options). Please note: all options would require CQC registration but it’s only reflected within this option, as it would require additional support provision. The other options would entail the provider doing the registration from within their management fee/organisational capacity.</li> </ul>	Most financially beneficial option, as capacity would be maximised for whole service model (i.e. no external management fees).

	<p><i>resilience/ capacity support);</i></p> <ul style="list-style-type: none"> <li>• <i>Can streamline the in-house delivery and reduce duplication;</i></li> <li>• <i>Having a multi-disciplinary in-house team should offer additional development opportunities and increase staff retention (of hard to recruit roles);</i></li> <li>• <i>Maintains collaborative working with ASC and other LA teams, which is beneficial for safeguarding concerns and early prevention, etc.;</i></li> <li>• <i>Maintains total control over working arrangements with primary care, pharmacies and ICB in order to minimise any potential unintended/negative impact on the local system and maximise collaboration opportunities;</i></li> <li>• <i>Potential for national recognition re. an innovative and unique model.</i></li> </ul>		
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## **SUMMARY AND IMPACT OF RECOMMENDATIONS**

11. Option D is the recommended option – bringing the service in-house enables the incredibly tight timescales to be maximised, subject to necessary agreements being swiftly reached. Having developed options for the prescribing system (utilising the existing stop smoking service system in the short-term with the CDP system prescribing module currently being developed) and having the support of in-house clinicians to implement the service, we are confident that it is achievable.
12. Options B and C both dramatically reduce the mobilisation period and create uncertainty due to the associated processes. Due to the rarity of this situation, the processes required for either of these options would require planning and negotiation (as they are somewhat undefined) before they could even commence. In comparison, South Tees Public Health have already successfully brought both the specialist stop smoking and health child programme clinical services in-house.
13. Please see the following table, which outlines the impact of each option in terms of processes required and considerations specific to each one. This only covers options B and C combined (as they are both direct awards) and option D, as option A is not feasible.

	Options B and C – Direct Award	Option D – Bring In-house
<b>Process required</b>	<ul style="list-style-type: none"> <li>• <b>Can only commence following an unsuccessful procurement process</b></li> <li>• (<i>For option C only</i>) Liaise with ST ICB re. approaching GP Federations and offering the opportunity to PCNs/GP Practices to deliver the service</li> <li>• Commence discussions with potential providers by directly approaching suitable organisations (option B) and offering to all local PCNs (option C) – timescales are likely to be at least a couple of weeks, if not longer</li> <li>• If a suitable provider is successfully identified, commence negotiations on the delivery model and funding required</li> <li>• Amend the specification, budget (likely to require a significant increase to mitigate the risks) and, potentially, the service model (compromises may have to be made) based on the outcome of negotiations</li> <li>• Carry out organisational checks – timescales <i>TBC</i></li> <li>• Contracting – can be actioned within a few days on the LA side but then dependent upon the provider organisation then reviewing and signing the contract in a timely fashion</li> <li>• Commence mobilisation period: the provider organisation would take the lead on creating the SOPs and policies required, the TUPE process, training/CPD plan, as well as the elements below</li> <li>• The LA would work with the provider on the delivery locations/buildings occupation and communications plan – for stakeholders and service users.</li> </ul>	<ul style="list-style-type: none"> <li>• <b>Can commence immediately as there are no implications for the procurement process</b></li> <li>• Removes any uncertainty re. securing a suitable provider and/or compromising on the optimal service model</li> <li>• Immediately start work with HR and Legal on the TUPE process</li> <li>• Commence discussions with staff from the current service swiftly in order to secure those essential to delivering the service (see 'Staffing considerations section below)</li> <li>• The overall mobilisation period can also commence immediately – the LA would take the lead on creating the SOPs and policies required and the CQC registration process (further details are below)</li> <li>• Work is already underway in terms of delivery locations/buildings occupation</li> <li>• The communications plan can be managed in-house and supported by staff from existing services to provide assurance to stakeholders and service users</li> <li>• Support from Legal/Commissioning and Procurement to get contracts/agreements in place for the specialist support requirements – see the following sections for details.</li> </ul>
<b>CQC Registration</b>	The provider would be responsible for demonstrating how they will comply with their SOPs and policies, and commencing the CQC registration process, including a named manager. As long as providers can demonstrate that these pathways are in place and provide assurance that they are being adhered to, delivery can commence on the back of the application being submitted to the CQC, i.e.	The LA would be responsible for demonstrating how we will comply with the SOPs and policies, and commencing the CQC registration process, including a named manager. As long as we can demonstrate that these pathways are in place and provide assurance that they are being adhered to, delivery can commence on the back of the application being submitted to the CQC, i.e.



	<p>the process does not have to be completed before delivery can commence.</p>	<p>the process does not have to be completed before delivery can commence.</p> <p>The current Operations Manager would be the named CQC Registered Manager and specialist support (outlined below) would assist with the documentation development and process.</p>
<p><b>Prescribing case management system</b></p>	<p>A suitable provider would almost certainly have a prescribing system already in use, however, it may require the purchase of additional licences and tailoring to the local system's pathways. This would include making it compatible with the current CDP case management system, which is already utilised by the existing services and would remain as the dominant client record. It would necessitate the continuation of 'dual entry' in terms of two concurrent systems being used. Finally, arrangements would have to be made re. access to summary care records from primary care/health system, to ensure that appropriate prescribing decisions can be made.</p>	<p>A prescribing module for the current CDP case management system is already being developed, which will enable a single solution to client records and remove the current 'dual entry' requirements. The mobilisation period being reduced by six months has resulted in the timescales for this to be implemented becoming unfeasible (as robust testing is required, etc.).</p> <p>Public health has developed a contingency plan, whereby the current prescribing system being used by the Specialist Stop Smoking service, Promatica, will be utilised to enable delivery to commence on 1<sup>st</sup> October.</p>
<p><b>Staffing considerations</b></p>	<p>The contract would have to be signed off prior to any TUPE and training/development discussions commencing. This presents a risk that essential staff (particularly the non-medical prescribers who are essential to delivery) will find other employment due to the uncertainty.</p> <p>There are only 2 x FTE Non-medical Prescribers (NMPs) currently working within Foundations who are on the TUPE list. This is insufficient capacity to deliver the service on a full time basis. The lack of remaining time (before 1<sup>st</sup> October) would mean that it would be extremely doubtful that any organisation would be able to recruit the additional clinical staff required for delivery. It would likely have to come from existing staff/resources within their organisation, which would be difficult for most providers to manage.</p>	<p>The TUPE process, including staff consultation and providing assurance to essential, existing staff, can be actioned immediately. Urgent training/development needs to enable the in-house option to function effectively can also be undertaken without delay. The support outlined in the row below will ensure that all staffing components will be in place within the timescales.</p> <p>Any additional recruitment could start immediately, giving more potential to have full prescribing capacity by the implementation date. However, there is enough identified capacity to operate the service full time from 1<sup>st</sup> October.</p>

<b>Support/capacity requirements</b>	<p>The onus would be on the provider, however, the input of local knowledge and expertise from public health and the wider LA would be essential in order to meet the timescales.</p>	<p>Most of the necessary specialist support resources have already been identified and secured by STPH, with work ongoing to acquire the remaining inputs, as below:</p> <ul style="list-style-type: none"><li>• STPH already has specialist clinical and pharmacy lead advisors within the team and on board with this process;</li><li>• The Clinical Lead is a GP who is already contracted to deliver clinics for Foundations and is committed to continuing to do this if the service is brought in-house;</li><li>• An additional, current GP delivering clinics for Foundations would also be willing to continue delivering the service</li><li>• There are 2 x NMPs within the in-house Specialist Stop Smoking service and we have commitment from them to support the mobilisation, implementation and with any clinical capacity issues;</li><li>• Secured TEWV commitment to support the clinical governance arrangements and supervision, provide service continuity via clinical support if and when required and, in the longer-term, consultant psychiatrist input for the clinical/treatment service;</li><li>• NECS and/or independent clinical consultant to develop necessary SOPs, policies and pathways via dedicated specialist support.</li></ul> <p>Although there are costs involved with all of these elements, this additional capacity is essential in order to meet the timescales and enable safe, ongoing delivery of the service. The savings from not having to pay management fees to an external organisation can be utilised.</p>
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<p><b>Overall timescales</b></p>	<p>As an absolute minimum, this process will take at least one month, however, the likelihood is that it would be significantly longer. Timescales cannot be accurately defined due to the uncertainties, particularly that there is no guarantee that we will secure an organisation willing to take on the service delivery within the current circumstances. Even if we do, there would be no guarantee that they would be taking the service on until a formal contract was signed.</p> <p>Having a maximum timescale of 4.5 months to achieve all of the necessary steps is extremely risky.</p>	<p>There are few formal, preliminary steps to take. Finalising agreements with the support provider organisations and liaising with other LA departments will be the only elements that need to be undertaken in advance.</p> <p>Work on all of the other aspects can commence immediately, which maximises the remaining timescales and removes uncertainty. This is particularly important to ensure that the NMPs are secured at the earliest opportunity and an appropriate prescribing system is in place.</p>
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14. The Council's organisational risk as the provider is not substantially different from being the commissioner of an external organisation. The responsibility for clinical decisions and prescribing predominantly rests with the clinicians and their associated registrations. The non-medical prescribers hold sufficient clinical autonomy to largely operate the service on a day-to-day basis. Doctors provide senior clinical oversight via their input with the clinical governance framework ensuring delivery is conducted and monitored appropriately. If any incidents were to occur, the Council would be implicated, whether as the commissioning or delivery organisation. Either way, having the appropriate levels of senior clinical involvement is essential and will continue to be the case.
15. There are a wide variety of considerations regarding the mobilisation period. These include ensuring daily prescriptions can be transferred and continued overnight and ensuring that all appointments (of varying timescales up to twelve weeks) can be planned and fulfilled. There are also considerations around access to the service from new locations/buildings, communications to service users and stakeholders and the development of SOPs and policies associated with CQC registration, which all have to be in place. This is already tight within the (less than) five months period, so we simply cannot afford to lose any more time.
16. Removing the need to pay management fees and enhanced funding to external providers (to ensure that they will take on the current risks), means that value for money within the current financial envelope can be maximised. If additional funding was required, there is a likelihood that this would reduce capacity within the current Recovery Solutions team, which is already under pressure. The in-house option allows greater control over this and opens the possibility of multi-functional roles in the longer-term.
17. Working with an external provider, who would be in a strong negotiating position due to the circumstances, would almost certainly entail making compromises in the way that we want to deliver the local model. By delivering in-house, combining the clinical service with the existing Recovery Support team, we can respond more dynamically to the needs of the local population and ensure a co-ordinated approach to support. It will also enable us to further build on the existing collaboration with social care services and council priorities, such as locality working.
18. Ultimately option D removes the most uncertainty and would enable progress to be made as quickly as possible. There is no option to have any gap in service provision, given the duty to deliver this service and the vulnerabilities of the client group. In the longer-term, an in-house model can also realise the greatest benefits, as outlined in the table above.
19. Bringing the service in-house will require the support of senior leadership, as it necessitates senior decision-makers in relevant departments being fully on board with the process in order to meet the timescales. Regular (initially weekly) project leadership meetings would be scheduled for the duration of the mobilisation and implementation periods to ensure that any barriers can be swiftly overcome.

Clinical Service Cost							
PH Grant funding							
Staffing Provision (A)	FTE	Band	23/24 Cost £	24/25 Cost £	25/26 Cost £	23/24 Salary Range (for info) £	Comments
<b>Foundations : Prescribing Service</b>			<b>480,000</b>	<b>0</b>	<b>0</b>	N/A	Service ends 30/9/23
Lead Nurse Prescriber	1.0	O	31,018	65,138	68,395	48,474 - 50512	TUPE does not apply
Specialist Prescriber	4.0	N	116,322	244,276	256,490	45,441 - 47,420	TUPE applies, NHS pension considered
Specialist Nurse	1.0	K	23,319	48,970	51,419	36,648 - 38,223	TUPE applies, NHS pension considered
Manager	1.0	L	25,321	53,174	55,833	39,186 - 41,418	TUPE applies, NHS pension considered
Senior Admin	1.0	E	14,848	31,181	32,740	24,702	TUPE applies, NHS pension considered
Admin/Project Support	4.0	D	58,370	122,519	128,681	24,294	TUPE applies, NHS pension considered
Speciality Grade Doctor	0.5		64,000	128,000	128,000	N/A	This capacity will be provided via locum provision, with doctors already identified to provide clinics.
Consultant	0.2		15,921	31,842	31,842	N/A	This clinical input is likely to be provided via TEWV, who have offered support and with the aim of facilitating joint prescribing in the future for dual diagnosis needs.
<b>TOTAL STAFFING COST</b>	<b>12.7</b>		<b>349,119</b>	<b>725,100</b>	<b>753,400</b>		
Facilities and estates							
Utilities			30,000	31,500	33,075		
Building Cleaning / R&M			11,500	24,150	25,358		
Clinical waste			2,500	5,250	5,513		
IT / Phones / Sundries (incl bldg insurance)			7,500	15,750	16,538		
Annual testing costs			2,300	4,830	5,072		
<b>TOTAL BUILDING COST</b>			<b>53,800</b>	<b>81,480</b>	<b>85,554</b>		Estimated costs of LWC East
Service delivery costs, e.g. consumables							
Medical Supplies / PPE / Drug testing kits etc			12,500	26,250	27,563		
CDP Prescribing module			25,000	5,250	5,513		
CQC registration fees			5,000	5,250	5,513		
<b>TOTAL SERVICE DELIVERY COST</b>			<b>42,500</b>	<b>36,750</b>	<b>38,588</b>		Estimated Other costs of Service
One-Off : Refurbishment cost re LWC East							
Estimated building works / refurb etc			90,000	0	0		
<b>TOTAL CAPITAL COST</b>			<b>90,000</b>	<b>0</b>	<b>0</b>		
One Off : Specilist clinical support, CQC, etc.			40,000	0	0		Consultant (agency) to support during mobilisation/implementation re. clinical governance arrangements, policies and procedures, CQC registration, etc.
<b>OVERALL PROJECT COST</b>	<b>12.7</b>		<b>£1,055,419</b>	<b>£843,330</b>	<b>£877,542</b>		
Available Resources							
PH Grant (budgeted) - Prescribing Service			960,000	826,900	855,200		
PH Grant (budgeted) - LWC East			29,000	29,000	29,000		
Partnership contribution			90,000	0	0		
<b>TOTAL AVAILABLE RESOURCES</b>			<b>1,079,000</b>	<b>855,900</b>	<b>884,200</b>		
<b>(Surplus) / Shortfall</b>			<b>(£23,581)</b>	<b>(£12,570)</b>	<b>(£6,659)</b>		
External grant-funded posts							
Clinical Support (B)	FTE		23/24 Cost £	24/25 Cost £	25/26 Cost £	Salary Range £	Comments
Adder Specialist Nurse	2.0	K	93,276	97,940	0	36,648 - 38,223	Funding in place to 31/3/25 as a minimum
RSDATG Specialist Nurse	1.0	K	46,638	48,970	0	36,648 - 38,223	Funding in place to 31/3/25 as a minimum
<b>Total</b>	<b>3.0</b>		<b>£139,914</b>	<b>£146,910</b>	<b>£0</b>		
<b>Substance Misuse Specific Grants</b>			<b>£139,914</b>	<b>£146,910</b>	<b>£0</b>		
<b>(Surplus) / Shortfall</b>			<b>£0</b>	<b>£0</b>	<b>£0</b>		
<b>Total Overall Cost</b>	<b>15.7</b>		<b>£1,195,333</b>	<b>£990,240</b>	<b>£877,542</b>		
<b>Total Available Resources</b>			<b>£1,218,914</b>	<b>£1,002,810</b>	<b>£884,200</b>		
<b>(Surplus) / Shortfall</b>			<b>(£23,581)</b>	<b>(£12,570)</b>	<b>(£6,659)</b>		

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# ACT Recovery Solutions

Operations Manager

Speciality Grade Doctor

Consultant

Compliance  
Manager

Lead Nurse

Quality and Training  
Lead

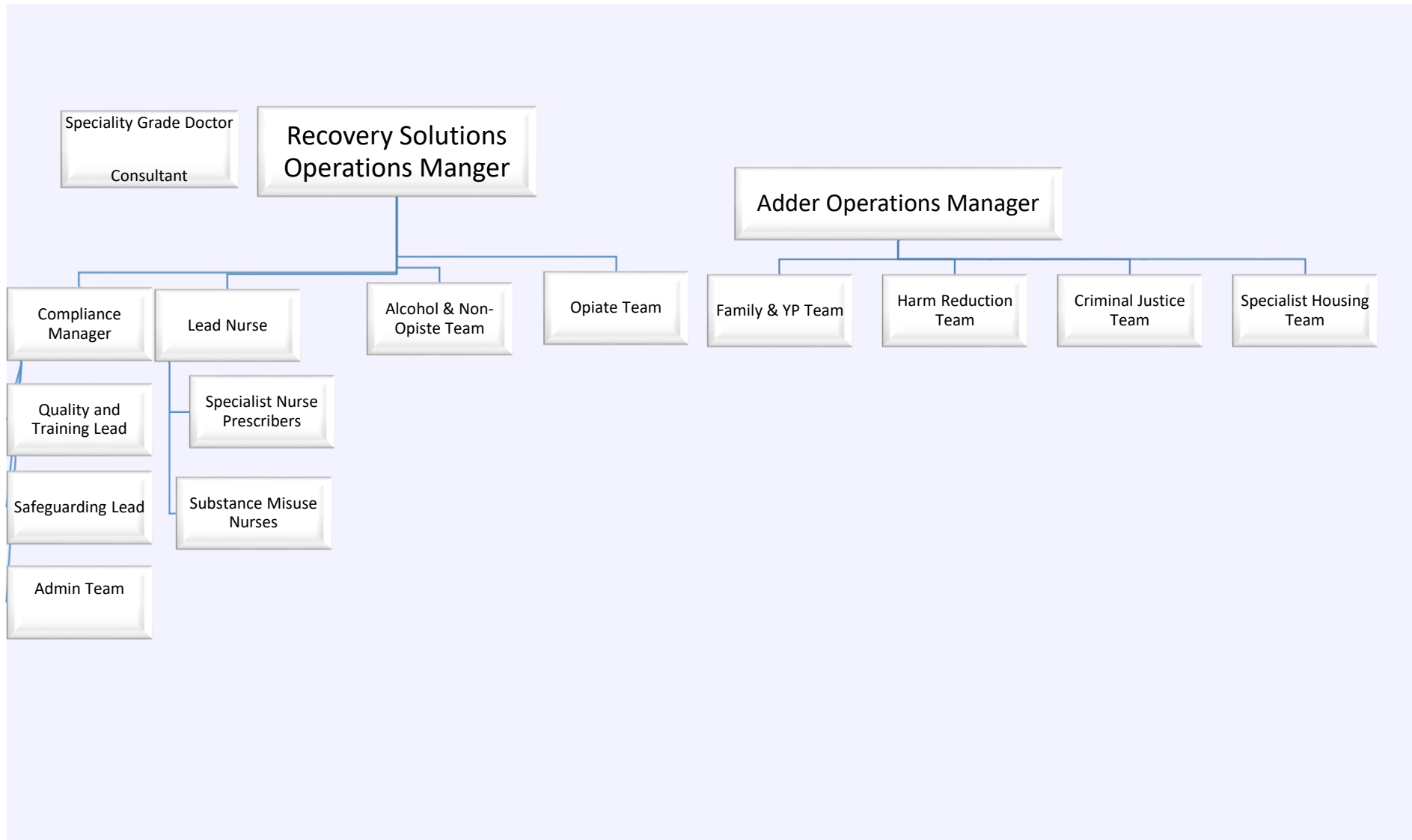
Safeguarding Lead

Senior Admin

Specialist Nurse  
Prescribers

Reception/Project Support Team

Specialist Nurses





**ACT**  
**Recovery Solutions**

**Live Well East**  
Berwick Hills

**Live Well South**  
Hemlington

**Live Well West**  
Newport

**Live Well Centre**  
Town Centre

Family Hubs  
Police Custody  
Suite  
Prison Inreach  
Community  
Outreach

**ACT**  
**Recovery Solutions**

**Live Well East**

Berwick Hills

- Clinical Assessment
- Clinical Interventions
- Structured Treatment
- Groupwork

**Live Well South**

Hemlington

- Structured Interventions
- Clinical Interventions
- Groupwork

**Live Well West**

Newport

- Structured Interventions
- Clinical Interventions
- Groupwork

**Live Well Centre**

Town Centre

- Structured Interventions
- Family Interventions
- Young Persons Interventions

Family Hubs

Police Custody Suite

Probation

Prison Inreach

Community Outreach

Middlesbrough Council  
 Substance Misuse Clinical Prescribing Service: Transfer to in-house model

Project Board

Transfer Management	Clinical Governance	Information Governance & Systems	Workforce	Communications
<ul style="list-style-type: none"> <li>• Project Resource/Finance &amp; Management</li> <li>• Approval &amp; Financial Considerations</li> <li>• Foundations Exit Management</li> <li>• Estates &amp; Facilities</li> <li>• Insurance</li> </ul>	<ul style="list-style-type: none"> <li>• Accountability &amp; Reporting</li> <li>• Clinical Leadership</li> <li>• Service Model &amp; Structure</li> <li>• Policy &amp; Procedure</li> <li>• Quality Assurance &amp; Performance</li> <li>• Safeguarding Structures &amp; Arrangements</li> </ul>	<ul style="list-style-type: none"> <li>• Systems (Prescribing) &amp; IT</li> <li>• Information Governance</li> </ul>	<ul style="list-style-type: none"> <li>• Workforce Transfers (TUPE)</li> <li>• Staff Engagement</li> <li>• Professional (Clinical) Registrations</li> <li>• Pensions Directions Order</li> <li>• Training</li> <li>• Equipment Requirements</li> </ul>	<ul style="list-style-type: none"> <li>• Patient and Stakeholder Engagement</li> </ul>

Workstream Leads  
 Working Group Membership

Project Board

- Mark Adams Director of Public Health - **Chair**
- Jonathan Bowden - Programme Manager
- Vicky Franks - Interim Advanced Practitioner/Operations Manager
- Rebecca Scott - Interim Head of PH
- Heather Morren - ICT Business Partner
- Alison Lythgoe - Finance Business Partner
- Karen McIlvenny - HR Business Partner
- Sharron Holland - HR TUPE lead
- Ann-Marie Wilson - Head of Legal Services
- Heather Weir - Interim Head of Commissioning and Procurement
- David Jamison - Head of Property and Commercial Services
- Michael Brearley - Data Protection Officer
- Andrew Glover - Head of Marketing & Comms
- Katie McDonald - Programme Support Officer
- Dr James Gossow - STPH Clinical Lead Advisor
- Kurt Ramsden - STPH Pharmaceutical Advisor
- TBC - Clinical Support Consultant
- Fiona Oliver - HCP Service Manager - Critical Friend

Transfer Management Sub-Group	Clinical Governance Sub-Group	Information Governance Sub-Group	Workforce Sub-Group	Communications Sub-Group
<ul style="list-style-type: none"> <li>• Vicky Franks - <b>Chair</b></li> <li>• Heather Pearce - Insurance</li> <li>• Alison Lythgoe - Finance</li> <li>• Sam Haran - Commissioning</li> <li>• Karen McIlvenny - HR</li> <li>• David Jamison - Estates</li> <li>• Kerry Melling - Asset Mgt</li> <li>• Partner/Natalie Dale - Foundations - <i>when required</i></li> </ul>	<ul style="list-style-type: none"> <li>• Rebecca Scott - <b>Chair</b></li> <li>• Vicky Franks - Ops</li> <li>• James Gossow - Clinical Lead</li> <li>• Kurt Ramsden - Pharmacy Lead</li> <li>• TBC - Clinical Support Consultant</li> <li>• Fiona Oliver - Critical Friend</li> </ul>	<ul style="list-style-type: none"> <li>• Vicky Franks - <b>Chair</b></li> <li>• Michael Brearley - Info Gov.</li> <li>• David Gardiner - CDP Soft</li> <li>• Heather Morren - ICT</li> <li>• Partner/Natalie Dale - Foundations - <i>when required</i></li> </ul>	<ul style="list-style-type: none"> <li>• Vicky Franks - <b>Chair</b></li> <li>• Sharron Holland - HR TUPE</li> <li>• Karen McIlvenny - HR</li> <li>• Heather Morren - ICT</li> <li>• Sarah-Jane McQuade - Training and Development</li> <li>• Partner/Natalie Dale - Foundations - <i>when required</i></li> </ul>	<ul style="list-style-type: none"> <li>• Jonathan Bowden - <b>Chair</b></li> <li>• Andrew Glover - Comms</li> <li>• TBC - ICB Comms Lead</li> <li>• Gemma Swan - Ops Mgr</li> <li>• Partner/Natalie Dale - Foundations - <i>when required</i></li> </ul>

\* Safeguarding will be covered under Clinical Governance

Detailed action plans have been developed for each of these themed sub-groups.

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<b>MIDDLESBROUGH COUNCIL</b>	
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<b>Report of:</b>	Executive Member for Culture and Education Director of Education and Partnerships
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<b>Submitted to:</b>	Executive
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<b>Date:</b>	20 June 2023
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<b>Title:</b>	Children and Young People's Learning Scrutiny Panel Service Response: Youth Offending and Partnership Working with Schools
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<b>Report for:</b>	Information
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<b>Status:</b>	Public
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<b>Strategic priority:</b>	Children and young people
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<b>Key decision:</b>	No
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<b>Why:</b>	Not applicable
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<b>Urgent:</b>	Not applicable
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<b>Why:</b>	Not Applicable
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**Executive summary**

The Children and Young People's Learning Scrutiny Panel requested information in relation to South Tees Youth Justice Service (STYJS) and partnership working with schools. The full scrutiny panel report and associated action plan are attached as appendices to this report. This report is for information only.

Evidence has been provided to the Children and Young People's Scrutiny Panel in relation to the issues, challenges and barriers to engagement with education for children in Middlesbrough who are open to STYJS. In order to assist in understanding how the Service currently works with schools, and identify any effective practice in respect of partnership arrangements, the Panel have also been provided with background information including; the role of STYJS, inspection findings, outcome measures, and key performance indicators.

Findings were presented to the Panel and STYJS has provided a response as to how the identified issues are currently tackled.

The Panel subsequently drew up a series of recommendations based on the information presented and the action plan now requires approval from Executive.

## **Purpose**

1. The purpose of this report is to seek Executive approval of the action plan produced in response to the Children and Young People's Learning Scrutiny Panel relating to 'Youth Offending and Partnership Working with Schools'.

## **Background and relevant information**

2. The significant majority of students attend school each year and go on to achieve great things. In some circumstances a small but crucial minority may become involved in crime and therefore require support and rehabilitation. The purpose of this review was to examine how South Tees Youth Justice Service (STYJS) works in partnership with schools in Middlesbrough to improve school attendance, educational engagement and attainment for those young people involved in the criminal justice system. The Panel requested information on the role of STYJS, barriers to engagement, how the Service works with Schools, and effective partnership arrangements to support the delivery of high-quality and bespoke education to children in the youth justice system.
3. Young people in the youth justice system have often experienced multiple adverse childhood experiences and consequently there can be numerous and complex reasons contributing to a young person not attending school and / or being excluded. There are some stark statistics relating to children in the youth justice system for example 65% have been suspended from school, and 47% have been permanently excluded. The Panel were provided with statistics relating to the STYJS caseload (contained within the main body of the report), current outcome measures, key performance indicators, and inspection findings.
4. The challenges and barriers to children in the youth justice system engaging in education can be varied and complex, however can typically be described as exposure to exploitation, such as substance misuse and/or the inability to regulate behaviour resulting in violence or persistently disruptive behaviour. The panel were provided with in depth information relating to how the service works with schools in response to such issues and the report outlines this in detail.
5. The Panel concluded that children known to youth justice encounter challenges in accessing education, training and employment (ETE), and acknowledged that adverse childhood experiences, coupled with other complexities can contribute to a young person not attending school and / or being excluded. The Panel have seen an increase in partnership working with schools in the last year, and could see the benefit of adopting a system wide 'contextual safeguarding' approach with partners. They concluded STYJS staff were working hard to ensure the delivery of a high-quality, personalised and responsive ETE service for young people involved, or at risk of being involved, in the criminal justice system and have made a series of recommendations to strengthen the work further. These recommendations have been transposed into an action plan with clear timescales for the Service to respond.

## **What decision(s) are being recommended?**

That the Executive:

- Note the content of the report for information.
- Approve the action plan.

**Rationale for the recommended decision(s)**

6. Not applicable.

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

7. Not applicable

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

***Legal***

8. Not applicable

***Strategic priorities and risks***

9. Not applicable

***Human Rights, Equality and Data Protection***

10. Not applicable

***Financial***

11. Not applicable



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

Action	Responsible Officer	Deadline
<a href="#">Executive to agree action plan</a>	Kay Dargue	30.11.23

## Appendices

1	Final Report of the Children and Young People's Learning Scrutiny Panel 'Youth Offending and Partnership working with Schools'.
2	Action plan dated 4.4.23
3	

## Background papers

Body	Report title	Date

### Contact:

Email: [Kay\\_Dargue@middlesbrough.gov.uk](mailto:Kay_Dargue@middlesbrough.gov.uk)

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# MIDDLESBROUGH COUNCIL

## Final Report of the Children and Young People's Learning Scrutiny Panel

# YOUTH OFFENDING AND PARTNERSHIP WORKING WITH SCHOOLS

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## **THE AIM OF THE SCRUTINY REVIEW**

1. The purpose of the review was to examine how the South Tees Youth Justice Service (STYJS) works in partnership with schools in Middlesbrough to improve school attendance, educational engagement and attainment for those young people involved in the criminal justice system.
2. The review aims to assist the Local Authority in achieving its strategic priority:
  - ***Children and Young People*** - We will show Middlesbrough's children that they matter and work to make our town safe and welcoming and to improve outcomes for all children and young people.

## **TERMS OF REFERENCE**

3. The terms of reference, for the scrutiny panel's review, are as follows:
  - a) To examine the role of South Tees Youth Justice Service (STYJS).
  - b) To identify the barriers to young people in the youth justice system engaging in education.
  - c) To examine how the STYJS works with schools in Middlesbrough to:
    - react swiftly and firmly to early signs of criminal behaviour;
    - promote engagement in the education system;
    - improve attendance;
    - prevent exclusions (fixed-term and permanent);
    - improve attainment; and
    - deliver well-targeted educational support.
  - d) To identify effective practice in respect of partnership arrangements with schools, which actively support the delivery of high-quality and bespoke education in the youth justice system.

## **BACKGROUND INFORMATION**

4. Children who are supervised by youth offending teams (YOTs) are more likely to have, or have experienced, problems with school attendance, educational engagement and attainment. Problems with schooling can have a lasting negative effect on an individual's further education, training or employment, thus affecting their life chances.<sup>1</sup>
5. In terms of the link between education and young people in the criminal justice system:
  - In 2016, Charlie Taylor was commissioned to review the entirety of the youth justice system. Following the review, it was concluded that education needs to be central to the response to youth offending. The review reported that too many children in the youth justice system had been out of school for long periods of time through truancy, or following exclusion, and half of 15-17 year olds in youth offending institutions had the literacy or numeracy levels expected of a 7-11 year old.
  - In 2017, One Education reported that:

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<sup>1</sup> <https://www.justiceinspectorates.gov.uk/hmprobation/wp-content/uploads/sites/5/2022/05/ETE-EP-v2.1.pdf>

- approx 90% of young people in the youth custody population had been suspended from school, at any one time, compared to 3-5% of general population;
  - 63% of boys and 74% of girls had been permanently excluded (N.B. there was a significantly lower number of girls in the youth custody population and that needed to be taken into account when considering the data);
  - 40% of young people had not been to school since they were 14; and
  - 90% were not attending before they reached 16 years old.
6. In June 2022, HM Inspectorate of Probation published findings from a thematic inspection of Education, Training and Employment (ETE) services in Youth Offending Teams (YOT) across England and Wales. The inspection was undertaken between November 2021 and January 2022. The report outlined that: *“Of the 181 cases inspected, two-thirds (65 per cent) of children (aged 10-17 years) had been suspended from school and almost half (47 per cent) had been permanently excluded. This resulted in some children not participating in any ETE services for two years or more”*. The report also stated that *“Children on youth justice caseloads have lives that are filled with disruption, trauma, adverse experiences, poor mental health and specialised needs. The services we spoke to were aware of this, and are striving to put ETE opportunities in place, but it remains the case that there are major barriers to children getting the education or training they so desperately need, if they are to stay away from crime. Services must strive to overcome these hurdles”*.<sup>2</sup>
7. To provide a snapshot of data, on 1 August 2022, just over 25% of the young people (post 16) open to South Tees Youth Justice Service (STYJS) were Not in Education Employment or Training (NEET). In terms of data in relation to young people open to the service who have been excluded, work was undertaken to report on data from the last academic year (1 September 2020 and 31 August 2021). The data highlighted that the percentage of young people open to the STYJS, who had been permanently excluded, was 6.6%. In comparison, the percentage of all young people who had been permanently excluded during that academic year was 0.29%.
8. The links between young people’s education and involvement in criminal behaviour is clearly an important issue, which requires a robust response.

## **SUMMARY OF EVIDENCE**

### **Term of Reference A - To examine the role of South Tees Youth Justice Service (STYJS).**

#### **Youth Justice Services**

9. Youth justice services are multidisciplinary statutory partnerships, which aim to deal with the needs of the whole child. Youth justice services are required to have staff from local authority social care and education, the police, the National Probation Service and local health services.
10. Children in the justice system often have multiple and complex needs. Where possible, youth justice services should seek to divert children from the justice system entirely and address these needs. For those who do offend, the core focus of youth justice services must continue to be rehabilitation, tackling the underlying causes of youth offending, and

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<sup>2</sup> <https://www.justiceinspectorates.gov.uk/hmiprobation/media/press-releases/2022/06/ete-thematic/>

delivering a system that gives children the support they need to break the cycle of offending and build productive and fulfilling lives.<sup>3</sup>

11. Youth justice services supervise 10 to 18 year-olds who have been sentenced by a court, or who have come to the attention of the police because of their offending behaviour but have not been charged - instead, they are dealt with out of court. There is a range of out of court disposals, which are available to youth justice services.
12. If a referral has been received from the police following an offence being committed, youth justice services will work closely with the police and the Crown Prosecution Service (CPS) to determine and assess the options available to the young person. A Triage disposal can be used, which aims to prevent young people from re-offending and slipping deeper into the criminal justice system. In low-risk cases where the young person admits the offence, and both the family and victim agrees, that can involve restorative intervention, rather than court action. The procedure followed is quite complex and technical.

### Youth Justice Board

13. The Youth Justice Board (YJB) is a non-departmental public body responsible for overseeing the youth justice system in England and Wales. The YJB provides the majority of funding to youth justice services and monitors their performance. The YJB also publishes guidance, such as the national standards for youth justice services.

### HM Inspectorate of Probation

14. HM Inspectorate of Probation is the regulating body of youth justice services. HM Inspectorate of Probation reports to the government on the effectiveness of work with adults, children and young people who have offended, with an aim to reduce reoffending and protect the public.

### National Outcome Measures for Youth Justice Services

15. There are three national outcome measures for youth justice services:
  - to reduce first time entrants to the youth justice system;
  - to prevent re-offending by children and young people; and
  - reduce the use of custody for young people (both sentenced and remanded).
16. Currently, there is no requirement for youth justice services to collect data in respect of educational attainment, truancy or exclusion from school. However, future changes to data requirements are planned, in order to capture and evidence the impact of offending on these areas.

### A joint inspection of education, training and employment services in youth offending teams in England and Wales

17. In June 2022, following a joint inspection of education, training and employment services in youth offending teams in England and Wales, HM Inspectorate of Probation published a thematic report. The recommendations contained within the report proposed that the YJB

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<sup>3</sup> <https://www.gov.uk/government/publications/national-standards-for-youth-justice-services/standards-for-children-in-the-youth-justice-system-accessible-version>

should revise its national indicator of ETE engagement to one that provides a more meaningful measure of performance. The report also included seven recommendations for youth justice management boards. In summary, the recommendations state that youth management boards should:

- ensure children receive comprehensive ETE assessments;
- monitor, alongside the local authority, key aspects of ETE work for children working with the youth offending team, including:
  - the extent of school exclusion in the youth offending team cohort;
  - the actual level of attendance at school, college, work or training placement;
  - the extent of additional support provided to children with special educational needs (SEN)/additional learning needs (ALN);
  - that every child with an education, health and care plan (EHCP) or individual development plan (IDP) has it reviewed on an annual basis to meet the statutory requirement.
- develop ambitious aims for ETE work in the youth offending teams, including the achievement of Level 2 English and Mathematics by every child;
- establish a greater range of occupational training opportunities for those children beyond compulsory school age; and
- monitor and evaluate the levels of educational engagement and attainment in disproportionately represented groups within the youth offending teams caseload.

#### Key Performance Indicators

18. In light of the report published by HM Inspectorate of Probation, the YJB has proposed key performance indicators (KPIs) to capture suitable education, training and employment (ETE), which will be introduced in April 2023. In future, youth justice services will be required to capture data in relation to:

- the percentage of children in the community, and being released from custody, with a suitable ETE arrangement; and
- the percentage of children who have identified special educational needs and disabilities (SEND) and the percentage of these children who are receiving support.

19. The YJB believes reporting on this data in future will provide transparency and accountability and assist in recognising the progress of young people and their successes, as well as identifying the barriers and challenges.

#### 2019 Inspection

20. The STYJS was last inspected by HM Inspectorate of Probation in 2019 and received a 'good' rating. There was one 'area for improvement' identified and the inspectorate stated "*There should be an education representative on the Board and in a specialist role in the staff team*".

21. The STYJS Management Board took immediate action and a STYJS Education, Training and Employment Specialist (ETE) was appointed in August 2020.

#### SEND Quality Mark

22. In May 2022 the service secured national accreditation through the SEND Quality Mark in recognition of the work undertaken with partners to meet the needs of young people, subject to intervention by the STYJS.

## Next Steps

23. In terms of next steps:

- One of the STYJS strategic priorities in 2022/23 is to ensure that the service contributes to supporting young people at risk of exclusion.
- As youth justice services will be measured upon a new set of KPIs, the STYJS plans to:
  - put in place monitoring systems to ensure that young people and those at risk of exclusion are tracked and supported to access services they need;
  - monitor assessment processes for young people identified as at risk of exclusion to ensure that those include effective plans to engage them in ETE; and
  - conduct audit activity of ETE processes.
- The Head of STYJS will work with the management board and heads of service within the education directorate to take forward the recommendations included in the HM Inspectorate of Probation thematic report. This work will include:
  - introducing new data sharing agreements to enable pupil-level data to be captured and reported upon; and
  - implementing tracking and monitoring systems to analyse and evaluate data in the future, with the overarching aim of reducing exclusions and improving the education experience and outcomes for young people.

24. *Further information in respect of the role of the STYJS can be found in the minutes and associated documentation for the meeting of the Children and Young People's Learning Scrutiny Panel, which was held on 5 September 2022.*

## **Term of Reference B - To identify the barriers to young people in the youth justice system engaging in education.**

25. A significant majority of students attend school each year and go on to achieve great things. However, in some circumstances a small but crucial minority may become involved in crime and will therefore require support and rehabilitation. Issues leading to these incidents varies case-by-case but can typically be described as exposure to exploitation, such as substance misuse and/or the inability to regulate behaviour resulting in violence or persistently disruptive behaviour.

26. There can be numerous and complex reasons contributing to a child not attending school and/or being excluded.

## **Drug and Alcohol Related Issues**

27. Although the link between substance misuse and crime is complex, there is evidence to suggest that a significant number of those committing criminal offences have problematic alcohol or drug use.<sup>4</sup>

28. In terms of drug or alcohol related issues, the STYJS works with Project ADDER to provide substance misuse support. In May 2021, an ADDER Worker post was appointed to, to

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<sup>4</sup> <https://www.justiceinspectorates.gov.uk/hmiprobation/research/the-evidence-base-probation/specific-areas-of-delivery/substance-misuse/>



create additional capacity in the STYJS and provide advice, guidance, intervention and support for young people with substance use needs. The post also improves links and redefines pathways to ensure that young people are referred into Tier 3 services in a timely way. In addition, the post has been successful in establishing links with the Substance Misuse Services in the Youth Custody Service, which has supported a better pathway for the resettlement of young people back into the community. All young people open to the service, who have drug/alcohol issues, can be referred to the ADDER Worker for specialist support. The role offers a point of contact and support for STYJS staff, re-introducing a level of expertise for staff which was previously not available. Staff members also benefit from increased training in substance misuse and receiving advice and guidance on how to best support those with drug/alcohol issues. Links have also been established with the wider ADDER Team, which plan to support pathways into adult provision, for those young people who transition to probation.

### Serious Youth Violence

29. Serious youth violence has become an area of significant concern for agencies working with young people, and that includes schools. There are increasing concerns that the most vulnerable young people in society are being drawn into differing forms of organised crime. Exposure to such behaviours and lifestyles can leave young people vulnerable to exploitation.
30. In 2021, a report entitled 'Violence and Vulnerability' was published by the Crest Advisory Group (Violence and Vulnerability). The report states that the risk of violence is heightened for those living in areas with high levels of neighbourhood crime and income deprivation, areas such as Middlesbrough.
31. The STYJS is currently working with CREST Advisory Group, as part of a strategic needs assessment for the newly developed Cleveland Unit for the Reduction of Violence (CURV). Once published, STYJS plans to work closely with the CURV and partners, including schools, to address the issues identified.

### Complex Needs

32. Many children/young people open to the service have multiple and complex needs.
33. There is a range of support available for pupils including the multi-agency Pupil Inclusion Panel (PIP), which forms part of the new Inclusion and Outreach Service. Alongside that, the STYJS has worked in partnership with local government colleagues across Hartlepool, Redcar & Cleveland and Stockton and the Tees, Esk and Wear Valley NHS Trust to develop a Trauma Informed Model of working. The model supports staff to develop bespoke packages of support for those young people with the most complex needs. If a young person is accepted on to the pathway, a formulation meeting is held followed by sessions for up to 15 weeks and progress is continuously reviewed and monitored. Furthermore, a discharge report provides a psychological overview of mental health symptoms, and informs an onward trauma informed care plan linking to an individualised intervention plan for the child/young person. The pathway provides psychological input to enable the formulation of a holistic plan, which in turn provides a better understanding of the barriers to young people in the youth justice system engaging in education.
34. The barriers to progression with ETE, as identified by young people, are detailed at paragraph 69 of the report.

35. Further information on the barriers to young people in the youth justice system engaging in education can be found in the minutes and associated documentation for the meeting of the Children and Young People's Learning Scrutiny Panel, which was held on 12 December 2022.

**Term of Reference C - To examine how the STYJS works with schools in Middlesbrough to:**

- **react swiftly and firmly to early signs of criminal behaviour;**
- **promote engagement in the education system;**
- **improve attendance;**
- **prevent exclusions (fixed-term and permanent);**
- **improve attainment; and**
- **deliver well-targeted educational support.**

36. Schools are a protective factor and assist in preventing young people engaging in criminal activity. Driving activity with schools aims to ensure education is central to the response to youth offending.

**The STYJS Education, Training and Employment (ETE) Team**

37. The STYJS ETE Team, comprises the ETE specialist and a dedicated Support Worker. The work of the team has been fundamental in:

- improving the education offer provided by the STYJS;
- developing pathways into services for young people, including SEND and Inclusion the Outreach Service;
- establishing systems to monitor and track those young people identified as NEET; and
- establishing an extensive network with local ETE providers to maximise opportunities for young people.

38. The STYJS ETE Team works in a collaborative way to provide advice, information, guidance, monitoring and oversight in respect of a young person's education, training and employment.

39. Since August 2021, every school age young person supervised by the STYJS is recorded, monitored and shared with the Inclusion and Outreach Service on a monthly basis. Collaboration has now improved and a more formalised process has been established. The joint protocol, which has been developed between the Inclusion and Outreach Service and the STYJS, enables effective communication, including sharing information and planning joint visits.

40. Following a referral, contact is made with parents/carers and the relevant school to arrange a planning meeting for the young person. The planning meeting determines what support needs to be put in place, taking into account the voice of the child and issues raised by school. Through regular sessions, the STYJS ETE Specialist is able to develop trusting relationships. The STYJS ETE Specialist has formalised processes and plays a key role in building positive relationships with young people to identify and address the barriers preventing them from engaging in education. These barriers are then discussed with the relevant school and through partnership working, solutions are put forward.

41. To provide support, the ETE Specialist also links in with other education teams, such as the Virtual School and the SEN Team. The ETE Specialist also attends Pupil Inclusion Panel (PIP) meetings, Inclusion Triage meetings and ETE Risk meetings.

42. For those in custody, the STYJS ETE Specialist undertakes work in terms of sentence planning. A protocol has been developed and shared with all schools in Middlesbrough and Redcar and Cleveland to ensure institutions receive the correct information in respect of EHCPs and learning plans. The protocol aims to ensure that those in custody receive effective support.

### Prevention

43. In recent months, the STYJS has developed a prevention offer for young people on the periphery of criminal behaviour, with one of the referral criteria being 'young people at risk of exclusion from school/education'. Referrals are taken directly by the service or via the Multi-Agency Children's Hub (MACH).
44. All young people who are at risk of exclusion are monitored and tracked by the ETE Specialist and these cases are discussed in supervision sessions with the ETE Support Worker.
45. Previously, the STYJS had also identified the need to implement a framework, which delivers a preventative intervention aiming to improve school attendance, educational engagement and attainment. Subsequently, the STYJS Inclusion Pathway has been developed.

### STYJS Inclusion Pathway

46. Following its endorsement by the Children and Young People's Learning Scrutiny Panel on 12 December 2022, the STYJS Inclusion Pathway was implemented in mid-December (2022). Since its introduction, 25 referrals have been received.
47. The STYJS Inclusion Pathway creates a mechanism which enables Case Managers to access support for young people who are at risk of disengagement from education. The pathway has been designed to promote engagement in the education system, improve attendance, prevent exclusions (fixed-term and permanent), improve attainment and deliver well-targeted educational support.
48. Training has been delivered for Case Managers, which included information on the importance of the STYJS Inclusion Pathway and the reason for its development.
49. The introduction of the STYJS Inclusion Pathway demonstrates effective practice in respect of partnership arrangements with schools, colleges and training providers to actively support the delivery of education.
50. In terms of the process followed, Case Managers contact schools, colleges and training providers to collect the following information:
- the young person's up-to-date attendance record;
  - information about the young person's behaviour in school/training;
  - the young person's academic levels/achievements;
  - the young person's risks and concerns in respect of ETE;
  - any services or support provided/not provided in response to the young person's special educational needs and whether a SEN Plan or EHCP is in place; and
  - the young person's attitude to ETE.
51. Gathering information from schools, colleges and training providers plans to provide a holistic picture of the young person.

52. Case Managers record attendance and exclusions. When assessing the young person, a referral is made to the STYJS ETE Team if the young person's attendance record is lower than 75% and/or the young person has been suspended more than 10 times during one term.
53. The referral mechanism in respect of attendance levels reflects the national average for young people attending school and does not take into account those attending alternative provision or pupil referral units. The figure of 75% reflects the nature of the cohort, however, work is planned to review attendance data of the STYJS cohort and the attendance threshold currently applied will be revisited. At present, some exclusion teams in the Tees Valley become involved if a young person has reached the threshold of 20 suspensions during one term. By lowering that threshold to 10, a preventative approach has been adopted.
54. With regards to the support provided by the STYJS ETE Team, the ETE Specialist and the ETE Support Worker will complete checks on Capita and consult with Case Managers and other education teams. Following these checks, if it is determined that support is required, the case will be allocated to the ETE Specialist.
55. Upon referral, a bespoke education plan and package of support is developed and both will take into account the young person's views, the parent/carer's views and the school's views to ensure that challenges and barriers are understood and addressed.
56. Collaborative relationships have been established to ensure that the education plan complements and reinforces the approaches taken by other statutory services and agencies involved with the young person.
57. To develop the education plan, the STYJS ETE Team will meet with the young person, their family and the school. A restorative approach is taken to discuss, assess and determine how the necessary support can be provided. The education plan includes objectives and rules aiming to promote the young person's engagement with education. The plan is developed with the young person, in consultation with the school, and mutually agreed objectives/rules are identified. A young person's needs, and the effective strategies to support those needs, are determined on a case-by-case basis. The education plan identifies the most appropriate way of delivering effective teaching and learning for each young person.
58. The Inclusion Pathway plans to provide an effective mechanism to ensure that barriers, to young people in the youth justice system engaging in education, are effectively assessed and addressed. Ultimately, the aim of the Inclusion Pathway is to increase inclusion and prevent exclusion. Future work is planned to collect and analyse both qualitative and quantitative data to demonstrate the impact of the STYJS Inclusion Pathway, specifically the improvements that have been secured as a result of its implementation.

#### Reacting Swiftly and Firmly to Early Signs of Criminal Behaviour

59. Neighbourhood and community influences can cause young people to become more vulnerable to committing crime. There has been an increase in partnership working between the STYJS and schools and a contextual safeguarding approach has been promoted by the STYJS Education, Training Employment Specialist via the Pupil Inclusion Panel (PIP). This approach encourages partners to share information and collectively plan to reduce risk in different settings. In addition, the development of an intelligence sharing form enables schools to share concerns with Cleveland Police, as they occur. The contextual safeguarding approach aims to understand, and respond to, young people's experiences in

a range of social contexts, including within school or college, in their groups of friends and within their community and local area.

60. The STYJS has undertaken work to improve links between schools and Police Community Support Officers (PCSO) and neighbourhood policing teams. For example, with regards to a particular school's concerns in respect of one pupil potentially engaging in criminal activity, the STYJS had contacted the PCSO and linked in with the school to ensure essential information was shared. Consequently, the sharing of information enabled the school to submit a Vulnerable, Exploited, Missing, Trafficked (VEMT) referral.
61. *Further information and case studies demonstrating how the STYJS works with schools can be found in the minutes and associated documentation for the meetings of the Children and Young People's Learning Scrutiny Panel, which were held on 5 September 2022 and 16 January 2023.*

**Term of Reference D - To identify effective practice in respect of partnership arrangements with schools, which actively support the delivery of high-quality and bespoke education in the youth justice system**

**Effective Practice guide - Education, Training and Employment**

62. In 2022, HM Inspectorate of Probation published a document entitled 'Effective practice guide - Education, training and employment. The guide was based on a joint inspection of education, training and employment and training services in youth offending teams in England and Wales.<sup>5</sup>
63. The information outlined below, demonstrates effective practice (nationally) in respect of partnership arrangements with schools and focuses on preventative work.

***Bristol Safer Options Hub***

64. Not engaging with the education system or being excluded from it are strong indicators which place children at risk of involvement in youth violence. In addition, school exclusions are a risk factor for child criminal exploitation (CCE) (National Crime Agency, 2018). Therefore, it is important that YOTs contribute to preventative work that minimises the potential for later involvement in criminal justice processes.
65. The Bristol Safer Options hub is an example of effective practice in strategic planning and high-quality outcomes. The hub is contained within the local authority safeguarding policies and arrangements, and it requires schools, colleges and other education settings to develop a response to violence and exploitation. In response to rising serious violence and child criminal exploitation in Bristol, in 2018, the local authority launched a specialist team, known as the Safer Options hub, whose job it is to support change across the whole partnership system. This was extended in 2019, with funding from the Home Office and the introduction of an Avon and Somerset-wide Violence Reduction Unit in the police. In 2020 it was integrated with Bristol's child sexual exploitation (CSE) and missing response.
66. The team, managed by a Safer Options Manager, involves staff from a range of disciplines, including a CSE social worker, contextual safeguarding social worker, reducing offending of children in care practitioner, missing engagement practitioner and police intelligence investigator. In addition, there are options for specialist funding, depending on need, for

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<sup>5</sup> <https://www.justiceinspectors.gov.uk/hmiprobation/wp-content/uploads/sites/5/2022/05/ETE-EP-v2.1.pdf>

education inclusion managers, youth justice prevention practitioners and senior youth and community practitioners.

67. While team members do not carry caseloads, they offer training, consultations, advice and some interventions to support case managers in working effectively with those on their caseload.

68. An example of the work undertaken by Bristol Safer Options Hub is outlined below:

If a child is found to be in possession of a weapon in school, the education inclusion managers make an assessment, advocate for the child and allocate support to the child. Data provided in December 2020 (operational from February to March and September to December 2020) noted:

- 23 weapons in school assessments were sent to YOT disposal panel
- 87% of children were able to remain in their original school place
- 100% received support or intervention
- 0 repeat offences
- 0 permanent exclusions.

*The last word: what children said about ETE provision*

69. The services of User Voice were commissioned, a national charity created and run by people who have been in prison and on probation, to give a voice to the children involved with justice services. They spoke with 29 children, to gather their perspectives on the ETE services that they had received. The children identified a number of barriers to progression with ETE and, consequently, their desistance, as follows:

- Multiple needs  
Children spoke of numerous areas of need, which impacted on their ability to focus on ETE. These included substance use, homelessness, bereavement, discrimination, living in care and managing the transition to adulthood, to name a few.  
Practitioners should be aware of these needs when planning and implementing any ETE delivery, so interventions can be sequenced appropriately, and any specific needs can be accommodated. Complex and often overlapping needs can often feel overwhelming, so it is important to instil a sense of hope for the child and their family or carers.
  - Neurodiversity  
A number of the children spoken to report they had a neurodiverse condition, which impacted on their engagement and experience with ETE. At least two had not been assessed for learning difficulties. Others had been assessed but still indicated their needs were not catered to in accordance with the outcomes of this.  
Practitioners should look for signs of neurodiversity and follow up, undertake relevant screenings and refer for specialist assessments, where appropriate. The outcomes of these assessments should be embedded in the child's assessment, plan and intervention delivery.
  - Mental health  
Anxiety was a key barrier preventing a number of the children from attending ETE, even when it was something that they genuinely wanted to do.  
Practitioners should openly discuss with the child, parents/carer any potential barriers to attending ETE provision, acknowledge these, explore the impact and develop collaborative strategies to overcome these.
- Covid-19

Covid-19 impacted on the way in which the children interacted with ETE and their YOS worker. Mask-wearing, telephone calls, online learning and quarantining have become the norm; however, the social aspect of group sessions has been lost and missed.

Practitioners have found creative ways to continue delivering YOS services during the pandemic; for example, they have maintained contact by meeting in parks and providing online support. It is important to consider innovative ways to deliver the full range of interventions for children.

➤ Lack of meaningful involvement

18 of the children didn't have an ETE plan or didn't know if they had one, but they believed a plan would be helpful to them. One child was very clear on the fact he had a plan but highlighted that he wasn't involved in developing it.

Practitioners should actively involve children and parents/carers in their assessments, plans and reviews. This co-creation will ensure the plan is individually tailored, allows the child to take ownership of achieving their goals and means they are more likely to engage with the plan.

➤ Lack of options - in terms of choices and flexibility

The children spoke of a desire to move on; they wanted to get a job or a skill that they could use moving forward. School was a challenging environment for a number of the children, and they felt that training would have been a better option for them. The children also raised some challenges regarding the timing of courses and their inability to get up in the morning, whether due to sleep issues or lifestyle factors.

Practitioners should explore a range of ETE options and not simply fit the child into a generic offer, linking to meaningfully involving the children and parents/carers. It is important to have high expectations and aspirations for children in terms of their ETE achievements and future career, and practitioners should empower children and those around them to have these of themselves. Considering a range of options customised for the child will assist with this and may well instil a sense of hope.

➤ Relevance

The biggest issue for children was the lack of relevance of the options available or consideration of their skills, interests, abilities and circumstances. Volunteering isn't seen as a viable option to children who need to support themselves financially. Those with neurodiverse conditions were repeatedly offered options that weren't suitable for them, while others were doing courses that were too easy to keep them interested. As the children were not meaningfully involved in assessments and plans and were not offered a choice, it is unsurprising that they feel the ETE they are doing is not relevant to them.

Practitioners should ensure ETE interventions are appropriate for the child's specific set of circumstances, including their protected characteristics, living circumstances, financial situation, strengths and areas of interest, to name but a few, so that they feel the intervention is relevant to them as an individual.

➤ Being meaningfully involved with their ETE plans

➤ Support

93 per cent had regular check-in with their YOS worker. These check-ins were considered helpful and supportive by some. Many of the children did mention how 'nice' their YOS worker is and some reflected on the lengths they go to support them.

➤ Achievements

Despite a lack of relevance for many, nearly all the children spoken with reported some benefit from engaging with ETE, and with the YOS more generally. Most of these benefits were acquiring soft skills and better behaviour; however, six attained qualifications and two reported better attendance.

### Conclusions: ETE in the youth justice system

70. Overall, the guide identified that expectations were met in relation to ETE when the following are in place:

- coordinated leadership, with representation from all relevant parties and a shared ambition around ETE for all children;
- robust information-exchange between partners;
- multi-agency ownership and responsibility in contributing to ETE provision;
- a vigorous analysis and use of management information and data to inform ETE service delivery;
- specialist assessments of speech, language and communication needs, which support the child and mitigate barriers to ETE; and
- a skilled practitioner group that can meaningfully support children with ETE.

#### Annual report: inspection of youth offending services (2019-2020)

71. In 2020 an annual report was published by HM Inspectorate of Probation<sup>6</sup>. The report stated that in Leicester, there is evidence of good work to support children with special educational needs and disabilities. Educational psychologists are linked to the YOT and work alongside colleagues who are based in the school, so that schools feel supported in managing children's behaviour. Each child who goes into custody is allocated an educational psychologist to ensure that their educational needs are being met, especially during the transition periods into and out of custody. There is a 'fair access panel', which is attended by senior leaders from all schools, including the academies. The YOT education worker attends the panel to advocate for the child, and the school must demonstrate that it has done all it can before it considers exclusion. The schools hold each other to account for any exclusions, and each school must seek support from the pupil referral unit before an exclusion is agreed.

#### **ADDITIONAL INFORMATION**

72. During the course of the scrutiny panel's investigations, information came to light which, while not directly covered by the terms of reference, is relevant to the work of the panel on this topic. This related to:

##### Reoffending

73. There are 45 young people (Year 7 to Year 11) in Middlesbrough who are currently receiving support from the STYJS. When referring to previous data that has been collected, it is estimated that approximately 38% of these young people will reoffend. Reporting data in respect of reoffending is both technical and complex, as there is a need to track young people over a period of time. Future work will aim to capture trends and assess the impact of the work undertaken by the STYJS.

##### Young Offender Institutes

74. In respect of young offender institutes, there are currently four in operation, previously there had been more. Currently, there are two secure schools being built.

75. At present, there are youth offending institutes for young people aged 15 to 18. When in custody, those institutes offer 30 hours of education to young people. Secure schools plan to provide an emphasis on education and they will operate more like schools than prisons.

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<sup>6</sup> <https://www.justiceinspectorates.gov.uk/hmiprobation/wp-content/uploads/sites/5/2020/11/HMI-Probation-Youth-Annual-Report-2020.pdf>



Regardless of whether a young person has been remanded or sentenced, those in custody will be offered education.

76. Wetherby Young Offender Institution is currently the closest institution to Middlesbrough. Currently, there are no plans for this institution to become a secure school. Although Wetherby Young Offender Institution operates essentially as a prison, the education provision is good. Therefore, those in custody are able to access a reasonable standard of education.

## **CONCLUSIONS**

77. Based on the evidence, given throughout the investigation, the scrutiny panel concluded that:

### **Young people in the Youth Justice System**

- a) Children known to youth justice services - both school age and over-16s - encounter challenges in accessing education, training and employment (ETE). Young people in the youth justice system have often experienced multiple adverse childhood experiences and consequently there can be numerous and complex reasons contributing to a young person not attending school and / or being excluded. Problems with schooling can have a lasting negative effect on an individual's further education, training or employment, thus affecting their life chances. The links between young people's education and involvement in criminal behaviour is clearly an important issue, which requires a robust response.

### **Reacting Swiftly and Firmly to Early Signs of Criminal Behaviour**

- b) In the last year there has been an increase in partnership working between the STYJS and schools in Middlesbrough and a contextual safeguarding approach has been promoted. The contextual safeguarding approach aims to encourage partners to share information and collectively plan to reduce risk in different settings and enables schools to share concerns with Cleveland Police as they arise. It is important that the contextual safeguarding approach is reviewed to ensure it delivers a whole-system approach, coordinates a multi-agency response to violence and exploitation, allows schools to react swiftly and firmly to early signs of criminal behaviour, supports the work of the Cleveland Unit for the Reduction of Violence (CURV) and specifically links to improved ETE outcomes. It is vital that the STYJS plays a key role in reviewing the contextual safeguarding approach to ensure schools, colleges and other educational settings develop a robust and responsive approach to violence and exploitation, which involves partner agencies.
- c) By supporting young people at risk of exclusion, the STYJS contributes to preventative work which minimises the potential for later involvement in criminal justice processes.

### **The STYJS and ETE**

- d) Evidence suggests that STYJS staff are working hard to ensure the delivery of a high-quality, personalised and responsive ETE service for young people involved, or at risk of being involved, in the criminal justice system. The STYJS has a strong focus on the young person's needs and a preparedness to engage with education providers to achieve the best-possible outcome for them. The STYJS manages each case by engaging the young person, parents and carers, taking account of each young person's diverse needs.

- e) A STYJS Education, Training and Employment Specialist (ETE) was appointed in August 2020 to improve collaboration and tackle and address periods of absence or disengagement from educational services. Evidence suggests that the STYJS ETE Specialist is a skilled relationship-builder and meaningful, trusting relationships are established to help promote engagement. Effective joint working has been established between the STYJS and the Inclusion and Outreach Service, which ensures a young person's needs are appropriately assessed when planning and implementing any ETE delivery. To further enhance the support offered, it would be beneficial for each young person who goes into custody to be allocated an educational psychologist to ensure that their educational needs are being met, especially during the transition periods into and out of custody (see effective practice example from Leicester, which is detailed at paragraph 71 of the report).

#### The STYJS Inclusion Pathway

- f) To further enhance partnership working with schools and maximise the likelihood of young people engaging successfully in education, the STYJS Inclusion Pathway has recently been introduced. Although the intervention is only in its infancy, case studies demonstrate that the STYJS is making a direct impact through relationship building, addressing barriers, and partnership working where real tangible opportunities are being created for young people to engage in education. Evidence suggests that planning for ETE is well-informed, holistic and personalised, actively involving the child, their parents/carers and the relevant school. This co-creation helps to ensure the education plan is individually tailored, allowing the young person to take ownership of achieving their goals and means they are more likely to engage with the plan. Although case studies demonstrate the positive impact of the STYJS Inclusion Pathway, it is vitally important that its impact can be evidenced by data analysis. Subsequently, there is a need for data to be collected, analysed and evaluated to demonstrate the impact of the intervention on attendance, exclusions and attainment.

#### Use of Information and Data

- g) From April 2023, the STYJS will be required to report on key performance indicators (KPIs) relating to education, training and employment (ETE). The future changes to data requirements will capture and evidence the impact of offending on educational attainment, truancy and exclusion from school and will improve collaborative working between the STYJS and schools. However, there is a need for the STYJS to access a wealth of local data and information from partners to inform ETE service delivery. The use of analytical software, clear data management arrangements and information exchange agreements and processes will enable the STYJS to drill down to an individual level to determine trends and develop summary dashboards for key areas. It is envisaged that reporting of such data will not only recognise the progress of young people and their successes but will also assist with identifying barriers and challenges.

### **RECOMMENDATIONS**

78. The Children and Young People's Learning Scrutiny Panel recommends to the Executive:

- a) That the STYJS supports Children's Services to undertake a review of Middlesbrough Council's contextual safeguarding/risk outside of the home approaches to ensure delivery of a robust and co-ordinated whole-system/multi-agency response to violence and exploitation; which:

- allows schools and education providers to react swiftly and firmly to early signs of criminal behaviour;
  - improves ETE outcomes for young people involved in the criminal justice system; and
  - supports the work of the Cleveland Unit for the Reduction of Violence (CURV).
- b) That each young person who goes into custody is assessed to determine whether an educational psychologist should be allocated to them, to ensure their educational needs are being met (especially during the transition periods into and out of custody).
- c) That data is collected, analysed and evaluated to demonstrate the impact of the STYJS Inclusion Pathway on school attendance, exclusions and attainment.
- d) That a system, data management arrangements and information exchange agreements are put in place to ensure the STYJS can access a wealth of data and information, from partner agencies, to:
- drill down to an individual level;
  - determine trends;
  - develop summary dashboards for key areas;
  - report on the progress of young people and their successes;
  - identify barriers and challenges; and
  - improve service delivery.
- e) That, in 6 months' time, the Children and Young People's Learning Scrutiny Panel receives:
- a detailed account of the work that has been undertaken to implement recommendations a) to d); and
  - an effective analysis of data from partner agencies (including schools), reporting on:
    - the profile of children/young people who come into contact with the STYJS, their needs, challenges and experiences of education; and
    - the STYJS's performance, specifically the impact of the STYJS Inclusion Pathway on school attendance, exclusions and attainment.

## **ACKNOWLEDGEMENTS**

79. The Children and Young People's Learning Scrutiny Panel would like to thank the following individuals for their assistance with its work:

- Rob Brown - Director of Education and Partnerships, Middlesbrough Council
- Kay Dargue - Head of STYJS, Middlesbrough Council
- Ifran Hanif - STYJS ETE Specialist, Middlesbrough Council

N.B. In respect of Term of Reference c) - The head teachers of all Middlesbrough's secondary schools were written to and provided with the opportunity to submit their views on how partnership arrangements between the STYJS and schools could be further enhanced/developed - no feedback was received.

## **ACRONYMS**

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

- CCE - Child Criminal Exploitation

- CSE - Child Sexual Exploitation
- ETE - Education, Training and Employment
- KPIs - Key Performance Indicators
- NEET - Not in Education, Employment or Training
- PIP - Pupil Inclusion Panel
- STYJS - South Tees Youth Justice Service
- YJB - Youth Justice Board
- YOS - Youth Offender Support
- YOT - Youth Offending Teams

## **BACKGROUND PAPERS**

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

- Reports to, and minutes of, the Children and Young People's Learning Scrutiny Panel meetings held on 5 September 2022, 12 December 2022 and 16 January 2023.

### **COUNCILLOR DENNIS MCCABE**

#### **CHAIR OF THE CHILDREN AND YOUNG PEOPLE'S LEARNING SCRUTINY PANEL**

**Membership** - Councillors D McCabe (Chair), M Saunders (Vice-Chair), A Hellaoui, T Higgins, C Hobson, D Jones, M Nugent and G Wilson.

**Contact Officer:**

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**CHILDREN AND YOUNG PEOPLE'S LEARNING SCRUTINY PANEL  
YOUTH OFFENDING AND PARTNERSHIP WORKING WITH SCHOOLS - ACTION PLAN**

20<sup>th</sup> June 2023

SCRUTINY RECOMMENDATION	PROPOSED ACTION	POST TITLE	BUDGET COST	TIMESCALE
<p>a) That the STYJS supports Children's Services to undertake a review of Middlesbrough Council's contextual safeguarding/risk outside of the home approaches to ensure delivery of a robust and co-ordinated whole-system/multi-agency response to violence and exploitation; which:</p> <ul style="list-style-type: none"> <li>➤ allows schools and education providers to react swiftly and firmly to early signs of criminal behaviour;</li> <li>➤ improves ETE outcomes for young people involved in the criminal justice system; and</li> <li>➤ supports the work of the Cleveland Unit for the Reduction of Violence (CURV).</li> </ul>	<ol style="list-style-type: none"> <li>1. DCS to consider review of contextual safeguarding/risk outside of the home practice and develop a robust multi-agency response offer for young people at risk of / involved in exploitation.</li> <li>2. Develop a response including an MBC offer to vulnerable adolescents, ensuring this is aligned to the wider Tees strategy on exploitation and supports the work of the CURV.</li> <li>3. Ensure STYJS ETE specialist, education providers and young people be consulted as part of the strategy to ensure the needs of young people within the CJS are considered.</li> <li>4. Develop the training and awareness offer for education providers.</li> </ol>	<p>Executive Director of Children's Services and Head of Partnerships</p>	<p>Within exiting budget</p>	<p>6 months</p>
<p>b) That each young person who goes into custody is assessed to determine whether an educational psychologist should be allocated to them, to ensure</p>	<ol style="list-style-type: none"> <li>1. STYJS ETE specialist to develop a protocol with secure settings and Young Offender Institutes to ensure that all</li> </ol>	<p>STYJS ETE Specialist</p>	<p>£0</p>	<p>6 months 30.9.23</p>

<p>their educational needs are being met (especially during the transition periods into and out of custody).</p>	<p>young people receive an assessment of need and make reasonable adjustment. (educational, communication, psychological)</p>			
<p>c) That data is collected, analysed and evaluated to demonstrate the impact of the STYJS Inclusion Pathway on school attendance, exclusions and attainment.</p>	<ol style="list-style-type: none"> <li>1. Establish a process to collect information from LA inclusion team and education provers on attendance, exclusions and attainment. Information gathered to include demographic information including legal status, age, year group.</li> <li>2. Establish process to collect qualitative data from young people and parents to ensure their voice is heard.</li> <li>3. Train YJS staff to input data to correct fields in the case management system.</li> <li>4. On 1.4.23 new Key Performance Indicators are being introduced by the Youth Justice Board. STYJS to ensure the case management system is up to date and a process is in place to capture required data.</li> <li>5. Develop mechanism to analyse and evaluate data for cases on the inclusion pathway.</li> <li>6. Develop audit process which will enable reporting of outcomes and impact.</li> </ol>	<p>Head of Partnerships and STYJS ETE Specialist</p>	<p>Within existing budget</p>	<ol style="list-style-type: none"> <li>1. by 1.6.23</li> <li>2. by 1.6.23</li> <li>3. by 1.6.23</li> <li>4. by 1.6.23</li> <li>5. by 30.9.23</li> <li>6. by 30.9.23</li> </ol>

<p>d) That a system, data management arrangements and information exchange agreements are put in place to ensure the STYJS can access a wealth of data and information, from partner agencies, to:</p> <ul style="list-style-type: none"> <li>➤ drill down to an individual level;</li> <li>➤ determine trends;</li> <li>➤ develop summary dashboards for key areas;</li> <li>➤ report on the progress of young people and their successes;</li> <li>➤ identify barriers and challenges; and</li> <li>➤ improve service delivery.</li> </ul>	<ol style="list-style-type: none"> <li>1. STYJS to establish a process to gain access to CAPITA system to enable attendance information to be gathered</li> <li>2. Scope the feasibility of extending the current STYJS dashboard to develop a summary dashboard for key areas.</li> <li>3. Develop a process for the identification and reporting of barriers and challenges.</li> </ol>	Head of Partnerships and STYJS ETE Specialist	*Costs to develop a dashboard to be established	<ol style="list-style-type: none"> <li>1. by 30.6.23</li> <li>2. by 30.6.23</li> <li>3. by 30.9.23</li> </ol>
<p>e) That, in 6 months' time, the Children and Young People's Learning Scrutiny Panel receives:</p> <ul style="list-style-type: none"> <li>➤ a detailed account of the work that has been undertaken to implement recommendations a) to d); and</li> <li>➤ an effective analysis of data from partner agencies (including schools), reporting on: <ul style="list-style-type: none"> <li>• the profile of children/young people who come into contact with the STYJS, their needs, challenges and experiences of education; and</li> <li>• the STYJS's performance, specifically the impact of the STYJS Inclusion Pathway on school attendance, exclusions and attainment.</li> </ul> </li> </ul>	<ol style="list-style-type: none"> <li>1. Detailed report and/or presentation to be brought to Scrutiny Panel outlining progress against all actions (a to d). Report to contain requested information on profile of young people, performance and impact.</li> </ol>	Head of Partnerships and STYJS ETE Specialist	£0	1. November 2023





<b>MIDDLESBROUGH COUNCIL</b>	
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<b>Report of:</b>	Executive Member of Children’s Services Interim Director of Children’s Care
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<b>Submitted to:</b>	Executive
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<b>Date:</b>	20 June 2023
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<b>Title:</b>	Final report of the Children and Young People’s Social Care & Services Scrutiny Panel: Supporting Young People to Prepare for Adulthood and Independence – Service Response
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<b>Report for:</b>	Decision
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<b>Status:</b>	Public
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<b>Strategic priority:</b>	Children and young people
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<b>Key decision:</b>	No
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<b>Why:</b>	Decision does not reach the threshold to be a key decision
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<b>Urgent:</b>	No
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<b>Why:</b>	Actions identified over a 9-month period
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<b>Executive summary</b>
<p>The aim of this report is to provide an overview of the support provided to Middlesbrough’s vulnerable young people in preparing for adulthood and independence. The work has a particular focus on Care Leavers, to identify any gaps in provision and improvements that could be made.</p> <p>The full scrutiny panel report and associated action plan are attached as appendices to this report. This report is for information only.</p> <p>The attached document outlines the 23 recommendations from panel, to ensure that young people 16+ are informed of their options and appropriately supported through transition to independence. This includes Care Leavers, Children with Special Educational Needs (SEND) and Children with Disabilities.</p>

The action plan now requires approval from Executive.

## Purpose

The topic, identified by scrutiny panel, was to examine the support provided to Middlesbrough's vulnerable young people in preparing for adulthood and independence, with a particular focus on care leavers, and to identify any gaps in provision and improvements that could be made.

## Background and relevant information

- In line with the Terms of Reference, the Scrutiny Panel gathered evidence in relation to a range of support provided by the Council and its partners to help vulnerable young people to prepare for adulthood and independence.
- In broad terms, there are several key areas within Children's Services where support is offered to young people in preparation for adulthood and independence, including: Children with disabilities; Care Leavers and young people who are not in education, employment or training (NEET); young people with Special Educational Needs (SEND).
- Many of the services within the Children's Services directorate, work collaboratively with other directorates across the Council as well as external partners to provide holistic support for young people in Middlesbrough.
- The Council's Corporate Parenting Strategy refers to the responsibility of corporate parents to ensure, positive experiences for children in care, and care leavers, as defined in the Children and Social Work Act 2017.
- Under the Children Act 2004, local authorities have a duty to promote co-operation between 'relevant partners', including the Police, NHS and education providers, whilst in turn those partners have a duty to co-operate with the local authority. Guidance on the Act highlights that corporate parenting is "... a task that must be shared by the whole local authority and partner agencies".
- A range of Council services and partner organisations are key to ensuring young people are fully supported to become independent adults, including:-
  - Stronger Families Service
  - SEND and Inclusion Service
  - Children with Disabilities Service
  - Children Looked After and Pathways (Leaving Care) Service
  - Virtual School; Education and Schools
  - Youth Offending Service
  - NHS North of England Commissioning Support Unit
  - Housing providers
  - Adult Social Care

## What decision(s) are being recommended?

That the Executive;

- Note the content of the report for information
- Approve the Action Plan

## Rationale for the recommended decision(s)

- The Panel recognises that preparing young people for adulthood and independence is a corporate parenting responsibility and that the whole Council and its partners must work together to ensure this task is shared equally.
- The Panel heard a range of examples of how services across Council directorates work together and in partnership with external agencies to support young people to become independent.

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

Not applicable.

## **Impact(s) of the recommended decision(s)**

### ***Legal***

Supported Accommodation; as from April 2023 must be regulated with Ofsted which means that this type of support must meet a certain standard of care.

### ***Strategic priorities and risks***

People – Children and Young People: “We will show Middlesbrough’s children that they matter and work to make our town safe and welcoming and to improve outcomes for all children and young people.”

People – Vulnerability: “We will work to address the causes of vulnerability and inequalities in Middlesbrough and safeguard and support those made vulnerable.”

### ***Human Rights, Equality and Data Protection***

The findings and recommendation promote the Equality and human rights of young people.

### ***Financial***

Not applicable.

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

See attached action plan within appendices.

## **Appendices**

### **Final Report Overview & Scrutiny Board – 28<sup>th</sup> March 2023 Children and Young Peoples Social Care and Services Scrutiny Panel Action Plan**

## **Background papers**

Reports to, and minutes of, the Children & Young People’s Social Care & Services Scrutiny Panel meetings: 26 July, 27 September, 25 October, 14 November, 20 December 2022, 17 January & 14 February 2023.

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## MIDDLESBROUGH COUNCIL

OVERVIEW & SCRUTINY BOARD - 28 MARCH 2023

FINAL REPORT - CHILDREN & YOUNG PEOPLE'S  
SOCIAL CARE & SERVICES SCRUTINY PANEL:  
SUPPORTING YOUNG PEOPLE TO PREPARE FOR  
ADULTHOOD & INDEPENDENCE

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## **AIM OF THE INVESTIGATION**

1. The aim of the investigation was to examine the support provided to Middlesbrough's vulnerable young people in preparing for adulthood and independence, with a particular focus on care leavers, and to identify any gaps in provision and improvements that could be made.

## **MAYOR'S/COUNCIL'S PRIORITIES**

2. The scrutiny of this topic fits within the following priorities of the Mayor and Council:-
  - People – Children and Young People: "We will show Middlesbrough's children that they matter and work to make our town safe and welcoming and to improve outcomes for all children and young people."
  - People – Vulnerability: "We will work to address the causes of vulnerability and inequalities in Middlesbrough and safeguard and support those made vulnerable."

## **COUNCIL'S THREE CORE AIMS**

3. The scrutiny of this topic aligns with the Council's three core aims as detailed in the Strategic Plan 2020-2024<sup>1</sup>:-
  - People – Working with communities and other public services in Middlesbrough to improve the lives of local people.
  - Place – Securing improvements in Middlesbrough's housing, infrastructure and attractiveness, improving the town's reputation, creating opportunities for local people and improving our finances.
  - Business – Promoting investment in Middlesbrough's economy and making sure we work as effectively as possible to support our ambitions for People and Place".

## **TERMS OF REFERENCE**

4. The terms of reference for the Scrutiny Panel's investigation were as follows:-

To examine the support available to Middlesbrough's vulnerable young people, with a particular focus on care leavers, in relation to preparing for independence and adulthood, including:-

- A) To consider how the Council seeks to secure employment or training for young people with care experience and/or additional needs.
- B) To look at ways in which young people with care experience are supported and encouraged to actively participate – with service development and part within their community

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<sup>1</sup> Middlesbrough Council's Strategic Plan 2021-24

- C) To consider, where it is appropriate for a young person to move to supported accommodation or independent living, the options available and the support provided to young people and their families/carers (where appropriate) to prepare and plan for independent living.
- D) To examine how care experienced young people are supported with budgeting their finances and how they are supported to ensure their physical and emotional health needs are met.
- E) To look at how young people with care experience and/or additional needs are supported to become more independent in travelling to school/college/other education settings/places of employment, or to help them become more independent with travelling socially.

## **BACKGROUND INFORMATION/EVIDENCE GATHERED**

### **Preparing for Adulthood and Independence in Middlesbrough**

5. In line with the Terms of Reference, the Scrutiny Panel gathered evidence in relation to a range of support provided by the Council and its partners to help vulnerable young people to prepare for adulthood and independence.
6. In broad terms, there are several key areas within Children’s Services where support is offered to young people in preparation for adulthood and independence, including: Children with disabilities; Care Leavers and young people who are not in education, employment or training (NEET); young people with Special Educational Needs (SEND).
7. It is worth noting that many of the services within the Children’s Services directorate, particularly those mentioned below, work together and in collaboration with other directorates across the Council as well as external partners to provide holistic support for young people in Middlesbrough.
8. The Council’s Corporate Parenting Strategy refers to the responsibility of corporate parents to ensure, as far as possible, secure, nurturing and positive experiences for children in care, and care leavers, as defined in law for the first time in the Children and Social Work Act 2017.
9. Under the Children Act 2004, local authorities have a duty to promote co-operation between ‘relevant partners’, including the Police, NHS and education providers, whilst in turn those partners have a duty to co-operate with the local authority. Guidance on the Act highlights that corporate parenting is “... a task that must be shared by the whole local authority and partner agencies”.
10. In a similar vein to ensuring that children and young people are safeguarded, ensuring that young people are adequately prepared for adulthood and independence is everyone’s business. A range of Council services and partner organisations are key to ensuring young people are fully supported to become independent adults, including:-
  - Stronger Families Service
  - SEND and Inclusion Service
  - Children with Disabilities Service
  - Children Looked After and Pathways (Leaving Care) Service
  - Virtual School; Education and Schools
  - Youth Offending Service
  - NHS North of England Commissioning Support Unit
  - Housing providers
  - Adult Social Care

- Integrated Support Solutions (for example substance misuse)

### Stronger Families

11. Stronger Families, or Early Help, provides targeted early help services to address the assessed needs of a child and their family, focussing on activities to improve outcomes for the child. An assessment of need is undertaken for children and young people and their families where it has been identified that they would benefit from early help interventions.
12. Stronger families refer young people into Adult Social Care Services prior to becoming 18 for preparation for adulthood and Youth Provision work with young people with SEND up to the age of 25.
13. Within Stronger Families, the Education, Employment and Training service (Work Readiness) supports young people aged 16-18 into suitable education, training and employment opportunities.
14. After the age of 18, young people are allocated a Support Worker and young people with Education Health and Care Plans (EHCPs) and care leavers are supported by a worker until the age of 25.

### SEND and Inclusion

15. In supporting young people to prepare for adulthood, the SEND and Inclusion Service must have a clear delivery plan to ensure that the vision and outcomes as identified within the SEND Code of Practice are achieved.
16. A Strategic 'Preparation for Adulthood' Group was established to understand the direction of travel and to identify and fill any gaps in provision. The group meets every six weeks and reports to the SEND and Inclusion Group, chaired by the DCS, to ensure there is a clear line of sight by senior managers.
17. The voice of the child is key throughout supporting all young people. When young people with special educational needs were asked about their aspirations for the future, the majority stated that they wanted the same things as anyone else – to have a job, their own home, perhaps get married and have children of their own.
18. The key areas of focus in preparation for adulthood within the SEND and Inclusion Service are as follows:-
  - Increasing the range of pathways and post-16 opportunities including supported internships and enterprise.
  - Improving and increasing the number of employment and independence opportunities.
  - Improving provision planning and transition to adulthood.
  - Ensure the voice of the child/young person is central to everything, with co-production at the heart.



- Embedding preparation for adulthood fully across the whole 0-25 education, health and care system.
- Ensuring robust policies and procedures are in place to facilitate a smooth transition to adulthood for all young people.

### Children with Disabilities

19. Within the Children with Disabilities (CwD) service there are two Social Work Teams and one Short Breaks Team.
20. There are approximately 100-120 children currently open to the Social Work Teams. This means they meet the criteria through having a profound disability or life-threatening condition.
21. The frequency of contact between the Social Worker and young person depended on the individual. Of the 120 young people known to CwD, each had an allocated social worker and 20 are visited every 12 weeks. Visiting more frequently than every 12 weeks was not always necessary due to amazing parents and established support packages, and the fact that the majority of families wanted to live with as little social work intervention as possible. However, Social Workers are always on hand if and when needed.
22. Approximately 200 children in Middlesbrough that receive a short break. Short breaks provision, for the majority of young people, consisted of a few hours a week at a specialist youth provision, such as the MFC Foundation offering sporting activities.
23. The next category of provision was Personal Advisors who visit the young person in their home and take them out to cafés, shopping, or other leisure activities and sometimes at weekends.
24. High level support packages to prevent young people from entering residential care could include the short breaks unit at Gleneagles Resource Centre. 37 children currently have an overnight stay here usually on a monthly basis, and 10 children use it one night per week as this was deemed necessary. Some short breaks are funded by Health such as overnight stays at Zoe's Place who welcome young people with complex needs.
25. The aim of all the short breaks offered is to support the young person to develop and encourage any interests they may have and to give them a sense of greater independence.
26. The Social Workers within the CwD Teams work with young people from 14-15 years old and carry out a Capacity Assessment. The assessment looks at whether the young person has capacity to make their own decisions as adults and Social Workers complete the assessment in conjunction with parents, the young person and courts to ensure their needs and rights are met.
27. There are currently around 30 young people in Middlesbrough who do not have the capacity to decide for themselves. The remaining young people have capacity to make their views known and their views are gathered in relation to their future aspirations.

28. CwD works closely with colleagues in Adult Social Care and young people are presented to their 'Transitions Panel' at the earliest opportunity. Adult Social Workers are usually allocated at least six months prior to the young person's 18<sup>th</sup> birthday so that their transfer to adult care is as seamless as possible.
29. For young people with a disability, an assessment is undertaken to establish whether their needs rely on Health or Social Care. Where the outcome is Health, a Lead Professional from health is appointed to work with the CwD Social Worker. At 18 years old, the young person would then close to the Children's Social Worker and would not be open to an Adult Social Worker (unless this was the outcome determined by the assessment).
30. Young people with disabilities have the same needs as any other young person – to be safe, secure, happy, to have a good home, employment, education or training and to have a good support network of people who cared about them around them.
31. For children and young people with sensory loss, within CwD, there is a programme of developing practice leads to provide specific support to young people with hearing, sight and speech loss/impairment. In addition the Sensory Teaching Advisory and Resource Services (STARS) operates across the Tees Valley for those with hearing and sight impairment. The Council employs a member of staff who supports those young people, from 14 years onwards, to become more independent, for example how to make a drink, travelling on public transport, etc. STARS work closely with colleges to provide equipment to make young people's lives easier – such as braille machines, etc. This is a highly specialised area, however, there is currently a good offer in Middlesbrough.

#### Children with Disabilities - Preparation for Adulthood – Tees-wide

32. There are a range of Tees-wide policies and procedures in place in relation to preparing for adulthood, including:-
  - Tees-wide Liberty Protection Safeguards (LPS) implementation group in place and liaison with the Deprivation of Liberty Safeguards Manager (Adult Social Care) and Legal Services.
  - Tees Transitions document which follows national guidance.
  - A Forum to support young people aged 17.5 years and over, who had been exploited.
  - A system is in place for Police to inform the Local Authority of people who go missing (of all ages) and an internal system to refer those over the age of 18 to Adult Social Care.
33. New legislation around liberty safeguards is anticipated to be implemented in Spring 2023 and this will result in an increase in the number of capacity assessments required to be undertaken within the CwD service. The new legislation will affect anyone working with children and young people and staff are currently being trained in preparation for this.
34. The current Tees-wide priorities are identified as follows:-
  - Workers to understand the Human Rights Act

- Mental Capacity Act Training (currently being delivered and due to finish in January 2023).
- Workers to be able to recognise a deprivation.
- Best Interest Assessors to feel comfortable completing assessments – Adult Social Care are willing to offer opportunities for workers to complete assessments and support through this process.

#### Team Around the Young Person

35. It is important to ensure that co-ordinated planning takes place when putting a team around the young person to best support them. Once the young person's capacity to make decisions has been determined, the team of support around them is built. This crucially includes professionals from social care, education and health, together with the young person's family and community networks who are fully involved as part of the decision-making process.
36. Various planning meetings – such as Child in Need; Child Protection and Children Looked After Plans and Care Management meetings – are used to identify the young person's aspirations, needs and wishes. If the young person is a Looked After Child they will also have a Personal Education Plan (PEP) that is reviewed each school term.
37. Education Health and Care Plans (EHCPs) are also used to identify the young person's aspirations and needs and are used to drive forward the Council's decision-making and commissioning decisions in respect of the young person.

#### Pathways (Leaving Care) Service

38. The Pathways (Leaving Care) Service supports care leavers, including young people with disabilities, to live successful, independent lives. A care leaver is defined as a young person who has been in the care of the local authority for a period of 13 weeks or more, spanning their sixteenth birthday.
39. The Service provides a wide range of support and signposting across all of the terms of reference identified by the Scrutiny Panel. For the purpose of this report, the Panel sets out here the essence of how the Pathways Service supports care leavers to achieve independence.
40. In Middlesbrough, the Pathways Service consists of two teams – each with a Team Manager and Assistant Team Manager – six Social Workers assigned to young people aged 15 years and three months, and nine Personal Advisors working with young people aged 16-25. The Team also includes a dedicated CAMHS Worker who can offer additional support around emotional wellbeing.
41. In accordance with Section 3 of the Children and Social Work Act 2017, local authorities are required to provide Personal Advisors to care leavers up to the age of 25. Their role is to help young people to positively transition to adulthood by:-
- Providing advice (including practical advice) and support to the young person.
  - Participating in reviews of the young person's case.
  - Liaising with the responsible authority in the implementation of the pathway plan.

- Co-ordinating the provision of services.
  - Keeping informed about the young person's progress and well-being.
  - Maintaining full, accurate, up to date records of contacts with the young person and services provided.
  - Providing information about financial capability and how to manage daily finances.
  - Providing housing options available to the care leaver.
  - Supporting the young person to find further education, employment or training.
  - Keeping in touch with the young person.
42. In accordance with the national minimum standard, Personal Advisors keep in touch with the young person (from age 18 onwards) every eight weeks. If a young person has more complex needs or requires additional support, contact is more frequent - daily in some cases.
43. Personal Advisors, on average, (as at November 2022), between 18 and 23 young people assigned to them. Their caseloads are monitored by the Improvement Board and the target is to not exceed 23, therefore, this target is currently being met.
44. The average number of cases held by the Social Workers within the Pathways Team is approximately 22-23 per worker. Social Worker caseloads vary between service areas with higher caseload levels in the assessment and safeguarding teams due to greater demand.
45. Every eligible care leaver has the right to a Needs Assessment. This assessment is completed by a Social Worker when the young person reaches 16 years old and includes consideration of their independent living skills and ability to manage their own finances. The aim of the assessment is to ensure the young person leaves care at a time that is right for them.
46. Pathways Plans are developed for each care leaver – setting out their needs, views, goals and what support they will receive once they have left care. The Plan must be based on the completed Needs Assessment and is reviewed every six months.
47. Pathway Plans include the following information:-
- The nature and level of contact and personal support to be provided.
  - Access to financial support, depending upon need - An assessment of the young person's financial needs and capacity and any financial assistance to be provided. (A financial assessment is undertaken and guidance to ensure the young person is aware of their entitlements).
  - The young person's health needs and how they should be met.
  - Arrangements to support the young person in further education or employment. (Support to engage and/or maintain engagement).
  - Arrangements to support the young person in sustaining and developing family relationships. (Helping young people to maintain focus on keeping in touch with people who are important to them, such as parents, siblings, friends, etc).
  - Arrangements to ensure the young person is properly equipped for taking greater responsibility towards independence.
  - Arrangements to ensure the young person is living in suitable accommodation.

- Any 'Staying Put' arrangements. (Once young people in foster care reached the age of 18, discussions take place with their carers regarding 'staying put'. There are currently 25 young people living in 'staying put' arrangements).
48. In October 2020, following consultation with young people, the 'Local Offer for Care Leavers in Middlesbrough' was created. The Local Offer provides information for Middlesbrough's care experienced young people in relation to entitlements and support available to them to help in all aspects of their adult lives. The document is currently being reviewed and updated to ensure it remains relevant to the needs of Middlesbrough's young people.
49. The areas of support within the Local Offer include:-
- Relationships
  - Education and Training
  - Employment
  - Emotional Wellbeing
  - Health and Wellbeing
  - Accommodation
  - Finances
  - Participation
50. Pathway planning, together with the Local Offer, is key to identifying the individual's needs and the Pathways Service supports young people to become independent, particularly in the following areas:-
- Becoming Independent
  - Employment, education and training
  - Health
  - Housing
  - Finances

#### Becoming Independent

51. The Pathways Service supports care leavers to become independent in the following ways:-
- Access to financial support, depending on need.
  - Computer and internet access.
  - Support to open a bank account.
  - Support to be provided with a form of ID, such as passport, birth certificate or driving licence.
  - Access to money management support in order to develop budgeting skills.
  - Personal allowance. (Young people aged over 16 living in supported accommodation are not entitled to benefits so are provided with a personal allowance).
  - Financial assistance for university students.
  - Invitations to social groups. (A weekly social group meets at the Pathways Service building offering support and a range of activities such as movie nights and cooking classes).

- Care Leavers Forum to provide an arena for young people's views to be heard, supporting service development.
52. The Pathways (Leaving Care) Service is located within a dedicated building in Park Road North and welcomes care leavers at any time. The building has a fully equipped kitchen and shower room and staff are always on hand to spend time with young people and to help them.
53. Young people with significant issues would have an Adult Care Social Worker allocated to them once they reached 18 and this transition from Children's Social Care to Adult Social Care was overseen by the 'Transitions Panel', and continued to be a care leaver.

"Ready or Not: Care Leavers' Views on Preparing to Leave Care" – Gov.UK

54. In January 2022, the Government published a report "Ready or Not: Care Leavers' Views on Preparing to Leave Care". The full report sets out what care leavers said was important about preparing to leave care; being involved in decision making about planning for their future; being supported through the process; leaving care during the pandemic and makes recommendations for Ofsted and Corporate Parents. Here is a link to the full report:-

[‘Ready or not’: care leavers’ views of preparing to leave care - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/107227/ready-or-not-care-leavers-views-on-preparing-to-leave-care.pdf)

55. The report recognises that approaching adulthood and leaving the care system is a time of extra challenges, anxiety and fear for many young people. The research looks at the planning and preparation that happens before a young person leaves care.
56. An online survey of children in care (aged 16 to 17) and care leavers (no age limit) was undertaken to explore whether the help they received when preparing to leave care was what they needed, and how involved they were in the decisions made about their future. Interviews were also held with a small number of people who left care a longer time ago, to get a view of what the impact of preparation (or lack of) has had on their lives after leaving care.
57. The findings reflect the views provided by the care leavers that took part, through the survey and interviews, regarding their experiences. Findings are not necessarily representative of all care leavers' experiences and it is worth noting that the research is based on care leavers' perceptions of the preparation they received.
58. The key findings from the research included:-
- More than a third of care leavers felt they left care too early. This was often because the move out of care happened abruptly and they were not ready for all the sudden changes. Of those who did feel they left care at the right time, not all felt they had the required skills to live more independently. Many care leavers stated that they were not taught essential skills, such as how to shop, cook or manage money.
  - Many care leavers felt 'alone' or 'isolated' when they left care and did not know where to get help with their mental health or emotional well-being. Many had no-one to talk to about how they were feeling or to look out for them. A third of care stated they did not know where to get help and support. For many, no plans had been made to support their mental health or emotional well-being when they left care.

- Although statutory guidance requires young people to be introduced to their personal advisor (PA) from age 16, over a quarter of care leavers did not meet their PA until they were 18 or older. Care leavers saw PAs as helpful in preparing to leave care, but a fifth felt they had met them too late. Two fifths of the children still in care stated they did not yet have a PA, meaning that some about to leave care still did not know who would be helping them.
  - Some care leavers could not trust or rely on the professionals helping them to prepare for leaving care. Care leavers needed someone they could rely on for help when they felt scared or worried, but sometimes they felt that professionals were 'rude' or 'uninterested', or showed a lack of respect, for example by cancelling meetings, turning up late or ignoring their feelings.
  - Care leavers were not involved enough in plans about their future. Around a quarter of care leavers reported they were not at all involved in developing these plans. Some felt that, even when they expressed their wishes, they were not listened to, or that they did not fully understand the options. Some felt that plans did not match their aspirations. For many, this had a long-term impact on their education or career path, as well as their emotional well-being.
  - Many care leavers had no control over where they lived when they left care, and many felt unsafe. Only around a third of care leavers had a say in the location they would like to live in and even fewer (a fifth) in the type of accommodation. One in 10 care leavers never felt safe when they first left care. Many care leavers were worried about the area or people where they lived. Sometimes the area was completely unfamiliar to them or was seen as a crime and exploitation hot spot. Many care leavers also felt unsafe living on their own.
  - Many care leavers felt unprepared to manage money. Some were not aware of what bills they needed to pay, or how to budget. In some cases, this led to them getting into debt, losing tenancies, or not being able to afford food or travel. Some care leavers were still in debt years later. When they were asked what made them feel unsafe when they first left care, being worried about money was the most common reason reported. A few care leavers reported getting into crime when they left care in order to get money, or because they were not able to manage their finances.
  - Some care leavers said they did not find out about their rights until they were already in serious difficulties. In some cases, care leavers were already in debt or homeless before they were told about the help they could access. Only around half remembered being told about the support and services available in the local care leaver offer. A similar proportion reported being told how to complain and even fewer were told how to get advocacy support. Care leavers (or their carers) who had engaged advocacy services had found this help to be vital.
59. Over time, there has been greater recognition of the importance of preparing care leavers to leave care. For example, the Children (Leaving Care) Act 2000 introduced further duties and additional functions for local authorities on top of the Children Act 1989.
60. Some simple things that can make a huge difference to care leavers' experiences should always put in place. These include:-
- Informing care leavers about the available support.

- Helping them to stay in touch with people important to them.
- Working with them to ensure that they have the skills they need before moving on.

#### Ofsted Monitoring Visit to Middlesbrough – November 2022 – Care Leavers

61. On 1 and 2 November 2022, Ofsted carried out a monitoring visit to Middlesbrough's Children's Services, focusing on older children leaving care and care leavers.
62. The findings from the monitoring visit provided clarity in relation to those areas where progress had been made since the initial full inspection and areas requiring improvement. Some of the identified areas for improvement were acted upon immediately and further actions were added to the Improvement Plan.

#### Positives

63. The findings stated that since the initial full inspection (December 2019):-
- Services for older children in care and care leavers have started to improve.
  - Most older children who were approaching leaving care are supported to develop the necessary independence skills needed to live alone.
  - Most care leavers told inspectors that they had experienced a positive transition from care, including that they had been well supported by their social workers and their personal advisors.
  - Regular contact is maintained with most children and care leavers, with care leavers making use of the dedicated social media messenger page to stay in touch.
  - Independent advocates are offered to children and care leavers, and they have been actively involved in supporting them with their issues and concerns.
  - Those children and care leavers who benefitted from the supported living accommodation and the bespoke children's home are well supported to prepare for independent living. Staff provide them with opportunities to develop life skills and promote resilience in preparation for living alone. It is clear that they have established trusting relationships with support staff who are attuned to their needs. It is a real positive that those children and care leavers who talked to inspectors, and who lived in those homes, were all either in education or work.
  - Return home interviews after children have been missing are undertaken in a timely way and information from the child or care staff provides a helpful insight to understand risk. Children have appropriate safety plans and oversight from the vulnerable exploited missing and trafficked (VEMT) Panel. Consequently, children have reduced their missing episodes as well as their risks in the community.

#### Areas for Improvement

64. Some of the areas for improvement were identified as follows:-
- Transition planning for some children has not been as effective as it should have been. As a result, a small number of care leavers described feeling rushed when moving out of care and this had resulted in a small number remaining as children in care post-18 due to a lack of planning with continued support in accommodation.
  - Some young people stated they needed more financial support to enable them to buy food and



pay their energy bills. Plans are in place to ensure the right level of support are implemented.

- There is a variation in quality of Needs Assessments and the resulting Pathway plans. Most plans require tighter target setting/smarter focus, however, the better plans and assessments include the clear voice of the child and care leaver and are written to them. This means that children and care leavers are very clear about their rights and entitlements.
- Contingency planning is mostly absent or entirely focused on the breakdown of living arrangements rather than a holistic view of the child and care leavers and their circumstances.
- The Pathways Team did not always demonstrate sufficient curiosity and challenge about the care leaver's holistic needs. Managers have acknowledged this is an area for development. In addition, some newer members of the team did not receive the frequency of supervision and type of support that they would benefit from to develop themselves and progress their understanding of the work.
- Whilst most personal advisors talked enthusiastically about their care leavers, and described 'stickability' with them, this did not always translate into direct action which is promoting young people's safeguarding and well-being. Risk for some care leavers is not always recognised in a timely way.

#### Next Steps

65. Based on Ofsted's findings, an Action Plan has been developed by Children's Services, including modifications to the Improvement Plan where appropriate, to address the areas identified as requiring further improvement. A focused audit is planned for March 2023 to check on progress.
66. Recognition is given to a key area for improvement being housing for care leavers, particularly in relation to the suitability of housing offered to care leavers and the locations in which properties are situated. Greater consideration is needed around replicating the same opportunities for care leavers as other young people, including development of a comprehensive holistic support package. As well as requiring practical support, it is recognised that many care experienced young people have lived experience of trauma so it is also important to support their mental and emotional health and well-being. This is explored in further detail at starting at **paragraph 166** of this report.

**Term of Reference A – To consider how the Council seeks to secure employment or training for young people with care experience and/or special needs**

**Education, Employment and Training – Young People in Middlesbrough**

67. In accordance with the Learning and Skills Act 2008, local authorities have a duty to ‘encourage, enable or assist young people’s participation in education or training.’
68. Within the Stronger Families Service (also known as Early Help), there is an established, dedicated NEET team, consisting of six staff – three Family Practitioners and three Support Workers – to specifically support **all** young people in Middlesbrough, aged 16 and 17, who are not in education employment or training (often shortened to NEET).
69. The team ensures that all young people who are due to leave school or college (this equates to several thousand each academic year) have a suitable offer of learning by the end of September. This is known as the September Guarantee and can be a place at a collage, a job with suitable training leading to a qualification, or an apprenticeship.
70. In conjunction with the Performance Team, the NEET Team checks information on a weekly basis to identify which young people have received an offer of education, employment or training and contacts those who have not received an offer.
71. The NEET Team continues to track the destinations of young people to offer careers guidance and a placing service to support young people into suitable opportunities. They ensure that all young people take up their offers and commence in their agreed placements. For those young people who do not commence their placement offers, a named worker is assigned to each young person and one to one support is provided to help the young person decide what they want to do and to obtain a suitable placement.
72. In 2021, the September Guarantee rate for Middlesbrough was **96.2%** which was slightly above the England rate of **95.5%** and the North East rate of **95.7%**.
73. In 2021/22, **5.6%** of 16 and 17 year olds in Middlesbrough were NEET (not in education, employment or training). This was slightly higher than the North East average of **5.4%** and the England average of **4.7%**. Middlesbrough ranks fourth out of 11 statistical neighbours.
74. The Team works with a range of learning providers including schools and colleges, apprenticeship providers and Middlesbrough Council’s Community Learning Service.

**Education, Employment and Training – Young People with Special Education Needs in Middlesbrough**

75. The SEND Code of Practice provides statutory guidance on duties, policies and procedures relating to specific legislation that must be followed by local authorities and other bodies. A significant part of the Code of Practice relates to preparing young people with SEND for adulthood and independence.

76. The Council's SEND Team works with all young people with SEND in Middlesbrough aged between 14 – 25 with a focus on planning for their future and preparing for adulthood by providing them with the necessary skills for independence, employment, community inclusion and good health outcomes. This includes any young person with an EHCP, regardless of whether they attend an academy school. The SEND Team has a good working relationship with all schools and academies, with the key aim of ensuring all young people with SEND progress.
77. The SEND Team works closely with social care colleagues to ensure that person-centred planning takes place with the young person to ensure that their voice is heard and that the right support pathways are put in place. For example, if a young person wanted to do a particular job, all efforts from that point forward would be made to help and support that young person to find suitable employment in that field.
78. All children with an Education Health and Care Plan (EHCP) are supported at Year 11 with place planning to ensure they have a suitable offer of education, employment or training. The SEND Team ensures that this cohort of young people has the right support to make decisions about their future and ongoing support with education and employment providers.
79. Once the young person's wishes are established (eg to attend college or seek an apprenticeship), the SEND Team considers whether commissioned services are required. Many young people simply want to work and the SEND Team is able to fund providers to offer internships. Funding is provided to offer job coaches in the work place to help young people learn whilst in the job. To date, 180 young people have been supported with internships. This is part of a Tees Valley local authorities' arrangement and planning is undertaken on a multi-agency basis.
80. The local authority provides High Needs Funding to meet the needs of children with SEND and has partnerships with a range of providers including Middlesbrough College, Project Choice, Stockton Riverside College, Prior Pursglove College and Middlesbrough Community Learning.
81. In addition, young people with very complex needs who have a named Children's Social Worker, are discussed at a Transitions Forum with colleagues in Adult Social Care. Careful planning takes place to ensure a smooth transition to Adult Social Care where it is deemed necessary/appropriate and to plan for the young person's ongoing support requirements.

#### Education, Employment and Training – Young People with Disabilities in Middlesbrough

82. There are three dedicated teams within the Children with Disabilities Service that support young people from the age of 15 years and six months up to 17 years. Again, it is a statutory duty to help prepare these young people for adulthood.
83. Children with Disabilities has a multi-disciplinary team in place to undertake a new assessment of the young person, depending on their status, before their 16<sup>th</sup> birthday.
84. The Transitions Forum considers and determines which adult social care service is most appropriate to meet the needs of each young person and for those that are most at risk (for example from exploitation), a transition to the vulnerable adults service is likely to be the most appropriate route.

85. The Children with Disabilities Service works closely with Adult Social Care to undertake a capacity assessment to ascertain whether the individual is able to make decisions as adults. This work is carried out in conjunction with parents, the young person and courts to ensure their needs and rights are met.
86. Extensive work takes place in relation to all transitional arrangements for young people to plan for the best outcomes possible and parallel planning is always undertaken to cover all eventualities.
87. Through speaking to the young people, their wishes regarding the types of jobs that they wanted to do were identified. The Council commissions a number of post-16 education providers to provide education to prepare young people with a disability for adulthood, including:-
- Project Choice
  - Askham Bryan College
  - Beverley School
  - Prior Pursglove College
  - Middlesbrough College
  - Priority Woods School and Arts College
  - Middlesbrough Community Learning
88. Study programmes include qualifications from entry Level to Level 3; supported internships; skills for employment and independence and also engaging with employers, careers and work experience.
89. Supported internships are funded by the Council and this is a study programme that is carried out in a workplace. A number of employers are funded to provide a work placement for a young person with a disability. There is a curriculum in place to support the young person which includes pastoral activities, holistic programme and travel training.

#### Opportunities at Middlesbrough Council

90. Middlesbrough Council is a Level 3 Disability Confident Employer and is committed to supporting disabled people into employment both within the organisation and within the community.
91. The “50 Futures programme” arranged by Middlesbrough Community Learning, offers opportunities for work experience and internships. The programme works across Council departments to offer work-based placements with some opportunities leading to full and part-time employment.
92. Last year, eight young people with a disability or learning difficulty moved into employment, one of which was at Middlesbrough Council.
93. A small number of young people are also supported into apprenticeships. The CwD and SEND/Inclusion Services work with Community Learning to ensure that EHCPs are reviewed and to support those who are eligible to apply for ‘Access to Work’ funding from the DoE. There are strong outcomes for those with CwD experience.

## Education, Employment and Training – Young People Leaving Care in Middlesbrough

94. As previously referenced at **paragraph 38** of this report, a care leaver is defined as ‘a young person who has been in the care of the local authority for a period of 13 weeks or more, spanning their 16<sup>th</sup> birthday, up to the age of 25’. The Pathways (Leaving Care) Service has a statutory duty to support care leavers to independence. Details regarding the support provided, and co-ordinated with partners, by the Pathways Service is set out in this report starting at **paragraph 41**.
95. Every young person leaving care needs a transition period during which to focus on developing skills for independence and to prepare for adulthood. A young person in the care of the local authority has a Social Worker up to the age of 18, at which point the young person is assigned a Personal Advisor from the Pathways (Leaving Care) Service. As detailed in **paragraphs 45 and 46** of this report, a Needs Assessment is completed with every young person followed by the development of a Pathways Plan for each care leaver, setting out the interventions and support services they require to prepare them for adulthood.
96. The Pathways (Leaving Care) Team provides care leavers with structured support focussing on helping them into education, employment or training.
97. A NEET (not in education, employment or training) Panel, made up of Personal Advisors, Social Workers, Work Readiness Team, Youth Offending Service and education providers, meets regularly to discuss how to best help and support those young people who are more difficult to place in education, employment or training. Members heard that work is ongoing to broaden the membership of the NEET Panel to include other potential employment providers and services such as CAMHS (Child and Adolescent Mental Health Services). Mental health issues and substance misuse are two of the biggest obstacles to young people moving into education, employment or training and it is hoped that broadening the membership of the NEET Panel to reflect this and to provide more specialised support where required would assist.
98. Work readiness support is provided to care leavers, on a one-to-one basis, including help to produce CVs, practice interviews, access to bursaries, purchasing college equipment and clothing for interviews, etc. and ensuring that care leavers are guaranteed an interview for jobs and apprenticeships. Middlesbrough Council provides apprenticeship opportunities for care leavers and currently has four young people in placements across the authority.
99. Young people are also supported to gain work experience opportunities and support with travelling to interviews and attending local job fairs and college open days. This links in with the Virtual School.
100. The Panel also heard that 11 young people had gone on to University and were helped with their accommodation needs.
101. In summary, the Pathways Service provides advice, guidance and support to care leavers in liaison with a number of partners, including:-
  - A ‘NEET Panel’ (not in employment, education and training), Chaired by the Head of the Virtual School, bringing together partners to provide guidance to staff on how best to support young people with employment, education and training opportunities. It also considers each young

person identified as being 'NEET' and explores ways to support them into employment, education or training.

- Work Readiness Support. One to one support provided by the Work Readiness Team.
- Guaranteed interview for jobs and apprenticeships. Middlesbrough Council guarantees interviews into apprenticeships and jobs for those with care experience.
- Support to: access bursaries, purchase college equipment, produce CVs, purchase clothing for interviews.
- Help to understand rights and entitlements.
- Work Experience opportunities. (The Council's 50 Futures Team offers work experience in certain areas).
- Additional financial support to ensure that there is a financial benefit to working.
- Support with travel to interviews. (Young people can be transported to and from interviews where required or helped to obtain a suitable bus pass).
- Support to attend local job fairs and college open days.
- Work with Adult Care Social Workers to access services for young people with disabilities.

### **Middlesbrough Community Learning (MCL)**

102. Middlesbrough Community Learning (MCL) is Middlesbrough Council's learning, skills, apprenticeship and employability service. As part of its offer, MCL supports vulnerable young people into further education, training or employment by offering high quality learning opportunities for people of all ages and abilities through a wide number of courses.

103. The MCL offer includes:-

- Programmes for young people, including supported internships and study programme
- Apprenticeships
- 50 Futures
- Youth Hub
- Youth Employment Initiative
- Support for Employers
- Support for Learners
- Information, advice and guidance for parents, carers, social workers and personal assistants.

#### Post-16 Alternative Provision

104. MCL delivers post-16 alternative provision for vulnerable young people, including those with Special Educational Needs. This consists of two programmes, both of which have produced some amazing success stories, and both predominantly delivered from the Lingfield Learning Centre, Coulby Newham:-

- Study Programme (for 16-19 year olds)
- Supported Internships (for 16-24 year olds)

#### Study Programme

105. The Study programme is available to 16-19 year olds, or up to the age of 25 if the young person has an Education, Health and Care Plan (EHCP), and runs for a full academic year (September to July). Its main aim is to enhance employability skills by ensuring students are ready for employment. The

programme is designed to engage with students who are not quite ready for the employment market - for whatever reason - and to support them in gaining work experience/vocational placements and enhance their chances in the employment market by developing their employability skills, including English and Maths qualifications where none had been gained previously.

106. Students must be aged between 16 – 19 years old and have left secondary school and not be 19 before 1st August within that calendar year.
107. The programme offers the following opportunities, all of which are tailored to suit the needs of the individual:-
- A) Vocational Qualification & Vocational Placements (in the student's desired vocation)
  - B) Employability Qualification
  - C) Personal and Social Development Qualification
  - D) Maths and English
108. This programme helps to reduce the number of young people who are NEET (Not in Education, Employment or Training) within Middlesbrough. Community Learning works with all aspects of children's services to ensure Middlesbrough's young people have access to the support and opportunities they need to develop and progress.

#### Supported Internship

109. The main aim of the supported internship programme is to provide the learner with a meaningful work experience placement with a trusted local employer. Participants must be aged 16-24 and have an EHCP. This programme also runs for a full academic year (September to July) and enables access to:-
- Work placement
  - Maths and English
  - Vocational Qualification
  - Employability Qualification
  - Preparation for Adulthood and Personal and Social Development – all of which are tailored to the individual.
110. Students are usually ready for work once they had successfully completed the assessment process.

#### Lingfield Learning Centre Programmes

111. Both the Study Programme and Supported Internship Programmes are predominantly delivered from the Lingfield Learning Centre in Coulby Newham which is now in its seventh year. All students applying for the programmes are interviewed by the Post-16 Alternative Provision Co-ordinator and the programmes are delivered by a dedicated team of seven staff who ensure bespoke learning opportunities for some of the most vulnerable young people, including those with care experience. The team works closely with the virtual school and NEET service within Stronger Families, as well as other Social Care colleagues and Youth Offending Service.

112. The level of education attainment aimed for by the students on the programmes depends on the individual. Courses for English and Maths form part of the offer for both programmes ranging from Entry level 1 to 3 and functional skills levels 1 and 2 for those who had not already attained GCSE English and Maths at level 4 or above. These City and Guilds courses are recognised by employers in the same way as GCSE qualifications. Students are also provided with life skills support to prepare for independence.
113. The Lingfield Centre has a maximum capacity of 30 students. There are currently 25 students enrolled in the programmes. Of those 25 students, 16 have an EHCP and five have a SEND Plan.
114. The Post-16 Alternative Provision Team will actively work with SEND and other Social Care Services and other training providers in Middlesbrough to secure the right learning package and support for individuals in the event that Lingfield reached capacity. They would not be put to one side and forgotten about.
115. Feedback from students is positive with the majority expressing the view that they find the Lingfield Learning Centre to be a calm, safe space.
116. Students with SEND are referred to MCL from the SEND Service for consideration to establish the individual's abilities and requirements. All individuals are considered and provided with bespoke learning based on their needs and aspirations, coupled with a holistic support package for learners and their families/guardians.
117. Panel Members had the opportunity to read real-life case studies which included testimonies from individuals who are, or had been, part of a Study Programme or Supported Internship at Lingfield - including details on the individual's background, support provided to them at Lingfield and the impact this had had on their long term employment outcome.

#### Achievements – Lingfield Learning Centre

118. In 2021/22, the following achievements were made by students at the Lingfield Learning Centre:-
- Achievement results rate - **91.7%**. (This was above the Service target rate of 90%) and a **5.1%** year on year **improvement**.
  - **94.4%** success in students gaining a work placement (through quality partnership working – internal and external).
  - **36%** of learners successfully gained employment (with only one student remaining NEET due to circumstances outside of the student's control).
  - The rate of progression into employment was **36.4%** and **54.5%** progressed into further training.
  - **42%** of the SEN cohort successfully gained employment.

#### Apprenticeships

119. MCL also operates an apprenticeship programme, delivered by a small team, of seven staff, including a Learning Mentor.



120. MCL offers a wide range of apprenticeships within Middlesbrough Council, recruiting around 100 apprentices every year, with some ring-fenced specifically for care leavers.
121. Entry requirements for apprenticeship placements vary depending upon the level of the placement but all require Maths and English at either level 1 or 2, or GCSE grade 4 or above. Individuals with an EHCP can be put forward for an apprenticeship at any level, depending on the employer, as some roles are not reliant on Maths or English.
122. MCL also recruits and delivers apprenticeships for high quality, local employers within the Tees Valley, with all apprenticeship vacancies advertised via the National Apprenticeship website, on social media and on the Community Learning website.
123. All apprentices are offered support from the recruitment centre to prepare them for interviews with employers. MCL works closely with Personal Advisors and Social Workers and can advocate on behalf of individuals with employers to provide them with as much support as possible to achieve.
124. Where it is felt that the individual is not ready for an apprenticeship placement they can be referred to the Youth Employment Initiative or Adult Education to ensure that they reach the point where they are ready to start work.
125. External services are sometimes sourced to meet an individual's needs where they cannot be met from within the MCL Service. This ensures that the individual is supported as much as possible to achieve their goals.
126. Some of the agencies that learners can be referred to or signposted to included:-
- Impact on Tees Mental Health
  - Hart Gables
  - National Careers Service
  - Welfare Benefits
  - SARC
  - Survivors
  - MIND
  - Stop Smoking Service
  - Thirteen
  - CAMHS
127. Apprenticeship courses run from 15 – 18 months. This can sometimes be difficult for some individuals to remain invested in, however, breaks can be offered.
128. One issue identified as a problem for some young people who are Care Leavers or NEET is that they often have no form of formal identification such as a passport, national insurance number or birth certificate. The MCL Team will support the young person to obtain this but it can take a considerable amount of time, however, staff ensure they keep in touch with the young person and support them into their chosen pathway.

129. In terms of supporting care leavers where they might have additional barriers to working, such as mental health problems or drug misuse, the MCL teams make every effort to work alongside the right services to help the individual overcome this in order to help them go on to gain employment via one of the programmes described. In addition, a care leavers' bursary of £1,000 (one-off payment) is available.
130. Care leavers who are NEET are discussed at the NEET Clinic – of which both the Apprenticeship Co-ordinator and Post-16 Alternative Provision Co-ordinator are members – to plan how to best support them.
131. The Apprenticeship Team and the Post-16 Alternative Provision Team work closely together to ensure that learners are provided with the right support to gain work and life experience and preparation for interviews.
132. Where individuals experience difficulties at the recruitment centre, the learning mentor discusses any issues with them and will make a potential employer aware of those issues, for example, it may be that the employer needed to ask questions in a certain way in order for the individual to understand. The learning mentor can also help young people to plan how they will travel to work and how to ensure they arrive on time.
133. Once a young person had completed their study programme and moved into employment or higher education, they are monitored for six months afterwards by MCL and many young people often kept in touch with the Team after this period as they felt comfortable in approaching them for further advice or support. Where the young person did not move into employment/higher education, MCL would continue to support placements in a person-centred way, tailored to suit the individual's needs and circumstances. MCL actively works with any other agencies required to support the individual to achieve their goals.

134. **96%** of MCL learners went on to gain employment or moved into further education.

#### Achievements – Apprenticeship Programme (MCL)

135. Seven care leavers had been helped into apprenticeships, two of whom had achieved 100% distinction criteria in their external assessments.
136. The apprenticeship achievement rate through MCL was **76%**. This is significantly higher than the national achievement rate of **52%**. Middlesbrough's target is to achieve a 90% success rate.
137. 655 apprenticeships were approved from level 2 up to level 7, so there was something out there for everyone, but individuals must first have level 1 maths and English.

#### 50 Futures Programme

138. The 50 Futures programme provides a practical work experience placement with Middlesbrough Council or its trusted partners for up to a maximum of 8 weeks. The aim of the placement is to provide an insight into a paid job role, for young people aged over 16 with little professional

experience. All areas across the Council are encouraged to offer a placement opportunity for a young person.

139. The 50 Futures Programme Co-ordinator co-ordinates all placements within the Council and external placements, with the majority of the referrals made to 50 Futures coming from the Apprenticeship and Post-16 Alternative Provision Teams.
140. Work placements outside of the 50 Futures programme are also used and between all of the community learning teams, every effort is made to find a suitable placement for the individual.
141. The Panel heard that it can be challenging to secure work experience placements within the Council as it can be time consuming, however, mentors or job coaches support the young person in their work placements within the Council and the MCL Teams support them with skill scans and job descriptions and helping the provider to be detailed and specific about the tasks they want the individuals to undertake. Progress is being made and it is hoped that wider engagement across the Council can be achieved.

**Term of Reference B - To look at ways in which young people with care experience are supported and encouraged to actively participate – with service development and part within their community**

Community engagement/Inclusion

142. Social isolation has been recognised as an issue for young people leaving care and the Pathways Social Group was established to help combat this. The group meets weekly at the dedicated Pathways hub and operates on a 'drop in' basis, therefore, the numbers attending each week can vary. The group enjoys various activities such as movie nights and 'cook and eat' sessions which are particularly popular. The Group had also held several social events including a day trip to Flamingo Land (attended by 12 young people) and a Platinum Jubilee barbeque (attended by around 20 young people).
143. Pathways staff had provided a Christmas lunch on Christmas Day at the Pathways hub and had transported the young people there. This was very well received and was important for those young people who might otherwise have spent Christmas Day alone.
144. The Care Leavers Forum was established with the aim of supporting care experienced young people's views and voices to be heard to help shape service development and improvement but has struggled to engage young people – having around four regular members. However, the Participation Team is working hard to expand the membership of this and other groups with more creative and inventive ways of taking part.

Participation and Engagement

145. Middlesbrough's Participation Team facilitate open, safe and inclusive spaces for young people with care experience to meet to express their views regarding the changes they would like to see to improve their own experiences and those of their peers. The Team supports young people to share their views with key decision-makers and professionals, all of whom will act on what has been expressed in order to positively change services to meet young peoples' needs.
146. The Participation Team runs several groups, that meet fortnightly, and supports them to design and deliver engagement events to capture the wider voice of young people in Middlesbrough:-
- 'We Matter' (Middlesbrough Children in Care Council) – for 10-16 year olds.
  - 'Care Leavers Forum' – for 16-25 year olds.
  - 'My Voice Matters' – for young people with additional needs.
  - 'Youth Council' – for all young people in Middlesbrough.
147. The 'My Voice Matters' group is currently designing the next Youth Voice Conference 2023 and the 'Youth Council' plans to engage with young people within schools to work on issues identified in their manifesto.
148. As at December 2022, activity taking place with young people, included:-

- The Participation Team – had developed a work plan incorporating all of the work it was undertaking with all of the groups. In January 2023, the Team would begin working with all the young people to co-produce the ‘Participation Strategy’.
- ‘We Matter’ – developing its 2023 work plan. This would include regular meetings, holding four engagement events, meeting with the Executive Director of Children’s Services, the Director of Children’s Care and other key decision-makers. Also meeting directly with Corporate Parents as part of the Corporate Parenting Board and the Children and Young People’s Social Care and Services Scrutiny Panel.
- ‘Care Leaver’s Forum’ – developing its 2023 work plan. This would include meeting regularly, supporting the celebration event in April 2023 and developing the Local Offer for care leavers.
- ‘My Voice Matters’ – developing its 2023 work plan, including meeting regularly and identifying key areas it wished to focus on, and meeting key decision-makers.
- ‘Youth Council’ – developing its 2023 work plan, including meeting regularly, working on its Manifesto and designing a ‘Big Takeover’ event.

149. It is anticipated that the impact of all the ongoing activity will be that:-

- More young people in Middlesbrough are offered opportunities to have a voice, to be heard and encourage real potential for services to positively change to meet their needs.
- Young people say being part of these groups makes them feel valued and listened to.
- Key decision-makers are able to hear directly from young people to influence their decision-making and work towards co-producing services with them and for them.

150. The Participation Team, and the young people it works with, want Corporate Parents to hear directly from young people to ensure that services are responsive and meeting young people’s needs. It is important that as many people as possible are engaged and hear first-hand about the challenges young people face.

151. The Participation Team is collaborating with care leavers to redesign the Local Offer (as previously mentioned at **paragraph 48** of this report). The majority of Care Leavers stated they did not read the information given to them and their preference would be a digital version of the core offer.

152. The Team has subsequently linked up with Middlesbrough College to work with students who are working with Middlesbrough’s care leavers to produce an animation containing the information around support available, particularly around where they lived, financial support, health, etc.

153. In addition the Team is working with Pathways and partner agencies around the current offer to examine whether it is working well and plans to meet housing providers. It hoped to hold an event in the spring involving key partners to undertake a piece of work and to look at the positives and negatives.

154. As part of the Scrutiny Panel’s evidence-gathering, the Participation Team had undertaken a piece of work with young people from the ‘We Matter’ (Children in Care Council) group through a

questionnaire that it had developed seeking young people's views around their experiences of care, focusing on the positives, challenges in their past, present and future and how they felt supported in preparing to become independent.

155. Eleven young people completed the questionnaires, which were shared with Panel Members, and four of those young people attended the Scrutiny Panel meeting on 20 December 2022 to talk about their responses directly.
156. The young peoples' views gathered from the questionnaires provided the following information:-

#### Past

157. The young people were asked to think about how they had been positively impacted by a role model or someone who had encouraged or inspired them and who had also supported them to overcome any challenges.
158. They identified parents and family members, foster carers, children's home staff; social workers, support staff in employment/training settings, teachers and teaching staff as positive and inspirational role models and people who had encouraged them to overcome challenges such as ensuring their views were heard; consistency in social workers; settling into school; finding something they enjoyed doing; overcoming negative thoughts and feelings.

#### Present

159. The young people were asked what they feel is going well for them; how they are working towards independence and what form of education, employment or training they are currently in. They were also asked to think about their current independence status and whether they are happy with the way things are going; how people around them are helping them and whether they are able to express how they are feeling.
160. In terms of what is going well for them and how they are working towards independence, the young people identified areas such as making new friends; learning a new language; making progress in school, training or employment; working towards qualifications and learning skills such as cooking, self-care and budgeting their own finances.

#### Future

161. The young people were asked about their aspirations; whether they feel they will succeed; how those around them can support them to achieve their aspirations and whether they feel they will be ready for independence. In terms of future challenges, the young people were asked to think about what challenges they might encounter and who they can turn to for help and support.
162. The young people identified a range of aspirations including gaining qualifications they are working towards; achieving employment in various career paths; attending university; learning to drive; owning their own home. Most young people identified teachers, support staff, social workers,

personal advisors and foster carers as people they would turn to for help/support to overcome any challenges.

**Term of Reference C - To consider, where it is appropriate for a young person to move to supported accommodation or independent living, the options available and the support provided to young people and their families/carers (where appropriate) to prepare and plan for independent living**

163. Once a young person in care turned 17, focus was placed on planning for their post-18 future, when they would no longer be a 'Looked After Child'.
164. The Pathways Team supports young people with their preferred post-18 option, such as:-
- 'Staying Put' - this arrangement allows young people to remain with their foster carers beyond the age of 18.
  - Access to Supported Lodgings provision – working with accommodation providers. (Some young people moved to supported lodgings provision prior to becoming 18, with a support plan, if appropriate, however, no young person will be placed in such provision before their 16<sup>th</sup> birthday).
  - Young people's housing panel – supports access to multiple housing options.
  - Support with Council tax exemption (up to age 21, with plans to move to age 25).
  - Support with setting up home allowance. (Help to buy equipment such as white goods and furniture up to £2,000 with responsible spending advice provided).
  - Support with removal costs.
  - An in-house unregulated support accommodation provision - Daniel Court - for young people over the age of 16, comprising of self-contained flats for up to nine young people.
  - A regulated in-house care provision – Rosecroft - for young people over the age of 16 to support a gradual transition to an independent flat where they will be supported to be responsible for the tenancy and live with floating support at a pace meeting their needs. (Rosecroft is able to support up to five young people and is designed for those whose independence skills are less developed. Once the young person feels comfortable they are supported to move into a flat to live independently but with continued support. Positive outcomes have been achieved for young people through both provisions at Daniel Court and Rosecroft).
165. The Pathways Service works closely with housing providers to ensure that appropriate, secure accommodation is identified for young people and these are considered by the Young People's Housing Panel. There are some challenges in appropriately placing some young people independently, including a small cohort of young people with very complex needs following traumatic experiences, who have found it difficult to hold down a tenancy. It can be difficult for housing providers to identify suitable accommodation in such cases where young people display risky behaviours, however, there are performance measures in place to ensure those young people are well-supported and monitored.

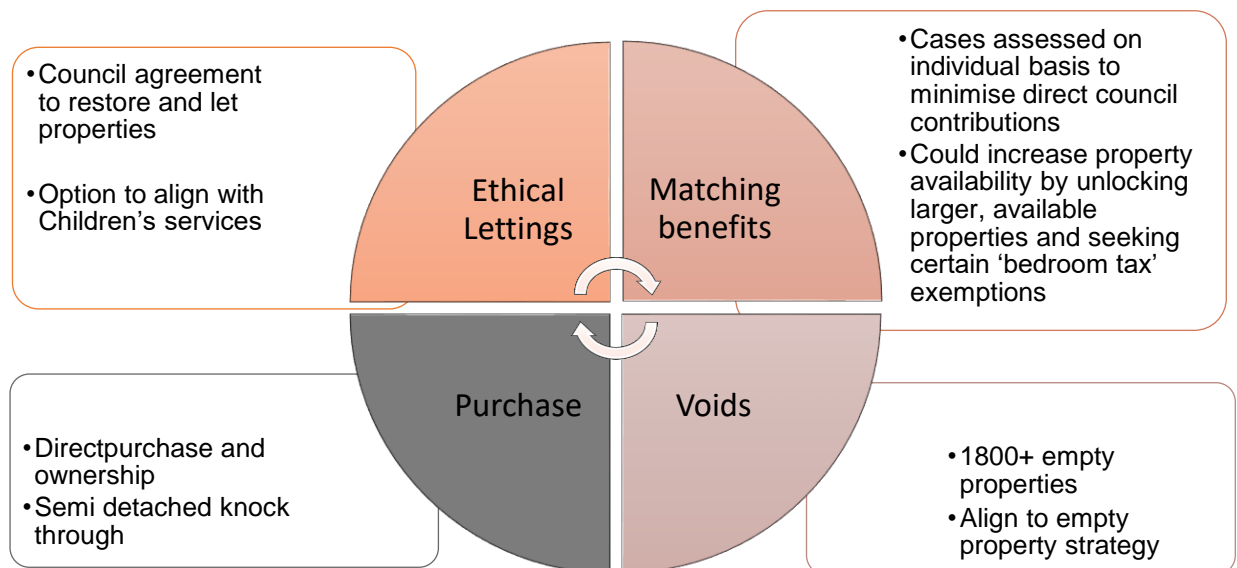


## Future Provision

166. Historically, there have been difficulties in securing accommodation for young people with care experience which has resulted in the use of expensive placements. It is clear that a new menu of opportunity, particularly for cohorts of care leavers and children in care is required.
167. The cost of a young person leaving care into mainstream accommodation is around **£5,500** per week per placement. This is a total of approximately **£14.3 million** for **50** young people per year. This is in comparison to the approximate cost of a regular tenancy agreement rental of **£430** per week. (This equates to an approximate cost differential of more than **£13 million** per year based on **50** young people).
168. Projected calculations show that the proposals can achieve a significant cost avoidance to the Council.
169. Proposals for a new accommodation project are currently being formulated across several Council directorates, with external partners, which will provide an opportunity to respond to the challenges faced by Children's Services, whilst also addressing the number of empty town-wide properties. A business case will be prepared by the Council and its partner(s).
170. The main areas of focus for the project in its entirety are as follows:-
- Those with no recourse to public funds – families who are in the process of an asylum claim or had a failed claim decision.  
Requirement – a number of home options for small families required on a temporary basis where accommodation is needed pending a claim.
  - Crisis situation: Crash pad – short term/temporary requirements which allow a domestic or social situation to defuse prior to return. Often require distance or out of area.  
Requirement – two or three homes for short term lets.
  - Looked after children: bespoke arrangements – Local authority unable to source a regulated package through fostering or residential – need to put in place a staff package to look after a child long term and for children with complex needs.  
Requirement – three or four bed homes for children and a staff team for several weeks or months at a time. Two staff required for up to four children = four placements = six bed home.
  - Care leavers – children in residential care up to 18 – leaving care and transitional arrangements for young people, ie independent tenancies.  
Requirement – smaller homes for care leavers to live alone and cluster flats for 2/3 young people.
  - Direct Delivery of residential homes – avoidance of significant expense – local authority owned.  
Requirement – larger properties up to six bedrooms which can be converted to care homes (subject to planning and consultations).

## Care Leavers

171. In terms of care leavers, the proposals will provide a good opportunity for some 'quick wins' as well as establishing a long term strategy to ensure ongoing cost savings.
172. Dialogue has commenced with Thirteen Group to consider potential accommodation options, including ensuring that properties were in the right locations to house care leavers. There will also be close liaison with the Benefit Service to align costs.
173. Housing providers, such as Thirteen Group, will seek security of tenure and income with the possibility of a Service Level Agreement for a number of properties exclusively for care leavers and progressing to a tenancy for the young person at the right time, thus removing financial burden to the Council and providing a life cycle solution for Middlesbrough's young people.
174. Each young person would be provided with holistic support to ensure they feel well supported and prepared to live independently and to ensure they succeed. This will include:-
  - Advice and support regarding benefit entitlements.
  - Access to short term financial support, where needed, for example help with cost of furnishings and white goods.
  - Advice and guidance on personal financial budgeting.
  - Signposting to a range of support services as and when required, with all partner agencies (eg property queries, health issues, etc).
  - Advice and support to ensure they met the terms and conditions of their tenancy agreement.
175. Careful vetting of properties will be required to ensure that they are up to standard, or brought up to standard, and situated in suitable locations, for example, not placing vulnerable young people in areas known to have high levels of anti-social behaviour or drug misuse. Children's Services will have priority and the final say as to whether a property is suitable for each young person.
176. Around **50** young people with care experience are approaching their 18<sup>th</sup> birthdays, with around **20** turning 18 between September and November 2023, therefore, it is crucial to be able to plan for this through the accommodation proposals, in conjunction with partners.
177. The project also identifies a range of other opportunities, including:-



178. Going forward, the following actions have been identified:-

- Options Appraisal with Registered Social Landlords (RSLs), however, discussions currently taking place with Thirteen to look at scenarios and working towards a menu of opportunities to address the issues.
- Activate Nominations Strategy – solution to be developed that would align to all areas and maximise use of available properties for both new builds and existing stock.
- Purchasing Opportunities – affordable solutions when external offerings are not suitable.
- Empty properties strategy – bringing empty properties back into use to address accommodation shortfalls.
- The above actions will also support other areas such as Adult Social Care/Homeless where accommodation is providing an increased burden to Council finances.

**Term of Reference D - To examine how care experienced young people are supported with budgeting their finances and how they are supported to ensure their physical and emotional health needs are met**

**Support with Finances and Budgeting**

179. In terms of supporting young people to become financially resilient, the ideal time to start supporting young people with budgeting skills was around 12-14 years, starting with saving pocket money into a bank account. Social Workers and family members can discuss this with the young person and support them to do this.
180. The following financial support is provided for care leavers in Middlesbrough:-
- Local Council Tax exemption up to the age of 25, a setting up home allowance of up to £2,000 and support with removal costs.
  - A personal allowance of £66.66 per week for young people aged over 16 years living in supported accommodation. (This is in lieu of benefit entitlement. There is a structured programme of independence support for young people living in Daniel Court and Rosecroft which includes budgeting skills and one to one advice from Personal Advisors).
  - Financial assistance for university students, higher education bursary including a tuition free loan and maintenance loan from student finance departments. An additional bursary is provided by the local authority three times per year.
  - A weekly allowance of £66.66 for university students living away from home.
  - A further £40 housing support grant to assist with the purchase of groceries.
181. For young people living in supported accommodation, such as Daniel Court or Rosecroft, a contribution towards household bills (including fuel and food) is required and this is deducted from the young person's benefit allowance. These budgeting skills are developed with the young person on a weekly basis with their Key Worker to ensure that by the age of 18 they have a sound understanding of budgeting their own finances and are prepared for independence.

**Health**

182. The Pathways Service supports young people leaving care with their physical and mental health needs in various ways, including:-
- Provision of a dedicated CAMHS Worker (Children and Adolescent Mental Health Service) based within the Pathways Service, offering additional emotional wellbeing support. This has been recognised as good practice nationally.
  - Support with referrals to other agencies.
  - Support to attend medical appointments and speak to the doctor. (Can advocate with health professionals on behalf of the young person with their consent).
  - Free access to Middlesbrough leisure services.
  - A health passport with key information about the young person's health. (Once the young person reaches 18 years, the Children Looked After Health Service provides them with their health document containing their medical history, family history, etc)
  - Access to C Cards.
  - Support to register with a doctor, dentist and optician.
  - Advice and guidance regarding LGBT issues and signposting to support services.

- Work with allocated Adult Care Social Worker or Health Lead Professional if young adult with disabilities.

### Public Health

183. There is a very broad needs base in terms of how health partners support young people to adulthood and independence and how their physical and emotional health needs, particularly those in care/care leavers, are met.
184. A considerable amount of work had been undertaken to support children in schools in relation to mental health with the Headstart Programme now being delivered by Public Health in all Middlesbrough schools.
185. The Headstart Programme aims to develop resilience and emotional well-being through peer support, undertaking specific work in the classroom and in school assemblies.
186. In terms of young people with care experience, Healthy Child programmes are in place run by the Tees Valley Children in Care Service in conjunction with Social Care. This supports young people to plan for leaving care, undertaking health reviews and assessing the health needs of young people.
187. The team works with appropriate support services where required to ensure all of the young person's health needs are met and that appropriate services were put in place where required.
188. The Tees Valley Children in Care Service provides a very specific service co-ordinating health assessments and reviews for care experienced young people and offers appropriate support to families and carers and liaises with outreach services to address reactive areas.

### Tees Valley Children in Care Team – Harrogate & District NHS Foundation Trust (HDFT)

189. From 1 April 2022 responsibility of initial health assessments (IHAs) and review health assessments (RHAs) for South Tees NHS Trust was amalgamated into a Tees Valley Children in Care contract.
190. HDFT is responsible for the timely co-ordination of IHAs (including gathering consent and pertinent health and social information on a child entering the care system to inform the IHA appointment). The IHA appointment is completed by the acute hospital trust and disseminated to social care.
191. It is the responsibility of the Tees Valley Children in Care (TV CiC) service to co-ordinate and undertake RHAs for any child in care in Middlesbrough. TV CiC practitioners also undertake RHAs for a child placed out of area within a 30-mile radius of their home address.
192. Any identified health needs are passed to the 0-19 service which includes health visitors and school nurses to provide ongoing support. Where there is a bespoke health requirement, for example an issue with emotional health and well-being, the case-holder is responsible for supporting the child and co-ordinating any additional package of support.

193. As of February 2023, there were between 50-60 young people open to the TVCiC Team in Middlesbrough alone, with approximately 12 young people due to become care leavers before the end of the year.
194. All children and young people in care should be registered with a GP, a dentist and an optician up to the age of 18, or 25 if they have an identified SEN. There is no budget within the current contract for the TVCiC to follow this up, however, where the Service becomes aware of a young person who is not registered, this is identified in their health care plan to be rectified.

#### School-based Immunisation Pathway

195. The TVCiC service has implemented a School Based Immunisation & Children in Care Pathway to ensure the immunisation uptake for children in care is satisfactory. This was implemented in May 2022 and has resulted in successfully administering all outstanding immunisations to 12 children in care.

#### Dental Pilot Pathway

196. The Panel heard that a pilot scheme had been launched in January 2023 across the Tees Valley to ensure that any young person who had not been seen by a dentist within the last six months could be referred to a dentist that had signed up to the pilot.
197. The figure for children/young people in Middlesbrough who were not registered with a GP when they first became open to the TV CiC is minimal and currently stands at around **1.6%**.
198. In relation to those not registered with a dentist, the figure for Middlesbrough was **11.2%**, prior to the start of the pilot scheme, however, this figure could be slightly skewed as the performance indicator marker does not ask when the young person last saw a dentist, therefore, it may be that they had seen a dentist but were not registered with one or that they had been automatically deregistered with a dentist because they had not been seen within six months.

#### Initial Health Assessment (IHA)

199. All children entering into the care of the local authority must have an initial health assessment within 20 days to ascertain an overall view of their physical and emotional health needs and to ensure that they are registered with a GP and dentist. A Health and Care Plan is also devised.
200. The TV CiC service co-ordinates the completion of any Initial Health Assessments and monitors the completion and reporting of these by Community Paediatricians from South Tees NHS Trust.
201. TV CiC are notified by the Local Authority of a child entering the care system and the team collates notification consent and requests an IHA appointment with South Tees NHS Foundation Trust. All IHA assessments continue to be undertaken face to face.
202. The acute hospital trust is then responsible for assessing the child, completing the report and disseminating to TV CiC and to the local authority.

203. The figures below show the number of IHAs requested in Middlesbrough and the number of which were completed on time within the 20 day timescale:-
- Quarter One (April to June 2022) - **61** requests, **27** completed within timescales (**44%**).
  - Quarter Two (July to September 2022) – **46** requests, **37** completed within timescales (**80%**).
  - Quarter Three (October to December 2022) – **42** requests, **22** completed within timescales (**52%**).
165. Reasons for IHAs not being completed within the 20 day timescale include:-
- Delay in notification and medical consent.
  - Child was not brought to IHA appointment.
  - Out of area CiC teams not performing IHA within statutory timescales.
204. There have been significant, ongoing challenges in relation to IHA compliance which HDFT, the local authority and the acute hospital trust recognise and are working together to improve and rectify the situation.
205. All three partners meet on a weekly basis to discuss any outstanding IHA appointments, establish whether additional clinic appointments are required and investigate the reasons why a child is not brought to the appointment. The Tees Valley CiC have notified the local authority that a delay in providing notification consents creates a delay in the child being booked to attend for an IHA.
206. It remains the responsibility of the Social Worker to notify the child's parent/carer of the appointment details. If the appointment needs to be cancelled or rearranged for any reason, this must be agreed by the Service Manager.

#### Review Health Assessment (RHA)

207. Following the initial health assessment, children and young people in care have regular review health assessments in line with statutory guidance 'Promoting the Health of Looked After Children' (DfE DoH 2015). The RHA is carried out by a nurse within the Tees Valley Children in Care Team every six months for children aged five and under. Children and young people aged five and older have an RHA annually.
208. All RHAs are undertaken at a face to face contact, usually in the child's home, although TVCiC will carry out the review at a venue of the child's request.
209. Compliance with completing RHAs for young people in Middlesbrough within timescales are as follows:-
- Quarter One (April to June 2022) – **115** requests, **78** completed within timescales (**67%**).
  - Quarter Two (July to September 2022) – **104** requests, **86** completed within timescales (**82%**).

- Quarter Three (October to December 2022) – **127** requests, **110** completed within timescales (**86%**).

210. Reasons for RHAs not being completed within timescales include:-

- Delay in receiving new placement notification from Social Worker/Changes to placement.
- Failed attempts to contact young person/carer.
- Out of area CiC team not undertaking RHA within statutory timescales.
- Placement procedure and workload pressures of Tees Valley CiC Mobilisation.

### Health Passport

211. Once the young person reached the age of 15, the Tees Valley Children in Care Team start to discuss the individual's Care Plan and review health assessments and amalgamate all of the information into a 'Health Passport'. The Health Passport is provided to the young person at around 17 and a half years of age.
212. A Health Passport is a summary of a young person's medical history, including details of their GP, dentist, optician, any attendances at A&E, childhood immunisations, and family medical history. All of this information is collated once the young person becomes 16 and is discussed with them at their final health review assessment at age 17 at which point the information from the final HRA is also be added to the passport.
213. In Middlesbrough, it was decided that all young people would be given their Health Passport automatically whereas in some areas of the country the young person's consent to accept the passport is required. This ensures that every young person in Middlesbrough is provided with their Health Passport Making it easy for them to look at their summary health information at any point in the future. The Health Passport is also provided to the young person's GP and will remain on their GP record. The young person was still required to give their consent, however, to share their passport with their Social Worker, therefore, if they did not give consent for this it could not be shared with the Social Worker.
214. The Health Passport is essentially a condensed summary of the individual's full health records presented in an understandable user-friendly format. The IT system used to record health information by GPs, System One, is not user-friendly for non-professionals and generates excessive amounts of paper to print off any records. This is another reason why the Health Passport is provided automatically to the individual.
215. In relation to children and young people who become adopted, the System One database closes in respect of that young person at the point they are adopted, however, TV CiC do provide a health summary containing details of the young person's birth (date, place, delivery, weight), family health history, etc so that there is a record allowing health professionals to have background information regarding the young person in order to know the best way of supporting them. There is currently no



national guidance in relation to this, however, it is something that was due to be examined by NHS England prior to the Covid pandemic.

**Term of Reference E - To look at how young people with care experience and/or additional needs are supported to become more independent in travelling to school/college/other education settings/places of employment, or to help them become more independent with travelling socially**

Travel Training

216. Middlesbrough Council's Independent Travel Training programme is supported by the Local Sustainable Transport Fund (LSTF), delivered by the Council's Integrated Transport Unit (ITU), either on a one-to-one basis or as a group session within a school.
217. The scheme is primarily aimed at young people in Middlesbrough who are likely to need transport via a taxi to school or college, or who are thought to be especially vulnerable and is available to eligible Post-16 young people with an identified SEND.
218. Independent Travel Training (ITT) provides tailored, practical help individuals learn how to travel via public transport, on foot or by bicycle. The programme aims to help people travel in a safe and independent way to their place of employment or education, or to leisure venues.
219. Travel training aims to provide the individual with the confidence to use public transport, demonstrate road safety awareness and ensure they are able to travel by themselves without confusion or anxiety. ITT involves being taken on practical journeys by a travel trainer who highlights important aspects of travel, and the rules of road safety, personal safety and what to do if lost or anxious. Travel training is a gradual process, and finishes with unaccompanied journeys.
220. Training is flexible and person-centred, and throughout the training process the various elements will be monitored and reviewed, and can be changed to suit the individual's needs. The aim is to prepare individuals for safer and more confident engagement with the community by encouraging independent yet considerate interaction with others. Whilst safety is a key issue, focus is placed on tolerance and an enjoyment of the journey and what the community might have to offer.
221. Participating in Independent Travel Training is a positive lifestyle choice and allows the individual to develop the confidence and skills needed to travel alone, making it easier for them to meet up with friends, socialise, go to college, find a job and generally become more independent.
222. Where a young person with an identified SEND meets the criteria for ITT following an independent travel needs assessment process, a referral is made directly to Middlesbrough Council's Independent Travel Trainer. On receipt of a referral, the team evaluates the suitability of travel training for that particular student and, where appropriate, a personalised programme of training to meet their needs is devised, covering general road safety, personal safety, journey planning and coping strategies.

223. Further information can be accessed via the following link to the Council's website and an information sheet for parents.

[Independent Travel Training | Middlesbrough Council](#)

[Independent Travel Information \(middlesbrough.gov.uk\)](#)

[\\*Post-16 transport statement - 2022/2023 \(middlesbrough.gov.uk\)](#)

224. From January to November 2022, 22 young people with a disability or learning difficulty had been successfully trained on the ITT scheme, and a further 11 young people were in the process of being trained on the scheme (as at November 2022).

225. Schools and colleges also promote independent travel training as part of their study programmes. Additionally, independent travel is an essential requirement of a supported internship.

#### Lingfield Learning Centre, Coulby Newham (MCL)

226. As stated earlier in this report (**paragraph 104**), the Lingfield Learning Centre, is situated in Coulby Newham. Whilst some students are transported by parents and carers, the Lingfield Centre is an advocate of independent travel.

227. Independent travel guidance can be provided to students whereby a member of staff accompanies the young person on their journey to Lingfield from their home. This can include identifying the best methods of transport to use, for example, which bus to use. This has proved successful with students feeling a great sense of achievement.

## **CONCLUSIONS**

228. Based on the information provided throughout the investigation, the Panel's conclusions are as follows:-
- A) The Panel recognises that preparing young people for adulthood and independence is a corporate parenting responsibility and that the Council and its partners must work together to ensure this task is shared equally.
  - B) The Panel heard a range of examples of how services across Council directorates work together and in partnership with external agencies to support young people to become independent.
  - C) Whilst Members acknowledge the improvements identified in the findings of the Ofsted Monitoring Visit to the Leaving Care Service (November 2022), they did express concern at the areas still requiring improvement.

### **Term of Reference A – To consider how the Council seeks to secure employment or training for young people with care experience and/or special needs**

- D) The Panel is satisfied that the EET service (work readiness) is providing good support to young people to help them into Education, Employment or Training, with an above England and North East average of delivering the September Guarantee, although the percentage of 16 and 17 year olds in Middlesbrough who were NEET is slightly higher than the North East and England averages.
- E) Middlesbrough Community Learning is often regarded as Middlesbrough's 'Adult Education Provision', however, this is not strictly the case. The Teams within MCL are comprised of skilled, dedicated staff who are passionate about helping individuals to achieve their goals in relation to education and employment. The Teams offer advice, guidance and signposting in relation to a wide range of pathways available to young people, as well as adults, with support specific to the individual's needs.
- F) The '50 Futures Programme' has been successful in providing work placements for young people within Middlesbrough Council, and in external placements with trusted local employers. Most referrals to the 50 Futures Programme are received from the Apprenticeship and Alternative Provision Teams.
- G) The Managers of the Apprenticeship and Post-16 Alternative Provision Teams (MCL) attend the NEET Clinics and have forged good working relationships with Personal Advisors and Social Workers, particularly with the Pathways and Early Help services, for those young people who were not looked after but were still looking for the same opportunities. There are other areas within Children's Services and within other areas of the Council that are not aware of MCL and the ways in which they could potentially help more young people.
- H) The Panel notes the involvement of the Apprenticeship and Post-16 Alternative Provision Managers in developing an Action Plan with the Head of the Virtual School which will involve speaking to students who are unsure of what they want to do when they finish school. The aim is to provide support, information and guidance to those young people by MCL.

**Term of Reference B - To look at ways in which young people with care experience are supported and encouraged to actively participate – with service development and part within their community**

- I) The Panel welcomes the positive, ongoing work being undertaken by the Council's Participation Team with a range of young people but acknowledges the challenges faced regarding engagement.
- J) Members were impressed with the goals and aspirations expressed by young people with care experience who had taken part in completing questionnaires to assist with the Panel's investigation and are keen to ensure that those with care experience should have the same opportunities as their peers, without barriers.

**Term of Reference C - To consider, where it is appropriate for a young person to move to supported accommodation or independent living, the options available and the support provided to young people and their families/carers (where appropriate) to prepare and plan for independent living**

- K) The Pathways (Leaving Care) service is pivotal in supporting young people with care experience to become independent and, from the evidence provided, the Panel considers that there appears to be comprehensive support provided to care leavers in Middlesbrough.
- L) The Panel is aware of the financial position with regard to Children's Services and is supportive of the potential future housing provision initiative, to be delivered with external partners (/RSL) which will not only deliver significant cost savings to the Council but also provide a life cycle solution to young people with care experience.
- M) In this regard the Panel considers holistic support, in collaboration with the RSL, Health and relevant partners, to be essential in order for young people to succeed in their placements.
- N) In addition, it notes that a cohort of around 50 young people are approaching their 18<sup>th</sup> birthdays, with 20 between September and November 2023.

**Term of Reference D - To examine how care experienced young people are supported with budgeting their finances and how they are supported to ensure their physical and emotional health needs are met**

- O) There is a framework of financial support available to young people leaving care.
- P) The health of young people with care experience is overseen by HDFT. The Panel heard that since taking over the contract to deliver IHAs and RHAs of children in care, despite challenges the backlog of assessments has been cleared and the service has been instrumental in delivering immunisation programmes, dental pilot and the development of a health passport.
- Q) The health passport is a summary of medical and family medical history for all young people leaving care and is provided to them at that point. The Panel considers this to be an essential document for all care leavers.

**Term of Reference E - To look at how young people with care experience and/or additional needs are supported to become more independent in travelling to school/college/other education settings/places of employment, or to help them become more independent with travelling socially**

- R) Independent travel training provides young people, particularly those with SEND, with practical and tailored support to help them travel in a safe manner independently to their place of employment or education or to leisure venues. This provides young people with confidence to travel independently giving them a sense of achievement and helping to overcome isolation by enabling them to travel independently, whether this be to work, education venues or to socialise with family and friends.

## **RECOMMENDATIONS**

229. Based on the evidence gathered during the investigation, and the conclusions, the Scrutiny Panel makes the following recommendations for consideration by the Executive:-

### **Young People with Special Educational Needs and Disabilities**

- A) That clear pathways be established for young people, whatever their status (care leavers, SEN or having a disability), including flowcharts, to help young people and practitioners understand processes in place, options available and ensuring everyone is aware of available support/services.
- B) Whilst the SEND and Inclusion, Children with Disabilities, Early Help and Pathways (Leaving Care) services all work closely with Adult Social Care colleagues to ensure a smooth transition to adult social care, where determined appropriate, the Panel recommends that an Adult Social Worker be allocated to the young person between the age of 17 and 17.5 years to ensure a smooth handover and seamless transition for the young person and their family/carers and to establish appropriate pathways plans, clearly setting out how the young person will be supported to become an independent adult and identifying the team around the young person.
- C) To bridge the gap for a small number of young people with a disability or learning difficulty where their needs assessment outcome is a health need, that health colleagues begin to work with the young person from age 17, rather than 18, to ensure a smooth transition from Children's Social Care, again with clear pathway planning (as B. above).
- D) That work with Health colleagues be strengthened, particularly around joint commissioning and that appropriate health colleagues be invited to relevant groups and Strategic Board meetings associated with SEND to ensure joint working and service development.
- E) To establish a mechanism, including a Forum for parents/carers, to raise awareness between all groups associated with SEND so that everyone is aware of the work taking place within each of the groups so that opportunities for collaboration can be identified and duplication can be avoided.
- F) To ensure effective use of the Education Health and Care (EHC) process for young people with an identified SEND, up to the age of 25, to drive decision making and commissioning decisions in respect of the young person.

### **Care Leavers**

- G) In line with Ofsted's findings from its monitoring visit to the Pathways (Leaving Care) Service in November 2022, in relation to areas requiring improvement, the Panel recommends that these areas be taken forward as part of the Improvement Plan and that progress be monitored and reported back to the Panel in six months' time.
- H) Ensure that all young people in care are introduced to the Pathways (Leaving Care) service at age 16 and that the process of being allocated a Personal Advisor to help support them in the transition of leaving care and preparation for independence be fully discussed with young people, taking into consideration their views and wishes.

- I) That adequate preparation and support in essential skills (such as cooking, shopping and money management) should be discussed as early as possible and regularly with young people to ensure they feel confident in performing such tasks independently once they do leave care and also that they are aware of who they can contact for help and support if needed.

**Term of Reference A – To consider how the Council seeks to secure employment or training for young people with care experience and/or special needs**

- J) That there is greater promotion of Middlesbrough Community Learning across all Council services, particularly Children's Services, to ensure all staff are aware of the support that MCL can offer to young people, particularly those with care experience, additional needs or those who are NEET. This should include:-
- i) Appropriate representatives (Head of Service/Managers from the MCL Teams) to attend a Children's Services LMT to promote their work and advise how they can potentially support vulnerable young people in a range of post-16 employment, education, training or apprenticeship pathways available to them. The information should be disseminated to Team Managers and staff across Children's Services to ensure that all Social Workers, Practitioners and Personal Advisors are aware of the pathways available through MCL and to appropriately signpost young people (and their families/carers) to the service.
  - ii) Better promotion of the 50 Futures Programme across all Council services, including information on support provided to placement providers and the benefits of providing a 50 Futures placement for a young person.
- K) That the Action Plan currently being developed with the Virtual School and MCL be provided to the Panel upon completion, for information, and that students currently monitored by the virtual school be provided with the advice needed, in sufficient time before leaving school, of the pathways available to them, including those available through MCL for those where college was not a viable option.

**Term of Reference B - To look at ways in which young people with care experience are supported and encouraged to actively participate – with service development and part within their community**

- L) The Panel supports the continuation of ongoing work by the Council's Participation Team with a range of care experienced young people through a range of groups and forums and encourages alternative, innovative ways of engaging those young people who may not necessarily want to meet in person but may still have valuable feedback to share in terms of shaping service development, for example, through the app/online.
- M) To strengthen the programme of participation and inclusion for young people with SEND, and their families/carers, in order for them to contribute to service development, policies and procedures – ensuring their needs are met.



**Term of Reference C - To consider, where it is appropriate for a young person to move to supported accommodation or independent living, the options available and the support provided to young people and their families/carers (where appropriate) to prepare and plan for independent living**

- N) The Panel is supportive of the future accommodation proposals being developed in partnership with housing providers, particularly in relation to care leavers, and requests an update in relation to progress in the next six months.
- O) That, in the development of the future accommodation proposals for care leavers, all relevant partners work together to ensure a package of holistic support is provided for each individual, tailored to meet their specific needs and that a detailed plan be produced, clearly setting out each element of the support to be provided to the individual. This plan should be provided to the young person and shared with professionals supporting them.
- P) That all accommodation is checked by the housing provider and relevant children's social care staff to ensure that it meets the required living standards and is located in an area considered to be suitable for the young person, also taking into consideration the young person's wishes.
- Q) Once finalised and approved, the proposals for independent tenancies with RSLs (housing providers) should be incorporated into the Sufficiency Action Plan (theme 4 – Improving Placements and Support for Care Leavers) which forms part of the Corporate Parenting Strategy.
- R) That a directory be compiled for young people moving to independent living accommodation containing essential information about the property, local area and amenities and support contact numbers for services/support across all relevant partners (social care, housing, health services, police).

**Term of Reference D - To examine how care experienced young people are supported with budgeting their finances and how they are supported to ensure their physical and emotional health needs are met**

- S) That, as part of ensuring care leavers are provided with support in essential life skills, particular focus be placed on managing finances and budgeting and as part of the accommodation offer for care leavers, detailed planning in relation to financial entitlements and benefits are clearly set out for each young person.
- T) All care leavers should be provided with information, as part of their Pathway Plan, as to where they can access help with their mental health and emotional well-being, including access to the dedicated CAMHS worker who is part of the Pathways service team, and other relevant services/support/peer groups to avoid social isolation.
- U) The Panel welcomes the introduction of Health Passports for young people leaving care as it provides essential medical history for young people in the future. The Panel feels this is an essential document and requests that the importance of the document is discussed and reinforced to young people on a regular basis.

- V) That relevant partners (health, Children's Social Care and Tees Valley Adoption) explore the possibility of providing a similar health passport for young people who become adopted.

**Term of Reference E - To look at how young people with care experience and/or additional needs are supported to become more independent in travelling to school/college/other education settings/places of employment, or to help them become more independent with travelling socially**

- W) The Panel is supportive of the independent travel training (ITT) provided to young people to help them have confidence to travel independently to education/employment settings or socially. It recommends that ITT be offered to all young people in Middlesbrough with SEND and/or care experience, where it is deemed they have capacity to travel independently and that this be monitored.

## **ACKNOWLEDGEMENTS**

The Scrutiny Panel would like to thank the following for their assistance with its work:-

Sue Butcher	Former Executive Director of Children's Services – Nov 2022
Rachel Farnham	Former Director of Children's Care – Dec 2022
Claire Sowerby	Interim Director of Children's Care (from Jan 2023)
Rob Brown	Director of Education and Partnerships
Gail Earl	Head of Prevention
Paula Jemson	Former Head of Children Looked After & Corporate Parenting – Dec 2022
Emma Cowley	Head of SEND and Inclusion
Kerrie Scraton	Head of Children with Disabilities
Kathy Peacock	Voice & Influence Manager
Laurie Hunter	Participation Officer
Adam Hart	Apprentice, CAMHS/Headstart
Xavier Davies	Apprentice, Middlesbrough Council
	Members of the Children in Care Council & Care Leavers Forum
Jan Earl	Post-16 Alternative Provision Co-ordinator, Middlesbrough Community Learning
Carole Thorpe	Apprenticeships Co-ordinator, Middlesbrough Community Learning
Graeme Nicholson	Health Improvement Specialist, Public Health
Kelly Dudding	Tees Valley Children in Care Service, HDFT
Janette Savage	Head of Resident and Business Support

## **BACKGROUND PAPERS**

The following sources were used/referred to in the preparation of this report:-

Reports to, and minutes of, the Children & Young People's Social Care & Services Scrutiny Panel meetings: 26 July, 27 September, 25 October, 14 November, 20 December 2022, 17 January & 14 February 2023.

Websites: Middlesbrough Council – Independent Transport Training & Home to School Transport; Middlesbrough Children Matter – The Local Offer 2020; Middlesbrough Corporate Parenting Strategy 2020-2023; Gov.UK - "Ready or Not: Care Leavers' Views on Preparing to Leave Care January 2022; Ofsted – Monitoring Visit to Middlesbrough Pathways Leaving Care Service, November 2022.

### **COUNCILLOR D DAVISON CHAIR, CHILDREN & YOUNG PEOPLE'S SOCIAL CARE & SERVICES SCRUTINY PANEL**

**Membership of the Panel: Councillors: T Mawston (Vice Chair), T Higgins, M Nugent, R Sands, Z Uddin, J Walker and G Wilson.**

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**CHILDREN & YOUNG PEOPLE'S SOCIAL CARE & SERVICES SCRUTINY PANEL  
SUPPORTING YOUNG PEOPLE TO PREPARE FOR ADULTHOOD & INDEPENDENCE - ACTION PLAN**

**Executive – 20<sup>th</sup> June 2023**

SCRUTINY RECOMMENDATION	PROPOSED ACTION	POST TITLE	BUDGET COST	TIMESCALE
<p><u>Young People with Special Educational Needs and Disabilities</u></p> <p>A) That clear pathways be established for young people, whatever their status (care leavers, SEN or having a disability), including flowcharts, to help young people and practitioners understand processes in place, options available and ensuring everyone is aware of available support/services.</p>	<ol style="list-style-type: none"> <li>1) Transition Pathway to be identified for all young people</li> <li>2) CWD and SEN HOS to consider the Local Offer for Becoming an Adult to be reviewed and updated in line with Scrutiny recommendation.</li> <li>3) Middlesbrough Children Matter Website Care Leavers section to be reviewed and updated</li> <li>4) Care Leavers Strategy &amp; Offer to be reviewed and updated</li> </ol>	<p>Executive Director of Children's Services, Director Children Care, Heads of Service.</p>		<p>September 2023</p>
<p>B) Whilst the SEND and Inclusion, Children with Disabilities, Early Help and Pathways (Leaving Care) services all work closely with Adult Social Care colleagues to ensure a smooth transition to adult social care, where determined appropriate, the Panel recommends that an Adult Social Worker be allocated to the young person between the age of 17 and 17.5 years to ensure a smooth handover and seamless transition for the young person and their family/carers and to establish appropriate pathways plans, clearly setting out how the young person will be supported to become an independent adult and identifying the team around the young person.</p>	<ol style="list-style-type: none"> <li>1) Work collaboratively with partners and adult services to identify and ensure that the relevant young people are presented at transition panels.</li> <li>2) Relevant Team Manager to meet with counterparts in Adult Services every 3 months to identify those young people who may need support from Adult Services.</li> <li>3) Transitions flow chart created in CWD service between children's and Adults Services to be approved at SMT and published on Middlesbrough's Heart and Local offer.</li> <li>4) SEN PFA Lead to update pathway and transitions- co-working with health and social care to align transitions</li> <li>5) Social workers to present children at</li> </ol>	<p>All</p> <p>Team Managers of allocated social workers</p> <p>HOS for CWD</p> <p>SEN PFA Lead</p> <p>Identified social workers</p>		<p>September 2023</p>

	<p>age 14 to transitions forum to notify adult services of possible future support</p> <p>6) Adult social care team manager to allocate an adult social worker, from age 16. Identified young people to have co worked transition depending on complexity of the young persons needs.</p> <p>7) Adult social care team manager to ensure that all young people to have an adult social worker from age 17.5 to support transition</p> <p>8) Health services to identify a co-worker at age 17.5 for young people identified as being fully health funded at age 18.</p>	<p>with Team manager oversight</p> <p>Adult Social Care Team Manager</p> <p>Adult Social Care Team Manager</p> <p>Team Manager/ Health Practice Lead</p>		
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SCRUTINY RECOMMENDATION	PROPOSED ACTION	POST TITLE	BUDGET COST	TIMESCALE
C) To bridge the gap for a small number of young people with a disability or learning difficulty where their needs assessment outcome is a health need, that health colleagues begin to work with the young person from age 17, rather than 18, to ensure a smooth transition from Children's Social Care, again with clear pathway planning (as B. above).	<ol style="list-style-type: none"> <li>1) Relevant HOS to discuss with health colleagues the transition process</li> <li>2) Team managers to ensure that young people are presented in a timely manner to the appropriate Health Panels taking into account young people's needs.</li> <li>3) Point 8 as above</li> <li>4) Team managers to identify young people who may meet criteria for adult DST for full or joint funding by age 16 and paperwork to be submitted in a timely manner.</li> </ol>	<p>CWD HOS</p> <p>Relevant Team manager</p> <p>Relevant Team Manager to have oversight</p> <p>Relevant Team manager/ Health Practice Lead</p>		September 2023
D) That work with Health colleagues be strengthened, particularly around joint commissioning and that appropriate health colleagues be invited to relevant groups and Strategic Board meetings associated with SEND to ensure joint working and service development.	<ol style="list-style-type: none"> <li>1) Where Strategic Boards are identified in relation to SEND as a need relevant Chair to ensure that Health Colleagues are invited to ensure joint working.</li> <li>2) DCO for health services to be invited to SEN development platforms for input and joint working</li> <li>3) Health Practice lead for social care to be invited to SEN development platforms for input and joint working</li> </ol>	<p>Relevant Chair Senior Manager</p> <p>HOS of SEND</p> <p>HOS of SEND</p>		September 2023
E) To establish a mechanism, including a Forum for parents/carers, to raise awareness between all groups associated with SEND so that everyone is aware of the work taking place within each of the groups so that opportunities for collaboration can be identified and duplication can be avoided.	<ol style="list-style-type: none"> <li>1) CWD HOS to attend meeting with and support Parents4Change.</li> <li>2) Parents4Change to attend development meetings in relation to SEND</li> <li>3) The model in actions 2 to be replicated in CWD service by team managers to support collaboration</li> <li>4) DSCO to attend CHSWG parent led group alongside NDCS for further</li> </ol>	<p>CWD HOS</p> <p>SEND development meeting Co-ordinator</p> <p>Relevant Team managers</p> <p>DSCO</p>		Actions 1,2 & 4 in place currently. Action 3 – by July 2023.

	reach to alternative parent led groups and for information and key points to be shared back to social care.			
F)	To ensure effective use of the Education Health and Care (EHC) process for young people with an identified SEND, up to the age of 25, to drive decision making and commissioning decisions in respect of the young person.	<ol style="list-style-type: none"> <li>1) Relevant HOS to develop a commissioning forum for social care funding decisions for children with EHCP</li> <li>2) DSCO to be included in the forum/ panel listed in action 1 for consistency as a social care representative who attends SEN resource panel</li> <li>3) Team managers to ensure EHCP's are considered as part of all planning for children</li> <li>4) DSCO to run a SEN support clinic which is attended by SEN managers and social care to offer advice and actions for social care practitioners around next steps in decision making for young people</li> </ol>	<p>HOS of SEND</p> <p>DSCO</p> <p>Relevant Team Managers</p> <p>DSCO</p>	September 2023



SCRUTINY RECOMMENDATION	PROPOSED ACTION	POST TITLE	BUDGET COST	TIMESCALE
<p><u>Care Leavers</u></p> <p>G) In line with Ofsted's findings from its monitoring visit to the Pathways (Leaving Care) Service in November 2022, in relation to areas requiring improvement, the Panel recommends that these areas be taken forward as part of the Improvement Plan and that progress be monitored and reported back to the Panel in six months' time.</p>	<p>1) Identified actions from the focused visit and the ILACS inspection will be incorporated within the post ILACS action plan.</p> <p>2) Updated Care Leavers Strategy &amp; Offer will be implemented to demonstrate increased aspiration for all young people through transition into adulthood.</p>	<p>Head of Service for Pathways</p> <p>All</p>		<p>On-going. Monthly reviews of progress. To be fully embedded by September 2023.</p>
<p>H) Ensure that all young people in care are introduced to the Pathways (Leaving Care) service at age 16 and that the process of being allocated a Personal Advisor to help support them in the transition of leaving care and preparation for independence be fully discussed with young people, taking into consideration their views and wishes.</p>	<p>1) Young people to receive support in relation to leaving care from the age of 16 years old and Pathway plans be completed, articulating the support needed for young people.</p> <p>2) Joint working between social workers and personal assistants (PA) for all young people from the age of 17 years.</p>	<p>Service Manager Pathways Team Managers Social workers</p>		<p>September 2023.</p>
<p>I) That adequate preparation and support in essential skills (such as cooking, shopping and money management) should be discussed as early as possible and regularly with young people to ensure they feel confident when leaving care and also that they are aware of who they can contact for help and support if needed.</p>	<p>1) Team Managers, Social workers and PA's to review young people's needs as part of the Pathway planning and to offer support and signpost to services.</p>	<p>Team Managers, Social workers &amp; PA's</p>		<p>On-going and reviewed monthly.</p>

SCRUTINY RECOMMENDATION	PROPOSED ACTION	POST TITLE	BUDGET COST	TIMESCALE
<p><u>Term of Reference A – To consider how the Council seeks to secure employment or training for young people with care experience and/or special needs</u></p> <p>J) That there is greater promotion of Middlesbrough Community Learning across all Council services, particularly Children’s Services, to ensure all staff are aware of the support that MCL can offer to young people, particularly those with care experience, additional needs or those who are NEET. This should include:-</p> <p>i) Appropriate representatives (Head of Service/Managers from the MCL Teams) to attend a Children’s Services DMT/LMT to promote their work and advise how they can potentially support vulnerable young people in a range of post-16 employment, education, training or apprenticeship pathways available to them. The information should be disseminated to Team Managers and staff across Children’s Services to ensure that all Social Workers, Practitioners and Personal Advisors are aware of the pathways available through MCL and to appropriately signpost young people (and their families/carers) to the service.</p> <p>ii) Better promotion of the 50 Futures Programme across all Council services, including information on</p>	<ol style="list-style-type: none"> <li>1) Relevant HOS to be invited to LMT to discuss need and supporting young people into education and employment</li> <li>2) Social workers, PA’s sharing education Employment and Training through the Pathway plan</li> <li>3) PA’s to be based in in-house services offering informal advice and guidance to young people in relation to Education Employment and Training</li> <li>4) 50 Futures to be invited to the leaving care job club for young people leaving care.</li> </ol>	<p>Relevant HOS</p> <p>Social workers and PA’s</p> <p>PA’s with oversight of relevant managers</p> <p>Relevant Team managers</p>		<p>August 2023</p>

<p>support provided to placement providers and the benefits of providing a 50 Futures placement for a young person.</p>				
<p>K) That the Action Plan currently being developed with the Virtual School and MCL be provided to the Panel upon completion, for information, and that students currently monitored by the virtual school be provided with the advice needed, in sufficient time before leaving school, of the pathways available to them, including those available through MCL for those where college was not a viable option.</p>	<p>1) PEP advisors to advise young people of their options when leaving school in their year 11 PEP. 2) Work readiness to work with young people 16+ to identify next steps 3) Social workers to work with young people to consider option for future learning through pathway planning.</p>	<p>PEP advisors  Work Readiness manager Allocated social workers</p>		<p>This is in place.</p>
<p><u>Term of Reference B - To look at ways in which young people with care experience are supported and encouraged to actively participate – with service development and part within their community</u></p> <p>L) The Panel supports the continuation of ongoing work by the Council’s Participation Team with a range of care experienced young people through a range of groups and forums and encourages alternative, innovative ways of engaging those young people who may not necessarily want to meet in person but may still have valuable feedback to share in terms of shaping service development, for example, through the app/online.</p>	<p>1) PA’s to base in in-house services which will help with engagement for young people who do not want to attend groups. 2) Participation team to continue to visit looked after children directly enabling them to give a voice as to what they want or how they feel. 3) Care Leavers forum to be set up by Pathways enabling those young people leaving care the ability to engage with their views wishes and feelings</p>	<p>Team manager leaving care  Participation Manager  Team manager leaving care</p>		<p>On-going work to engage CLA and Care Leavers. Review to take place July 2023.</p>

SCRUTINY RECOMMENDATION	PROPOSED ACTION	POST TITLE	BUDGET COST	TIMESCALE
M) To strengthen the programme of participation and inclusion for young people with SEND, and their families/carers, in order for them to contribute to service development, policies and procedures – ensuring their needs are met.	1) See proposed actions in L above. 2) Annual Youth conference to capture young people’s voices to take place 3) Inclusion, participation and youth voice workstream to be completed as a working project with multi-agency attendees and Parents4Change.	Participation Manager SEND and inclusion Managers		On-going work. Review monthly.
<p><u>Term of Reference C - To consider, where it is appropriate for a young person to move to supported accommodation or independent living, the options available and the support provided to young people and their families/carers (where appropriate) to prepare and plan for independent living</u></p> N) The Panel is supportive of the future accommodation proposals being developed in partnership with housing providers, particularly in relation to care leavers, and requests an update in relation to progress in the next six months.	1) HOS for supported Accommodation and leaving care to form part of the housing workstream 2) HOS to provide DCC, DCS and panel an update in relation to the housing offer in the next 6 months.	HOS Leaving Care, SA  HOS Leaving Care, SA		The work to increase the accommodation available to care leavers in on-going. Update to be provided within 6 months from 20.06.23.
O) That, in the development of the future accommodation proposals for care leavers, all relevant partners work together to ensure a package of holistic support is provided for each individual, tailored to meet their specific needs and that a detailed plan be produced, clearly setting out each element of the support to be provided to the individual. This plan should	1) Recruitment of a Registered Service Manager responsible for the supported Accommodation offer in Middlesbrough to be appointed. 2) Supported Accommodation to be registered with Ofsted 3) HOS and business support to take a lead role in the housing offer 4) HOS and business support to work closely with MBC Housing, Thirteen and	HOS SA Care leavers  SM SA and HOS  Relevant HOS  Relevant HOS	1x Grade P role already considered	On-going work in progress – review July 2023.

be provided to the young person and shared with professionals supporting them.

other providers in relation to suitable vacant properties.

SCRUTINY RECOMMENDATION	PROPOSED ACTION	POST TITLE	BUDGET COST	TIMESCALE
P) That all accommodation is checked by the housing provider and relevant children's social care staff to ensure that it meets the required living standards and is located in an area considered to be suitable for the young person, also taking into consideration the young person's wishes.	1) all accommodation for the use of supported accommodation to be included within the registration with Ofsted 2) A locality risk assessment to be completed for each property proposed/used for Supported Accommodation 3) Young people's views regarding housing offer to be captured by Social workers/PA's	Service Manager for SA  Service Manager for SA  Social Workers PA's		On-going work. Update to be provided September 2023.
Q) Once finalised and approved, the proposals for independent tenancies with RSLs (housing providers) should be incorporated into the Sufficiency Action Plan (theme 4 – Improving Placements and Support for Care Leavers) which forms part of the Corporate Parenting Strategy.	1) Lead officer in relation to the sufficiency action plan to consider having added independent tenancies to the action plan and to review the plan in a timely manner.	Lead Officer		To be reviewed in 9 months
R) That a directory be compiled for young people moving to independent living accommodation containing essential information about the property, local area and amenities and support contact numbers for services/support across all relevant partners (social care, housing, health services, police).	1) Supported accommodation guide to be created for in-house provision detailing what support and activities there are in the local area. 2) Middlesbrough Children Matter Website Care Leavers section to be reviewed and updated to reflect need to know information.	Service Managers for SA  Service Managers for SA and care leavers		September 2023

SCRUTINY RECOMMENDATION	PROPOSED ACTION	POST TITLE	BUDGET COST	TIMESCALE
<p><u>Term of Reference D - To examine how care experienced young people are supported with budgeting their finances and how they are supported to ensure their physical and emotional health needs are met</u></p> <p>S) That, as part of ensuring care leavers are provided with support in essential life skills, particular focus be placed on managing finances and budgeting and as part of the accommodation offer for care leavers, detailed planning in relation to financial entitlements and benefits are clearly set out for each young person.</p>	<ol style="list-style-type: none"> <li>1) Social workers and PA's to complete work with young people around understanding of their finances and entitlements and benefits. This will be recorded within the Pathway plan and visits.</li> <li>2) Team Managers to oversee and offer support and guidance to social workers and PA's through supervision and management oversight.</li> </ol>	<p>Social workers and PA's</p> <p>Team Managers</p>		<p>This is in place and will continue to be reviewed through regular supervision and audit.</p>
<p>T) All care leavers should be provided with information, as part of their Pathway Plan, as to where they can access help with their mental health and emotional well-being, including access to the dedicated CAMHS worker who is part of the Pathways service team, and other relevant services/support/peer groups to avoid social isolation.</p>	<ol style="list-style-type: none"> <li>1) PA's and Social workers to offer a relational approach in line with practice model enabling young people to open up and discuss how they feel.</li> <li>2) Social workers and PA's to discuss and offer support from CAMHS role based in pathways.</li> <li>3) Referrals and signposting to relevant support and services.</li> </ol>	<p>Social Workers and PA's</p> <p>Social Workers and PA's</p> <p>Social Workers and PA's</p>		<p>This is in place and will continue to be reviewed through regular supervision and audit.</p>
<p>U) The Panel welcomes the introduction of Health Passports for young people leaving care as it provides essential medical history for young people in the future. The Panel feels this is an essential document and requests that the importance of the document is discussed and reinforced to young people on a regular basis.</p>	<ol style="list-style-type: none"> <li>1) Social workers, PA's and Resource Workers will complete direct work with young people around health needs/ health passports &amp; support to complete where necessary.</li> <li>2) Identified workers will support young people to attend appointments where relevant.</li> </ol>	<p>Social Workers, PA's, Resource Workers and Young People.</p>		<p>This work is in progress. Update to be provided September 2023.</p>

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SCRUTINY RECOMMENDATION	PROPOSED ACTION	POST TITLE	BUDGET COST	TIMESCALE
<p>V) That relevant partners (Health, Children's Social Care and Adoption Tees Valley) explore the possibility of providing a similar health passport for young people who become adopted.</p>	<p>1) ATV and other partners to consider the use of health passports for adopted children, where relevant.</p>	<p>Adoption Lead, Health and ATV.</p>		<p>Review by December 2023.</p>
<p><u>Term of Reference E - To look at how young people with care experience and/or additional needs are supported to become more independent in travelling to school/college/other education settings/places of employment, or to help them become more independent with travelling socially</u></p> <p>W) The Panel is supportive of the independent travel training (ITT) provided to young people to help them have confidence to travel independently to education/employment settings or socially. It recommends that ITT be offered to all young people in Middlesbrough with SEND and/or care experience, where it is deemed they have capacity to travel independently and that this be monitored.</p>	<p>1) Young people abilities to use public transport to be discussed during reviews of their Pathway Plan and as part of the pathway to independence, travel training will be considered as part of the transition to adulthood.</p>	<p>Social worker, PA's</p>		<p>September 2023.</p>

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<b>MIDDLESBROUGH COUNCIL</b>	
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<b>Report of:</b>	Executive Member for Regeneration Director of Regeneration
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<b>Submitted to:</b>	Executive
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<b>Date:</b>	20 June 2023
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<b>Title:</b>	Approach to Nutrient Neutrality and delivery of Middlesbrough Council housing schemes
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<b>Report for:</b>	Decision
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<b>Status:</b>	Public
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<b>Strategic priority:</b>	Physical environment
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<b>Key decision:</b>	Yes
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<b>Why:</b>	Affects 2 or more Wards
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<b>Urgent:</b>	No
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<b>Why:</b>	Not Applicable
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<b>Executive summary</b>	
<p>In March 2022, statutory advice was issued by Natural England, requiring the Council to consider Nutrient Neutrality when determining certain planning applications.</p> <p>This report sets out the background to Nutrient Neutrality and the Council’s approach to dealing with it, and seeks approval for the assessment of the Council’s land holdings to be used as mitigation to help achieve Nutrient Neutrality.</p>	

## **Purpose**

1. This report sets out the background to Nutrient Neutrality and the Council's approach to dealing with it, and seeks approval for the assessment of the Council's land holdings to be used as mitigation to achieve Nutrient Neutrality.

## **Background and relevant information**

2. On 16<sup>th</sup> March 2022, Natural England published statutory advice for certain local planning authorities, including Middlesbrough Council, setting out a requirement for new developments to achieve Nutrient Neutrality. All planning authorities within the Tees River Catchment are affected by this advice, due to excess levels of nitrogen being recorded in the River Tees.

3. The Conservation of Habitats and Species Regulations 2017 (as amended) are the UK's transposition of European Union Directive 92/43/EEC on the 'Conservation of natural habitats and of wild fauna and flora' (the Habitats Directive). The Habitats Directive states:

*'[Whereas] an appropriate assessment must be made of any plan or programme likely to have a significant effect on the conservation objectives of a site which has been designated or is designated in future'.*

4. The Teesmouth and Cleveland Coast Special Protection Area and Ramsar Site (hereafter referred to as the SPA) is a designated European habitat site, meaning it is offered the highest level of protection under the legislation. The Council, in its role as the 'Competent Authority', has a statutory duty to ensure that new development proposals accord with this legislation. Therefore, it must not allow development proposals to proceed if they are likely to have a significant effect on the SPA.
5. The statutory advice issued by Natural England means that certain developments, which could lead to an increase in the level of nitrogen in the River Tees, cannot proceed without achieving Nutrient Neutrality.

## **What is Nutrient Neutrality?**

6. The term 'Nutrient Neutrality' is used to describe an approach whereby the level of nutrients discharged from a site after a development takes place is the same, or lower, than before. In Middlesbrough's case, it currently used to refer to the level of nitrogen discharging from a site and ending up in the River Tees.

## **Why is this an issue now?**

7. It is important to note that there have been no new legislative or policy changes that have resulted in Nutrient Neutrality becoming an issue for Middlesbrough Council. Instead, it is the increased level of nitrogen recorded in the River Tees that has led to the advice being issued by Natural England. Nitrogen can enter the River from various sources, with large contributors being agriculture and industry, with domestic waste water discharge also making a contribution as a result of human activity. Excessive levels of nitrogen can lead to algae blooms, which can significantly affect protected species and their habitats.

## What does this mean for development in Middlesbrough?

8. The Council (as local planning authority) is not able to control existing lawful development and uses of land, so the statutory advice is focused on controlling nitrogen discharges as a result of future development. The Council should not issue any grant of planning permission for affected development unless it is satisfied that Nutrient Neutrality will be achieved.
9. In line with the advice, only certain developments fall within scope of Nutrient Neutrality. The focus is on development that would lead to more people staying overnight in the borough, as this would increase the level of nitrogen discharged through the waste water system. Other developments that have a specific process that involves nitrogen use may also fall within scope.
10. Below is a table showing the main development types in Middlesbrough and whether they fall within scope for Nutrient Neutrality.

<b>IN SCOPE</b>	<b>OUT OF SCOPE</b>
Residential development	Commercial
Hotels / other tourist accommodation	Offices
Student accommodation	Industrial (unless nitrogen specifically discharged)
	House extensions
	Hospital development (unless more beds created)

11. Development that already has planning permission, but has not yet started, will still be able to come forward provided it does not require a further planning application (where the Nutrient Neutrality issue may be considered).

## Determining Nitrogen Levels of Proposed Development

12. Alongside the statutory advice, Natural England published a “Nutrient Neutrality Budget Calculator” for the SPA. This allows the input existing and future land uses to determine the impact of proposed developments on nitrogen discharges. Brownfield land is disproportionately affected due to it typically having very low levels of existing nitrogen discharge compared to, say, agricultural land.
13. Upon receiving this calculator, it became apparent that its assumption of the impact of new housing development on our population (and therefore nitrogen levels) did not accord with our established understanding of population change that underpins the Local Plan. The calculator assumed an additional 2.4 people for every dwelling provided.
14. With this in mind, a study was commissioned (entitled “Reviewing the evidence on population growth resulting from provision of new homes in Middlesbrough” – see Appendix 2) to look specifically at the relationship between new housing development

and population in Middlesbrough. The report identified that, whilst there has been a significant number of new houses built in Middlesbrough over recent years, the population has seen only a relatively modest increase. This is due to the impact of people living longer, more people leaving the Middlesbrough area than migrating to it, and a general decrease in average household size (meaning the population is spread more thinly across the housing stock).

15. The report concluded that 0.6 additional people per dwelling is a more representative figure in Middlesbrough, and this is now being used as a revised input in the budget calculator. The consequence of this is that new housing development is now calculated to have a lower impact on nitrogen levels in the SPA and is considered to be a more accurately reflection of the Middlesbrough situation.

### **Considering Nutrient Neutrality in Planning Applications**

16. In-scope development proposals are required to be supported by a Habitats Regulations Assessment (HRA). This should identify the potential impact of the development on the SPA, and any proposed mitigation. A standardised HRA pro-forma (see Appendix 3) has been produced by the Council for applicants to use (should they wish). The Natural England Nutrient Neutrality Budget Calculator should be used to inform this, in line with our own evidence base.

17. The Council has continued to consider all planning applications received in the normal way:

1. Out-of-scope developments are not affected by Nutrient Neutrality;
2. For in-scope development where the HRA determines that Nutrient Neutrality will be achieved, then applications are determined in the usual way; and
3. Where the HRA identifies that the level of nitrogen would be higher as a result of the development then it is not possible to approve an application until appropriate mitigation is agreed. Refusals can continue to be issued as normal, and it may be necessary to refuse an otherwise acceptable application if appropriate mitigation cannot be agreed.

18. Since the Natural England advice was issued, the Council has been unable to determine planning applications for 1,452 dwellings, 285 bedrooms student accommodation, a 4 bedroom HMO & a 48 bed hotel.

### **Mitigation**

19. There are broadly two approaches to mitigation being promoted by Natural England. The first involves taking agricultural land out of use. Agriculture and farming normally involve high levels of nitrogen discharge as a result of fertiliser or activity associated with animals, and will most likely be a higher contributor of nitrogen than new in-scope development. By ceasing those uses, there will be a net positive impact on the River. The main benefit of this approach is that it is a quick and certain solution. However, it requires a significant amount of land to be taken out of productive food production and laid fallow, and there is a limited supply of appropriate land within Middlesbrough's boundary.

20. The second approach involves the creation of “constructed wetlands”. Natural reed filtration systems are developed to capture water prior to it entering the River Tees. As it passes through the filtration system, nitrogen is removed from the water before it is discharged into the River. This option is more technical, will take approximately 3 years to get in place, and will require ongoing, and often expensive, maintenance.
21. It is the responsibility of the applicant to identify appropriate mitigation where it is required. Both approaches to mitigation will come at a cost to the developer/landowner and may have an impact on the amount of development taking place in Middlesbrough, especially the number of new dwellings.
22. Natural England has confirmed that mitigation must be provided within the Tees Catchment. Therefore, any solutions must prevent additional nitrogen entering the River Tees. Mitigation must be secured “in perpetuity”, in line with the legislation

### **Levelling Up and Regeneration Bill**

23. Although the existing legislation requires mitigation to be secured in perpetuity, the new Levelling Up and Regeneration Bill proposes placing a new duty on water authorities to remove nutrients in affected areas by 2030. Whilst the level of benefit will vary for each area, the latest analysis by Natural England suggests that 98.27% of nitrogen impacts arising from new housing development in the Tees Catchment will be mitigated by this new duty. Therefore, assuming this legislation is enacted, the vast majority of mitigation required to support development proposals in Middlesbrough will only need to be in place until 2030.

### **Natural England’s Nutrient Mitigation Scheme**

24. Natural England has implemented its “Nutrient Mitigation Scheme” for the Tees Catchment from 31<sup>st</sup> March 2023. This involves Natural England progressing both the purchase of agricultural land and the development of constructed wetlands, in order that they can sell ‘credits’ to developers to mitigate their development proposals.
25. Natural England started issuing certificates from its scheme in May 2023, and with the scheme being designed to make credits available during 4 application periods each year. However, there is unlikely to be sufficient mitigation provided through this scheme to support all of the development affected within the Tees Catchment. Natural England have confirmed that credits will be issued on a first-come/first-served basis with a focus on prioritising the delivery of new housing (wherever that may be).

### **The use of Council-owned land as mitigation**

26. The Council owns a significant amount of land that is currently in use for agriculture purposes, and subject to farm business tenancies. There is an option to take this land out of agricultural use to help achieve Nutrient Neutrality on some in-scope development sites elsewhere in the borough.
27. The Council’s agricultural land holdings have been subject to an initial assessment to identify those field that would be suitable for taking out of use to help achieve Nutrient Neutrality. This has concluded that 12 parcels of land, totalling 60.3 hectares, are suitable, all of which are located in the south of the borough near Coulby Newham and

Nunthorpe. An initial assessment of these sites using the Natural England’s Nutrient Neutrality Budget Calculator suggests that approximately 765 kg TN/year of nitrogen mitigation could be achieved by removing them from agriculture. A list of these sites and map are attached at Appendix 4.

28. There would be financial costs to the Council in taking these sites out of agricultural use. Firstly, there would be a loss of income associated with the farm business tenancies. If all the sites were subject to tenancies, the Council would receive a rental income of approximately £16,000 per annum. However, not all the sites are currently subject to tenancies, so the income for 2023 is expected to be well below this level. All the tenancies currently in place are due to expire on 30<sup>th</sup> September 2023, meaning there would be no termination costs, and no new leases would be agreed. Secondly, there would be ongoing maintenance costs associated with managing these sites. The total maintenance costs have been estimated below:

Flail cut hedgerow	£4,400
Total cut and bale costs	£12,000

29. The actual costs incurred will depend upon management regime, and future use chosen for each field.

30. The financial costs need to be considered against the potential benefits associated with the Council bringing sites forward for development, namely housing schemes. Firstly, from a planning perspective, every house built contributes to the identified housing requirement, meeting local needs. Secondly, there will be extra Council Tax revenue each year for every new property occupied. Thirdly, for each new home built in the borough, the Council receives additional grant funding through the New Homes Bonus. And finally, for sites brought forward on Council-owned land, there will be a capital receipt payable to the Council. A list of Council-owned housing sites that could benefit from this approach is attached at Appendix 5.

31. Whilst the most benefit could be achieved by supporting development of Council-owned land, it would also be possible to support the delivery of third-party land through the sale of nitrogen credits in a similar way to the Natural England Mitigation Scheme. This is likely to be considered on a case-by-case basis.

32. Given the wide range of development opportunities available, it is not possible to accurately determine the exact financial benefits to the Council of supporting development through using agricultural land to mitigate for Nutrient Neutrality. However, it is estimated that the agricultural sites could help achieve the following:

- Over 1,400 additional dwellings;
- Over £380,000 in additional Council Tax receipts during the Medium Term Financial Planning period to 2025/26, and over £3.37m in additional Council Tax receipts per year once all the sites are developed;
- Contribution to additional New Homes Bonus grant (subject to its continuation); and
- Approximately £54.8m in capital receipts (gross).



33. Therefore, the potential financial benefits associated with removing the sites from agricultural use considerably outweigh the costs.
34. In order to meet the requirements of the Habitats Regulations, mitigation must be in place 'in perpetuity', meaning the Council must ensure agricultural land is no longer used for such purposes, and managed accordingly. However, this can be reviewed either once the provisions set out in the Levelling Up and Regeneration Bill come into effect, or should any other approach that achieves the necessary mitigation be implemented.

### **Alternative Uses for Agricultural Land**

35. Whilst one option in taking land out of agricultural use is to allow it to lay fallow, it is perhaps preferable to find alternative uses for the land to bring wider public and community benefits. Such benefits can take many forms and it is important to consider a variety of uses that complement each other and deliver these community benefits.
36. The fields provide an important strategic opportunity to create an accessible green infrastructure network that serves the whole of the Middlesbrough community delivering numerous Council priorities. For example, the fields around the Newham Hall development could be used to extend the proposed green infrastructure and greenspace networks required as part of that development, this will significantly improve access to recreational, leisure, and green space opportunities and enhance the setting and value of the development.
37. Potential may also exist for improving access to organic community gardening opportunities, other uses include the potential to deliver increased biodiversity and wildlife opportunities to help the Council meet its biodiversity obligations, opportunities for active sports and playing field provision, and create and extend the network of Public Rights of Way. Alternatively, an economic use, such as a solar farm, may be an appropriate compatible use. In considering such uses it is important that regard has had to not increasing nitrogen loading as this would negate the purpose of taking the sites out of agricultural uses.
38. Going forward it is proposed that a masterplan is developed identifying these opportunities, how they all link together and contribute to the delivery of wider Council aspirations and priorities, and how they can be delivered. This masterplan will be subject to a future report to the Executive.

### **Next Steps**

39. The Council will continue to determine planning applications in the normal way, requiring an HRA to consider the issues with in-scope development. It is anticipated that more of these applications will be able to proceed to an approval as a result of Natural England's Nutrient Mitigation Scheme, and as a consequence of our own evidence base on the relationship between housing and population growth.
40. Further work will be undertaken to firm up the mitigation levels that the Council's farm assets can deliver to determine their potential to help achieve Nutrient Neutrality. This will then be used to develop a programme for taking farm holdings (or parts thereof) out

of agricultural use. Management plans will be prepared for the ongoing maintenance of these sites (or until an alternative compatible use is agreed).

41. It is likely that land will need to be taken out of agricultural use in advance of both the planning decision and when it is required for mitigation. In order for the Council to manage this process whilst properly exercising its duties as competent authority, it will be necessary to develop a register and internal credit system to allocate and secure nitrogen credits for residential schemes.

### **What decision(s) are being recommended?**

42. That the Executive:

1. agrees, to take the sites identified in Appendix 4 out of agricultural use, once all existing farm business tenancies have expired, so that they can be used as mitigation to achieve Nutrient Neutrality; and
2. delegates authority to the Director of Regeneration, in consultation with the Executive Member for Regeneration, to agree an internal credit system for the allocation of nitrogen credits to mitigate the impact of new housing development.

### **Rationale for the recommended decision(s)**

43. To enable the use of the Council's landholdings to support the delivery of new housing, which is either being brought forward on Council-owned land or by third parties elsewhere.

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

44. If the Council wishes to bring forward its own land for in-scope housing development, then it is likely that offsite mitigation will need to be secured. This could be done through Natural England's Nutrient Mitigation Scheme, any alternative third-party mitigation scheme (should they be forthcoming), through the acquisition of alternative agricultural land elsewhere in the Tees Catchment, or the development of constructed wetlands. All of these are likely to be costly and/or time consuming to achieve, potentially making it more challenging to bring Council-owned land forward for development. It is not recommended that any of these options be pursued in the absence of full consideration of using the Council's own landholdings.

### **Impact(s) of the recommended decision(s)**

#### ***Legal***

45. The consideration of planning proposals must be undertaken in accordance with the Town and Country Planning Act 1990.

46. The Conservation of Habitats and Species Regulations 2017 (as amended) are the UK's transposition of European Union Directive 92/43/EEC on the 'Conservation of natural habitats and of wild fauna and flora' (the Habitats Directive). Any development proposals which could significantly affect the conservation objectives of a designated site must be subject to an Appropriate Assessment under these Regulations.

47. There are no legal implications associated with the allowing existing farm business tenancies to expire.

48. The sites will need to be maintained by the Council in such a way that they deliver mitigation to achieve Nutrient Neutrality in perpetuity. This position can be reviewed either once the provisions proposed in the Levelling Up and Regeneration Bill come into effect, or should any other approach that achieves the necessary mitigation be implemented.

**Strategic priorities and risks**

49. The following risks are affected by this report:

O8-055	If the Council doesn't respond effectively and efficiently to legislative changes it could be in breach of statutory duties in relation to service delivery and fail to make the most of opportunities.	There is a legal requirement for the Council to consider the impact of development on the Teesmouth and Cleveland Coast SPA and Ramsar Site.
O1-005	If poor economic growth occurs, then this will reduce public and private sector investment in the town, including town centre retail, housing development and business.	The issue of Nutrient Neutrality has already delayed a significant number of planning applications, which could have an impact on economic growth.
O1-051	A major downturn in housing growth that results in a significant decline in new housebuilding in Middlesbrough, resulting in lower house building rates lower Council Tax receipts and thereby increasing the risk of impact on successful delivery of the MTFP.	The issue of Nutrient Neutrality has already delayed a significant number of planning applications, which could have an impact on the delivery of new housing.

**Human Rights, Equality and Data Protection**

50. This report has been subject to an initial Impact Assessment (IA), which accompanies this report (see Appendix 1). This identifies that a full IA is not necessary

**Financial**

51. The Tees Catchment has been awarded £100,000 by the Government to help deal with the issues arising from Nutrient Neutrality in the River Tees. This is being managed by Stockton-on-Tees Borough Council in its role as lead authority and is being used to fund joint work across the catchment.

52. The costs associated with the Council’s approach to dealing with Nutrient Neutrality, and the assessment of the Council’s landholdings, are being met through established departmental budgets.

53. There will be a cost to the Council in terms of lost revenue from the farm tenancies (up to £16,000 per annum) and the implementation of mitigation solutions including their ongoing maintenance of up to £16,400 per annum. This loss of revenue needs to be considered against the benefits in terms of achievement of capital receipt (approximately £54.8m), council tax (over £380,000 in the period to 2025/26 and over £3.37m per annum once sites are fully developed) and any new homes bonus that the Council will achieve from releasing and delivering housing sites.

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

Action	Responsible Officer	Deadline
Agree internal credit system for the allocation of nitrogen credits to mitigate the impact of new housing development.	Richard Horniman	September 2023
Agree maintenance plans for the sites taken out of agricultural use.	Geoff Field	September 2023

**Appendices**

1	Initial Impact Assessment
2	Reviewing the evidence on population growth resulting from provision of new homes in Middlesbrough (ORS, 2022)
3	Standardised HRA pro-forma
4	List of Council-owned Fields with Farm Business Tenancies and map
5	List of Council-owned Housing Sites

**Background papers**

Body	Report title	Date

**Contact:** Alex Conti, Strategic Policy Manager  
**Email:** [alex\\_conti@middlesbrough.gov.uk](mailto:alex_conti@middlesbrough.gov.uk)

Appendix 1 – Initial Impact Assessment of the Approach to Nutrient Neutrality and delivery of Middlesbrough Council housing schemes

Impact Assessment Level 1: Initial screening assessment

<b>Subject of assessment:</b>	Approach to Nutrient Neutrality and delivery of Middlesbrough Council housing schemes			
<b>Coverage:</b>	Crosscutting			
<b>This is a decision relating to:</b>	<input checked="" type="checkbox"/> <b>Strategy</b>	<input checked="" type="checkbox"/> <b>Policy</b>	<input type="checkbox"/> <b>Service</b>	<input type="checkbox"/> <b>Function</b>
	<input type="checkbox"/> <b>Process/procedure</b>	<input type="checkbox"/> <b>Programme</b>	<input type="checkbox"/> <b>Project</b>	<input type="checkbox"/> <b>Review</b>
	<input type="checkbox"/> <b>Organisational change</b>	<input type="checkbox"/> <b>Other (please state)</b>		
<b>It is a:</b>	<b>New approach:</b>	<input checked="" type="checkbox"/>	<b>Revision of an existing approach:</b>	<input type="checkbox"/>
<b>It is driven by:</b>	<b>Legislation:</b>	<input checked="" type="checkbox"/>	<b>Local or corporate requirements:</b>	<input type="checkbox"/>
<b>Description:</b>	<p><b>Key aims, objectives and activities</b></p> <p>To assess the impact of the Approach to Nutrient Neutrality and delivery of Middlesbrough Council housing schemes.</p> <p><b>Statutory drivers</b></p> <p>The Conservation of Habitats and Species Regulations 2017 offer protection to designated European habitat sites, including the Teesmouth and Cleveland Coast Special Protection Area and Ramsar Site. The Council, in its role as the ‘Competent Authority’, has a statutory duty to ensure that new development proposals accord with this legislation. Therefore, it must not allow development proposals to proceed if they are likely to have a significant effect on the SPA. Statutory advice issued by Natural England means that certain developments, which could lead to an increase in the level of nitrogen in the River Tees, cannot proceed without achieving Nutrient Neutrality. This report sets out the Council’s response to this legislation and advice, and its approach to using agricultural land holdings to support housing delivery.</p> <p><b>Differences from any previous approach</b></p> <p>The statutory advice issued by Natural England means that any planning applications determined after 16<sup>th</sup> March 2022 for certain types of development involving people staying overnight, such as housing and hotels, can only be approved where there is appropriate mitigation in place to achieve nutrient neutrality.</p>			

	<b>Key stakeholders and intended beneficiaries (internal and external as appropriate)</b> The key stakeholders are: the Council; Natural England; Local Community; and Private Landowners.			
	<b>Intended outcomes.</b> To seek approval of the Approach to Nutrient Neutrality and delivery of Middlesbrough Council housing schemes.			
<b>Live date:</b>	The Executive will consider the report seeking approval for the Approach to Nutrient Neutrality and delivery of Middlesbrough Council housing schemes on 20 <sup>th</sup> June 2023.			
<b>Lifespan:</b>	Once the decision is made the approach will be implemented immediately, and will remain in place in perpetuity, or until an alternative approach to achieving nutrient neutrality is put in place.			
<b>Date of next review:</b>	Not applicable			
Screening questions	Response			Evidence
	No	Yes	Uncertain	
<b>Human Rights</b> Could the decision impact negatively on individual Human Rights as enshrined in UK legislation?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The report seeks to implement an approach that it consistent with the legislation, and national and local policies, that comply with Human Rights legislation.  It is, therefore, considered that the report will not have an adverse impact on individual human rights.
<b>Equality</b> Could the decision result in adverse differential impacts on groups or individuals with characteristics protected in UK equality law? Could the decision impact differently on other commonly disadvantaged groups?*	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The report seeks to implement an approach that it consistent with the legislation, and national and local policies, that comply with Equality legislation.  In light of the above, it is not considered that the report will have an adverse impact on different groups or individuals in terms of equality.

<p><b>Community cohesion</b></p> <p>Could the decision impact negatively on relationships between different groups, communities of interest or neighbourhoods within the town?*</p>	☒	☐	☐	<p>The report seeks to implement an approach that is consistent with the legislation, and national and local policies.</p> <p>In light of the above, it is not considered that the report will impact negatively on relationships between different groups, communities of interest or neighbourhoods within the town.</p>
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**Next steps:**

- ➡ If the answer to all of the above screening questions is No then the process is completed.
- ➡ If the answer to any of the questions is Yes or Uncertain, then a Level 2 Full Impact Assessment must be completed.

<b>Assessment completed by:</b>	Alex Conti	<b>Head of Service:</b>	Paul Clarke
<b>Date:</b>	22/05/23	<b>Date:</b>	22/05/23

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# Reviewing the evidence on population growth resulting from provision of new homes in Middlesbrough

November 2022

## SUMMARY OF KEY POINTS

*Natural England has taken an assumption that each new home will result in an extra 2.4 persons resident in the local area*

*Middlesbrough Council commissioned ORS to consider the weight to be placed on that assumption and prepare an evidence-based review of the relationship between population growth and provision of new homes*

*The review first considered the relationship nationally, and then considered relevant details about the local circumstances in Middlesbrough*

*Based on the evidence, ORS concluded that the annual change in dwelling stock has very limited influence on annual population nationally – building either more or less homes across England is unlikely to result in higher or lower population growth*

*There is a clear correlation between the change in population and dwelling stock by local area: larger increases in stock tended to result in larger increases in population, lower increases in stock resulted in lower population increases*

*Four fifths of all local areas had an average that was lower than the Natural England assumption of 2.4 persons*

*The resident population living in Middlesbrough increased by 5,400 persons over the intercensal period 2011 to 2021 and the stock increased by 4,400 dwellings, equivalent to an average gain of 1.25 persons per dwelling across the whole area*

*Further analysis of the population data demonstrated that a baseline of new housing provision was needed to accommodate changes to the local population, with further provision enabling migrant population to move to the area*

*As a consequence, the relationship between population growth and the provision of new homes is non-linear, and when considering the evidence for Middlesbrough the average number of persons per dwelling is sensitive to the overall rate of delivery*

*The provision of 4,400 dwellings resulted in a gain of 1,000 extra residents living in dwellings in Middlesbrough: an average of 0.23 persons per dwelling – however, this figure depends on the overall number of new homes that are provided*

*On balance, the highest 5-year average of dwelling delivery over 30 years provides a reasonable upper-end estimate, with yields an average of **0.6 persons per dwelling***

*This provides an appropriate evidence-based local figure for Middlesbrough*

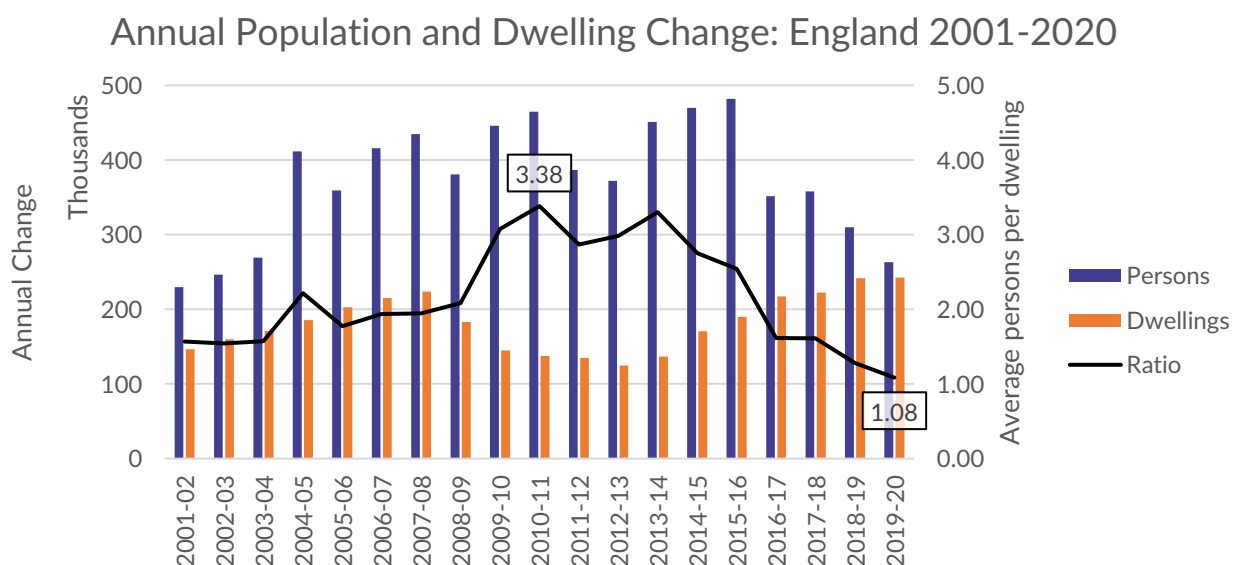
## Setting the Context

1. Middlesbrough Council has commissioned Opinion Research Services (ORS) to undertake an evidence-based review of the relationship between population growth and the provision of new homes. More specifically, the Council want to understand the weight that can be placed on the assumption taken by Natural England that each new home will result in an extra 2.4 persons resident in the area.
2. Given that context, the review first establishes the relationship nationally, and then considers the local circumstances.

## New Homes and Population Growth in England

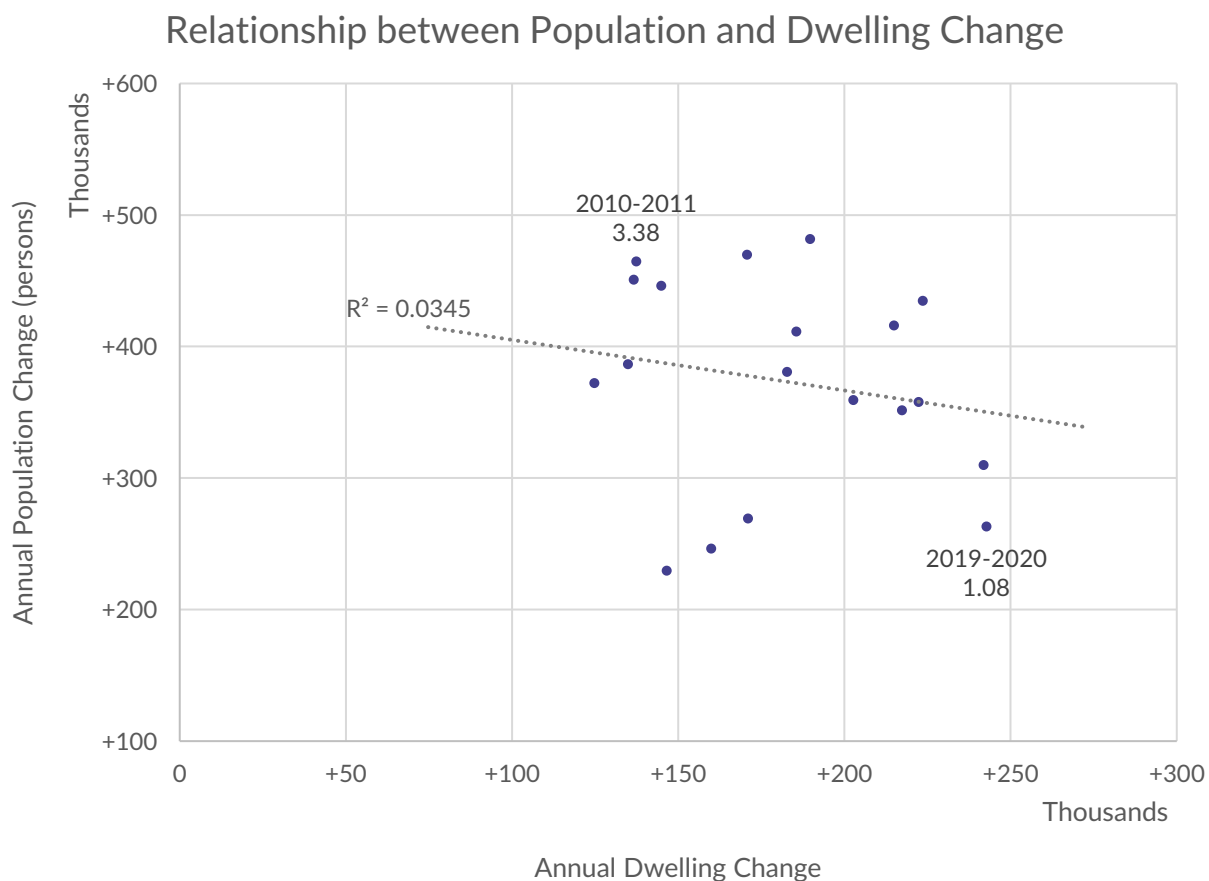
3. Data from the Census shows that the population for England increased from 53.0 million to 56.5 million persons over the 10-year period 2011-2021, with a growth of 3.48 million persons over the period. Over the same period, Government data confirms that the dwelling stock increased from 23.0 million to 24.9 million homes, with an additional 1.90 million dwellings provided over the period. Given this context, we can conclude that there was an average of 1.83 persons for each additional dwelling provided at a national level across England.
4. The rate of population growth over the decade 2011-2021 was lower than the previous intercensal period 2001-2011 (3.48 cf. 3.87 million) whilst the number of new homes provided was higher (1.90 cf. 1.77 million). As a consequence, there was an average of 2.19 persons for each additional dwelling provided nationally over the period 2001-2011.
5. Whilst the Census is considered to provide the most robust estimate of population growth, the Office for National Statistics (ONS) publish estimates of population growth each year. The following charts show the annual changes each year over the period 2001 to 2020.

Fig 1 Annual Population and Dwelling Change for England 2001 to 2020 (Source: Mid-year Population Estimates, ONS; Net additional dwellings by local authority district, Live Table 122)



6. The data shows that there was a notable increase in population growth from 2004-2005 which was the year in which the A10 accession countries joined the European Union. This higher rate of growth was broadly sustained until 2015-2016, but there have been lower rates of growth since the Brexit referendum in 2016 and more recently as a result of the Covid pandemic.
7. Dwelling delivery increased over the decade from 2001, but progressively reduced following the financial crisis in 2008. Since the introduction of the National Planning Policy Framework in 2012, the number of new homes delivered annually has increased year-on-year.
8. Considering the data on an annual basis, the number of persons for each additional dwelling peaked at an average of 3.38 persons in 2010-2011, but the latest data shows a notably lower average of 1.08 persons for 2019-2020. On the basis of data, we can therefore conclude that the relationship between housing delivery and population growth varies over time, even at a national level.
9. The following chart plots the relationship between annual population and dwelling change. The  $R^2$  value identifies the strength of correlation between the figures. An  $R^2$  value of 1.0 means that they are perfectly correlated, whereas an  $R^2$  value of 0.0 means that there is no correlation. The relationship between annual population and dwelling change for England for the 19 years 2001-2002 to 2019-2020 has an  $R^2$  value of 0.03 which means that there is extremely limited correlation between the figures.

Fig 2 Relationship between Annual Population and Dwelling Change for England 2001 to 2020 (Source: Mid-year Population Estimates, ONS; Net additional dwellings by local authority district, Live Table 122)

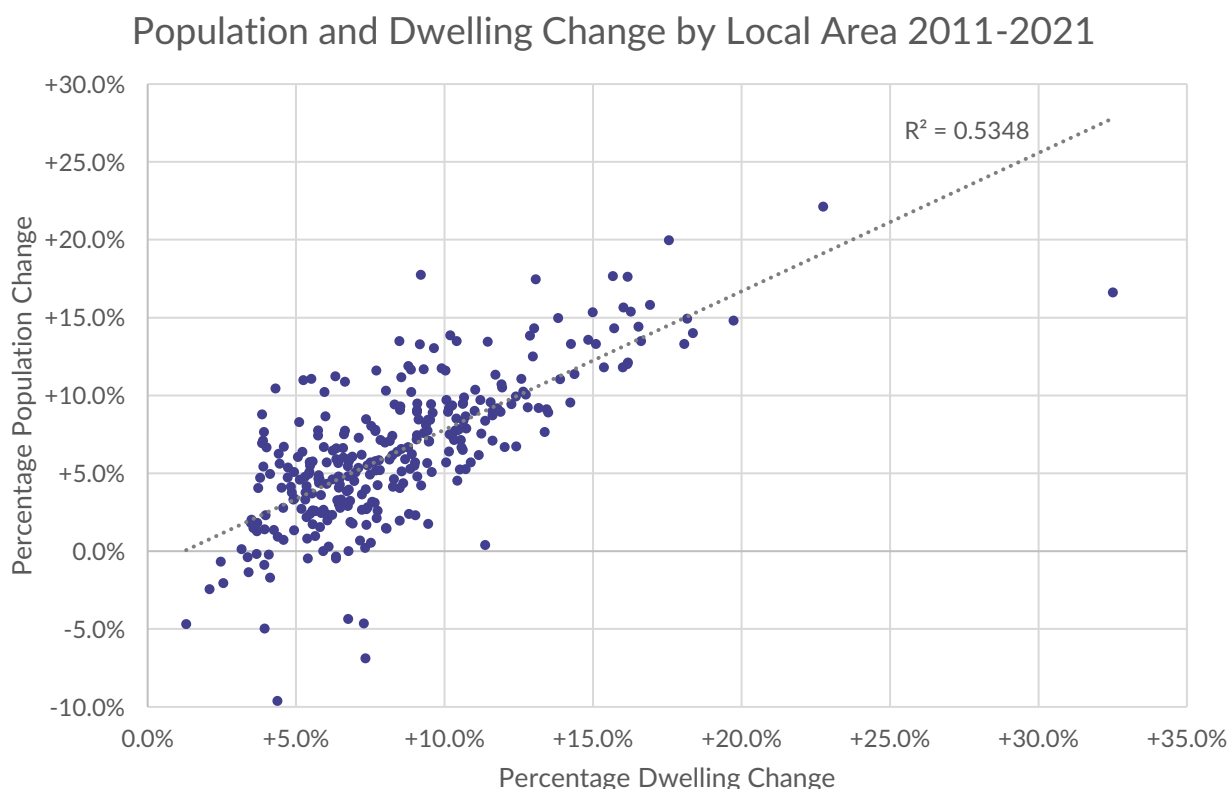


10. Given this context, we can conclude that the annual change in dwelling stock has very limited influence on annual change in population at a national level – in other words, building more new homes is unlikely to result in higher population growth nationally across England, and building fewer new homes is unlikely to result in lower population growth nationally.
11. However, the evidence demonstrates that the average number of persons for each additional dwelling provided nationally has ranged from a minimum of 1.08 persons to a maximum of 3.38 persons each year over the period 2001-2020, with a median (mid-point) of 1.94 persons. Therefore, even if it was possible to assume that population growth was dependent on the number of new homes provided, the evidence does not support the Natural England assumption that each new home will result in an extra 2.4 persons resident.
12. Census data identifies an average of 1.83 additional persons for each additional dwelling provided over the last decade at a national level across England, whereas the median annual figure identifies an average of 1.94 persons for each additional dwelling. The Natural England assumption of 2.4 persons on average is between 24% and 31% higher than the data for England.

## New Homes and Population Growth by Local Area

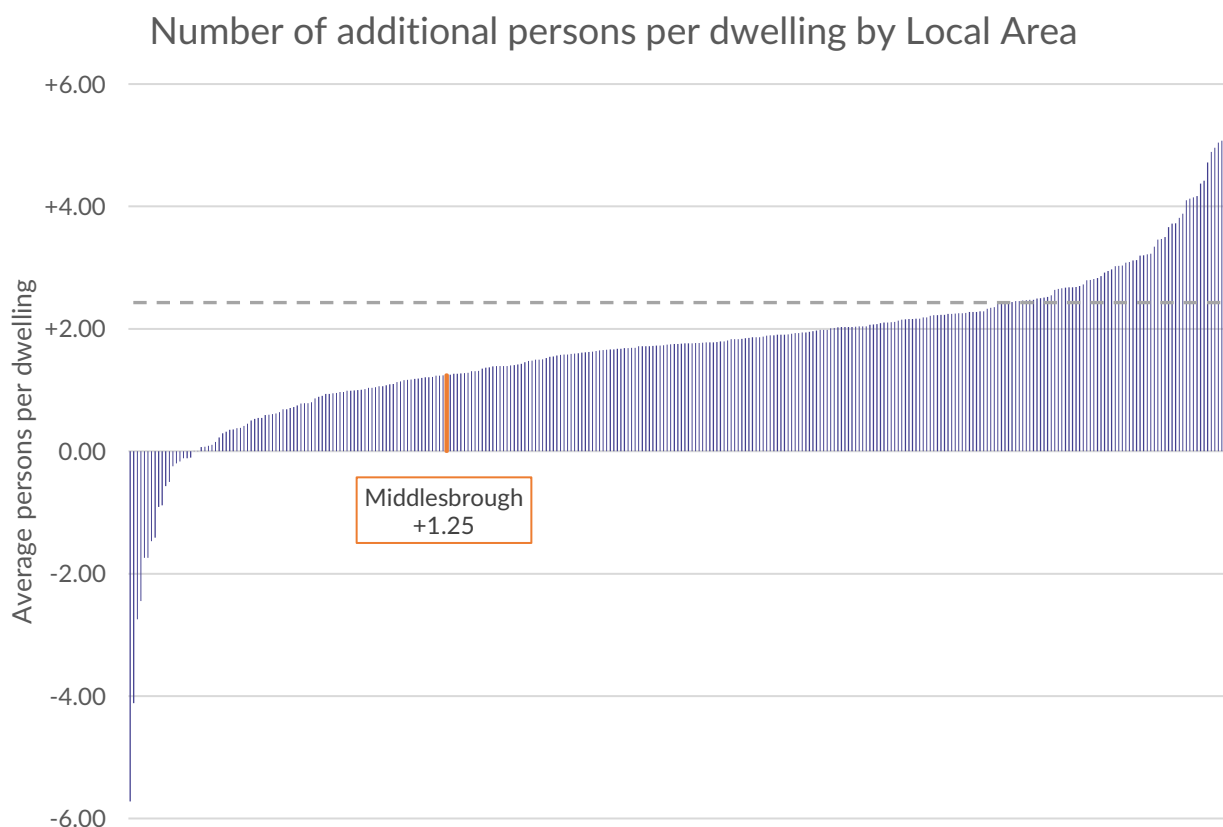
13. Whilst the number of new homes has a very limited influence on the population growth from year-to-year at a national level, it may still influence the geographic distribution of where the population are usually resident. It is therefore appropriate to consider the data for local areas.

Fig 3 Relationship between percentage Population and Dwelling Change for Local Areas in England 2011-21  
(Source: Total population, Census; Net additional dwellings by local authority district, Live Table 122)



14. The relationship between the percentage population change and the percentage dwelling stock change for each local authority area over the 10-year period 2011 to 2021 has an  $R^2$  value of 0.53 which means that there is correlation between these two figures. Local areas that had a larger proportionate increase in dwellings stock tended also had a larger proportionate increase in resident population, whilst those with a smaller proportionate increase in dwellings had a smaller proportionate increase in resident population.
15. When considering the number of additional persons for each additional dwelling provided over the last decade for each local authority area, the average ranges from a gain of 5.80 persons per additional dwelling to a loss of 5.72 persons per dwelling – albeit that relatively few areas (18 out of 309) recorded a loss of population, and none recorded a loss of dwelling stock. The figure for the median area shows an average gain of 1.74 persons for each additional dwelling. Just over a fifth of all local areas (65 out of 309) had an average gain of 2.4 persons or more (i.e. the gain assumed by Natural England for all additional dwellings) whereas almost four fifths of all local areas (244 out of 309) had an average gain below this number of persons.

Fig 4 Relationship between Annual Population and Dwelling Change for England 2001 to 2020 (Source: Mid-year Population Estimates, ONS; Net additional dwellings by local authority district, Live Table 122)



16. Data from the Census shows that the population for Middlesbrough increased from 138.4 thousand to 143.9 thousand persons over the 10-year period 2011-2021, an increase of 5,400 persons over the decade. Over the same period, the dwelling stock increased from 60.0 thousand to 64.4 thousand homes, with an additional 4,400 thousand dwellings provided. We can therefore conclude that there was an average of 1.25 persons for each additional dwelling provided over the decade in the Middlesbrough local authority area.

## Components of Population Change

17. Reviewing the more detailed ONS population estimates for Middlesbrough over the 10-year period 2011-2021 the data shows that there was a total of 19,100 births and 14,700 deaths recorded in the area. This suggests that natural population change (i.e. births minus deaths) led to an increase of 4,400 persons over the period.
18. As overall population growth totalled 5,400 persons and natural population change led to 4,400 additional residents, we can conclude that there was a net gain of around 1,000 persons moving from elsewhere to dwellings in the area.
19. We can therefore conclude that over the decade 2011-2021, the **provision of 4,400 dwellings** resulted in a total gain of **1,000 additional residents** in Middlesbrough: which represents an average gain of **0.230 persons per dwelling**.
20. Evidently, this is well below the Natural England assumption that each new home will result in an extra 2.4 persons resident in the area. Nevertheless, it is important to recognise that this is not the number of residents occupying new homes. Instead, it is the number of extra persons that will live in the area as a result of new homes being provided.

## Changes to the Local Population

21. Many of the people occupying new homes would have already been residents living within the local area. In choosing to move to a new home, they would not have added to the number of people living in the area. The provision of new dwellings simply allowed the same residents to live in a different home. Had these new homes not been provided, it is unlikely that this would have had any material impact on the natural population change – there would still have been broadly the same number of births and deaths recorded over the decade, and therefore the same number of residents. However, those residents would have lived in larger households.
22. Without any new dwelling provision, the increase in the resident population resulting from natural growth would have led to the average number of persons per dwelling increasing from 2.309 persons (based on the 2011 Census) to an average of 2.381 persons by 2021 – but the provision of new homes led to the average reducing to 2.236 persons over the 10-year period.
23. This reduction in the average is consistent with long-term national and local trends, largely due to population ageing. Many older persons tend to live as couples or single person households, and this increase in one- and two-person households results in a fall to the average size overall. The death of elderly household members over the decade would have led to many existing households getting smaller, but additional homes were still needed for new households to form. Without those additional homes, the number of concealed households would have increased resulting in more larger households, including some that would have been overcrowded.
24. To accommodate the natural change in population and allow the ratio of persons to dwellings to reduce required around 3,950 homes to be provided without any extra residents living in the area. This is almost 90% of all new homes delivered over the decade.

## Residents of New Homes

25. Information about the initial occupiers of new homes on a number of development sites confirms that most households were already living in the local area.
26. Data provided to the Council by individual developers and agents about the previous postcodes of residents on three separate sites identified that more than 90% of dwellings were occupied by people moving within the Tees catchment area.

Fig 5 Previous addresses of movers to recent new developments (Source: Information provided by individual developers and agents)

		Development A	Development B	Development C
Total dwellings on site		160	77	-
Number where previous postcode known		141	40	245
Postcodes within Tees catchment	Number	130	37	223
	Percentage	92%	93%	91%

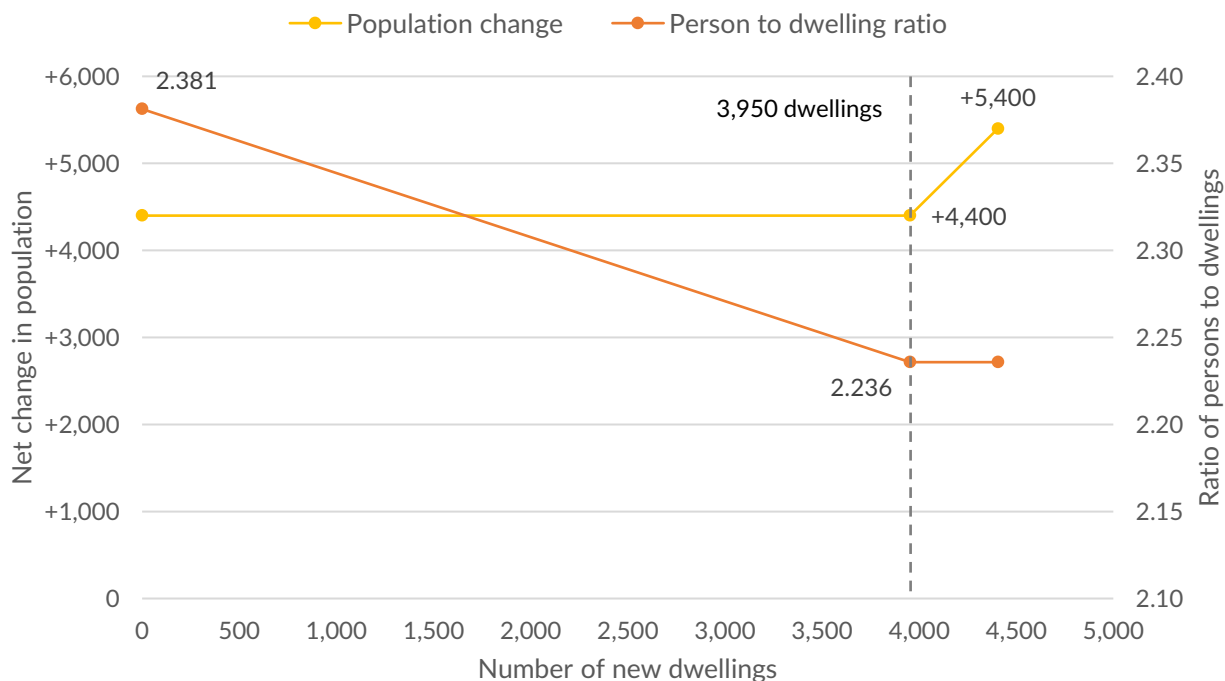
27. On this basis, it is evident that only around one-in-twelve of the homes across each of these three sites were occupied by residents new to the area.
28. Of course, any households that were already established would have vacated their previous home at the time that they moved to the new home. Some of those existing properties could subsequently have been occupied by residents moving to the area from elsewhere – but data from the Survey of English Housing confirms that households migrating between areas typically represent a higher proportion of moves to new homes than moves to existing properties.
29. Therefore, when considering moves to the existing stock, fewer than one-in-twelve households are likely to have moved from outside the area.
30. Based on both the evidence from the demographic analysis and the information from developers, we can therefore conclude that the substantial majority of moves are likely to be local households moving within the area – so many new homes will not result in any extra residents living in the area.

## Impact of New Homes on the Population

31. The relationship between the provision of new homes and the number of extra residents in the area will fundamentally depend on population change resulting from net migration; but there is a non-linear relationship between population growth and the provision of new homes.
32. We have previously identified that 4,400 dwellings were provided over the decade 2011-2021, and of these around 3,950 were needed to accommodate the local population, thereby reducing the ratio of persons to dwellings. It is reasonable to conclude that the remaining 450 dwellings would have enabled migrant population to move to the area, thereby increasing the net change in population and resulting in extra persons resident in the area (Fig 6).

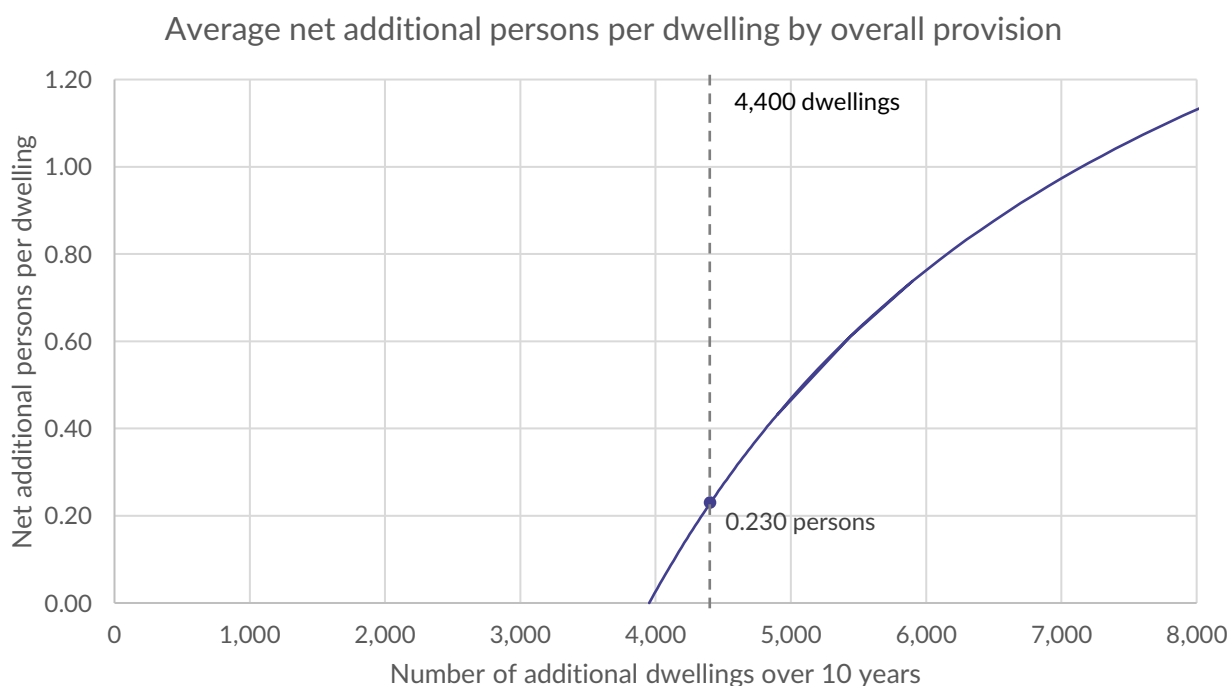


Fig 6 Relationship between population change and ratio of average persons to dwellings, to dwelling provision for Middlesbrough based on trends from 2011 to 2021



- 33. The consequence of the non-linearity of the relationship is that the number of additional persons per dwelling will vary dependent on the total number of dwellings that are provided. This relationship is illustrated in the following chart, which demonstrates that the higher the number of dwellings provided, the higher the gain in terms of the average number of additional persons per dwelling (Fig 7).

Fig 7 Average net additional persons per dwelling by overall dwelling provision over a 10-year period for Middlesbrough based on trends from 2011 to 2021



34. Whilst the precise number of additional persons is likely to vary to some extent based on the number of dwellings provided, the primary conclusion is that over the decade 2011 to 2021, the **overall provision of 4,400 dwellings** resulted in a total gain of **1,000 additional residents** in Middlesbrough: an average gain of **0.230 persons per dwelling**.
35. In terms of the variance, we can infer that had the number of net additional dwellings been 10% lower than were actually delivered (an average of around 400 dwellings per annum) then the gain would have averaged 0.007 persons per dwelling (equivalent to a reduction of 97%) whereas had the number of net additions been 10% higher than delivered in practice (an average of around 485 dwellings per annum) then the gain would have averaged 0.412 persons per dwelling (equivalent to an increase of 79%). On this basis, we can conclude that the average number of persons is relatively sensitive to the overall rate of housing delivery.
36. Over the period from 1991-92 to 2021-22, net dwelling additions have ranged from an annual loss of 251 dwellings to an annual gain of 678 dwellings. When considering periods of sustained dwelling delivery, the highest 10-year average over the period was 490 dpa and the highest 5-year average was 544 dpa, which yield gains of 0.43 persons per dwelling and 0.61 persons per dwelling respectively.
37. Evidently, both fall well below the Natural England assumption that each new home will result in an extra 2.4 persons resident in the area, but they also clearly illustrate that assuming a rate of 0.23 persons per dwelling could underestimate the number of extra persons resident in the area depending on future rates of housing provision.
38. Given this context, it is necessary to take a judgement about the realistic future rate of delivery when determining the most appropriate assumption to use for the number of extra persons resident in the area following the provision of new homes. On balance, we would consider the highest 5-year average of dwelling delivery based on past trends for over 30 years to provide a reasonable upper-end estimate, with results in an average of 0.6 persons per dwelling.
39. **On this basis, we would recommend that it is assumed that each new home provided in Middlesbrough will result in up to an extra 0.6 persons resident in the area.**

## Appendix 3 - Standardised HRA pro-forma

### Habitats Regulation Assessment – [insert application number]

#### Introduction

1. The purpose of this HRA is to consider which applications are scoped in requiring further assessment by the competent authority via an Appropriate Assessment (AA). This HRA will only consider the issues surrounding the generation of nitrates as a consequence of developments resulting in additional population growth as set out in Natural England's letter to Local Planning Authorities on the matter dated 16<sup>th</sup> March 2022 (Appendix 1). Where a scheme may have other potential impacts with regards to the SPA a more in depth HRA will be required.

#### Nutrient Neutrality

2. As a consequence of the advice from Natural England it is recognised that the Teesmouth and Cleveland Coast SPA is in an unfavourable condition due to excessive nutrients, in this case nitrates, and therefore a HRA is required to assess whether in scope developments would have a significant impact either individually or in-combination with other projects or plans. Where a proposal cannot be screened out as not having a Likely Significant Effect at this stage an AA will be required. For the purposes of developments within Middlesbrough the competent authority/LPA will use the Nutrient Neutrality calculator as produced by Natural England to undertake the AA.

#### In scope Developments

3. A plan or project will be relevant and have the potential to affect the water quality of the designated site where:
  - It creates a source of water pollution (e.g. discharge, surface run off, leaching to groundwater etc) of either a continuous or intermittent nature or has an impact on water quality (e.g. reduces dilution); and,
  - There is hydrological connectivity with the designated site i.e. it is within the relevant surface and/or groundwater catchment; and,
  - The designated sites interest features are sensitive to the water quality pollutant/impact from the plan/project.
4. Having regard to the above and the advice from Natural England it is considered that those developments that involve the creation of overnight accommodation are considered to be in scope. The competent authority/LPA has determined that the following types of development are therefore in scope and subject to further assessment:
  - New homes (all forms of dwelling)
  - Student accommodation
  - Care homes
  - Tourist accommodation
  - Tourist attractions
5. The only exceptions to the above is where it can be demonstrated that either of the following apply
  - The proposed development is of a smaller scale (in terms of population increase) and therefore impact than either the existing/permitted use of the site; or
  - The proposal is intended to accommodate solely the population of Tees Valley Catchment, and it can be clearly demonstrated that as a consequence the proposal will not give rise to a population increase within the catchment.

## Assessing impact/scope – occupancy rates

6. For those proposals in scope and in assessing whether a proposal is in scope, with the exception of the following types of development the occupancy rates to be utilised is 0.6<sup>1</sup> persons per dwelling. The only exceptions are as follows:

Type of development	Occupancy rate
Student accommodation	0.6 person per bed space  (This is to reflect the specific nature of these types of accommodation)
HIMO	
Care Home	
Tourism Accommodation	To be determined based upon individual circumstances/nature of development

## The Proposal

7. The application being considered is:

Application No: [insert text]

Description: [insert text]

Location: [insert text]

A location plan is attached as Appendix 2

## Assessment

8. The existing/permitted use of the site is a [insert text]. The proposed use will lead to an increase in population and will have a greater impact with regards to nitrate generation/pollution over and above the existing use. As such a Likely Significant Effect cannot be ruled out. Appropriate Assessment is required to assess the impact of the proposed development.

## Appropriate Assessment

9. Utilising the Nutrient calculator produced by Natural England identifies that the development would generate [insert text] Kg TN/year.

## Proposed Mitigation

10. For the proposed development to be considered acceptable it is necessary for the applicant to demonstrate that they are capable of mitigating the impacts of the development. To date the applicant has not provided any details of potential mitigation measures

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<sup>1</sup> Derived from the document 'Reviewing the Evidence on Population Growth Resulting From Provision of New Homes in Middlesbrough' November 2022

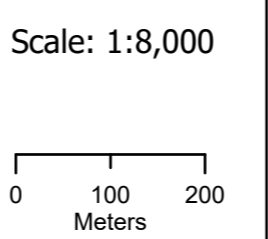
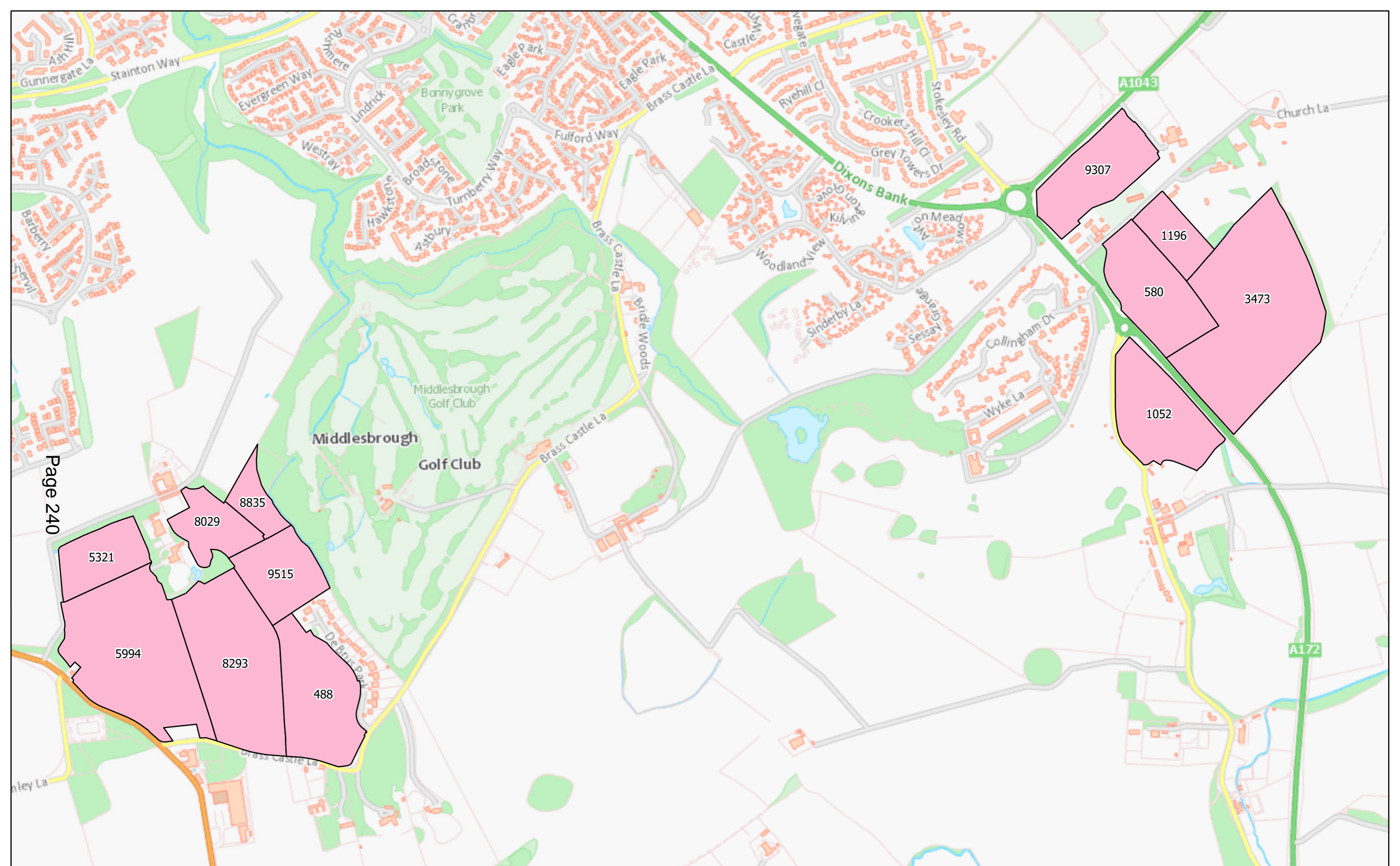
## **Conclusions**

11. The proposed development will have an unacceptable impact in terms of nitrate generation/pollution and as the applicant has been unable to demonstrate any mitigation the scheme will have a Likely Significant Effect. On this basis the scheme should be considered unacceptable.

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#### Appendix 4 - List of Council-owned agricultural sites

Field Number	Area (Ha)	Net Benefit (kg TN/year)
488	5.32	-37.28
580	4.66	-32.66
1052	4.85	-94.59
1196	1.92	-37.45
3473	12.11	-236.18
5321	2.69	-52.46
5994	9.55	-66.93
8029	2.38	-16.68
8293	7.99	-56
8835	1.35	-9.46
9307	4.32	-84.25
9515	3.16	-61.63
	<b>Total Net Benefit</b>	<b>-785.57</b>





## Appendix 5 - List of Council-owned housing sites

Site	No. of dwellings
Hemlington North	30
Hemlington Grange South	130
Newham Hall	1000
Former St. David's School	139
Nunthorpe Grange	124
	1,423

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