

## THE CHAIR AND ALL MEMBERS OF THE COUNCIL

Tuesday 9 January 2024

Dear Member

### COUNCIL - WEDNESDAY 17TH JANUARY, 2024

You are hereby summoned to attend a meeting of the Council of the Borough of Middlesbrough to be held on **Wednesday 17th January, 2024 at 7.00 pm** in the Council Chamber to transact the following business, namely:-

1. Apologies for Absence
2. Declarations of Interest
3. Minutes - Council - 29 November 3 - 8
4. Announcements/Communications  
  
To receive and consider any communications from the Chair, Mayor, Executive Members or Chief Executive (if any).
5. Questions from Members of the Public (if any).
6. Tees Valley Combined Authority (TVCA) - Update  
  
Verbal Update
7. Mayor's Statement and Report
8. Executive Member reports 9 - 50
9. Report of the Overview and Scrutiny Board 51 - 56
10. Urgent Items  
  
To consider and Deal with any urgent business brought before the Council by the Proper Officer (if any).
11. Members' Question Time
12. Notice of Motions
13. Notice of Urgent Motions (if any)

14.	Corporate Governance Improvement Plan and Section 24 Action Plan progress report	57 - 72
15.	Tees Valley Combined Authority IRP - Nomination - (Council Appointment) - MO's Report	73 - 76
16.	Flexible Use of Capital Receipts Policy	77 - 96
17.	Senior Management Arrangements	97 - 106

Charlotte Benjamin, Director of Legal and Governance Services

PLEASE NOTE THERE IS RESTRICTED  
DISABLED ACCESS TO THE COUNCIL CHAMBER

Inspection of Papers – Documents referred to on this Summons may be downloaded from the Council's Website.

Questions / Motions – Details of questions or notices of motion received and not enclosed with the Summons will be circulated prior to the meeting.

Should you have any queries in regard to the items on this agenda please contact Bernie Carr, Democratic Services on (Direct Line 01642 729714 or e-mail on: [bernie\\_carr@middlesbrough.gov.uk](mailto:bernie_carr@middlesbrough.gov.uk)).

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**COUNCIL**

A meeting of the Council was held on Wednesday 29 November 2023.

**PRESENT:** Councillors J Rostron, J Walker (Vice-Chair), J Banks, I Blades, D Branson, E Clynch, C Cooke - Elected Mayor, J Cooke, C Cooper, D Coupe, D Davison, S Dean, T Furness, P Gavigan, S Hill, B Hubbard, L Hurst, N Hussain, D Jackson, J Kabuye, L Lewis, T Livingstone, L Mason, D McCabe, M McClintock, J McConnell, J McTigue, I Morrish, J Nicholson, M Nugent, J Platt, S Platt, A Romaine, J Ryles, M Saunders, M Smiles, M Storey, J Thompson, S Tranter, Z Uddin, N Walker, G Wilson and J Young

**OFFICERS:** S Bonner, C Heaphy, C Benjamin, G Field, R Horniman, A Hoy, S Lightwing, M Nath, A Perriman and J Weston

**APOLOGIES FOR ABSENCE:** Councillors J Ewan, TA Grainge, D Jones and P Storey

23/64 **DECLARATIONS OF INTEREST**

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

23/65 **MINUTES - COUNCIL - 25 OCTOBER 2023**

The minutes of the Council meeting held on 25 October 2023 were submitted and approved as a correct record.

23/66 **ANNOUNCEMENTS/COMMUNICATIONS**

The Chair advised Members that agenda item 12 had been withdrawn.

The Chair advised that agenda item 17 had been deferred because a Call In request had been received for a related Executive decision.

The Chair also advised Members to clearly raise their hands during and votes.

23/67 **QUESTIONS FROM MEMBERS OF THE PUBLIC (IF ANY).**

The Chair advised that a question from a member of the public had been received, details of which were included in agenda item 5.

The Chair invited Mr Odedeyi to ask his question to the Executive Member for Children's Services.

The Executive Member thanked Mr Odedeyi for his question. He responded that a review had been undertaken regarding transformation in Children's Care with several recommendations highlighted. It was also confirmed this was a pilot scheme with a small number of authorities taking part. However, Middlesbrough was currently not involved in the pilot and while there was potential for this in the future the Executive Member had no further information at this stage.

23/68 **TEES VALLEY COMBINED AUTHORITY (TVCA) - UPDATE**

The Chair invited the Mayor to provide his update regarding the Tees Valley Combined Authority.

Council was advised the TVCA cabinet had not yet met but was scheduled to do so at the end of the month. The MDC Board met on 29 November 2023 in both its Planning capacity and as a Board. The Central Library refurbishment plans had been approved and would be moving forward. The Mayor had urged the MDC to collaborate with the Council to ensure there was no overlap or deviation from the Town Centre Plan.

The next meeting was scheduled for 13 December 2023 which would be a planning meeting.

**NOTED**

23/69

**MAYOR'S STATEMENT AND REPORT**

The Chair invited the Mayor to make his statement.

Council was advised there were two pressing issues, namely the Council's vision and the budget. Members had been approached about what the strategic strapline should be, and approaches had been to group leaders about the budget. It was important to understand why the Council was in its current financial position. One of the main questions was how the Council could get its plans back on track. Members were also advised the Council's financial reserves were critically low and there was a need to transform services in order rescue the Council from its financial and governance issues. There was also a need to re-set what the Council did.

One of the more financially challenging issues was the Council was acting as a landlord with property maintenance fees exceeding £5 million. The Council could not maintain buildings it could no longer afford. There was a need to focus on properties such as Community Centres and Family Hubs.

There was a need to reduce demand in Children's Services and the appointment of a new Director of Children's Services was a sign of stability in that area. At the point Children's Services were operating within budget other Council Services would see the benefits of this.

A Member asked of peppercorn rents had been considered. The Mayor clarified that all rents had been reviewed as part of the fees and charges review. There had been some rent increases, but this would be managed on a gradual basis. Rents were largely on a consistent footing.

The Mayor responded to a question about consulting group leaders. The Mayor stated he would be prepared to do consult with group leaders on the budget. It was also clarified the budget setting process had included a categorisation process that made identifying savings and transformation programmes easier. There was also an opportunity to use any income from capital receipts to fund transformation and growth. A live update process had been created so any budget items disliked by groups could be withdrawn in real time. There was a need to move to a lower operating model, but the Council could not achieve this with its current levels of reserves.

A Member asked what progress had been made since May 2023 to open more children's homes in Middlesbrough. The Mayor clarified purchased two properties that could be adapted as children's homes, but they were not yet ready to open as children's homes. It was also clarified that demand in Children's Services needed to be reduced. It was hoped the Council would benefit from those homes by the end of 2024.

A question was raised about closer monitoring requirements for the Council's charge card system. It was clarified the processes around this were being examined and improvements had been made.

A question was raised about asset sales and the income that could be generated from them. Reassurance was sought that the Council would not conduct a fire sale of assets. The Mayor stated that any income from capital receipts would be used for transformation projects, but that the Council was not currently providing a satisfactory service to residents. In terms of accusations surrounding a fire sale, there was a need to understand what the Council's priorities were and what assets it owned. There was little need in holding onto assets if this meant hindering progress for the Council.

The Member responded that even small assets could be community assets. It was also stated greater levels of communication and consultation should be wider on this issue. The Mayor responded the term used was asset review as there was a need to understand what assets the Council held.

A Member commented the Council delivered a good service to residents despite its challenging financial circumstances.

**ORDERED** that the Mayor's statement be noted.

23/70

## **EXECUTIVE MEMBER REPORTS**

The Chair invited Members to raise items for general discussion arising from the Information Booklet of Executive Member reports which detailed activities conducted within the respective Executive Member portfolios (Section 1), Executive decisions taken (Section 2) or to be taken where known, prior to and following the meeting (Sections 3 and 4).

*Question in relation to the report of the Executive Member for Children's Services*

### **Councillor Hurst in relation to budget over-spends**

The Executive Member stated the immediate priority was to reduce the projected overspend in Children's Social Care. Several savings had been identified which would deliver several savings in the financial year 2024/2025. All budget initiatives were being considered but these needed to be what was best for young people.

*Questions in relation to the report of the Executive Member for Community Safety*

### **Councillor M Storey in relation to Neighbourhood Partnerships**

The Executive Member agreed that Neighbourhood Partnerships were beneficial as their intention was to share information and keep communities informed. There were Neighbourhood Partnerships in the North, South, East and West of the Town and all Councillors were encouraged to attend their respective Neighbourhood Partnership

### **Councillor Kabuye in relation to Teesside Park**

The Executive Member confirmed that the leisure part of Teesside Park remained within Middlesbrough's boundaries, and she had attended several meetings to discuss the Anti-Social Behaviour issues happening on Teesside Park.

### **Councillor McCabe in relation to Safer Streets**

The Executive Member clarified that criteria for selecting wards was dependent on crime figures and criminal activity mapping. Funding for Safer Streets came from the Home Office via the Police and Crime Commissioner. It was confirmed Safer Streets was currently in place in Longlands and Beechwood.

*Questions in relation to the report of the Executive Member for Environment*

### **Councillor Livingstone in relation to Transport Planning**

The Executive Member confirmed they would be happy to meet and discuss the parking issues around Green Lane. It was commented that Councillor Dean had undertaken significant amounts of work in relation to parking restrictions in this area.

### **Councillor Smiles in relation to the Transporter Bridge**

The Executive Member confirmed that while the issue had been ongoing for some time, a structural assessment was continuing. Costings were expected in early 2024.

*Questions in relation to the report of the Executive Member for Finance and Governance*

### **Councillor Branson in relation to Budget over-spends**

The Executive Member responded it was likely the Council would see a significant increase to social care budgets and while there had been lobbying for extra funding by the Local Government Association this had not been forthcoming. It was important that Middlesbrough avoided a Section 114 Notice and the Executive Member thanked all officers involved in this process.

### **Councillor Clynych in relation to Council reserves**

The Executive Member stated the levels of reserves were identified as critically low in February 2023 which was likely a result of the reserves being used but not replenished. It was important the Council's reserves were replenished as quickly as possible as they had been used to offset budget overspends.

**Councillor Morrish in relation to Budgetary Management and Control Measures**

*Question in relation to the report of the Executive Member for Regeneration*

It was clarified there was not going to be a fire sale of assets. However, in the event a Section 114 Notice was issued it was likely this would happen. Budget matters would be monitored via several mechanisms that aimed to strengthen the budget monitoring process.

**SUSPENSION OF COUNCIL PROCEDURE RULE NO. 4.13.2**

A Member proposed suspending Council procedure rules to ensure all questions for Executive Members could be asked.

**ORDERED** that time for the agenda item be extended.

**Councillor McClintock in relation to Asset Disposal**

The Executive Member responded that the Murrayfield site was not necessarily ear-marked for housing development. However, any intention to dispose of sites like this would result in consultation being carried out.

**Councillor J Platt in relation to the Asset Review**

The Executive Member responded that the asset review aimed to established if assets could be used differently as well as identifying assets for sale. Given its Financial position the Council was not in a position manage its assets in the same way.

**Councillor Jackson in relation to the Asset Review**

The Executive Member responded that some of the question did not relate to his report. However, any asset disposals raised capital receipts that would enable the Council to undertake transformation projects.

**Councillor Hubbard in relation to the Asset Review**

The Executive Member was not able to answer the question as it was not clear what artwork the Council owned.

**Councillor S Platt in relation to Commercial Property.**

The Executive Member clarified that while covenants could be broken, any sale of the Golf Club would include conditions to ensure it continued as a gold club.

23/71

**REPORT OF THE OVERVIEW AND SCRUTINY BOARD**

The Chair of the Overview and Scrutiny Board presented a report, the purpose of which was to provide an update on the current position regarding progress made by the Overview and Scrutiny Board and each of the individual Scrutiny Panels.

The Chair of the Overview and Scrutiny Board advised that the Executive Member for Finance and Governance had attended the previous meeting of the Overview and Scrutiny Board to provide an update on her portfolio. The update was well received with scrutiny members posing pertinent questions surrounding the budget.

The Chair of the Overview and Scrutiny Board also encouraged Members to get involved in the scrutiny process where possible.

The Chair invited members to note the report.



**ORDERED** that the report be noted.

23/72 **URGENT ITEMS**

There were no urgent items submitted within the specified deadlines for this meeting.

23/73 **MEMBERS' QUESTION TIME**

The Chair invited Councillor McTigue to pose her question detailed at Agenda Item 11.

The Mayor responded he was frequently in touch with residents, with community council attendance cited as an example. However, the Mayor stated it was impossible to respond to all enquiries and comments placed in the local media. The Mayor was prepared to clearly set out what the Council's priorities were for a future meeting.

23/74 **NOTICE OF MOTIONS**

The Chair advised this item had been withdrawn.

23/75 **NOTICE OF URGENT MOTIONS (IF ANY)**

There were no Notice of Urgent Motions submitted within the specified deadlines for this meeting.

23/76 **CORPORATE GOVERNANCE IMPROVEMENT PLAN AND SECTION 24 ACTION PLAN PROGRESS REPORT**

The Chair invited the Mayor to present the report.

The report set out the key activities and progress since last reported to Council on 23 October 2023 on the Corporate Governance Improvement Plan as well as activity in response to the Section 24 recommendations made by the Council's External Auditors.

Alongside the activity that had been delivered, the report also set out the impact actions had on the measures of success that had been identified within the Corporate Governance Improvement Plan. Furthermore, the report set out a baseline of measures of success to be used to assess the impact of the Section 24 actions.

**ORDERED** that the report be noted.

23/77 **MEMBER DEVELOPMENT STRATEGY**

The Chair invited the Monitoring Officer to present the report.

The report described a key component of the Council's improvement journey and aimed to support Members with their continuous development journey. Supporting Members with their development needs was crucial. The purpose of the strategy was to create a clear framework for Members ongoing personal development.

The Constitution and Member Development Committee had considered the strategy and would have oversight of it.

Council was invited to note the report.

**ORDERED** that the report be noted.

23/78 **REVIEW OF THE TERMS OF REFERENCE AND MEMBERSHIP OF THE CORPORATE PARENTING BOARD**

The Chair invited the Mayor to present the updated Terms of Reference for the Corporate Parenting Board.

Council was advised that the Board had changed slightly, and that young people involved in the Board had provided input into this change. The Board had also been reconstituted so that young people involved with the Board were treated as Co-Opted members giving them equal rights.

**ORDERED** that the reviewed Terms of Reference for the Corporate Parenting Board be approved.

23/79

**FLEXIBLE USE OF CAPITAL RECEIPTS STRATEGY REFRESH 2023-24**

This item was deferred due to a Call In request being received for a related Executive decision.



**Elected Mayor and  
Executive Member Reports  
and additional Executive  
decision information**

**Council Meeting: 17 January 2024**

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## INTRODUCTION

This document contains the Elected Mayor and Executive Member reports relevant to the Council meeting to be held on **17 January 2024**.

The booklet, in addition to containing details of Executive Member activities covering the period following the last Council meeting (section 1), also details those Executive decisions taken since the last booklet was published (section 2) together with those decisions planned to be taken from dispatch of this booklet up until the date of the Council meeting (section 3) and those decisions planned to be taken following the Council meeting (section 4).

The table at section 2 contains details of decisions taken by individual Executive Members, the full Executive, Executive Sub-Committees and Joint Archives Committee. The public reports that were considered are also available through the Modern Gov system.

The tables at section 3 and 4 contain details of the decisions to be taken by individual Executive Members, the full Executive, Executive Sub-Committees and Joint Archives Committee. Further details on key decisions that are to be taken can also be found on the Modern Gov Forward Plan.

The Elected Mayor and Executive Member reports and the additional decision-making information will hopefully assist Members when considering any questions they may have for Executive Members at Council, which can be asked within accordance of the Council's procedure rules.

Details of those decisions to be taken, as outlined in Section 3 and 4, may sometimes be subject to change (e.g., dates of meetings may alter). Members are therefore advised to check with the Democratic Services should they have an interest in specific issues.

Charlotte Benjamin  
**Director of Legal and Governance Services**  
(01642) 729024

### **Contact details:**

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## THE MAYOR AND EXECUTIVE MEMBER REPORTS AND ADDITIONAL INFORMATION

**COUNCIL MEETING: 17 JANUARY 2024**

### CONTENTS

#### SECTION 1 - Executive Member Reports

<ul style="list-style-type: none"> <li>The Mayor and Executive Member for Adult Social Care and Public Health <i>Chris Cooke</i></li> </ul>
<ul style="list-style-type: none"> <li>Deputy Mayor and Executive Member for Education and Culture <i>Councillor Philippa Storey</i></li> </ul>
<ul style="list-style-type: none"> <li>Executive Member for Children's Services <i>Councillor Zafar Uddin</i></li> </ul>
<ul style="list-style-type: none"> <li>Executive Member for Community Safety <i>Councillor Janet Thompson</i></li> </ul>
<ul style="list-style-type: none"> <li>Executive Member for Environment <i>Councillor Peter Gavigan</i></li> </ul>
<ul style="list-style-type: none"> <li>Executive Member for Finance and Governance <i>Councillor Nicky Walker</i></li> </ul>
<ul style="list-style-type: none"> <li>Executive Member for Regeneration <i>Councillor Theo Furness</i></li> </ul>

**SECTION 2** – Table of Executive decisions taken and that have been through the Call-In period, since the last booklet, published on 17 October 2023.

**SECTION 3** – Table of Executive decisions planned to be taken from dispatch of this booklet up until the date of the Council meeting.

**SECTION 4** – Table of Executive decisions planned to be taken following the Council meeting.

## EXECUTIVE MEMBER REPORT TO COUNCIL

**EXECUTIVE MEMBER: MAYOR CHRIS COOKE**

**DATE OF MEETING: 17 January 2024**

The purpose of this report is to provide an update to members on areas of activity within my portfolio including performance against strategic priorities.

### STRATEGIC PRIORITIES

**Strategic Priority:** Ensuring equality of outcomes across wards, with a focus on health inequalities.

#### Public Health South Tees Strategy:

1. The Public Health Strategy is committed to preventing poor health, improving the health and wellbeing and tackling health inequality across the South Tees. The health of residents in the South Tees is generally below the England average with the levels of deprivation, individuals face a contributing factor. The strategy comprises of five programmes: creating environments for healthy food and physical activity, protecting health, preventing ill-health, reducing vulnerability at a population level and promoting positive mental health and emotional resilience.
2. Each programme is comprised of a comprehensive set of objectives and associated activities underpinned, by an expected time frame for delivery. By way of example, for the Emotional Health and Resilience programme incorporates a focus to prevent suicide and self harm. Activities related to this, will include management of Early Alert Process for suspected suicides and to provide timely postvention to those bereaved by suicide. This is very much a focus that is needed which was confirmed upon the visit that I undertook at the Headlight Project (as featured in my November Executive Member Report), where the devastating suicide rates within the North East were highlighted.
3. The strategy is bold, innovative and provides a vision for the much needed change to the health and wellbeing of Middlesbrough residents.

### HIGHLIGHTS

#### **Woodside dementia and wellbeing hub**

4. The Woodside dementia and wellbeing hub supports people living with mild to moderate dementia, and their carers.
5. I visited the hub during the annual Christmas party where I met and talked to staff, service users and their respective carers. The hub has become incredibly important, in enabling individuals with dementia to be involved in stimulating activities and



provides a social outlet and community. Families who have relatives at differing stages of dementia utilise the hub to talk to other affected families as a way of supporting each other and providing candid advice.

6. I met with Margaret McGee (as pictured on the right) who made a significant donation, in memory of her late husband who attended the hub. The funds have created a new quiet room which I officially opened alongside Margaret. This quiet room provides, a tranquil safe space for individuals and families to reflect and de-stress.
7. During my visit, I had the pleasure of meeting the staff at the hub. Their passion, warmth and rapport with service users radiated through. The staff organise frequent raffles to funds the purchase of tea, coffee and biscuits so that the service remains free and accessible to all. They invite and welcome any donations and support people can offer.



### **In Out Of The Cold Event**

8. On 18 December 2023, the Town Hall Crypt hosted the In Out Of The Cold Event. The event is co-ordinated by Accessing Change Together in Middlesbrough and aims to support those who are homeless or facing hardship. A diverse range of organisations were at the event including My Sisters Place, Depaul and The STAGES Academy.
9. Attendees were provided with a hot meal, access to winter clothes and toiletries along with, access to free podiatry and hairdressers services. Live music from local singer George Bailey and the Recovery Choir provided a welcoming and festive atmosphere.
10. The event also provided an invaluable opportunity, for organisations and groups to reach out to individuals that may otherwise, be isolated from the support available to them. I want to thank the dedicated staff, organisations and volunteers for making the event such a success.



## **EXECUTIVE DECISIONS**

### **20 December 2023: Selective Landlord Licensing**

11. Selective Landlord Licensing (SLL) are introduced to improve the private rented sector, so that the conditions that people live in are elevated. North Ormesby and Newport (divided into Newport 1 and Newport 2) were selected due to their low housing demand and the persistent anti-social behaviour, attributed to tenants (and/or visitors) of rented properties.
12. The SLL scheme in Newport 1 has seen significant improvements including:
  - (i) House prices increasing in value
  - (ii) A reduction in empty properties



- (iii) An increase in private rented properties subject to a housing standards inspection
- (iv) Tackling Anti-Social Behaviour through low, medium and high interventions
- (v) Reduction in personal and nuisance antisocial behaviour incidents

13. The scheme in Newport 1 is due to cease on 12 June 2024 however, the delivery of the scheme was hindered by the Covid-19 pandemic and there remains scope for further improvements. In light of this, the Executive have extended the scheme for a further five years to maximise the benefits to the Newport Community.

## **20 December 2023: South Tees Changing Futures Programme**

14. South Tees Changing Futures supports adults enduring multiple disadvantages in both Middlesbrough and Redcar & Cleveland Council. Middlesbrough Council was successful in its bid to funding bodies which will allow South Tees Changing Future Programme to be extended for a further year. The successful bid will allow additional activities and capacity to support vulnerable people through:

- (i) Improving wider recovery support
- (ii) Supporting women who have experienced/or are at risk of exploitation.
- (iii) Improving housing support

15. The funding will have a direct positive impact on some of the most vulnerable and complex individuals in Middlesbrough.

## **20 December 2023: Council Plan 2024- 2027**

16. The Executive endorsed the Council Plan that contains the strategic aims, ambitious and outcomes which is subject to agreement from full Council. One of the aims is to create “A Healthy Place” through prioritising health inequalities, improving our environment, protecting inclusivity and reducing poverty. There will be an emphasis on our Family Hub model, Public Health Strategy, Green Strategy and respective partners to improve health outcomes in Middlesbrough.

17. There will be a range of metrics used to assess whether the aims are being met. These include tracking the engagement in our Family Hub service, closing the life expectancy gap between Middlesbrough and the national average and increasing the percentage of those considered as “active”. The Council Plan sets out a clear roadmap that centres health and wellbeing as a priority for Middlesbrough Council.

NAME: Mayor Chris Cooke

DATE: 17/01/2024



## **EXECUTIVE MEMBER REPORT TO COUNCIL**

### **EXECUTIVE MEMBER: EDUCATION AND CULTURE**

**DATE OF MEETING 17 January 2024**

1. The purpose of this report is to provide an update to members on areas of activity within my portfolio including performance against strategic priorities.

#### **STRATEGIC PRIORITIES**

- Improve outcomes for children and young people
- Support Cultural assets and events

#### **Education:**

- Supporting schools to improve the attendance of all children, particularly those who are most vulnerable.
- Increasing the number of SEND CYP in mainstream settings.
- Improve early years parenting support and the home learning experience to support children's learning, development, and school readiness.
- Reduce the number of children and young people who are suspended or excluded.

#### **Culture:**

- Encouragement of grass roots participation
- Increase income generation events at the town hall
- consolidate Museum offer

#### **HIGHLIGHTS**

#### **EDUCATION**

2. The council received an Outstanding report from Ofsted on SEND provision. This is a fantastic result for everyone in the council and a testament to the partnership who have worked extremely hard to make this result possible. Thank you.
3. The council has since received a letter from Minister for Children, Families and Wellbeing, David Johnson MP. The Minister has asked for effective ways we can share our best practice with other local area leaders, the Department and NHS England.
4. Inspectors found that:

*“The local area partnership’s special educational needs and/or disabilities (SEND) arrangements typically lead to positive experiences and outcomes for children and young people with SEND. The local area partnership is taking action where improvements are needed”.*

5. The report highlighted three areas for improvement, which includes:
  - Continuing to implement our strategy to reduce suspensions.
  - Strengthening the systems and processes for identification of children and young people’s needs within the learning disability pathway.
  - Continuing to strengthen the quality of EHC Plans and timeliness when issuing EHC Plans after annual reviews.
6. These improvements are taking place, as is an update on our local area partnership SEND Strategic Plan and exclusion rates.
7. Schools and teachers are the bedrock of our communities, and we will continue to support them in the best way possible to remove any barriers to learning that our children may face.
8. I had the pleasure of visiting several schools just before Christmas. Sunnyside Academy in Coulby Newham invited me for their Christmas sing-along, and I was incredibly impressed with the way the school was run. Kindness, caring and sensitivity (as well as fun) was shown throughout the school from the Headteacher, and right the way down to the students themselves. The inclusion of all children in the school was an inspiration and I’d like to thank the head teacher, staff, students and the Unison Convener for inviting me.
9. Linthorpe Primary also kindly invited me to visit their Christmas Extravaganza and it was an absolute delight to participate in the songs and see the choir and students so confident in their performances. I would also like to thank the school’s sustainability squad for their continued work in making the school environmentally friendly. The work they are doing with their teachers will make a huge difference to the school.
10. Trinity Catholic College also held their Christmas performance which was incredibly professional. The standard in the performing arts exhibited was amazing and the students and teachers did a phenomenal job.
11. I look forward to visiting our other amazing schools in 2024.

## Culture

12. The Dorman Museum Lego Exhibition (Brick by Brick) did extremely well and welcomed 4182 paying visitors in to the exhibition which brought an additional £13,173 of revenue in to the council.

13. The Town Hall is exploring additional income generation. Some of this has already started with the portable Town Hall Bar
14. In the run up to and over Christmas the events team organised and helped organise the Christmas Light Switch On, Nightfall at Stewart Park, Orange Pip Christmas (which got moved to 30 December due to weather conditions on the original date).
15. In 2024 we are looking forward to welcoming RunThrough to Middlesbrough.
16. RunThrough, with support from Middlesbrough council are bringing a Half Marathon and Junior race to Middlesbrough in March this year. I am delighted to welcome them and look forward to this being a regular event alongside the already established 5 and 10K runs.
17. The Dorman Museum also won the award for Best Arts and Education Partnership at the North East Culture Awards 2023 for the British Museum in Your Classroom project. They have done phenomenally well and absolutely deserved to win.
18. Middlesbrough Theatre hosted an incredibly successful panto, Cinderella, which has received great reviews from audiences and critics alike. The theatre team under David Lindsey do an amazing job.
19. The work of Teesside Archives featured in The National Archives' *Year in Archives* review with a special case study on the Tees Works project. You can find the article using the following link [Case studies - Archives sector \(nationalarchives.gov.uk\)](https://nationalarchives.gov.uk/casestudies/archivessector/) then clicking on the 'Trust' tab.
20. Work is also progressing with the Planning Team to write a culture policy to include within the new Local Plan, the ambitions of the Middlesbrough Cultural Partnership Creative Vision (2023-2033) including the identification of focal areas across the town for cultural activity and participation.

## **EXECUTIVE MEMBER REPORT TO COUNCIL**

**EXECUTIVE MEMBER: CHILDREN'S SERVICES – COUNCILLOR, ZAFAR UDDIN**

**DATE OF MEETING: 17.01.2024**

**The purpose of this report is to provide an update to members on areas of activity within my portfolio including performance against strategic priorities.**

### **STRATEGIC PRIORITIES AND UPDATES:**

**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.**

#### **➤ Early Help:**

1. The Early Help Service 'Stronger Families' provides support to families in Middlesbrough who have reached a threshold whereby the family are experiencing multiple and complex issues. The Family Practitioners work with the whole family to create a Family Plan and using a strength-based approach set goals with the family to improve outcomes. Early Help also involves other services and partners, who can provide help and support to the family to prevent problems from escalating to statutory intervention.
2. Children, young people and families are allocated daily into the Early Help Service from our Multi Agency Childrens Hub and are contacted within 3 days of allocation. This timely response ensures that families engage with Early Help at the time when they need support most and children are seen on a regular basis, so that our work is focussed on the voice of children. The Early Help Service remains stable in terms of staffing and all teams are performing well overall, so children benefit from consistent and strong relationships with their Family Practitioners.
3. The proportion of children supported under Early Help has increased over the last 12-month in Middlesbrough. During December 2023 over 100 children have been identified to step down from statutory intervention to the Stronger Families service.

#### **➤ Multi-Agency Children's Hub (MACH) and Assessment:**

4. Within the MACH and Assessments Service we have appointed the new permanent Head of Service, Nicki Saunders. We are currently reviewing the demand in the front door services and an Improvement Consultant, Brian Relph, has started in post who will lead on an establishment review for Childrens Social Care. Regular audits are taking place in the Assessments Service and a referral clinic will commence in January 2024 focussing on the contacts received by the MACH.

Monthly MACH Strategic Board meetings are held with key partners to support, improve and develop multi-agency working.

5. The Assessments Team have continued to some changes in staffing. There is currently a recruitment drive to recruit more permanent members of staff to replace the current reliance on agency staff. There continues to be a focus on improving performance and practice, with regular support, supervision and management oversight.

➤ **Safeguarding & Care Planning/Children with Disabilities:**

6. We have recently appointed a temporary Head of Service in this service area, and a new permanent Head of Service is due to start in post in January 2024. Several case audits have been undertaken and as a result, a number of children have been identified to step down to Stronger Families. Safeguarding continues to be busy with a high number of care proceedings which are due to conclude between now and February 2024.
7. We have recently held our first Private Fostering Panel to consider children who are subject to private fostering arrangements. We are currently updating our Private Fostering Statement, which we plan to promote to raise awareness of private fostering. Training will also be delivered, with some champions developed in the teams who will be the 'go-to' for advice and guidance where Private Fostering Arrangements are in place.

➤ **Fostering Services:**

8. By the end of December 2023, we are on track to have approved 14 new fostering households with a further 3 to be approved by February 2024. Our new resource worker is getting excellent feedback from children and carers on the work she is doing with them. We aim to combine fostering and residential training to give more opportunities to staff and carers, as well as introducing trauma-informed support.

➤ **Children Looked After (CLA):**

9. Staffing recruitment and retention continues to be a significant challenge within the Children Looked After service. We have recently appointed two permanent social workers and there remains a strong focus on recruiting to this area, as there are a high number of vacancies within the service. We have recently appointed a temporary Head of Service across CLA, Pathway and Leaving care. We do have some performance issues within the CLA service however this will remain a key focus for improvement. An Improvement Consultant commenced in December 2023 to review all high-cost placements.

➤ **Residential, Supported Accommodation, Resource and Care Leavers:**

10. One of our children's homes has had an Assurance Inspection and we are awaiting the publication of the report. Several Independent Visitor reports have been received recently which provide positive feedback. Residential staff continue to work hard to keep young people within our community. A recruitment campaign is under way to

increase staffing at one home so that more young people can be supported in Middlesbrough.

## THE TIME AHEAD

### Review of high-cost external placements:

11. Middlesbrough Council Children's services are currently undertaking regular reviews of our external residential and fostering placements, with a view to reducing high-cost placements and bringing back children and young people nearer to their homes, families and friends and meet their best potentials by utilising local residential placements, foster carers and connected person's foster families.

### SHiFT Proposal:

12. I would like to mention that the Council Children's Services are looking to work with a charity organisation SHiFT in Partnership. 'SHiFT exists to break the destructive cycle of children and young people caught up in, or at risk of crime. We seek to transform policy and practice in how young people in these circumstances are seen and supported'.

### Executive:

13. The Executive has recently met, and:
- Approved the proposal for the partnership with SHiFT and the opportunity this presents to offer intensive multidisciplinary support for the most vulnerable children caught in a cycle of crime and exploitation in the area.
  - Authorised receipt of grant funding to the Council from SHiFT sourced from the Department for Levelling Up, Housing and Communities totalling £600,000 over three years. Funding will be received on signature of a Partnership Agreement with SHiFT, the timeline for which is March/April 2024.
  - Approved match investment from the Council to enable the creation of the new SHiFT Practice totalling £556,347 over three years. This will be approval in principle for inclusion in the 2024/25 to 2026/27 MTFP and to be funded as a transformation initiative from Flexible Use of Capital Receipts. The initiative will be included in the Flexible Use of Capital Receipts strategy which will be tabled for Council approval in February 2024
14. Finally, I continued to liaise with our Virtual School Team, Children with Disabilities, Fostering Team, and Adoption Tees Valley (ATV) sharing and discussing relevant issues as and when needed.

NAME: Cllr Zafar Uddin

DATE: 17.01.2024.

## EXECUTIVE MEMBER REPORT TO COUNCIL

### EXECUTIVE MEMBER: COMMUNITY SAFETY – CLLR JANET THOMPSON

**DATE OF MEETING: 17 January 2024**

The purpose of this report is to provide an update to members on areas of activity within my portfolio including performance against strategic priorities.

#### HIGHLIGHTS

##### Christmas events at Hubs and Libraries

1. Throughout the month of December Hub and Library staff have delivered a host of activities linked to Christmas and the festive season, engaging hundreds of the town's residents.

##### Cause Hamper appeal

2. Hub and Libraries staff worked with Cause Foundation after the charity needed a base in Middlesbrough to collate and make up Christmas Hampers as part of their annual appeal. Working with the Foundation over this period has led them to taking up more permanent space within MyPlace.



##### MyPlace

3. Residents of Brownlea care home visited the Christmas Dementia Café on Friday 15<sup>th</sup> December. It was lovely with lots of Christmas treats and songs. Two of their residents also gave an impromptu performance.
4. On Thursday 14<sup>th</sup> December service users enjoyed a Pantomime when the cast of Jack & the Beanstalk visited. Over seventy people attended the performance.



5. MyPlace also hosted its first ever wedding reception booking in December with more interest and bookings being taken for the New Year.

### **Thorntree Hub**

6. Some of the fantastic Christmas activities at Thorntree have included Christmas Craft sessions, a children's party with Santa giving every child a gift and a surprise visit from the Grinch!
7. Tesco also helped with donations toward gifts, positively impacting 18 local families.

### **Acklam Library**

8. On the 14<sup>th</sup> December the first of Acklam's Christmas parties was for the Rhyme Time babies and toddlers. This included a visit by Santa in their lovely grotto and a cake topper workshop.



9. There was also a host of activity at our other sites across the town including a wreath making session at Marton Library and star making at the Hemlington Christmas Fayre.



### **Library Update**

#### **Aspen**

10. The new Community Hub & Library website, funded through our successful bid to LibraryOn, was successfully launched on the 15<sup>th</sup> of November 2023. This has been well received by our customers. Our entire stock is appearing side-by-side for the first time online, and we expect this to be both physical and digital.



11. During 2024, we plan to promote many of the benefits of Aspen to our customers to highlight the features of the system, demonstrating additional functionality beyond the catalogue. We are using the latest version of Aspen which provides us with a wealth of additional features that will assist us to further develop this modern fit-for-purpose website.
12. The new site will become the digital gateway to our services and showcase what Stronger Communities offers to partners and the public.
13. Key emphasis will be on our:
- Accessible Services (e.g. housebound deliveries, eMagazines, eBooks and eAudio)
  - Venue & Room hire
  - Digital Services (e.g. Driving Theory Test online)
  - Local & Family History services (e.g. Reference Library & Ancestry Online)
  - Programme of Community Activities, Health support plus Advice services across our venues.
  - Literary programmes and promotion of reading for leisure.



### **Central Library Refurbishment**

14. Central Library closed for major refurbishment works on Monday 4<sup>th</sup> December.
15. Alternate arrangements have been made for access to library services, during the closure, for example a click and collect service, operating from the Town Hall, drop off facilities for returned books at the Town Hall and Mima and a new library facility at Newport, and North Ormesby Library opening an extra day during the week, further details below. The service is currently looking at how limited access may be provided to Reference Materials.
16. Where possible furniture will be reused and offered to other sites, for example a large seating unit, will be re-sited at Newport Hub, and the live tree will have a new home at Hemlington Hub.

### **‘Click & Collect’ at the Town Hall**

17. From the 8<sup>th</sup> of January 2024 you can order items over the phone to be picked up at the Town Hall. Our staff will put together a selection of books and let you know when they are ready for collection. You can also order items by emailing us your

requests or reserving books directly through our website:  
*libraries.middlesbrough.gov.uk*

18. From January 15<sup>th</sup> 2024, there will be a new small library offer in Newport plus extended opening hours in North Ormesby from the 5<sup>th</sup> January.

### **Operational Community Safety**

19. The Neighbourhood Safety Wardens issue Penalty Charge Notices (PCNs) to motorists who break the rules. The Council enforces waiting and loading restrictions to:
- Improve road safety
  - Reduce congestion
  - Support the local economy
  - Improve access to public transport
  - Reduce commuter parking in residential areas
  - Improve accessibility for people with disabilities
20. To support the work of the wardens we have a team of 6 dedicated Neighbourhood Safety Officers who take positive action against perpetrators and adopt a problem-solving approach to tackle issues that present within their ward areas.
21. During the reporting period the Neighbourhood Safety Officers had to investigate approximately 80 incidents of anti-social behaviour (ASB) and community related problems which included supporting 21 victims across the borough. The team have progressed several actions against ASB perpetrators and some examples of this work can be seen in the good news stories below. We are currently managing more than 170 perpetrators within Middlesbrough. In the reporting period the team have carried out in excess of 650 positive actions within communities. We are now in the process of using community protection notices to take positive action against individuals who blight our communities. We have made over 40 referrals with intelligence to Police and into support services which include adults and children's social care for vulnerable people. The Neighbourhood Safety Service in the reporting period have dealt with 1075 service requests. The leading category for the service area for this month were reports of fly-tipping and waste related matters at 478 service requests which is a decrease of 7.4% when compared to October 2023. ASB at 207 service requests which is a decrease of 12.6% when compared to October 2023.
22. We dealt with 166 requests relating to untaxed and abandoned vehicles, which resulted in 10 vehicles being seized. We also responded to 52 requests relating to stray dogs/animal related issues. During November we also utilised PSPO powers on 4 occasions for breaches of the order, with one fixed penalty notice being issued.
23. The Environmental Wardens have issued a total of 7 fixed penalty notices in the month of November for environmental related offences. The team have also issued a total of 30 legal Notices for an array of Environmental and ASB offences. We also

have 10 legal files for environmental and ASB related offences with our legal services team for prosecution.

24. Please see below table showing total service requests undertaken by the Neighbourhood Safety Team for the month of November 2023. The table shows category type of incident/ report and each ward area.

Ward	ASB Issues	Stray Dogs	PSPO	Fly Tipping/ Enviro Reports	Vehicle Related Issues	Criminal Related issues	Proactive hotspot Patrols	Previous Month	Total	Difference From October 23
Central	90	6	4	68	37	9	53	297	267	-30
Newport	31	8	0	84	24	2	7	146	156	+10
Park	10	7	0	40	12	1	13	72	83	+11
Coulby Newham	2	1	0	14	3	0	0	32	20	-12
Stainton & Thornton	0	0	0	0	1	2	0	3	3	0
Hemlington	13	3	0	24	0	3	8	37	51	+14
Marton East	7	0	0	2	1	0	0	18	10	-8
Marton West	0	0	0	5	2	0	0	2	7	+5
Nunthorpe	0	0	0	0	0	0	0	9	0	0
North Ormesby	4	3	0	38	2	1	1	74	49	-25
Berwick Hills and Pallister	14	2	0	49	22	1	4	73	92	+19
Brambles and Thorntree	3	3	0	35	7	2	4	62	54	-8
Park End & Beckfield	3	4	0	33	6	0	5	69	51	-18
Acklam	1	0	0	5	4	0	1	8	11	+3
Ayresome	5	1	0	11	3	0	3	26	23	-3
Kader	0	1	0	2	3	0	1	5	7	+2
Ladgate	3	1	0	21	2	0	1	26	28	+2
Linthorpe	2	3	0	12	20	0	2	30	39	+9

<b>Longlands and Beechwood</b>	10	7	0	24	7	3	26	<b>45</b>	<b>77</b>	<b>+32</b>
<b>Trimdon</b>	5	1	0	3	4	0	0	<b>10</b>	<b>13</b>	<b>+3</b>

25. The service also assisted with 25 criminal offences that had been committed in the town centre with the bulk of these matters being drug dealing, shoplifting and the identification of 3 individuals committing burglaries and a knife attack. We also undertook 128 ASB tasking's across the town (see below table for ward breakdown).

### **East Middlesbrough**

26. The following actions have been taken by the Neighbourhood Safety team over recent weeks in the Park End/Beckfield & Brambles Farm/Thorntree wards:

- Youth throwing missiles at vehicles on the Greenway – ABC issued
- Youth throwing fireworks at Vaughan Shops – ABC issued – Police interview conducted and outcome pending
- Youths causing nuisance on Elkington Walk and at Vaughan shops – 1 ABC, 2x ABC breach warnings, 2x initial warnings, 1x Second warning
- Youth identified throwing firework towards Police – ABC breach issued
- Youths identified setting a fire on Cargo Fleet Lane – 2x Initial warnings and 2x Second Warnings (referred to immediate justice)
- Youth identified targeting family on Siddington Walk – ABC issued
- Youths targeting family on Marshall Avenue – 1x initial warning, 1x second warning (referred to immediate justice), 3x ABC breach warnings
- Youth throwing missile at window on Elkington Walk – ABC issued (referred to YOS Turnaround)

27. A number of referrals have also been submitted to early help in relation to the above youths. A number of youths have also been identified as being subject to CCE in the Netherfield's ward and as such officers have submitted safer referrals and attended meetings with Childrens Services and Police in an attempt to safeguard the youths involved.

28. Officers were able to identify a 'drugs run' along the back path leading from Brambles Farm, through Netherfields and into Spencerbeck which is being used by dealers using off-road motorbikes. Officers have carried out site visits and secured funding to block access points and deter further use of the back path, which will in turn make the dealers more visible to police.

29. In addition, on Friday 17<sup>th</sup> November 2023 officers took part in operation endurance with Police, during which a problematic motorbike was seized.

### **West Middlesbrough**

30. Our Team have been working with Thirteen Housing and Social Care colleagues to resolve issues of Crime & ASB on Darnton Drive, Easterside. We had two vulnerable adults living in a Thirteen Property who were inviting other drug users into the property, this was affecting the neighbours in the street. We gained entry to the

property and found another male sleeping on the sofa. This male had been stabbed in the property a few nights prior to our visit. The property was very messy and unkempt and it was found that the electric meter had been bypassed. The Police were informed of this criminal incident.

31. Social Services found the two vulnerable tenants temporary accommodation out of the area and Thirteen electricians made the house safe. The property was then subsequently secured. Community Safety and Thirteen Officers have since completed a door knock in the surrounding area and all of the residents visited explained that the area is now quiet, and they thanked all agencies on resolving the issue and for taking care of the males.
32. A member of our Neighbourhood Safety Team witnessed youths buying illegal fireworks from the boot of a car on CCTV. Two of the males from the group were identified and home visits were made and warnings given. The vehicles VRN was passed onto both Trading Standards and Cleveland Police to make their investigations. This reduced the firework nuisance in the Trimdon Ave shops area.



33. Poor, dangerous parking on Roman road has resulted in a repeat offender being served with a community protection warning. Additional parking patrols have been carried out with x5 penalty charge notices, 12 warnings and an additional 2 community protection warnings being issued.

34. Our team have identified and located a male responsible for crime in Linthorpe. The male has since been arrested and charged.
35. Joint patrols with the PSCO and wardens resulted in warnings and PCN'S being issued for poor parking at both Linthorpe primary schools.
36. Proactive patrols and monitors in Belle Vue have resulted in a persistent beggar who sits outside Tesco on Marton Road being served a community protection warning for his behaviour.
37. Police Intelligence logs have been submitted in relation to drug dealing activity in and around Belle Vue shops, we have captured images of these individuals and named them all for Police partners.
38. Two males attending addresses in Grove Hill have also been seen in other locations and this information was fed back to Police. During Police patrols they have since arrested the two males and recovered 144 rocks of crack cocaine.
39. During a walkabout with Police, Thirteen and a Ward Councillor, officers have located a potential cannabis farm within Grove Hill.

40. After receiving Warden reports and speaking to the Senior Warden we have submitted Police Intelligence in relation to Nitrous Oxide cannisters being used in a car park within the Saltersgill area.

## **North**

41. Since April 2023 until October 2023, we have seen a significant improvement in Fixed Penalty Notices being issued and paid. In May we received payment for an FPN issued to a male who was urinating within the TS1 area.
42. In addition, we have had an FPN paid for a male who was witnessed urinating near the Town Hall, we served notice for a littering offence which has a bigger fine which has since been paid. We now have an additional two prosecution files complete for non-payment of fines and an additional fine issued to a male urinating.

## **Cohesion and Migration update**

43. An inter-cultural Christmas party recently took place at Newport Community Hub. Around 75 families and children attended, including families part of Afghan resettlement, families part of the various Ukraine visa-routes, a family of newly granted refugees, and several asylum seeking mothers and babies. The event was catered by Mannequin Café, a local Polish restaurant, which was enjoyed by everybody. Children had the opportunity to make their own baubles and mini-wreaths to take home with them. Support was provided by two members of the team, as well as two volunteers, including the Princes' Trust.



44. Work has commenced on a Welcome Orientation Partnership with Teesside University. This will take place early in the New Year and will provide newly arrived international students with information on various key areas of living in Middlesbrough. This includes environment, recycling, enforcement, health, education, and community engagement activities.

## **Afghan**

45. The first bi-monthly weekend drop in for Afghan families has now taken place. These events will be themed and the first theme was employment. A representative from Triage, who deliver the Refugee Employment Programme, attended to discuss possibilities to improve employment prospects.

## **Ukrainians**

46. Confirmation has been received that an employment and housing project for Ukrainians will be delivered by Investing in People and Cultures. This is funded through the tariff received under Homes for Ukraine and is due to commence in the new year.



47. The weekly ESOL class continues and is now taking place at the International Centre. This is well-attended and participants have benefited greatly from it.

48. The team also attended an Equality, Diversion and Inclusion day at MacMillan Academy, where they showcased traditional Ukrainian items and shared recipes with people who attended. These recipes will form part of a wider inter-cultural cookbook.

### **Safer Streets CCTV update**

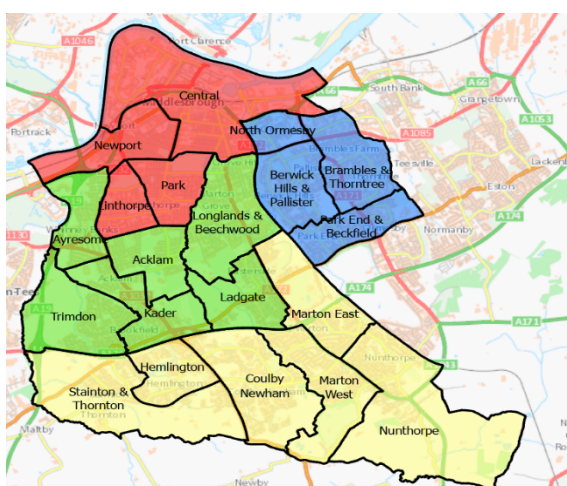
49. Installation of CCTV - Thirteen Housing are also part funding this. 11 additional CCTV cameras will be installed in various hotspot locations.

### **Communications campaign** - 5 separate campaigns will be held to tackle the following;

- Town centre safety – the newly appointed Safer Streets Officer will lead on this. The focus will be around begging and providing feedback to the business community
- Environmental leaflets will be produced in conjunction with skip drives. Leaflets will be produced in various languages where required
- Landlord training re environmental/refuse disposal - mainly focussed within the private rented sector in Central Ward
- Motorbike nuisance with Crimestoppers focusing on encouraging people to report bike storage locations. Residents can report anonymously where bikes are being stored
- Motorbike campaign in the run up to Christmas. Encouraging parents not to buy bikes/quads/e-scooters (completed)

### **Neighbourhood Action Partnerships (“NAPS”)**

50. The first NAP meeting for each of the locations (North, South, East and West) have now been held, with North and East taking place on 16th November, and South and West taking place on 15th December.



North = Red, West = Green, East = Blue, South = Yellow.



51. These meetings were well attended, bringing together elected members from across the Town and representatives from a variety of agencies such as the Police, Thirteen Housing, Cleveland Fire Brigade and various teams from within the Council

(Public Protection, Community Safety and Area Care). The NAPs are designed to allow members and agencies to communicate about the most pressing issues around crime, ASB, environmental crime and deliberate fire-setting. Agencies will provide members with information and data showing where these issues have been most concentrated across their own NAP area and will provide updates regarding what action the agencies are taking individually and jointly in order to address these concentrated “hotspots”. Members are invited to bring issues of concern within their own Ward to the NAP for consideration and multi-agency discussion, the aim being to look at the most serious and problematic issues and bring agencies together to resolve these as quickly and efficiently as possible. Issues discussed at the first NAPs included environmental crime such as fly-tipping and incorrect disposal of waste, repeat shoplifting and high-level ASB perpetrated by youth gangs. The NAPs will continue to meet on a bi-monthly basis, with the next North and East NAPs due to meet in mid-January and the next South and West NAPs due to meet in mid-February.

## **Locality Working**

### **North**

52. Locality officers are working with a group of residents to establish a Newport Residents Action plan. The plan is currently in draft with a follow up meeting scheduled for the New Year, this work will enable us to place residents’ priorities at the heart of what we do.

### **South**

53. Joint operations linked to environmental crime with Thirteen Housing and Cleveland Fire have taken place in the Hemlington area.
54. The Community Payback team from the Probation service and HMP Kirkclevington have joint worked with officers to offer Environmental improvement in the area, teams have been litter picking and cutting back bushes in and around the Viewley Centre. This joint working will continue into 2024.

### **East**

55. Property services staff continue to prepare MICC building for use by the East Locality team. Health and Safety staff revisited the site on the 18<sup>th</sup> December and are hopeful it will be operational in the New Year.
56. In the interim operational and strategic groups are established to joint work on issues and projects.

### **West**

57. Locality staff are now based within West Middlesbrough Childrens Centre and are hosting a number of partners.
58. Initial links with community organisations and resident’s groups is taking place.

## **Operation Autumnus**

59. Agencies are used to seeing a significant increase in crime and ASB towards the end of October and over the Halloween and Bonfire Night period. This is addressed via a multi-agency action plan and operation called “Operation Autumnus”.



Autumnus brings together a wide array of Council teams (Community Safety, Trading Standards, Area Care and Public Protection) working alongside partner agencies including the Police, Fire Brigade and youth services such as LINX, Youth Focus North-East and The Junction. This year's plan involved a number of actions including enhanced numbers of Police and PCSOs patrolling "hotspot areas" over the period in question, Wardens doing the same and additional resources being deployed into the Council's CCTV control room to provide enhanced coverage during the relevant period. Youth providers organised positive activities for young people in a number of wards across the town, and specifically on Bonfire Night the Council and Thirteen Housing operated a number of additional Area Care vehicles.

60. This year's plan and the hard work of all of the agencies and personnel involved in delivering it made a big difference to the outcomes over the October/Bonfire Night period. As can be seen in the table below, this October saw a significant reduction in the number of crimes reported across the town during the month. This continues a trend that can be seen going back over the last several years, with over 500 fewer crimes recorded in October 2023 when compared to October 2017.

<b>Year</b>	<b>Police Recorded Crime/ASB across Middlesbrough for whole of October</b>
2017	3056
2018	3060
2019	2945
2020	2780
2021	2932
2022	2885
2023	2537

61. Bonfire night showed a similar outcome, with the period 4<sup>th</sup> to 6<sup>th</sup> November 2023 having a 25% reduction in the number of deliberate fires dealt with by the Fire Brigade when compared to the same period in 2022 and a 31% reduction when compared to that period in 2019 (comparisons are often made to 2019 as being the last "pre-Covid" year for comparison).

Cllr Janet Thompson  
17 January 2024



## **EXECUTIVE MEMBER REPORT TO COUNCIL**

### **EXECUTIVE MEMBER: ENVIRONMENT – COUNCILLOR PETER GAVIGAN**

**DATE OF MEETING: 17 January 2024**

The purpose of this report is to provide an update to members on areas of activity within my portfolio including performance against strategic priorities.

#### **STRATEGIC PRIORITIES**

1. I am currently working on policy proposals for the short, medium and long term.  
We will continue to 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.

#### **HIGHLIGHTS**

2. I had a meeting with Councillor Hurst to try to progress a longstanding tree issue. I had a site visit to Green Lane Primary in Acklam at the request of Councillor Livingstone to try to address parking issues at the start and end of the school day. Councillor Dean also attended. I also had a site visit to Acklam Whin Primary in Kader with councillors Cooper and McCabe to try to address similar issues. Officers attended on all these occasions, and I'd like to thank them all for their input.
3. In my last report, I omitted to mention a visit to the Cumbria Waste Management plant in South Bank; this was both interesting and instructive.

#### **THE TIME AHEAD**

4. Highways Infrastructure
5. Traffic Signals/UTMC
6. Traffic Signal Junction upgrades 2023/24:
  - Marton Rd / Aldi (programmed in for completion in March 2024)
  - Borough Abingdon Rd (Programmed in for completion in January 2024)
  - Marton Rd / Corporation Rd (Programmed in for completion in March 2024)
7. Pedestrian crossing upgrades 2023/24:
  - Ormesby Rd / Balmoral Rd (Programmed for completion February 2024)
  - Low Lane Shetland Close (Programmed for completion in March 2023)
  - Boro / Emerald St (Programmed for completion in March 2024).

#### **Traffic Management**

## **Major Scheme - Stainton Way / Cypress Road.**

8. Works to improve road safety at the Stainton Way / Cypress Road junction by the installation of new traffic signals with pedestrian and cycle crossings, are now substantially complete.
9. The redundant access to the Brunton Arms pub, along with the slip lane coming off Stainton Way onto Cypress Road have both been removed, to help reduce vehicle speed.
10. The new traffic signals have been activated, so that residents can use the crossing points safely, with remaining works to be completed early in the New Year.
11. As part of the scheme the junction has also been fully resurfaced.

## **Ladgate Lane – 30mph speed limit.**

12. New speed activated signs are now in place to reinforce the reduced speed limit of 30mph along the full length of Ladgate Lane.

## **Highways**

13. Verge replacement and footway improvement works programmes have been developed and we are well underway with implementation of the programme for 2023/24.

## **Transporter Bridge**

14. The Transporter Bridge structural assessment is ongoing and the Stage 1 analysis is currently underway. Monthly progress meetings are taking place with the engineering consultants Atkins.

## **A66 Column 20B**

15. A66 Station Viaduct - Column 20B - Contractor Volker Laser have constructed their site compound and works are underway to replace the column head and bearing and repair the beams around the future Stack development.

## **Other A66 Work**

16. A66 Newport Interchange Bridges: Bridge deck waterproofing and resurfacing of the whole bridge deck to tie in with other planned resurfacing on A66 Eastbound has been completed.
17. Concrete testing has been carried out on Hartington Interchange Bridges. The report is currently being evaluated and repairs will be carried out in 2024.

## **Bridges and Structures**

18. Resurfacing and re-waterproofing of the bridge deck have been completed on Borough Road Flyover. Further works, to replace the bridge joints and carry out localised hydro demolition and concrete repairs, will be commencing in 2024.

19. We are in the process of completing the tender documents for repairs to A174 Marton Interchange Overbridge. This includes replacing the bridge deck waterproofing and resurfacing, concrete repairs to the abutments, and the installation of suicide prevention parapets. Contracts are with our legal dept.
20. We are also arranging further principal and general bridge inspections through a tender process via NEPO. We will be carrying out Principal Inspections to 18 structures and general inspections to a further 169 structures. Contracts have been awarded.
21. Longlands Road overbridge will be the subject of a full structural and principal inspection. It is expected that extensive repairs, or even full replacement, will be required. A design phase will follow the assessments with major works planned for 2024/25. Structural inspection and assessment contracts have been awarded.
22. We are awaiting confirmation of prices from Networks Rail's main Contractor to commence works to repair, and install suicide prevention parapets, to Linby Bridge.

### **Carriageways**

23. The first 2 stages of the 2023-24 classified and unclassified roads resurfacing programme have been completed with 80% of the planned carriageway resurfacing programme now carried out. Acklam Road/Marton Road to be completed by March 2024.

### **Flood Management**

24. Following on from the 2nd survey and the provision of data such as gritting routes, flood risk areas etc we continue to develop the Gully Smart Software. We are looking to implement the risk-based approach analysis in respect to gully cleaning over the next 3 months. Currently work is being undertaken to deal with those Gullies identified as being 75% - 100% full of silt. We continue to work proactively on flood risk management through joint working with the EA and NWL. This work, along with drainage surveys is increasing our knowledge of the network and improving the long-term planning and maintenance of gullies.

### **Street Lighting**

25. We have started the column replacement programme following conclusion of the structural and electrical testing that was carried out last year. 257 columns are due to be replaced this financial year and we have so far replaced 170 defective columns with the remainder to be completed before March 2024.

### **Area Care**

26. Typically, December and January are the quietest time of the year for Area Care, however, we are working through the following tasks.
  - Autumn/winter shrub & hedge pruning
  - Bonfire removal if ground conditions allow.

27. Area Care have been working in collaboration with the Rotary Club to plant a further 84 trees along the riverside.
28. Area Care are now using the new mechanical sweepers in West and North that were purchased in November.
29. The Council's Road Safety Team has met with Cleveland Police to devise an education campaign around School Gate Traffic Issues. They are primarily the regular issues faced by the School Crossing Patrols and include:
  - 1: Drivers failing to stop.
  - 2: Issues around visibility (due to inconsiderate parking on zigzags and double yellows).
30. The Council's Enforcement Team will be working in partnership to address and reduce these issues. Regular press releases and social media posts highlighting issues will be issued and promoted across the social media channels.

## EXECUTIVE MEMBER REPORT TO COUNCIL

### EXECUTIVE MEMBER: FINANCE & GOVERNANCE – COUNCILLOR NICKY WALKER

**DATE OF MEETING: 17 January 2024**

The purpose of this report is to provide an update to members on areas of activity within my portfolio including performance against strategic priorities.

#### STRATEGIC PRIORITIES

**Strategic Priority:** *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.*

#### Update:

1. I continue to have weekly briefings with each of the two directors relevant to my portfolio as well as frequent additional meetings and contact with them and other officers as appropriate.
2. On 20 December 2023 I attended Overview and Scrutiny Board to give an update on my portfolio and also attended the two all member briefings which took place on 12 December 2023 on the Budget Setting Process and 21 December 2023 on the Budget Proposals.

#### HIGHLIGHTS

#### Members' Enquiries Process Update

3. There continues to be some understandable frustration around the current processes for dealing with members enquiries and in relation to the lack of regular updates received.
4. In the short-medium term and in advance of any new system being implemented there is not a simple solution which would enable responses to individual enquiries / requests as and when they've been actioned, due to the lack of single system in place to manage and log requests.
5. In reality, instead of one single joined up system there are a number of other processes including spreadsheets, paper lists, job request that are running in the background which make it such a burdensome – and almost impossible -

task for staff to coordinate, keep on top of and to provide the updates that members expect, and indeed should ideally be receiving.

6. I am pleased to be able to report that members will shortly be invited to demonstrations of the potential new solutions for the Member Enquiries Process. Dates currently are being considered are at the end of January and early February but are being cross-referenced with any potential committee date clashes.
7. In the interim I am looking at further potential solutions which may provide some more meaningful responses to members, until a new system is brought in which will be more fit for purpose.

### **Abusive, Persistent or Vexatious Complaints Policy.**

8. On 21 December 2023 I approved the Abusive, Persistent or Vexatious Complaints Policy 2023 – 2026, which sets out the Council's approach to protect the health, safety and wellbeing of all employees.
9. Post COVID the council has noted an increase in abusive, persistent or vexatious complaints aimed at both officers and members.
10. The policy applies to all staff or residents who may contact them. It also applies to Councillors in their activity in relation to staff and in addition the protections that can be put in place for Councillors who are experiencing abusive, persistent and /or vexatious levels of contact from residents.
11. The policy utilises the definitions set out by the Local Government Ombudsman to ensure best practice is implemented throughout the Council.
12. At the meeting it was also recognised the importance of the right for the public and Members to pose challenging questions and confirmed there was high threshold before the policy would be applied.

### **Public Budget Consultation Events**

13. At the time of writing, Mayor Chris Cooke and I are leading on public events in four areas of the town w/c 08 January 2024:
  - **Monday 8 January** - 6pm - Newport Community Hub (St Pauls Road, TS1 5NQ).
  - **Tuesday 9 January** - 6pm - Acklam Community Hub and Library (Acklam Road, TS5 7AB).
  - **Wednesday 10 January** - 6pm - Hemlington Community Hub and Library (Crosscliff, TS8 9JJ).
  - **Thursday 11 January** - 6:30pm - North Ormesby Community Hub and Library (Derwent Street, TS3 6JB).



## **Exceptional Financial Support (EFS)**

### Reminder of Financial Position 31.03.23

14. As highlighted in my earlier reports to Council the financial position inherited on 31.03.23 was unsustainable, briefly:

- There was a balanced budget set in February 2023 but the independent review from Chartered Institute of Public Finance and Accountancy (CIPFA) and the report of the then section 151 Officer raised concerns about deliverability of savings (particularly around Children's Services) and levels of reserves.
- It had been identified that as at May 2023, the Council was not on track to deliver within budget for 2023/24.
- External auditors have highlighted significant overspends against both 2022/23 and 2023/24 budgets emerged in first half of financial year.
- Annual expenditure currently exceeds income by approximately 10%
- There is a projected overspend at October 2023 £7.4million (reduced from Quarter 1 of £11.5million and Quarter 2 of £8.5million)

15. In terms of Reserves:

- Usable earmarked reserves had been drawn on to fund budget pressures and overspends which had reduced these reserves by 75% from 31.03.2019 to 31.03.23.
- Total Usable Revenue Reserves had depleted to a critically low level of £14.8million
- The projected overspend on the 2023/24 budget were projected at the end of Quarter 2 to reduce these reserves further to £6.3million, this has been revised further following figures for November and the forecast now stands at £7.8million at year end 31.03.24.
- Reserves can only be used once.
- The External Auditor has also raised statutory recommendations in relation to the critically low level of council reserves which weaken its financial resilience which undermine its ability to cope with unforeseen pressures, and indeed fund its financial recovery.

16. The External Auditor has also required the Council to take action within the current year to reduce expenditure to protect those reserves and to review its service delivery models and implement plans for transformation to improve them. The Auditor also required the identification of the funding source for transformation, which in the absence of available revenue reserves, is out of necessity, capital receipts realised from the disposal of assets.

17. It is important to stress that the one-off use of reserves and provisions to fund ongoing expenditure without a robust plan to achieve a balanced budget over the medium term and a plan to rebuild reserves from the currently critical low position, is not financially prudent nor financially sustainable.

#### Updated Financial Position December 2023

18. All Members were invited to two briefings which took place on 12 December 2023 on the Budget Setting Process and 21 December 2023 on the Budget Proposals. These briefings included detail information on the background to the budget, our current financial position and the budget gap remaining. However, at that time the impact on Middlesbrough of the Provisional Local Government Finance Settlement (LGFS) announced on 18 December 2023 was still unclear.
19. On 20 December 2023, I jointly presented along with the Mayor, a report to the Executive, which comprised of an update in relation to progress made in developing the 2024/25 Budget and MTFP for the period 2024/25 to 2026/27, as well as budget proposals for consultation.
20. The report identified that despite substantial work undertaken by the Leadership Management Team, the Elected Mayor and the Executive to identify savings and income growth proposals sufficient to balance the 2024/25 budget, a shortfall of £6.279m remained for 2024/25. It also reported further gaps of £1.596m for 2025/26 and £0.305m for 2026/27, equivalent to a cumulative budget gap of £8.180m.
21. The draft savings and income growth proposals that are currently subject to consultation, total £14.083m in 2024/25 which is equivalent to 11% of the 2023/24 net budget of £126.354m and is of significant scale and challenge for Middlesbrough Council. These savings rise to by a further £5.083m in 2025/26 and £1.967m in 2026/27, therefore presenting a cumulative savings plan of £21.088m by the end of 2026/27.
22. It is proposed to levy a total Council Tax increase of 4.99%, comprising 2% on the Adult Social Care Precept and 2.99% on the general Council Tax, in line with limits set nationally by central government. It is possible for the Council to seek authorisation from the Department for Levelling Up, Housing and Communities (DLUHC) to waive the referendum limit to levy a higher Council Tax as part of its application for Exceptional Financial Support, but this course of action is **not** proposed.
23. Further work is continuing in relation to the budget development process and financial recovery plan including:
- Assessment of the Provisional Local Government Finance Settlement
  - Due diligence to assure the robustness and deliverability of budget proposals
  - Assessment of the adequacy of reserves
  - Assessment of risks and uncertainty of cost and demand pressures facing the Council

- Scoping and development of the Transformation Programme, its themes and projects and associated business cases.
  - Development of asset disposal plans and a profiled pipeline of capital receipts that will be the primary funding stream for investment in the Transformation Programme.
24. The Provisional Local Government Finance Settlement (LGFS) was announced on 18 December 2023 and runs to the 15 January 2024. The Final LGFS will be announced in early February 2024 and the final funding position will be known at that point.
25. This Provisional Settlement is broadly in line with the Council's MTFP assumptions and is not expected to change substantially upon receipt of the Final LGFS. As anticipated, the £6.3m budget gap remains to be addressed by the Council in order to set a legally balanced budget for 2024/25.
26. Members will be aware that the Council is required to set a legally balanced budget for 2024/25 by the statutory deadline of 11 March 2024. This is the responsibility of all Council Members.

#### Professional Opinion of Section 151 Officer

27. A report which will be presented for consideration to the Executive on 17 January 2024 requesting the Executive approve that an application for Exceptional Financial Support be made by the interim Chief Executive and Interim Director of Finance (s151 Officer) to the Department for Levelling Up Housing and Communities (DLUHC) in order to finance forecast budget deficits and enable a balanced budget to be set for 2024/25 as required by statute. Council approval would be required for the outcome of that application which would be included in the budget setting report for 2024/25 in February 2024.
28. This report includes the following:
29. *It is the professional opinion of the s151 Officer, that in order to set a legally balanced and robust budget whilst maintaining adequate revenue reserves for 2024/25, the Council must:*
- *apply for and receive approval of Exceptional Financial Support from Central Government comprising elements:*
    - *meet the budget gap for 2024/25*
    - *manage the financial implications of savings programme delivery risk*
    - *temporarily support the funding of investment in transformation pending the realisation of capital receipts from the asset disposal programme*
    - *temporarily support the funding of the statutory element of redundancy costs pending the realisation of capital receipts from the asset disposal programme*
  - *approve and deliver budget proposals to the values set out in the Executive report of 20 December 2023*

- *increase Council Tax by the maximum 4.99% as proposed in the Executive report of 20 December 2023*
30. *In the event that these conditions are not met, then the s151 Officer will be required to issue a s114 Notice under s114(3) of the Local Government Finance Act 1988 as the Council would be unable to set a legally balanced budget.*
  31. *This action will only be taken as a last resort and is likely to have a significant adverse impact upon the Council's ability to maintain delivery of a range of non-statutory services in the short term whilst a plan to achieve a balanced budget is considered by the Council. This course of action also increases the likelihood of an escalation of government intervention, which will result in increased expenditure for the Council.*
  32. *Based upon the budget development work undertaken to date, it is considered to be highly unlikely that it will be possible to identify and deliver robust and sustainable saving proposals to close the £6.3m budget gap without implementing a large-scale transformation programme of the type being developed currently to run over the medium term. This will take time and substantial investment in the necessary skills, experience and technology required to deliver lasting service improvement and cost reduction.*
  33. *It is considered that Exceptional Financial support will be necessary to enable the Council's financial recovery either at this stage that would avoid a s114 Notice, or at a later stage in a s114 scenario.*
  34. I share the opinion of the Interim Director of Finance (Section 151 Officer) regarding the need to apply for Exceptional Financial Support and she has my full support.
  35. Earlier in the financial year there was a real risk, as I reported to members in my first report to Council that the overspends associated with the 2023/24 budget would exhaust what remains of the usable reserves, and that would have in itself required the issuing of a Section 114 notice. Due to the progress made during this financial year, that appears to be much less of a risk, but the scale of the financial challenges inherited which cannot be resolved in one financial year does mean that short term support through EFS is needed to balance the budget for 2024/25 whilst we implement plans to work towards financial recovery.
  36. EFS has appeared to be inevitable for many months, unless there had been a substantial increase in the amount of support to address the increased pressures facing local authorities under the recent Local Government Finance Settlement. A pro-active approach has been adopted with officers being in regular discussions with DLUHC regarding this matter.
  37. EFS is now needed to set a balanced budget for 2024/25 and also deliver service transformation and cost reduction at the scale required to secure

financial sustainability in the medium to long term. Importantly it would also serve to avoid the more severe consequences of a section 114 notice.

### The EFS application

38. EFS will take the form of a capitalisation direction that enables the Council to treat revenue expenditure as capital and to borrow and repay this amount at a premium rate over Public Works Loans Board (PWLB) borrowing over a period of up to 20 years. It is a one-off solution in order to finance the capitalisation of revenue expenditure in a particular year to provide breathing space for the Council to implement plans to recover its financial position. It is not a grant and is not free money.

39. Approval of EFS will be dependent upon the Council being able to demonstrate a plan to deliver its financial recovery and will be subject to a number of conditions that will be determined by the Secretary of State.

### **Section 114 Notice-Implications**

40. If the Council is unable to agree and set a legally balanced budget then the s151 Officer is required by law to issue a s114 Notice under the provisions of the Local Government Act 1988. Section 114 (3) which states that:

*“The chief finance officer of a relevant authority shall make a report under this section if it appears to them that the expenditure of the authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure”.*

41. Councillors would have 21 days from the issue of a Section 114 notice to discuss the implications at a Full Council meeting. The Council would then need to agree how it will produce a plan to balance the budget.

42. The issue of s114 notice means that:

- no new expenditure is permitted, with the exception of that funding statutory services, including safeguarding vulnerable people, at minimum level
- existing commitments and contracts will continue to be honoured.
- Council officers must therefore carry out their duties in line with contractual obligations and to acceptable standards, while being aware of the financial situation.
- Any spending that is not essential or which can be postponed should not take place and essential spend will be monitored.

43. In a s114 emergency protocol, the s151 Officer would require expenditure on ‘non-statutory’ or ‘non-essential’ services and functions to stop and statutory functions to be delivered at the minimum level to achieve the £6.3m budget saving required until longer term financially sustainable solutions can be developed and implemented. Inevitably, such plans would require service

transformation and redesign of the type currently being designed and developed. In the meantime, this would result in extreme adverse consequences for the delivery of non-statutory functions.

44. Officers have provided a high-level estimate of the net budget value of services delivering primarily non statutory/ non-essential functions to provide an indication of the service areas likely to be stopped and or reduced to achieve the required saving under a s114 emergency protocol. These include Economic Development, School Crossing Patrols, Cultural and Entertainment Activities, Leisure Services, Marketing, Neighbourhood Safety and Street Wardens, Area Care, Parks Management, Environmental Protection, Adult Social Care Day Care, Education Psychologists. The total net budget for these areas in 2023/24 is £9m. In addition, there will be some elements of support services which are not yet quantified. This illustrates the scale of adverse impact that is likely as a result of a s114 Notice being issued to achieve further reduction in expenditure of £6.3m.

#### Risk of Government Intervention

45. Based upon the experiences of other local authorities that are assessed as financially unsustainable, this could result in various levels of escalation, for example:
- Requiring that the voluntary Independent Improvement and Assurance Board moves to a mandatory basis
  - Requiring that the advisory nature of the Board moves to a statutory basis enabling the Board to issue statutory recommendations and direct the Council's actions.
  - The risk of the appointment of independent commissioners further down the line to intervene in the leadership and management of the Council. This could also involve suspension of democratic processes.
46. The Council would be required to meet the additional costs of increased improvement board activity aligned to its increased role. If Commissioners were appointed, the Council would be required to meet the cost of each Commissioner from its own resources.
47. It is important to note that in the case of all local authorities who have issued a s114 and have been subject to Commissioners, the costs of recovery are met by the local authority and have required varying levels of EFS to be negotiated between DLUHC and Commissioners.
48. Therefore, Exceptional Financial Support will be necessary to support the Council to achieve a balanced budget for 2024/25 and achieve its financial recovery plan irrespective of whether that is done now, or at some future point after a s114 Notice is issued, should the EFS application not be made now
49. A s114 Notice would result in additional unnecessary cost to the authority, delays to progress in recovering the Council's financial position which are critically dependent upon implementing a Transformation Programme and likely to result in an escalation of Government Intervention in the Council's

strategic management and decision making, with a dilution of control and influence for Council Members.

## **EXECUTIVE MEMBER REPORT TO COUNCIL**

### **EXECUTIVE MEMBER: REGENERATION – COUNCILLOR THEO FURNESS**

**DATE OF MEETING: 17 January 2024**

The purpose of this report is to provide an update to members on areas of activity within my portfolio including performance against strategic priorities.

### **Executive Decisions made**

#### Article 4 Direction on HMOs

1. The introduction of an Article 4 Direction to enable the Council to control the location and quality of new HMOs in Middlesbrough (except in the area covered by the Middlesbrough Development Corporation).
2. A house in multiple occupation (HMO) was defined as being a property occupied by at least three people who were not from one household (such as a family) but share facilities such as a bathroom and kitchen. Such properties were commonly known as house shares or bedsits.
3. The Town and Country Planning (General Permitted Development) (England) Order 2015 (the 'GPDO') makes provision for granting planning permission for certain classes of development without the requirement for a planning application to be made.
4. Under the GPDO, a change of use from a house (which was in planning use class C3) to a large HMO of 7 or more people (which did not fall into any of the planning use classes) required planning permission. However, change of use from a house to a small HMO of between three and six people (which was in planning use class C4), was classed a permitted development and did not require planning permission. This meant that the Council could not currently exercise any planning control over small HMOs.
5. Since 1 October 2018 all HMOs of five or more people had also been subject to mandatory licensing. Licenses were valid for five years and properties were subject to an inspection during this period. If the Council received complaints regarding a property this will prompt a further inspection and enforcement action may be taken.

#### Middlesbrough Development Company

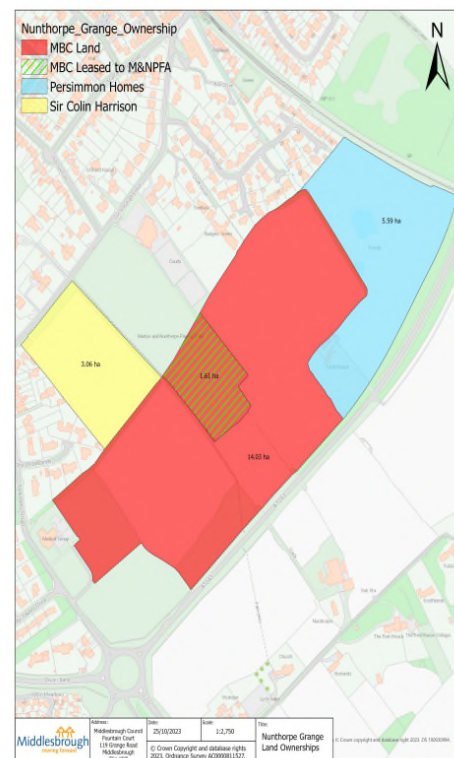
6. The purpose of the report was to update Executive on the progress made in relation to the closure of the Middlesbrough Development Company and the revised timetable for the Members Voluntary Liquidation. The report also fulfilled the commitment to provide a quarterly report on the Company's operation, in line with the requirements of the Partly and Wholly Owned Council Companies policy and supporting minimum standards.



7. In September 2023 Executive were advised that the process to close the Middlesbrough Development Company was underway, and the process and timetable for this to happen were set out. The Middlesbrough Development Company Closure report set out that although all project activity had ceased, there were several contractual issues that would require further work, and upon completion of these Members Voluntary Liquidation would be undertaken to close down the company. The timetable set out concluded with the company closing hopefully by the end of March.
8. The proposed process and timetable for the closure of the company was consistent with the actions identified against recommendations by the Council's external auditors in the Section 25 report presented to Council on 24th November 2023.

## Nunthorpe Grange Land Disposal

9. The report sought Executive approval for the disposal of Nunthorpe Grange, which was allocated in the Housing Local Plan (2014), in accordance with the Council's adopted Asset Disposal Process, and to inform Executive of the next steps to take this site to market.
10. The report detailed that the site was allocated in the 2014 Local Plan, and Nunthorpe Grange was circa 24.29ha of green field land and was in three separate ownerships, with Middlesbrough Council owning approximately 15.64ha and the remainder privately owned.
11. Appendix 1 of the report showed the site ownership which comprised:
- land coloured red owned by Middlesbrough Council which totalled 15.64ha;
  - Lady Harrison's Field/The Polo Field (land coloured yellow) owned by Sir Colin Harrison & Family Trust 3.06ha; and,
  - Land at Field House (coloured blue) owned by Persimmon Homes 5.59ha.



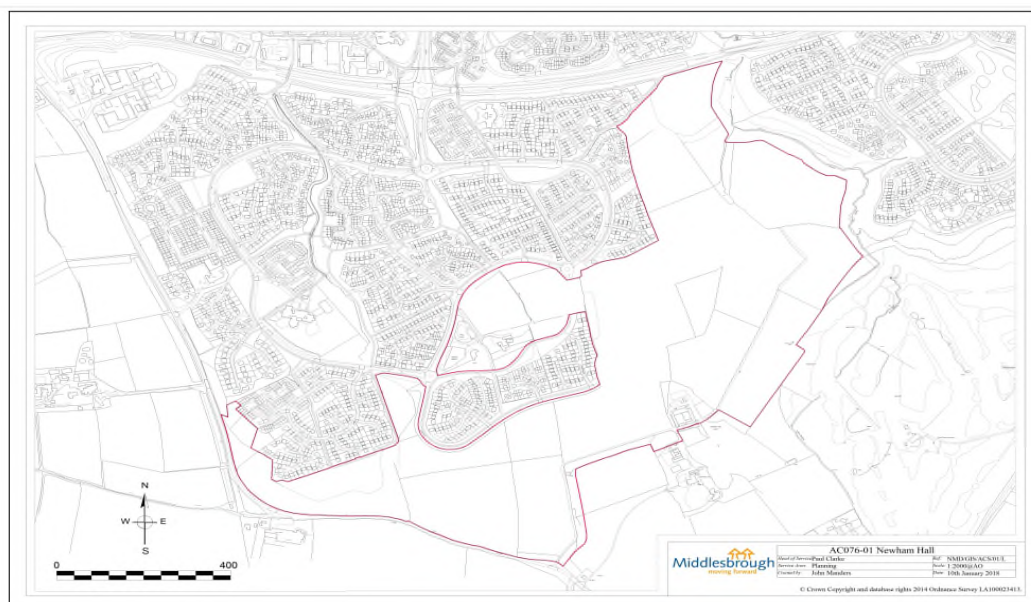
12. The site was located south and east of existing residential developments. To the west and south were areas of open countryside. The site was bounded by the Guisborough Road (A171) to the north, by railway lines to the east, to the south by the (A1043) and to the west by the Stokesley Road.

13. A Member stated Nunthorpe had seen significant development without the requisite infrastructure for such development. As such, residents were dissatisfied with the situation. The Executive Member for Regeneration thanked the Member for their comments and appreciated their resident's position. It was commented the Council's financial position meant the recommendations contained in the report were necessary.

### Newham Hall Land

- approve the approach of Middlesbrough Council acting as the master developer for the Newham Hall site - being financially responsible for bringing the site forward for phased disposal and marketing without external intervention or support from Homes England;
- approve the use of the awarded Levelling Up Fund 2 (LUF2) and Towns Fund grants, Strategic Highways Section 106 (S106) Funding, other developer contributions and pre-existing Council capital funding of £4.129m dedicated to Housing Growth or other projects already contained within the current capital programme to unlock and derisk the Newham Hall housing site;

Although the land has not been marketed for sale, Middlesbrough Council has received two speculative offers for the land in the last three years. More recently, the Council



received a Joint Venture proposition from Homes England and entered into an Exclusivity Agreement with them for the period December 2022 - September 2023.

Following assessment of these offers and insights from market research this report seeks approval for Middlesbrough Council to:

- progress with the disposal and marketing of the land independently rather than sell to a third-party developer through a Joint Venture with Homes England and
- to utilise LUF2, Towns Fund grant, Strategic Highways and S106 monies, other developer contributions and Council capital programme resources to undertake site derisking to ensure best consideration for the site at the point of sale.

The disposal of the land is recommended to meet the Council's requirements to generate capital receipts, increase annually recurring revenue streams and, as the value of the individual site exceeds £250,000 it is a key decision.

14. Newest opening in the Square – The Wired Lobby, launched on 1<sup>st</sup> Dec with formal opening following 4<sup>th</sup> Dec. Various competition events are planned, in the coming months, with further opportunities with local education providers planned in the coming year.

15. LevelX trading well, having revised their pricing strategy recently to become more accessible to all, and other social and gaming events planned.



16. Unit3a (The Oven) – work commenced in November 2023, with many of the preparatory works now complete, aiming for a Spring 2024 opening, currently on track.

17. International burger chain committed to former Thomas the Baker unit, legals to be signed – unit has been stripped out with a start on site proposed end of Jan 2024.

18. Regional family entertainment provider currently in advanced negotiations, and in the legal process for the former Wilko unit. Subject to legals, a Summer 2024 opening is proposed.

19. Exec report (20<sup>th</sup> Dec) approved for additional funding for Cap Cook Square (via TVCA) subject to business case approval (tbc) which would allow new cinema proposal, proposed for a Summer 2024 opening. Detailed feasibility, tenders and legals and complete, was on hold pending financial approval.

#### Local Plan Update

20. Local Plan Public consultation will run from the beginning of February to Mid March. I have also opened my diary to have meetings with all Councillors prior the public consultation and hopefully have these all completed before the public consultation starts.

#### Asset review update

21. We have received interest in several industrial properties following the initial publicity around the Asset Review. These properties are now being prepared for sale (including Tees Advanced Manufacturing Park), with updated valuations and sales particulars being developed. As the intention is for the asset sales to be done in phases across a three-year period, these assets are likely to represent the majority of those marketed for sale at this point. The market interest generated; the receipts received will inform the future phasing for the remainder.



<b>MIDDLESBROUGH COUNCIL</b>	
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<b>Report of:</b>	The Chair of Overview and Scrutiny Board and the Director of Legal and Governance Services
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<b>Submitted to:</b>	Council
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<b>Date:</b>	17 January 2024
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<b>Title:</b>	Scrutiny Progress Report
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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>	All
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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>	No
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<b>Why:</b>	Not applicable
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<b>Executive summary</b>
To update the position in respect of the Council's Overview and Scrutiny Board and scrutiny panels. The current position regarding progress made by the Board and each of the panels is set out below.

## Purpose

1. To update the position in respect of the Council's Overview and Scrutiny Board and scrutiny panels.

## Background and relevant information

### OVERVIEW AND SCRUTINY BOARD

2. The Overview and Scrutiny Board met on 20 December 2023.

At that meeting the Board considered / received information in respect of the following:

- Executive Forward Work Programme
  - Members noted the Executive Forward Work Programme

- Council Plan
  - The Mayor outlined the Council Plan for 2024 onwards and the Council's strategic priorities.
- 2024/2025 Budget and MTFP Refresh
  - Members were provided with an update on the Council's financial position and the budget proposals required to redress the projected budget gap.
- Final Report of the Health Scrutiny Panel – Dental Health and Impact of Covid-19
  - The Chair of the Health Scrutiny Panel presented the Health Scrutiny Panel's report into Dental Health. OSB endorsed the recommendations and it approved its submission to Executive.
- Scrutiny Chairs Updates.
  - Members were updated about the activity within each Scrutiny Panel.

## **SCRUTINY PANEL UPDATES**

3. The updated position in respect of the work of each of the Council's scrutiny panels is shown below.

### **Adult Social Care and Services Scrutiny Panel**

4. The Adult Social Care and Services Scrutiny Panel met on 21 November 2023 and 19 December 2023.
5. At the meeting on 21 November 2023, the panel welcomed Suzanne Hodge, Head of Prevention and Partnerships and Chris Thompson, Prevention and Support Services Lead Officer to the meeting.
6. This was the first meeting of the new topic in relation to the Adult Social Care and Services Scrutiny Panel's investigation into Prevention, as a way of keeping older people in their own home for longer.
7. The officers provided a detailed presentation of the Middlesbrough Independent Living Services (MILS). To assist with the developing the terms of reference for the review, the Panel agreed it would be useful to receive information from Public Health South Tees.
8. With this in mind, the Panel welcomed Dr Michelle Stamp, Consultant in Public Health-Public Health South Tees to the meeting on 19 December 2023.
9. The presentation provided contained key statistics in relation to Middlesbrough's healthy life expectancy, as well as statistics for promoting independence for older people.
10. The Panel heard about the approach in Public Health as well as learning about some of the effective public health interventions in the community to support individuals. Due to the extend of information received, the Chair thought it would be wise to pull together all of the information and devise some terms of reference, prior to continuing with the review.
11. At the meeting on 19 December 2023, the Panel also received a presentation from the Director of Adult Social Care and Health Integration on Teeswide Safeguarding Adults Board annual report.
12. The next formal meeting of the Panel will take place on 27 February 2024, however a Special meeting of the Panel will take place on 9 January 2024 to consider the 2024/25 budget and Medium term financial plan (MTFP) for Adult Social Care.

## **Children and Young People's Scrutiny Panel**

13. The Children and Young People's Scrutiny Panel last met on 4 December 2023. At that meeting, the Panel continued with the School Attendance investigation.
14. The Head of Access to Education and Alternative Provision attended the meeting and gave a presentation in relation to the importance of good school attendance; attendance data; and action being undertaken in respect of it. Members also received information from the Executive Director of Children's Services and the Director of Education and Partnerships.
15. The Panel also agreed the Terms of Reference for the review.
16. The next meeting is scheduled for Monday, 15 January 2024 when the Panel will be considering the Council Budget 2024/2025 and Medium Term Financial Plan Refresh – Children's Services.

## **Environment Scrutiny Panel**

17. At its meeting on 13 November 2023, Officers from Environment Services were in attendance to provide further information in relation to the Panel's current topic of 'Waste Management'. This included: details around recycling rates and how Middlesbrough compares locally and nationally; the types and amounts of materials collected; frequent contaminants; data on disposal and processing.
18. The Panel also agreed Terms of Reference for its review and received a verbal update from the Vice Chair regarding the Crustacean Deaths Collaborative Working Group.
19. The Panel's next meeting is scheduled for 11 December 2023. Community Action Group, Boro Doughnut, will be in attendance to talk about its work in supporting the town's One Planet Living strategy.

## **Health Scrutiny Panel**

20. The Health Scrutiny Panel last met on 11 December 2023. At this meeting, Members considered and agreed the content of the draft final report on the topic of Dental Health and the Impact of Covid-19.
21. At the meeting, the Panel also received an update on women's health services from the North East and North Cumbria Integrated Care Board (ICB). The Director of Place Based Delivery and the Commissioning Delivery Manager were in attendance to provide information on women's health concerns and details of the work that is being undertaken, locally, to improve how the health and care system listens to women, improve access to services and improve health outcomes.
22. The next meeting is scheduled to be held on 16 January 2024. At this meeting, the Panel will consider the following items:
  - Council Budget 2024/25 and MTFP Refresh  
The Director of Public Health and the Mayor and Executive Member for Adult Social Care and Public Health will be in attendance to present the budget in respect of Public Health.
  - Avoidable Deaths and Preventable Mortality - An Introduction  
The Consultant in Public Health will provide general overview/introduction of the topic, including:
    - information on the role of Public Health South Tees in preventing ill-health, specifically:

- reducing inequalities through the prevention and early detection of disease and supporting the management of long-term conditions; and
- key data and information on Middlesbrough's rates of preventable and avoidable mortality and how these compare regionally and nationally.

### **Regeneration Scrutiny Panel**

23. A meeting of the Regeneration Scrutiny Panel was held on 6 December 2023. The Panel continued with their scrutiny investigation into Planning Capacity with two items related to the Terms of Reference for the review.
24. The Head of Policy Practice and Research at the Royal Town Planning Institute (RTPI) attended the meeting virtually and gave a presentation in relation to the Levelling-Up and Regeneration Act 2023 and information was also provided in relation to the National Planning Policy Framework (NPPF) and Local Plan-making.
25. The Council's Development Control Manager provided an update on a review of the Council's website content in relation to Planning and Development.
26. The next Panel meeting is scheduled for Wednesday 17 January 2024 when the Panel will be continuing with the current review and considering the Council Budget 2024/2025 and Medium Term Financial Plan Refresh – Regeneration.

### **South Tees Health Scrutiny Joint Committee**

27. The South Tees Health Scrutiny Joint Committee met on 13 December 2023. At this meeting, the Committee considered the following items:
  - An Overview of Public Health
  - An Update on the Live Well South Tees Health and Wellbeing Board
  - Winter Planning
  - Urgent Treatment Centre (UTC) Developments

### **Tees Valley Health Scrutiny Joint Committee**

28. The Tees Valley Health Scrutiny Joint Committee met on 15 December 2023. At this meeting, the Committee considered the following items:
  - Office for Health Improvement & Disparities - Community Water Fluoridation
  - North East and North Cumbria Integrated Care Board - NHS Dentistry Update
  - NHS England / Northern Cancer Alliance - Non-Surgical Oncology Outpatient Transformation
  - North East and North Cumbria Integrated Care Board - Tees Valley Winter Planning Update
  - Work Programme 2023-2024

### **Tees Valley Combined Authority Overview and Scrutiny Committee**

23. The Tees Valley Combined Authority Overview and Scrutiny Committee met on 2 March 2023.
24. At its meeting on the 2 March 2023 the Committee considered the following:-
  - Martin Waters, Business Growth Manager of TVCA delivered a presentation to the committee on supporting local businesses.



- Councillor Bob Cook from Stockton Council together with Shona Duncan Head of Education & Skills at TVCA presented a report with an update on the activity and forward plan to date. The Committee sought clarity on the number of apprentices in Tees Valley and were informed that there were around 500 live vacancies at this time.
- The TVCA Monitoring Officer discussed the requirements for the Committee to either deal with presentations or reports.
- It was explained that the time of the next meeting could not be confirmed until after the May elections, when new members would have been ratified by TVCA cabinet.
- Overview & Scrutiny Annual Report 2022-2023
- UK Shared Prosperity Fund – Business Update
- EES Update

## **SCRUTINY REPORTS SUBMITTED TO EXECUTIVE**

25. Since the last update to Council, the following Final Scrutiny report has been submitted to Executive:-

Executive – 24 January 2023 - Final Report of Adult Social Care and Services Scrutiny Panel in respect of a review of the role of the Voluntary and Community Sector (VCS) in supporting Adult Social Care (with a focus on COVID-19 and Recovery).

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

26. That Council note the report.

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

27. The Constitution requires the Council to be provided with an update with regard to the work of the Overview and Scrutiny function.

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

28. That an update on the work of the scrutiny function is not provided to full Council. This would not comply with the requirements for updates on the scrutiny function, to be reported to full Council.

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

### ***Legal***

29. The Constitution requires regular updates on the scrutiny function, to be submitted to full Council.

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

30. The relevant risks this decision would influence are cited below, with an explanation as to why they are relevant and how it would affect each risk.

<b>Risk No</b>	<b>Risk Description</b>	<b>Impact</b>
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O8-054	Failure to adhere to Local Code of Corporate Governance and deliver governance improvements outlined in the Annual Governance Statement.	If updates on the work of the scrutiny function were not provided to Council, it would not be in accordance with the requirements of the Constitution.
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### ***Human Rights, Equality and Data Protection***

31. The subject of this report is not a policy, strategy, function or service that is new or being revised. It is considered that an equality impact assessment is not required.

### ***Financial***

32. There are no financial implications arising from the recommendations within this report

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

Action	Responsible Officer	Deadline

### **Appendices**

1	
2	
3	

### **Background papers**

Body	Report title	Date

**Contact: Charlotte Benjamin**

**Email: [charlotte\\_benjamin@middlesbrough.gov.uk](mailto:charlotte_benjamin@middlesbrough.gov.uk)**

<b>MIDDLESBROUGH COUNCIL</b>	
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<b>Report of:</b>	The Chief Executive, Director of Finance and Director of Legal and Governance Services
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<b>Relevant Executive Member:</b>	The Mayor, Chris Cooke
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<b>Submitted to:</b>	Council
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<b>Date:</b>	17 January 2024
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<b>Title:</b>	Corporate Governance Improvement Plan and Section 24 Action Plan progress report
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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>	All
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<b>Key decision:</b>	Not applicable
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<b>Why:</b>	Not applicable
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<b>Subject to call in?</b>	Not applicable
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<b>Why:</b>	Not applicable
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<b>Proposed decision(s)</b>
That Council notes the progress against the Corporate Governance Improvement Plan and Section 24 Action Plan.

<b>Executive summary</b>
This report sets out the key activities, progress and impact of the Corporate Governance Improvement Plan and activity in response to the Section 24 recommendations made by the Council's External Auditors, since last reported to Council on 29 November 2023.

1. Purpose

- 1.1 This report sets out the key activities and progress since an update was last provided to Council on 29 November 2023, to be noted by full Council. The report also provides an update on activity in response to the Section 24 recommendations made by the Council’s External Auditors.
- 1.2 Alongside the activity that has been delivered, the report also sets out the impact actions have had on the measures of success that have been identified within the Corporate Governance Improvement Plan and Section 24 response plan.

2 Recommendations

- 2.1 That Council notes the progress against the Corporate Governance Improvement Plan and Section 24 Action Plan.

3 Rationale for the recommended decision(s)

- 3.1 The Council must respond effectively and at pace to the deliver the improvements set out in both the Corporate Governance Improvement Plan and the Section 24 report if it is to effectively address the concerns around its culture, governance and financial challenges.
- 3.2 Member oversight is crucial in delivery of these actions and also provision of assurance that intended impacts to address the governance weaknesses identified by the Council’s External Auditors are being realised.

4 Background and relevant information

- 4.1 On 18 September 2023, Council received a report that set out the activities of Phase Three of the proposed Corporate Governance Improvement Plan, alongside the associated governance arrangements providing oversight of delivery.
- 4.2 The activities in the improvement plan comprise ten workstreams, each with a milestone delivery plan which is monitored and reported monthly to the Leadership Team, the Independent Improvement Advisory Board and at each full Council.

5. Performance management methodology

- 5.1 The Council’s and Programme and Project Management policy set out the methodology used to assess and report on progress against delivery, which is applied across the Corporate Governance Improvement and Section 24 delivery plans.

KEY:	
COMPLETE	Activity delivered in full
GREEN	Delivery plan activities are on track and / or a or above standard
AMBER	Delivery plan activities are < 5% below standard
RED	Delivery plan activities are > 5% below standard

5.2 Overall performance in relation to delivery of activity across the two improvement plans is as follows (excluding activity not yet planned to start and not due to be delivered yet):

ACTIVITY	STATUS AT Q3 2023/24		
	% ON-TRACK	% ON-TRACK	% DELIVERED
CORPORATE GOVERNANCE IMPROVEMENT PLAN	54.4% (37)	4.4% (3)	41.2% (28)
SECTION 24 RECOMMENDATIONS	55.3% (26)	8.5% (4)	36.2% (17)

5.3 The above table shows that 95.6% of planned activity has either been delivered or is on-track for delivery in relation to the Corporate Governance Improvement Plan, with only three planned activities measuring as off-track as at the end of Quarter Three 2023/24.

5.4 91.5% of activity in relation to the Section 24 delivery plan is on-track or has been delivered, with four activities showing as off-track.

5.5 The remainder of this report sets out the detail of the delivery plan activity, alongside supporting measures of success that are in place to assess the impact of activity.

**6. Corporate Governance Improvement Plan: progress status**

6.1 For the current reporting period, eight of the workstreams are on target in terms of activity, as per timescales set out in the corporate Governance Improvement Plan, with two being off target.

- i. *CT4.01: Ensuring stable and sustainable leadership for the organisation*  
A milestone to commence a senior management review and present findings to LMT has been delayed by up to two months (estimated to be completed by end of January 2024) to seek further data to inform proposals. Leading on from this, a milestone to commence implementation of the review is expected to be delayed by approximately four months – however the target date for completion of implementation of the review remains unchanged.
- ii. *FRR3: Improvements to financial governance, spending controls and monitoring through more effective financial management, across the organisation*  
A milestone regarding the development of a set of budget management tools for use by Chief Officers, Heads of Service and Budget Managers is off track and expected to be delayed by one month (revised target date is 31/01/2023) due to additional information required from some service areas to be fed into the Business World system. The delivery plan now reflects a 4-week extension.

**Measures of success**

6.2 The Council, in identifying the data sources to measure success, has set a baseline against which it will judge ongoing performance. Frequencies in updating these measures vary and are detailed in Appendix 1. Some measures are ad hoc, some annual, while others are refreshed on a quarterly or monthly basis.

- 6.3 Where there has been an update to measures since, this is set out in full in the appendices.
- 6.4 A survey of senior officers and Executive members undertaken in December 2023 assessed views on the health of relationships between the two groups. This complements previous surveys of all staff, most recently in August 2023, where only 26.6% of all staff felt relationships between officers and members were somewhat or very positive, with 27.16% expressing that relationships were poor or very poor.
- 6.5 The December 2023 survey of senior officers identified that no one felt relationships with the Executive were poor. 77.3% felt relationships were viewed as either positive or very positive. All 5 of the Executive Member respondents for the survey felt relationships were either positive or very positive, with a supporting positive trend. In August 2023 only 27.1% all staff felt that relationships had improved between all officers and all members, whereas in December 2023, 72% of senior officers felt there had been an improvement in the relationships with the Executive. All 5 respondents to the Executive Member survey felt relationships had improved in the last 6 months. Whilst the two surveys cannot be directly comparable because they cover different cohorts, the latest results are positive.
- 6.6 Other points of movement to note, are:
- The 2023/24 in year budget position has improved further from a pressure of £8.556m at Quarter Two, to a predicted overspend of £7.4m at Period 7. Whilst this is positive movement, it continues to be of significant financial concern for the Council.
  - The total number of agency staff has reduced further from 102, to 101.
  - Number of roles held at Head of Service level and above that are vacant / occupied by an agency or interim appointment, has increased in during December from 7 to 8. Within the next few months, expectations are that this will reduce further as staff move into senior posts within Children’s Safeguarding, following a recent recruitment exercise.
  - Number of complaints continue to fluctuate in volume however, there has been a positive reduction in the percentage upheld by the central complaints team.
  - LMT, WLMT and all budget holders involved in Purchase to Pay to receive training has seen an increase in the number of completions since last the previous reporting period (74.42% in mid-December).

**Key activities**

6.7 The following activities within the governance improvement plan have been delivered since progress was last reported to Council, in-line with planned timescales:

THEME	WORKSTREAM	COMPLETED ACTIVITIES WITHIN REPORTING PERIOD
Cultural Transformation	Development and Implementation of a People Strategy	The Strategy was presented to the Constitution and Member Development Committee.

	Development / implementation of a Member Development Strategy and Programme	Implementation of the Strategy has commenced (against the underpinning delivery plan) and is being fed into the corporate performance reporting cycle.
	Development and implementation of a corporate governance programme	The programme is live and mandatory e-learning for all staff on the constitution, corporate values and codes of conduct is underway and face to face budget management training is taking place for all Chief Officers, Heads of Service and Budget Managers.
	Development and implementation of an improved focus on employee performance and accountability	Support sessions for managers regarding the new appraisal process and documentation are taking place and there has been a refresh and launch of supporting e-learning modules for both staff and managers explaining the new appraisal process.
	Review the Council's approach to Member enquiries and engagement	The implementation period for short-term improvements is currently ongoing
	Develop and implement communications and engagement plan to support cultural transformation	The Corporate Governance Improvement Communications and Engagement plan has commenced and is now being delivered.
Financial Recovery and Resilience	Setting a balanced budget for 2024/25 to 2026/27	Progress of milestones regarding the commencement of transformation and service redesign development proposals has improved since the last reporting period and work is underway with external consultants to develop robust proposals by February that will contribute towards balancing the budget in 2024/25 and over the medium term.

**Changes to delivery dates**

- 6.8 Detailed delivery milestone plans have been developed to underpin all workstream activities within the improvement plan.
- 6.9 Where slippage occurs to individual milestones but the overarching end date for the workstream activity is not impacted, no escalation or change control will be required and it can be assumed that any required mitigated will be put in play at an operational level.
- 6.10 Where there is impact on achieving the intended measure of success or overarching end date of workstream activity, a change control will be proposed for noting and transparency.
- 6.11 There are no change controls presented within this reporting period.

**Summary of progress against plan and measures of success**

- 6.12 The following tables set out a summary position against planned activity and progress against the measures of success that have been agreed to track the long-term impact of this plan.

CULTURAL TRANSFORMATION	ACTIVITY TRACKING		OUTCOME IMPACT		LMT LEAD	EXEC MEMBER
	CURRENT STATUS	PREV. STATUS	IMPACT TREND	IMPACT TARGET MET?		
Development / implementation of People and Cultural Transformation Strategy	G	R	Mixed	N	C Benjamin	Cllr N Walker
Development / implementation of Member Development Strategy and Programme	G	G	Mixed	Mixed	C Benjamin	Cllr N Walker
Development / implementation of a corporate governance training programme	G	G	Improved	Mixed	C Benjamin	Cllr N Walker
Ensure stable and sustainable leadership for the organisation	R	R	Mixed	N	C Heaphy / C Benjamin	Mayor Cooke
Development / implementation of improved focus on employee performance and accountability	G	R	Improved	N	C Heaphy	Cllr N Walker
Review Council's approach to Member enquiries and engagement	G	G	N/A / baseline	N/A	C Benjamin	Cllr N Walker
Develop / implement communications and engagement plan to support cultural transformation	G	G	N/A / baseline	N	C Heaphy	Mayor Cooke

FINANCIAL RECOVERY AND RESILIENCE	ACTIVITY TRACKING		OUTCOME IMPACT		LMT LEAD	EXEC MEMBER
	CURRENT STATUS	PREV. STATUS	IMPACT TREND	IMPACT TARGET MET?		
Controlling 2023/24 expenditure to within approved budgets	G	G	Positive	N	D Middleton	Cllr N Walker
Setting a balanced budget for 2024/25 to 2026/27	G	R	Worsened	N	D Middleton	Cllr N Walker
Improvements to financial governance, spending controls and monitoring through more effective financial management	A	G	Improved	N	D Middleton	Cllr N Walker



**7. Independent Improvement Advisory Board**

7.1 Since the previous progress report, the Board met formally on 1 December 2023. Following requests for additional information on the work of the Board, this section of the report has been expanded to align with the full agenda of the Board, which was as follows:

- Board Business:
  - i. Overview and update on progress against the Corporate Governance improvement plan and Section 24 report
  - ii. Update on the 2023/24 budget position and development of the 2024/25 budget
  - iii. Board action notes from the last meeting
  - iv. Action tracker (Appendix 3)
- Children’s Improvement Board: A joint discussion with the Chair of the Children’s Improvement Board to discuss respective roles, joint challenges and opportunities.
- All-member session: An opportunity for the Board to provide Middlesbrough Councillors with an update on the Board’s work and its initial views, also presented to Executive on 17 January 2024.

7.2 The Board requested an alteration to the presentation of progress and impact on measures of success, which has now been implemented, with the new format used for the purposes of this report, also.

7.3 A key focus of December meeting, continued to review activity underway to address the in-year budget pressures and steps being taken to develop at pace, savings proposals and required transformative plans to ensure a balanced budget can be set for 2024/25. The Board commended the progress made thus far in reducing the in-year budget gap, however cautioned about the importance of ensuring the plans coming forward to deliver further in year savings for 2023/24 and that sufficient deliverable proposals are formed for 2024/25.

7.4 Action points arising from formal Improvement Board meetings, excluding admin related tasks, e.g. facilitation of meetings, are set out at Appendix 3, alongside a summary of information requested by the Board.

**8. Section 24: progress update**

8.1 The table below sets out the current status of activity in response to the Section 24 recommendations, along with a summary of the impact these activities are having on the longer-term measures of success that have been set in order to enable the Council to be able to assess whether the activities are having the intended impact:

S24 ACTIONS	ACTIVITY TRACKING		OUTCOME IMPACT	
	CURRENT STATUS	PREV. STATUS	IMPACT TREND	IMPACT TARGET MET?
1. Progression of next phase of Corporate Governance Improvement Plan, prioritising actions to address cultural and governance issues.	C	C	N/A	N/A
2. Development of contingency and succession governance protocols to mitigate potential impact of any future changes in senior leadership.	R	R	Improved	N
3. Conclusion of Constitution review and provision of officer / member training ensuring changes are understood and implemented.	G	G	Improved	N
4. Identification of deliverable short-term savings, protecting limited remaining reserves, considering statutory responsibilities and delivery of services.	R	G	N/A	N/A*
5. Review service delivery models to ensure that they are efficient, represent value for money and achieves the outcomes required.	R	R	N/A *	N/A*
6. Review of financial forecasting processes to understand emergence of significant financial pressures, in both 22/23 and 23/24.	G	G	Improved	N
7. Conclusion of Financial and Contract Procedure rules review to ensure they are fit for purpose.	C	C	Improved	N
8. Provision of training on Financial and Contract Procedure rules to all officers involved in contracting, procurement or financial decisions.	G	G	Improved	N
9. Completion of contract review to ensure compliance with Public Contracts Regulations 2015.	R	G	No change	Y
10. Review oversight arrangements for Middlesbrough Development Company to assure value for money.	G	G	No change	Y
11. Develop action plan for the demise of Middlesbrough Development Company setting out benefit realisation.	G	R	No change	Y

\*No baseline set

8.2As previously reported, the activities in relation to two of the Section 24 recommendations (numbers 1 and 7) have been completed.

8.3 Across all S24 workstreams, 4 are reporting activity which is off-target:

- *Recommendation 2, Contingency and succession planning:* milestones relating to senior management review show slippage but no impact on overall end date.
- *Recommendation 4, Controlling expenditure and identifying deliverable savings over the short-term:* a milestone regarding the roll out of mandatory training for use of Purchasing Cards has slipped by one month, due to difficulties in scheduling training sessions for staff, however this will not impact on the completion date for relaunching the use of Purchasing Cards for essential users only by the target date.

- *Recommendation 5, Work to commence activity in relation to planned transformation and reviews of delivery models:* initially delayed, though now commenced with external expertise to support the development of robust quantified proposals by mid-February to contribute towards achieving a balanced budget by 28 February 2024 and over the medium term.
- *Recommendation 9, Review of ongoing contracts awarded under exemption:* a milestone to submit an initial progress report to Audit Committee is off track, however the work has been completed and a verbal update will be provided to the committee in February 2024 and a full report will be provided to Committee in line with the subsequent milestone by March 2024.

**Section 24: key activities**

8.4 Progress against the Section 24 action plan agreed by full Council on 18 September 2023 since last presented to Council is set out below:

REC #	ACTIVITY	SUPPORTING INFORMATION
9	S9.03: Cross-reference exemptions with contract register and determine position, regarding each award.	Work has been fully completed.
10	S10.01: Provision of a closure report (or the first quarterly monitoring report, if closure of the company has not been closed before the first quarter has passed since the Executive report).	A quarterly monitoring report has been submitted to be reviewed by Executive on 20/12/2023.

**Section 24: measures of success**

8.5 Of the 17 measures of success in place to assess the impact of activity within the Section 24 action plan, 4 are on-target. All 7 of those below target, have improved performance since first baselined. The remainder can either not yet be measured or there has been no refresh of the performance data since last reported to Council.

**9. Other potential alternative(s) and why these have not been recommended**

9.1 Not applicable.

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

***Financial (including procurement and Social Value)***

10.1 Not applicable.

***Legal***

10.2 There are no direct legal implications as a result of this report, however delivery of this plan provides evidence of compliance with a number of recommendations that have been made by the Council’s External Auditors under Section 24 of the Local Audit and Accountability Act 2014.

***Risk***

10.3 If the Council fails to respond effectively to the improvement plan, this will have a negative impact on the following strategic risks:

- Failure to meet a balanced budget.
- Risk of an unlawful decision by the Council.
- Corporate governance is not fit for purpose.

***Human Rights, Public Sector Equality Duty and Community Cohesion***

10.4 Not applicable.

***Climate Change / Environmental***

10.5 Not applicable.

***Children and Young People Cared for by the Authority and Care Leavers***

10.6 Not applicable.

***Data Protection / GDPR***

10.7 Not applicable.

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

10.8 Not applicable.

**Appendices**

<b>1</b>	Corporate Governance Improvement Plan: measures of success
<b>2</b>	Section 24 Plan: Measures of success
<b>3</b>	Key activities update from the Board

**Background papers**

Reporting body	Report title	Date
Corporate Affairs and Audit Committee	Lessons Learnt: Best Value Inspection of Liverpool City Council	5 Aug 2021
Corporate Affairs and Audit Committee	Boho X: Draft findings from internal audit and proposed management response	6 Apr 2022
Corporate Affairs and Audit Committee	Audit Results Report 2020/21	22 Jul 2022
Corporate Affairs and Audit Committee	Statement of Accounts 2020/21	22 Jul 2022
Corporate Affairs and Audit Committee	Lessons learned: Best Value and external assurance within other councils.	22 Jul 2022
Corporate Affairs and Audit Committee	Commencing a corporate governance improvement journey	22 Jul 2022

Council	Corporate Governance Improvement Journey: CIPFA findings and next steps	19 Oct 2022
Council	Corporate Governance Improvement Plan and progress update	30 Nov 2022
Corporate Affairs and Audit Committee	External Audit: Value for Money Governance Update	5 Dec 2022
Council	Corporate Governance Improvement Plan and progress update	18 Jan 2023
Corporate Affairs and Audit Committee	Statement of Accounts 2020/2021	28 Apr 2023
Corporate Affairs and Audit Committee	Auditor's Annual Report – Year Ended 31 March 2021	29 Jun 2023
Council	Corporate Governance Improvement Next Steps	5 Jul 2023
Council	Section 24 Statutory EY recommendations	18 Sep 2023
Council	Corporate Governance Improvement Plan	18 Sep 2023
Corporate Affairs and Audit Committee	Lessons Learnt: Best Value Inspection of Liverpool City Council	5 Aug 2021
Audit Committee	Section 24 Report – Delivery and oversight arrangements	5 Oct 2023
Council	Corporate Governance Improvement Plan and Section 24 Action Plan progress report	25 Oct 2023
Council	Corporate Governance Improvement Plan and Section 24 Action Plan progress report	29 Nov 2023

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Appendix 1: Corporate Governance Improvement Plan: measures of success

Cultural Transformation	Page 70	Outcome	Measure of Success	Current performance	Previous performance	Status against target	Target	Current performance data	Current performance period	Previous performance data	Previous performance period
		Improved understanding of corporate governance policies and process and improved adherence to them	Reduce the number of audits that have limited or no assurance	No change	No change	Below target	0	1 out of 8 complete audits	October 2023 report	n/a	n/a
			Improve the percentage of priority One and Priority Two actions from Internal Audits that are delivered within original timescales	Improved	n/a baseline	Below target	80% or higher	20% of P1 actions and 13% of P2 actions were complete within original timescales	Nov-23	20% of P1 actions and 10% of P2 actions were complete within original timescales	2022/23
			Reduce / Upheld whistleblowing reports on non-compliance with corporate governance processes.	No change	No change	At target	0	0	2022/23	n/a	n/a
		Improved relationships between officers and members	Staff and Member surveys to assess health of relationships and direction of travel	Improved	n/a	Below target	50% of staff and 80% of councillors or higher	77% of heads of service and directors now view relationships with Executive members as positive or very positive (22 respondents). All 5 of the Executive members who responded felt relationships were positive or very positive	Dec-23	26.6% of staff think relationships are somewhat or very positive, compared to 69% of Councillors	August 2023 Survey
		Improved retention of staff	Staff turnover rates – number of leavers	No change	Improved	Below target	5% post transformation (2027)	5.64%	Q2 2023/24	6.60%	Q1 2023/24
		Improved staff satisfaction	1-10 Score of how valued staff feel as an employee of the Council	No change	No change	Below target	6.2 or higher	5.9	August 2023 Survey	6.22	Nov-22
		Reduced need to use agency staff	Number of agency staff working for Middlesbrough Council – total	Improved	Improved	Below target	75	101	Dec-23	102	Nov-23
		Improved ability to recruit to key roles.	Number of roles at Head of Service and above that are vacant / occupied by Agency or interim staff	Worse	Improved	Below target	3 - post transformation	8	Dec-23	7	Nov-23
		Improved outcomes for our community by ensuring that staff have the skills needed to deliver excellent services and that the behaviours increase trust in the Council	Number of complaints – total	Worse	Improved	Below target	Less than 150	201	Nov-23	164	Oct-23
			Percentage of complaints upheld or partially upheld by the central team	Improved	Improved	Below target	less than 40%	41%	Nov-23	53%	Oct-23
		Members have a Member development programme that meets their needs and is well used	Percentage of members completing all mandatory training	No change	No change	At target	100%	100%	Oct-23	100%	Oct-22
			Percentage of Members attending wider skills	No change	No change	Above target	95%	98%	Oct-23	Data not available	Oct-22
			Member satisfaction with the Member development programme	No change	improved	Below target	90%	87.5% this is based on 21 responses out of 24	Oct-23	71% this is based on 5 responses out of 7	Oct-22
		Performance is effectively managed within the organisation	Completion of appraisal process	n/a	n/a	not yet measured	95%	n/a	n/a	n/a	n/a
		Improved Member behaviour	Number of member on member complaints received	no change	Worse	Below target	2 or fewer per quarter	3 complaints received member on member	Q2 2023/2024	1 complaint received member on member	Q2 2022/2023
		Residents are increasingly satisfied with the way the Council is ran and with the Council overall	Questions within the 2023 Resident survey currently underway	Worse	n/a baseline	Below target	61% (NE average 21/22)	40%	Nov-23	64%	Previous survey was in 2017
		Residents increasingly agree that the Council acts on their concerns	Questions within the 2023 Resident survey currently underway	Worse	Not previously asked	Below target	55% (NE average 21/22)	43%	Nov-23	n/a	Not previously asked

Financial Recovery and Resilience  
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Outcome	Measure of Success	Current Performance	Previous Performance	Target	Status Against Target	Current performance data:	Current performance period:	Previous performance data:	Previous performance period:
Expenditure for 2023/24 is completed within the approved 2023/24 budget	Actual expenditure and Forecast revenue outturn within the approved budget	Improved	Improved	£0	Below target	£7.438m	Period 7 2023/24	£8.556m	Q2 2023/24
Set a balanced budget for 2024/25 and adhered to during 2024/25	2024/25 revenue budget is balanced and maintained during 2024/25	n/a	n/a	Balanced budget set	n/a	n/a	n/a	n/a	n/a
Set a sustainable Medium Term Financial Plan in place for the period 2024/5 to 2026/27	Balanced MTFP to 2026/27	n/a	n/a	balanced MTFP set	n/a	n/a	n/a	n/a	n/a
Maintain General Fund balance and usable revenue reserves at 31/3/23 levels	Maintain GF balance at £12m at 31/3/24	Worse	n/a baseline	£12m or more	n/a	£6.273m	Q2 2023/24	£12.04m	31/03/2023
	Maintain unrestricted usable revenue reserves at a minimum of £4m at 31/3/24.	Worse	n/a baseline	£4m or more	n/a	£1.171m	Q2 2023/24	£2.788m	01/04/2023
Establish Medium Term Plan to rebuild GF Balance and revenue reserves	Section 151 Officer assessment of adequacy of reserves	n/a	n/a	n/a	n/a	n/a sufficient resources in place - judgement of S151 officer	Feb 2023 report to Council	n/a	n/a
Financial Procedure Rules and Contract Procedure Rules training delivered	LMT, WLMT, all Budget Holders and all staff involved in Purchase to Pay trained by 31 December 2023	Improved	Improved	95% or higher	Below target	74.42%	Dec-23	70.30%	Nov-23
corporate finance training programme established	Quarterly programme of finance training established	n/a	n/a	one training session delivered per quarter	n/a at this stage	to be baselined in Jan 24	n/a	n/a	n/a
Budget management and purchase to pay dashboards developed to improve management information and compliance	Budget management dashboard available to all budget holders from Business World through Power BI reporting tools by 30 November 2023. P2P Dashboards available by 31 March 2024	n/a	n/a	Dashboard in place	n/a	n/a	n/a	n/a	n/a
Budget management training rolled out to budget holders	All Chief Officers, Heads of Service and Budget Holders Training delivered December 23 to March 24	n/a	n/a	95% or higher	n/a at this stage	n/a due from april 2024 onwards	n/a	n/a	n/a
Establish Business World as one version of the financial truth for internal and external reporting	Reduce/eliminate need for manual intervention and re-work to produce internal budget management and external statutory reporting.	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Develop value added finance business partnering approach	Realignment of accountancy resource from preparation of reports and more towards business partnering analysis, advice, challenge. By June 2024	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

Appendix 2 – Measures of success – Section 24 Report

Recommendation	Measure of Success	Current Performance	Target	Status against target	Current performance data:	Current performance period:	Previous performance data:	Previous performance period:
1	Delivery of the Corporate Governance improvement Plan activity	Improved	10 out of 10	Below target	8 out of 10 workstreams activity on target	Dec-23	6 out of 10	Nov-23
2	Number of roles at Head of Service and above that are vacant / occupied by Agency or interim staff	Improved	3	Below target	7	Oct-23	8	Oct-23
3	Reduce the number of audits that have limited or no assurance	No change	0	Below target	1 out of 8 complete audits	October 2023 report		n/a
3	Improve the percentage of priority One and Priority Two actions from Internal Audits that are delivered within original timescales	improved	80% or higher	Below target	20% of P1 actions and 10% of P2 actions were complete within original timescales in 2022/23	2022/23		
3	Percentage of members completing all mandatory training	No change	100%	At target	100%	Oct-23		100%
3	Percentage of Members attending wider skills	No change	95%	Above target	98%	Oct-23		Data not available
3	Member satisfaction with the Member development programme	Improved	90%	Below target	87.5% this is based on 21 responses out of 24	Oct-23		71% this is based on 5 responses out
4	2024/25 revenue budget is balanced and maintained during 2024/25	n/a	n/a	n/a	n/a	n/a		n/a
5	90% of projects within the programme, once launched are on track	n/a	n/a	n/a at this stage	n/a	n/a		
5	90% of benefits from projects realised in line with benefits realisation trackers	n/a	n/a	n/a at this stage	n/a	n/a		
7	Actual expenditure and Forecast revenue outturn within the approved budget	Improved	£0	Below target	£7.438m	Period 7 2023/24	£8.556m	Q2 2023/24
6	Balanced MTFP to 2026/27	n/a	balanced MTFP set	n/a	n/a	n/a	n/a	n/a
6	Maintain GF balance at £12m at 31/3/24	n/a	£12m or more	n/a	£12.04m	Apr-24	n/a	n/a
6	Maintain usable revenue reserves at a minimum of £4m at 31/3/24.	n/a	£4m or more	n/a	£3.959m	Apr-24	n/a	n/a
7 and 8	LMT, WLMT, all Budget Holders and all staff involved in Purchase to Pay trained by 31 December 2023	Improved	100%	Below target	70.30%	Nov-23	69.71	First week of Oct 23
9	Reduce / Upheld whistleblowing reports on non-compliance with corporate governance processes.	no change	0	At target	0 in 2022/23	2022/23		
10 and 11	provision of quarterly reports on MDC until closure	No change	1 a quarter until closure	At target	Report provided in September 2023	Sep-23	n/a	



**Appendix 3 – Summary of information requested and major action points arising from the Middlesbrough Independent Improvement Advisory Board (MIIAB) from the December 2023 meeting**

Information requests	Status
Information on standards complaints data and trend	Complete
Information on the results of the latest survey of Executive Members and Senior officers	Complete
Information on the development of the Transformation programme which will be in place from February onwards	Complete

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Major comments / action points
Officer should ensure that the 4 key strategies which form the Council’s transformation approach closely align (People Strategy, Transformation Strategy, Member Development Strategy and Partnerships Strategy).
In relation to cultural transformation, consideration be given to how the Council would measure success in terms of behaviour change and modelling organisational values. This will be addressed by the detailed delivery plan for the People Strategy which is currently being refined
The Council should implement a programme of top team development for the Leadership Management Team (LMT) and the Executive, to further strengthen the collective understanding of respective roles and responsibilities and develop the resilience of relationships to support the council through future challenges and difficult decisions.
The Council should revise the presentation of its progress against activity and impact on success measures to enable them to be viewed side by side. This is reflected within the revised presentation in this report.
The Council should expand engagement to ensure all Elected members are engaged in the Cultural Change programme



<b>MIDDLESBROUGH COUNCIL</b>	
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<b>Report of:</b>	Monitoring Officer
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<b>Relevant Executive Member:</b>	Not Applicable
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<b>Submitted to:</b>	Council
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<b>Date:</b>	17 January 2024
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<b>Title:</b>	Appointment to Outside Body - Tees Valley Combined Authority – Independent Remuneration Panel
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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>	Not applicable
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<b>Why:</b>	Not applicable
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<b>Subject to call in?:</b>	Not applicable
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<b>Why:</b>	Not Applicable
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<b>Proposed decision(s)</b>
That Council approves the appointment of Stuart Green, to the Tees Valley Combined Authority – Independent Remuneration Panel.

<b>Executive summary</b>
<p>The Local Authorities (Functions and Responsibilities) (England) Regulations 2000 (as amended) provide for the discharge of the Council's functions through executive arrangements.</p> <ul style="list-style-type: none"> <li>Council is requested to approve the appointment of a representative to the Tees Valley Combined Authority – Independent Remuneration Panel for the Municipal Year of 2023/2024.</li> </ul>

## **Purpose**

1. To consider the appointment of a Council representative to the Tees Valley Combined Authority – Independent Remuneration Panel for the Municipal Year of 2023/2024, or until amended by Council (whichever is the latter).

## **Background and relevant information**

2. The Local Authorities (Functions and Responsibilities) (England) Regulations 2000 (as amended) provide for the discharge of the Council's functions through executive arrangements.
3. At the Annual Meeting held on 24 May 2023, Council nominated its representative for the Tees Valley Combined Authority – Independent Remuneration Panel. Following the sad passing of Jim Whiston, who previously represented Middlesbrough Council, it is now necessary to ask Council to appoint a new representative to the Tees Valley Combined Authority – Independent Remuneration Panel.
4. Stuart Green is a current member of Middlesbrough Council's Independent Remuneration Panel and has indicated that he would be willing to take up this position.

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

5. That Council approves the appointment of Stuart Green, to the Tees Valley Combined Authority – Independent Remuneration Panel.

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

6. The Council has agreed to appoint to the Tees Valley Combined Authority – Independent Remuneration Panel and the appointments are usually agreed at the Annual Meeting.

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

7. Decide not to appoint to this Outside Body. As a representative on an Outside Body, members may report back to the Council whenever they or the organisation feel that a matter is of major significance to the Council or to the town.

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

### ***Legal***

8. The Council is required to fill vacancies in accordance with Local Government legislation.

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

9. The relevant risks this decision would influence are cited below, with an explanation as to why they are relevant and how it would affect each risk.

Failure to adhere to Local Code of Corporate Governance and deliver governance improvements outlined in the Annual Governance Statement. The Council can be kept

up to date on any significant developments that may affect the town or the authority by the representative on the Outside Body.

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

10. The subject of this report is not a policy, strategy, function or service that is new or being revised. It is considered that an equality impact assessment is not required.

### ***Financial***

11. There are no financial implications arising from the recommendations within this report.

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

Action	Responsible Officer	Deadline
Inform the Outside Body which which representative has been nominated.	Democratic Services Officers	

### **Appendices**

1	None
2	
3	

### **Background papers**

Body	Report title	Date
None		

**Contact: Charlotte Benjamin**

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<b>MIDDLESBROUGH COUNCIL</b>	
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<b>Report of:</b>	Director of Finance (s151 Officer)
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<b>Relevant Executive Member:</b>	Executive Member for Finance and Governance
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<b>Submitted to:</b>	Council
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<b>Date:</b>	17 January 2024
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<b>Title:</b>	Flexible Use of Capital Receipts (FUoCR) Strategy – 2023/24 Refresh
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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 £250,000
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<b>Subject to call in?:</b>	No
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<b>Why:</b>	
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Proposed decision(s)	
<p>That the Council:</p> <ul style="list-style-type: none"> <li>• Approve the proposed revisions to the FUoCR Strategy increasing the planned expenditure in 2023/24 from £3.000m to £4.299m.</li> <li>• Note the use of the Change Fund to provide interim revenue financing arrangements pending receipt of cash from asset disposals enabling the application of capital receipts in line with the regulations.</li> </ul>	

**Executive summary**

Local authorities are ordinarily only able to utilise capital receipts from the sale of fixed assets for specific purposes. This precludes the financing of revenue expenditure under s15(1) of the Local Government Act 2003 (as amended).

In 2016/17, the Department of Levelling up Housing and Communities) (DLUHC) implemented a time limited relaxation to the regulations under the Local Government Act 2003 Sections 16(2)(b) and 20: Treatment of Costs as Capital Expenditure.

This allows capital receipts to be used to finance revenue expenditure in specific circumstances and subject to certain conditions. The current statutory direction applies to financial years from 1 April 2022 up to and including 31 March 2025 and it is expected that the scheme will continue into future years as a tool that brings flexibility to local authorities pursuing transformation and modernisation to improve value for money.

Eligible expenditure under the regulations relates to revenue expenditure which:

- is designed to generate ongoing expenditure savings, income generation, and/or more efficient delivery of services, and/or
- transforms service delivery to reduce costs/ reduce demand; and/or
- improves the quality-of-service delivery in future years.

The annual Flexible Use of Capital Receipts (FUoCR) Strategy for 2023/24 was approved by Full Council in February 2023 as part of the approval of the budget and Medium-Term Financial Plan (MTFP). The Strategy set out plans of up to £3.000m of eligible revenue expenditure to be incurred during 2023/24 to be funded by capital receipts in accordance with statutory regulations.

The Council is not permitted to apply flexible capital receipts to fund expenditure in excess of the sum set out in the approved FUoCR Strategy. However, the regulations enable the revision of the FUoCR strategy during the financial year to reflect an increase in the plan provided that it is approved by Council and notified to the Department of Levelling Up Housing and Communities (DLUHC).

Officers have worked over the course of the year to develop financial recovery plans that will deliver cost reductions in the current year and into 2024/25 and future years. Some of these plans require investment in additional skills, capability and capacity on a short-term basis in order to develop and implement projects and initiatives that will deliver improved outcomes and ongoing cost reductions. Such expenditure meet the criteria above for the flexible use of capital receipts.

As a result of this work, the value of planned expenditure to be funded from FUoCR within 2023/24 has therefore increased by £1.299m from £3.000m to £4.299m for the 2023/24 financial year.



Given the critical level of Council revenue reserves, the primary source of funding for such investment is further utilisation of capital receipts in accordance with the FUoCR Strategy. As part of the review of the Strategy, the opportunity has been taken to optimise the use of capital receipts to fund in year transformation expenditure.

The revised Strategy was endorsed by the Executive on 21 November 2023 and is now submitted for consideration and approval by Full Council.

**1. Purpose**

- 1.1 This report proposes a revision of the FUoCR Strategy for the Council for 2023/24 that is subject to approval by Full Council. The report sets out the revisions to the Strategy that are required in order to enable a range of transformation and efficiency plans to be progressed within the 2023/24 financial year to be funded from Usable Capital Receipts which are the primary source of funding available given the Council's usable revenue reserves are critically low.
- 1.2 The report sets out the approach that will be taken to optimise the Flexible Use of Capital Receipts during 2023/24 in accordance with Statutory Guidance within the context of the Council realising a pipeline of cash receipts from the disposal of capital assets which was approved by Executive on 21 November 2023 as part of the recommendations of the Asset Review report.

**2. Recommendations**

That the Council

- Approve the proposed revisions to the FUoCR Strategy increasing the planned expenditure in 2023/24 from £3.000m to £4.299m.
- Note the use of the Change Fund to provide interim revenue financing arrangements pending receipt of cash from asset disposals enabling the application of capital receipts in line with the regulations.

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

- 3.1 The revised FUoCR strategy is critical to enable the progression of Financial Recovery Plans to deliver cost reduction and/or income generation that will contribute to reducing the in-year overspend and the Council's ability to balance the 2024/25 budget and MTFP to 2026/27.

**4. Background and relevant information**

- 4.1 Local authorities are ordinarily only able to utilise capital receipts (the disposal proceeds from the sale of fixed assets or repayment of loans for capital purposes). Statutory guidance issued under section 15(1) of the Local Government Act 2003 (as amended) by the Ministry of Housing, Communities and Local Government (now Department of Levelling Up Housing and Communities – DLUHC) precludes capital receipts being used to fund revenue expenditure and requires them to be applied to

either fund capital expenditure or repay debt. The Act also requires local authorities to have regard to other guidance as issued or directed by the Secretary of State – this currently includes the following guidance issued by the Chartered Institute of Public Finance and Accountancy [CIPFA]:

- The Prudential Code for Capital Finance in Local Authorities; and
- The Code of Practice on Local Authority Accounting.

4.2 The Spending Review 2015 included a relaxation to the above regulations allowing the use of capital receipts for a limited period, initially between 2016/17 and 2018/19, to fund revenue expenditure which:

- a. is designed to generate ongoing expenditure savings, income generation, and/or more efficient delivery of services, and/or
- b. transforms service delivery to reduce costs/ reduce demand; and/or
- c. improves the quality-of-service delivery in future years.

Further revisions to the regulations have been implemented, refining, and extending the scheme, the latest of which was issued on 2 August 2022 to apply to financial years 2022/23, 2023/24 and 2024/25.

4.3 A summary of the key points of the current direction and the Statutory Guidance are set out below and a link to the detailed Statutory Guidance is included in the Background Papers section to this report.

- a. Capital receipts are the money that councils receive from asset sales, the use of which is normally restricted to either funding capital expenditure or repaying debt. The receipts cannot usually be used to fund revenue expenditure.
- b. The direction allows authorities to use the proceeds from asset sales to fund the revenue costs in specific circumstances where projects:
  - i. will reduce costs, or
  - ii. increase revenue income, or
  - iii. support a more efficient provision of services.
- c. Local authorities are only permitted to use the flexible use of capital receipts concession from a 'qualifying disposal' of property, plant and equipment assets received in the years in which this flexibility is offered under the direction (i.e. currently 2021/22 to 2024/25).
- d. In 2022, a new restriction was introduced to ensure that capital receipts obtained must be from disposals by the local authority to an entity outside the local authority's group structure. The intent of this condition is that capital receipts which are to be used by authorities under the flexibilities afforded by the direction, should be from genuine disposals of assets by the authority. Where an authority retains some control of the assets, directly or indirectly, and retains exposure to the risks and rewards from those assets, the disposal does not give rise to a capital receipt that can be used in accordance with the direction.

- e. 'Qualifying expenditure' is defined as 'expenditure on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners. The Statutory Guidance provides some examples of qualifying expenditure.
- f. In 2022 a further new restriction was also introduced to prevent authorities from funding discretionary redundancy payments, i.e., those not necessarily incurred under statute. This does not affect other types of severance payments, and to be clear, does not restrict including pension strain costs, which may still be qualifying expenditure.

Statutory payments that can be claimed through the flexible use of capital receipts are:

- Redundancy pay – based on the capped weekly wage for statutory payments of £643 and a maximum 30 weeks as per the statutory guidance (therefore the maximum statutory redundancy pay claimable under flexible use of capital receipts is £19,290)
  - Pension strain costs – not including any discretions, added years etc.
- g. Authorities wishing to take advantage of FUoCR are required to annually prepare a "Flexible Use of Capital Receipts Strategy" to be approved by Full Council. This requirement can be satisfied by including relevant documents within the Annual Budget documents or as part of the Mid-Term Financial Plan (or equivalent).
- h. As a minimum, the Strategy should list each project for which it is proposed to make use of the capital receipts flexibility and that on a project-by-project basis, details of the expected savings/service transformation are provided. The Strategy should report the impact on the local authority's Prudential Indicators for the forthcoming year and subsequent years.
- i. Since 2022 local authorities must send details setting out their planned use of the flexibility in advance of use for each financial year to DLUHC. This condition can be met by sending the authority's own strategy documents, provided they contain the detail asked for in the direction. The form to cover this requirement and for submitting the strategy for the Flexible Use of Capital Receipts for 2023/24 is to be submitted via DLUHC's DELTA system by 30 September 2023. This is not an approval process, but the information must be sent to ensure transparency and allow proper monitoring by central government.
- j. Since 2022/23 the Strategy is required to contain details on projects approved in previous years, including a commentary on whether the planned savings or service transformation have been/are being realised in line with the initial analysis.
- k. The Statutory Guidance allows local authorities to update their Strategy during the year and must notify DLUHC to enable central Government to keep track of planned and actual use of the flexibility. Full Council must approve the revised plan.

- I. The amount of expenditure capitalised in the financial year must not exceed the amount set out in the plan, including any updated plans, provided to the DLUHC. This is to allow central Government to keep track of planned use of the flexibility for national accounts purposes.
- 4.4 The revised Flexible Use of Receipts Strategy is set out in Appendix 1. In accordance with the Statutory Guidance, this includes details of:
  - a. Previous year projects including a commentary on whether the planned savings or service transformation have been/ are realised in line with the initial analysis
  - b. The original plan for 2023/24
  - c. The revised plan for 2023/24
  - d. The forecast of capital receipts from approved asset sales, together with forecast receipts from asset disposals that were approved by the Executive on 21 November 2023 as set out in the Asset Review report
- 4.5 Given that the application of capital receipts is dependent upon the receipt of cash from asset disposal by 31 March 2024, arrangements have been made to provide revenue budget cover to fund the expenditure on financial recovery plan initiatives to enable them to progress quickly. An exercise will be undertaken at the year end to apply capital receipts to replace the committed revenue expenditure as explained in financial implications at paragraphs 6.1.1 to 6.1.6.

**5. Other potential alternative(s) and why these have not been recommended**

- 5.1 If the revised FUoCR Strategy is not approved, then projects and initiatives to deliver cost reduction and income growth will either not be able to progress at all or will be constrained by limited revenue resources in the Change Fund.

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

***6.1 Financial (including procurement and Social Value)***

- 6.1.1 The Flexible Use of Capital Receipts Strategy is a core element of the Council's budget and policy framework that is approved by Council annually. The ability to capitalise eligible revenue expenditure in accordance with the regulations set out in the main body of the report, provides a mechanism through which the Council is able to invest in transformation and efficiency initiatives to achieve financial recovery and resilience over the short to medium term.
- 6.1.2 As noted in the strategy at Appendix 1, capital receipts realised from approved and new disposals that were approved by Executive on 21 November 2023, will be qualifying expenditure if cash from disposal is received by 31 March 2024. Whilst there is no guarantee that the capital receipts will be realised, officers are working to ensure that the forecast receipts are realised by the end of the financial year. Provided that they are, there is potential for qualifying expenditure during 2023/24 to be capitalised under the revised FUoCR Strategy in order to fund investment in

transformation and efficiency, whilst also improving the 2023/24 forecast outturn position as explained below.

- 6.1.3 Over the course of the year to 30 September, a total of £0.594m has been approved to be committed/ spent from the Central Contingency revenue budget. Of this sum, £0.373m is in relation to expenditure enabling transformation and efficiency measures to deliver reduced expenditure in future years. This is qualifying expenditure and is incorporated into the revised strategy at Appendix 1.
- 6.1.4 Subject to approval of the revised FUoCR Strategy and receipt of sufficient capital receipts by 31 March 2024, this would enable £0.373m of revenue expenditure to be capitalised, therefore reducing the revenue outturn position by the £0.373m and improving the 2023/24 outturn position as summarised in table 1 below.

<b>Table 1</b>	<b>Budget</b>	<b>Budget at 1/4/23 £m</b>	<b>Committed/ Spent at 30/9/23 £m</b>	<b>Uncommitted Budget £m</b>
	Central Contingency	1.300	(0.594)	0.706
	Potential to capitalise revenue expenditure under revised FUoCR subject to realisation of capital receipts and decommit from revenue budget		0.373	0.373
	Potential revised position on the Central Contingency budget	1.300	(0.221)	1.079

- 6.1.5 In addition to the expenditure incurred to date, officers have identified opportunities to develop and deliver Financial Recovery Plans some of aspects which require investment of £0.984m within 2023/24 which is qualifying expenditure under FUoCR and is incorporated within the revised strategy at Appendix 1. Provided that sufficient capital receipts are realised by 31 March 2024, this expenditure will be capitalised in accordance with the revised strategy.
- 6.1.6 In the interim period until capital receipts are realised, revenue budget cover on the planned management interventions is required to enable expenditure to be incurred and the interventions to progress promptly. The s151 Officer has approved that this revenue funding will be provided by the Change Fund, subject to review and capitalisation of the expenditure upon realisation of capital receipts. The position on the Change Fund following the balance sheet review and provision of revenue budget cover, is summarised in Table 2.

<b>Table 2</b>	<b>Budget/ Reserve</b>	<b>Budget/ Balance at 1/4/23</b>	<b>Committed at 30/9/23</b>	<b>Balance available to fund transformation</b>
	Change Fund Reserve (top up from balance sheet review)	0.758	0.000	0.758
	Change Fund – central budget	0.730	0.040	0.690

<b>Total available for transformation pending realisation of capital</b>	<b>1.488</b>	<b>0.040</b>	<b>1.448</b>
Planned qualifying expenditure under revised FUoCR			(0.984)
<b>Uncommitted balance on Change Fund pending realisation of capital</b>			<b>0.464</b>

**6.2 Legal**

- 6.2.1 Local authorities are ordinarily limited in their ability to utilise capital receipts from the sale of fixed assets for specific purposes which precludes financing of revenue expenditure under s15(1) of the Local Government Act 2003 (as amended).
- 6.2.2 The Department of Levelling up Housing and Communities (DLUHC) implemented a time limited relaxation to the regulations under the Local Government Act 2003 Sections 16(2)(b) and 20: Treatment of Costs as Capital Expenditure. This allows capital receipts to be used to finance revenue expenditure in specific circumstances and subject to certain conditions. The current statutory direction applies to financial years from 1 April 2022 up to and including 31 March 2025.
- 6.2.3 As this is a budget and policy framework matter, it is for Full Council to approve, following the recommendation of the Executive to it in accordance with s.1.9(a) Financial Procedure Rules.

**6.3 Risk**

- 6.3.1 This report forms an element of the Council's budget and policy framework which underpins the priority to deliver a legally balanced budget and sustainable medium term financial plan.

**6.4 Human Rights, Public Sector Equality Duty and Community Cohesion**

Not applicable

**6.5 Climate Change / Environmental**

Not applicable

**6.6 Children and Young People Cared for by the Authority and Care Leavers**

Not applicable

**6.7 Data Protection / GDPR**

Not applicable

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

Action	Responsible Officer	Deadline
If approved by Council on 17 January 2024 the revised Flexible Use of Capital Receipts Strategy for 2023/24 will be adopted and notified to DLUHC	Head of Financial Planning & Support	31/1/24
The capital expenditure prudential indicators will be amended and approved as appropriate.	Head of Financial Planning & Support	31/3/24
Regular monitoring of the Flexible Use of Capital Receipts Strategy for 2023/24 will take place throughout 2023/24 as part of the current quarterly budget monitoring reports to Executive, with any amendments required to the plans contained in the Strategy as proposals are developed and expenditure is incurred being reported to Executive and approved by Council and notified to DLUHC as appropriate.	Head of Financial Planning & Support	30/6/24

**Appendices**

1	Revised Flexible Use of Capital Receipts Strategy 2023/24
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**Background papers**

Body	Report title	Date
Department for Levelling Up, Housing & Communities (DLUHC)	Flexible use of capital receipts direction: local authorities <a href="#">Direction - Flexible use of capital assets (publishing.service.gov.uk)</a>	2/8/22
Department for Levelling Up, Housing & Communities (DLUHC)	Statutory Guidance on the Flexible Use of Capital Receipts (updated August 2022) <a href="#">Guidance on the flexible use of capital receipts (updated August 2022) - GOV.UK (www.gov.uk)</a>	2/8/22
Council	Flexible Use of Capital Receipts Strategy 2021/22	20/10/21
Council	Revenue Budget, Council Tax, Medium Term Financial Plan and Capital Strategy 2022/23	23/2/22
Executive	Revenue and Capital Budget – Year-End Outturn position 2021/22 report	14/6/22
Council	Flexible Use of Capital Receipts Strategy 2022/23	7/9/22

Executive	Children's Services Financial Improvement Plan	14/2/23
Council	Revenue Budget, Council Tax, Medium Term Financial Plan and Capital Strategy 2023/24	27/2/23
Executive	Revenue and Capital Budget – Year-End Outturn position 2022/23 report	20/6/23
Executive	Revenue and Capital Budget – Forecast Outturn position at Quarter One 2023/24	23/8/23
Executive	Revenue and Capital Budget Forecast Outturn position at Quarter Two 2023/24	21/11/23
Executive	Asset Review	21/11/23
Executive	Flexible Use of Capital Receipts Strategy – 2023/24 Refresh	21/11/23

**Contact:**     **Andrew Humble – Head of Financial Planning and Support**  
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## Appendix 1

### REVISED FLEXIBLE USE OF CAPITAL RECEIPTS STRATEGY 2023/24

#### Introduction

Transformation is essential for the Council as a route to financial recovery and stability. Transformation is about fundamentally changing the way in which services are delivered in a way that produces better outcomes with lower year on year costs. It is a form of 'invest to save'.

Transformation however needs significant upfront investment, and the Council does not have sufficient reserves or unallocated capital receipts to fund the scale of transformation needed to secure long-term stability.

The only other source of funding available for such transformation is to generate new capital receipts through the sale of assets as approved by the Council in November 2023. Capital receipts from the sale of those assets, can, backed by a Flexible Use of Capital Receipts strategy, be applied to fund transformation which will result in a significant lowering of the Council's cost base.

#### Use of Flexible Capital Receipts in previous years

1. It is a requirement of the FUoCR guidance, that authorities must include details on projects approved in previous years, including a commentary on whether the planned savings or service transformation have been/are being realised in line with the initial analysis.
2. Middlesbrough Council implemented a Flexible Use of Capital Receipts Strategy for the first time in 2021/22 and a report was approved by Council on 20 October 2021.

#### **2021/22**

3. The Flexible Use of Capital Receipts Strategy for 2021/22 approved by Council on 20 October 2021 included proposed projects along with estimated costs and potential savings. Progress against the approved Strategy for 2021/22 was monitored throughout the financial year as part of regular budget monitoring arrangements and reported accordingly as part of the current quarterly budget monitoring reports to Executive, along with any updates to the Strategy as proposals were developed and expenditure was incurred. The final statement of expenditure on projects to transform services that were funded through flexible use of capital receipts for 2021/22 and the associated estimated annual revenue savings or future cost avoidance, was reported as part of the Revenue and Capital Budget – Year-End Outturn position 2021/22 report to Executive on 14 June 2022, and was also shown in the Strategy for 2022/23.
4. Entries were made in the Council's accounts in 2021/22 for these having due regard to the Local Authority Accounting Code of Practice, including the effect on the Council's Investment Strategy.

## 2022/23

5. The Strategy for 2022/23 was approved by Council on 7 September 2022. Table 1 summarises the projects intended to transform services and proposed to be funded through the flexible use of capital receipts for 2022/23. These totalled approximately £2.7m along with estimated projected costs and associated estimated annual revenue savings or future cost avoidance. In some cases, there is a clear link between a project and the realisable financial benefit. In other cases, that link is less clear and the project or additional resource contributes to enabling savings or costs avoidance in other areas or provides a wider benefit, which would not otherwise be realised.
6. Delivery against the 2022/23 Strategy was reported through quarterly monitoring reports and the final year-end position against the Strategy was reported as part of the Revenue and Capital Budget – Year-End Outturn position 2022/23 report to Executive on 20 June 2023.

**Table 1 Flexible Use of Capital Receipts 2022/23 Proposed**

Project	Further Details	Estimated Investment Required 2022/23 £000	Estimated ongoing annual savings £000
Children's Services	<p><b>Funding for transformation of Service and Children's Services Ofsted Improvement Plan to improve services and outcomes</b></p> <p>Specialist agency teams in Referrals &amp; Assessments to improve the "front door model"</p> <p>Workforce Development - set up costs for the creation of a Social Worker Academy to reduce the requirement for agency staff</p> <p>Workforce Development - specialist training to reduce the requirement for agency staff</p> <p>Children's Services Ofsted Improvement Plan - Additional posts linked to compliance and support to drive improvement and transformation</p> <p>Children's Services Ofsted Improvement Plan - Additional posts to improve and embed good practice</p>	<p>1,100</p> <p>349</p> <p>105</p> <p>265</p> <p>875</p>	<p>Cost avoidance</p> <p>420</p> <p>Enabling &amp; Cost Avoidance</p> <p>Enabling</p>
<b>TOTAL</b>		<b>2,694</b>	<b>420</b>

7. At year-end, only £755,000 of capital receipts had been received and thus only 28% of the sum which could have qualified under Government regulations could be funded through FUoCR. Table 2 provides a listing of the projects that were 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. Entries were 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.

**Table 2 – Flexible Use of Capital Receipts 2022/23 Actual**

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>

### 2023/24 Original Planned Use of Flexible Capital Receipts

8. The planned use of flexible capital receipts in 2023/24 was set out in the budget and MTFP report approved by Council on 27 February 2023. The plan incorporated £3m of expenditure on transformation and other eligible expenditure within an overall MTFP strategy that forecast flexible receipts in year in excess of £9m, the balance of receipts assumed to be used to finance the capital programme.
9. The main emphasis of the Flexible Use of Capital Receipts Strategy in 2023/24 is associated with expenditure within the Children's Financial Improvement Plan targeted to realise savings in expenditure and cost avoidance arising from a range of projects.
10. Table 3 summarises the planned projects and resources to transform services, achieve cost avoidance that were proposed to be funded through flexible use of capital receipts for 2023/24 totalling approximately £3m, including the estimated projected costs, and the associated estimated annual full year revenue savings or future cost avoidance. In some cases, there is a direct link between a project and the realisable financial benefit, however in others it is difficult to quantify, and the project contributes to enabling savings or costs avoidance in other areas or provide a wider benefit, which would not otherwise be realised.
11. The estimates of transformational expenditure were made on a prudent basis, and it was noted that there may be a need to review and revise the original plan dependent upon whether the initial planned projects were delivered given the significant transformation work required within Children's Services which presents the single biggest risk to the Council's financial sustainability.
12. It was noted that if it was necessary to increase the use of capital receipts on a flexible basis during 2023/24 above that contained in the Strategy, that an amended plan and strategy would be submitted for approval by Council and notified to DLUHC as required by the FUoCR guidance.

**Table 3 - Original Planned Use of Flexible Capital Receipts 2023/24 (as approved by Council in February 2023)**

Project	Further Details	Estimated Investment Required 2023/24 £000	Estimated ongoing full year net savings £000
<b>Children's Services</b>	<b>Children's Services Financial Improvement Plan</b>		
	Support to deliver Children's Financial improvement Plan	300	4,722
	Family Support - set up and lead in costs for the creation of in-house team and reduction in the use of high cost external provision	200	included in above
	Integration of specialist agency team required in Safeguarding & Care Planning to improve "Children in Need and Child Protection", and transition into business as usual. This will also led to the removal of 2 other managed Teams by using current staff to provide the service	800	included in above
	Set up and lead in costs for the implementation of various projects to Increase the in-house residential offer to reduce expenditure on external placements by purchase and/or refurbishment of additional properties to develop additional bedspaces.	500	included in above
	Creation of new Children's Services Assistant Director post to drive transformation and cost reductions	100	enabling
<b>Corporate</b>	Support to deliver corporate savings programme	400	8,824
	Service reconfiguration, restructuring or rationalisation of management and staff (only statutory elements included) associated with achieving the ongoing savings	500	included in above
	Support required to respond to Best Value Improvement Notice	100	enabling
<b>Adult Social Care</b>	Adult Social Care - implementation of improvement plan and transformation in readiness for CQC inspection	100	enabling
<b>TOTAL</b>		<b>3,000</b>	<b>13,546</b>

## Revised Planned Use of Flexible Capital Receipts 2023/24

13. A number of schemes within the original plan for 2023/24 for £3m approved by Council in February 2023 have not progressed as originally intended and a number of new projects have been added for which the expenditure qualifies under the regulations for flexible use of capital receipts funding.
14. As reported in the Quarter One Revenue and Capital Budget Forecast Outturn considered by the Executive on 23 August 2023, the Council's level of forecast annual revenue expenditure materially exceeds its income resulting in a forecast overspend of £11.563m. Over the year to the end of Quarter Two, a range of measures have been taken to reduce expenditure through the development of Financial Recovery Plans to contain expenditure within the 2023/24 approved budget. The Quarter Two financial forecast is an overspend of £8.556m as set out in the Quarter Two Revenue and Capital Budget Forecast Outturn report to Executive on 21 November 2023, and work will continue to manage the overspend down further.
15. However, in order to achieve financial sustainability, it is necessary for the Council to develop implement a further range of transformational and efficiency plans to secure cost reduction and income growth within 2023/24 and into 2024/25 and future years.
16. In addition, a number of proposed transformation projects are in development which will be brought forward to the Executive in December as part of the 2024/25 budget development process, which will be considered for approval by Council in February 2024 along with the annual FUoCR Strategy for 2024/25.
17. In order for expenditure within the 2023/24 revised plan to be funded from flexible use of capital receipts, assets must be sold and cash received by the Council before 31 March 2024. The capital receipts forecast for 2023/24 prior to any Executive decisions regarding the Asset Review is set out in the revised Capital Programme for 2023/24 to 2025/26 contained in the Revenue and Capital Budget – Forecast Outturn position at Quarter Two 2023/24 report to Executive on 21 November 2023 and is shown in Table 4 below. Table 4 also shows the additional capital receipts approved by Executive on 21 November 2023 as set out in the Asset Review report.

**Table 4 – Analysis of Forecast Capital receipts**

<i>Forecast capital receipts</i>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>	<b>Total</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>	<b>£m</b>
Receipts from approved asset disposals	3.155	5.469	4.811	-	13.435
Additional Receipts proposed in Asset Review report	10.600	7.412	4.000	5.050	27.062
Total Available Receipts subject to Executive approval	13.755	12.881	8.811	5.050	40.497

18. This will provide the opportunity to fund a number of new management interventions set out in the revised plan at Table 5 below within 2023/24 from flexible use of capital receipts. Where expenditure that qualifies for inclusion in the revised FUoCR strategy has previously been approved from revenue resources, finance officers will seek to optimise the application of flexible capital to ease financial pressures upon the revenue budget and limited reserves.

**Table 5 - Revised Planned Use of Flexible Capital Receipts 2023/24**

Project	Further Details	Currently funded from	Estimated Cost with potential to apply FUoCR in 2023/24 subject to receipt of cash by 31/03/24 £m	Estimated ongoing full year effect net savings from 2024/25 onwards  £m
<b>Corporate Transformation</b>	Additional cost of Interim Section 151 Officer post above budget to drive transformation in Council's financial management arrangements and deliver financial recovery	Corporate Contingency	0.095	Enabling
	Consultancy support to establish comprehensive policy and methodology for setting and review of fees and charges to optimise income	Corporate Contingency	0.029	Enabling
	Development and implementation of a Corporate Finance Dashboard to support more effective budgetary control - Qlikview migration from Alteryx to Power BI and Purchase of Power BI Licences	Corporate Contingency	0.026	Enabling
	Middlesbrough Independent Advisory Improvement Board costs to support delivery of improved culture, governance, and financial recovery	Corporate Contingency	0.022	Enabling
	Support to deliver corporate transformation savings programme	Change Fund	0.040	Enabling
	Consultancy to support corporate level transformation - Stage 1	Change Fund	0.040	Enabling
	Consultancy to support corporate level transformation - Stage 2	Change Fund	0.150	Enabling
	HR - additional Business Partner to drive transformation by providing additional capacity to support service redesign and restructuring	Change Fund	0.013	Enabling
	Data and analytics - additional resources to support transformation	Change Fund	0.060	Enabling
<b>Legal &amp; Governance Transformation</b>				

<b>Finance</b> Transformation	Short term project resource and expertise to develop and source transformation opportunities	Change Fund	0.060	Enabling
	Interim ICT specialist to progress digital transformation	Change Fund	0.072	Enabling
	Financial improvement - Interim finance lead - financial strategy, business partnering to improve VFM and support transformation programme	Corporate Contingency	0.103	Enabling
Transformation	Finance specialist finance improvement to provide additional capacity to support transformation within directorates	Change Fund	0.064	Enabling
Procurement compliance	Additional resource to support the enforcement of compliance in procurement to achieve cost efficiency in supplies and services to address statutory recommendations of external auditor	Change Fund	0.025	Enabling
Debt Review	Additional resource in Resident and Business Support to target reduction in aged debt and increase income of Council Tax, Business Rates and Sundry Debt	Change Fund	0.169	1.584
<b>Children's Services</b> Family Support	Family Support - set up and lead in costs for the creation of in-house team and reduction in the use of high cost external provision	Children's Care	0.300	0.727
Internal residential	Set up costs for the implementation of various projects to Increase the in-house residential offer to reduce expenditure on external placements by purchase and/or refurbishment of additional properties to develop additional bedspaces.	Children's Care	0.100	enabling
Staffing	Integration of specialist agency team required in Safeguarding & Care Planning to improve "Children in Need and Child Protection", and transition into business as usual. This has led to the removal of 2 of 3 managed teams and will lead to the eventual removal of the remaining managed team by May 2024 using current staff to provide the service	Children's Care	0.800	1.200

	Review of staffing establishment	Change Fund	0.070	Cost reduction
	Use of market weighted allowances for a fixed period to attract permanent staff to reduce use of agency staff.	Children's Care	0.813	enabling
	Recruitment costs to attract permanent staff to reduce use of agency staff	Children's Care	0.007	enabling
Transformational Support	Specialist Children's Services Financial Consultant drive transformation and cost reductions	Corporate Contingency	0.098	enabling
	Specialist Children's Services manager to drive service improvement	Children's Care	0.080	enabling
Placements	Dedicated Placement Manager to drive transformation in placements	Children's Care	0.052	enabling
	Improvement Lead for Review of Placements	Change Fund	0.060	1.500
Internal fostering	Increase capacity by increase in fees to internal carers to allow for existing carers to increase places and attract more to take up as a career, in order to reduce need for Independent Fostering Agency (IFA) placements and any subsequent External residential placements	Children's Care	0.750	0.460
<b>Education &amp; Partnerships</b>				
Integrated Transport Unit	Integrated Transport Unit - external resource for review	Change Fund	TBC	TBC
<b>Adult Social Care</b>				
Transformation review	Transformation Lead and 5 reviewing staff to undertake reviews and transformation project including activity identified in Assistive Technology Transformation, developing the prevention hub, and review of the Connect Service	Change Fund	0.201	1.900
<b>TOTAL</b>			<b>4.299</b>	<b>7.371</b>

## Monitoring the Strategy

19. Delivery against the updated strategy will be monitored throughout the remainder of the financial year as part of regular budget monitoring arrangements and be reported accordingly as part of the current quarterly budget monitoring reports to Executive including the realisation of cashable capital receipts that will enable the release of



committed revenue funding that will enable projects to commence prior to receipt of cashable receipts.

20. It should be noted that the final financing position on the strategy will be determined as part of the accounts closure process at 31 March 2024.

21. The legitimacy of the use of the Strategy has been determined by the Council's s151 Officer to be in accordance with the statutory regulations.

### **The Prudential Code**

22. The Council will have due regard to the requirements of the Prudential Code and the impact on its prudential indicators from implementing the proposed Strategy. The capital expenditure prudential indicators will be amended and approved as appropriate.

23. The indicators that will be impacted by this Strategy are set out below:

- Capital financing requirement will be increased by an estimated £4.299m in 2023/24 as these capital receipts were intended to support schemes within the existing Investment Strategy that are now budgeted to be financed by prudential borrowing. Schemes financed by prudential borrowing are reflected within the prudential indicators as set out within the Treasury Management Strategy and included as part of the budget.
- Financing costs as a percentage of net revenue stream (%), noting that the savings generated from these projects will meet the debt financing costs arising from the additional borrowing. The current indicative cost of borrowing the estimated £4.299m in 2023/24 is approximately £0.400m p.a.

24. The prudential indicators show that this Strategy is affordable and will not impact on the Council's operational boundary and authorised borrowing limit set by the Council for 2023/24. However, this will need to be closely monitored as part of the current quarterly budget monitoring reports to Executive.

25. The Council will also have due regard to the Local Authority Accounting Code of Practice when determining and including the entries required from undertaking and funding the projects within the Council's Statement of Accounts.

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<b>MIDDLESBROUGH COUNCIL</b>	
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<b>Report of:</b>	Chair of Chief Officer Appointments Committee
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<b>Relevant Executive Member:</b>	Executive Member for Finance and Governance
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<b>Submitted to:</b>	Council
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<b>Date:</b>	17 January 2024
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<b>Title:</b>	Senior Management Arrangements
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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>	Not applicable
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<b>Why:</b>	Not applicable
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<b>Subject to call in?:</b>	Not applicable
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<b>Why:</b>	Non-executive decision
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<b>Proposed decision(s)</b>
That full Council approves the extension of the appointment of Clive Heaphy as interim Chief Executive until end March 2025.

<b>Executive summary</b>
<p>Following the initial 12-month appointment of the current interim Chief Executive and the current interim arrangements for the Director of Finance (Section 151 Officer), Council is asked to approve the recommendation of the Chief Officer Appointments Committee to extend the appointment of the current interim Chief Executive to end March 2025; to note the road map to permanence in the statutory officer roles and to note the extension to the tenure of the current interim Director of Finance to March 2025.</p>

## **Purpose**

1. Any decision to make an appointment to the Head of Paid Service role (Chief Executive) must be made by full Council. On this occasion full Council is asked to approve the extension of the tenure of the current interim Chief Executive in the context of the road map towards permanence contained in the report at Appendix 1, and mindful that Middlesbrough Council is at a key point in its improvement journey when pace and consistency must be maintained.

## **Recommendations**

2. That full Council approves the extension of the appointment of Clive Heaphy as interim Chief Executive until end March 2025.

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

3. It is recommended that an extension to the interim Chief Executive appointment is made in order that the council is not left in a position of not having a Head of Paid Service (currently allocated to the role of Chief Executive).

## **Background and relevant information**

4. The current interim Chief Executive, Clive Heaphy was appointed into the role by full Council on 22 March 2023 for a period of up to 12 months. The report that recommended the appointment is in the 'Background Papers' section of this report.
5. Chief Officer Appointments Committee met on 12 January 2024 to consider a report from the Director of Legal and Governance Services which outlined a road map towards permanence in the Chief Executive and Director of Finance roles, and recommended an extension of interim arrangements in both roles until March 2025. The report is appended at Appendix 1 to this report.
6. In approving the recommendations to extend the current Director of Finance arrangements and in deciding to recommend the extension of the current interim Chief Executive's tenure until end March 2025, Chief Officer Appointments Committee noted the value of the experience of the two interim post holders at this critical point in our improvement journey. The committee also noted the plan to appoint permanent post holders into the roles as we move through the improvement journey, with the process due to start in September 2024.
7. The council's improvement board (referred to generally as MIIAB) has indicated its support for the continuation of the current arrangements to the end of March 2025.
8. In accordance with the law, members of Executive have been asked to indicate whether they have any well-founded objections to the extension of the appointment of the current

interim Chief Executive. The existence of any such objection would be raised at the meeting of full council on 17 January.

### **Next Steps**

9. Clear performance targets and milestones would be agreed for both the interim Chief Executive and Chief Finance Officer roles.
10. If full council approves the extension of the appointment of Clive Heaphy as Chief Executive, officers will make arrangements for contracts in relation to both appointments (Chief Executive and Director of Finance) to be extended for the relevant time-frame.

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

11. Council could reallocate the role of Head of Paid Service to an existing Director as an interim measure and not extend the interim Chief Executive until a permanent appointment is made. This is not recommended as it would create too much risk given the limited capacity of existing directors and the particular challenges that the council currently faces around governance, financial resilience and the children's services improvement journey.

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

#### ***Financial (including procurement and Social Value)***

12. The total Chief Executive's budget equates to approximately £240,800. It is likely an interim Chief Executive will cost approximately £243,000 for an interim appointment for 12 months. The cost identified is the cost incurred to the Council paid to the third-party organisation and does not reflect the salary received by the individual.
13. The difference between the budgeted cost for a permanent salaried Chief Executive and the actual cost of interim arrangements will be met from the recurring contingency budget outlined in the Revenue Budget, Council Tax, Medium Term Financial Plan, and Capital Strategy 2023/24 report approved by Council on 27 February 2023. Experience, skill and consistency in both the Chief Executive and Director of Finance posts are fundamental to delivering the transformational change that is required to deliver better outcomes at lower cost.

#### ***Legal***

14. The Head of Paid Service is a statutory post and is currently allocated to the Chief Executive.

#### ***Risk***

15. Risk of not meeting the challenges we face, making the required improvements around governance improvement, producing a balanced budget and the transformational change required for future sustainability.
16. Risk of not having a Head of Paid Service in place.

### ***Human Rights, Public Sector Equality Duty and Community Cohesion***

17. No protected groups are affected by the decision.

### ***Climate Change / Environmental***

18. Not applicable

### ***Children and Young People Cared for by the Authority and Care Leavers***

19. Not applicable

### ***Data Protection / GDPR***

20. Not applicable

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

Action	Responsible Officer	Deadline
<a href="#">Extend current contractual arrangements</a>	Charlotte Benjamin, Monitoring Officer	

### **Appendices**

1	Report to Chief Officer Appointments Committee on 12 January 2024 entitled 'Senior Management Arrangements'.
2	
3	

### **Background papers**

Body	Report title	Date
<a href="#">Council report 22 March - Final.pdf (middlesbrough.gov.uk)</a>		

**Contact:** Charlotte Benjamin, Monitoring Officer, Director of Legal and Governance Services  
**Email:** [charlotte\\_benjamin@middlesbrough.gov.uk](mailto:charlotte_benjamin@middlesbrough.gov.uk)

## Appendix 1.

<b>MIDDLESBROUGH COUNCIL</b>	 Middlesbrough moving forward
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<b>Report of:</b>	Monitoring Officer / Director of Legal and Governance Services
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<b>Submitted to:</b>	Chief Officer Appointments Committee
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<b>Date:</b>	12 January 2024
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<b>Title:</b>	Senior Management Arrangements
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<b>Report for:</b>	Decision
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<b>Status:</b>	Not for publication by virtue of paragraph 1 of Part 1 of Schedule 12A of the Local Government Act 1972
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<b>Strategic priority:</b>	All
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<b>Key decision:</b>	Not applicable
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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>	
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<b>Executive summary</b>
Following the initial 12-month appointment of the current interim Chief Executive and the current interim arrangements for the Director of Finance (Section 151 Officer), Chief Officer Appointments Committee is asked to consider the future management arrangements.

### Purpose

1. The purpose of this report is the committee is asked to consider the future management arrangements for Chief Executive and Director of Finance and make a recommendation to full Council.

### Background and relevant information

2. We recognise the need to establish a road map towards permanent in the two statutory officer roles (Chief Executive and Director of Finance Section 151 Officer) that are currently covered by interim appointments. Equally we appreciate the current context being still in the early stages of positive change.
3. Chief Officer Appointments Committee was previously asked to consider the candidate for the role of Interim Chief Executive (Head of Paid Service) pending a full recruitment process to engage a permanent replacement. It was proposed the interim appointment should be made for up to 12 months so that the appointee has sufficient time to make relationships and build trust, to understand our culture and improvement journey and to take ownership of leading us forward.
4. Clive Heaphy had an established relationship with the Department for Levelling Up Housing and Communities, considerable experience of working in an improvement environment and had previously operated as a Chief Finance Officer/section 151 officer in a complex organisation therefore bringing a substantial financial background. These are key aspects of knowledge and experience that are required to meet the challenges currently faced by the organisation and Clive was selected by Chief Officer Appointments Committee on 14<sup>th</sup> March 2023 as an interim appointment up to 12 months, the appointment was confirmed by Council on 22<sup>nd</sup> March 2023.
5. Debbie Middleton was appointed Director of Finance (section 151 Officer) on 25<sup>th</sup> April 2023 by the Chief Executive in line with the terms of reference for Chief Officer Appointments Committee delegate authority to the Head of Paid Service to make interim appointments of Directors up to six months and the interim appointment was made by the Chief Executive pursuant to that delegation. The interim arrangement was originally planned to end on 24<sup>th</sup> October 2023, however on 25<sup>th</sup> July Chief Officer Appointment Committee approved an extension 30<sup>th</sup> June 2024 in order to provide ownership and accountability as well as stability and continuity in the Finance Service.
6. Significant progress has been made over the last 9 months against milestones following the Best Value Notice issued on 24<sup>th</sup> January 2023 and statutory recommendations issued on 18<sup>th</sup> August 2023 by the external auditor. This progress is recognised and underlined by External stakeholders (DLUHC, External Auditors and MIIAB). However, there is a need to maintain and even increase the pace of improvement which would be achieved by continuity of experienced leadership of the organisation.
7. There remains much still to do to tackle the scale of the financial challenge with a budget gap of £6.3m for 2024/25, and the risk of the Council issuing a Section 114 Notice still a possible outcome. Addressing this - as well as effectively implementing new strategies to embed positive cultures and behaviour changes - will be critical to ensure the Council's improvement journey is realised, sustainable and resilient.
8. Stable and sustainable leadership is a key component within the Corporate Governance Improvement Plan with the aim to ensure that arrangements are put in place for stable and sustainable leadership of the organisation. Whilst there are currently two interim arrangements for Chief Executive and Director of Finance, the longevity of these arrangements has had a stabilising influence to the organisation and it is important to maintain this whilst as a transition is made to more permanent arrangements.



## Monitoring and review

9. Key milestones will be identified for which the Chief Executive will be accountable, and which will be critical to ongoing improvement over the next 12 months
10. Monitoring and review of the identified milestones will take place via the Chief Executive Appraisal process involving the Mayor, Chief Executive and an independent advisor from North East Regional Employers Organisation.

## Timetable for Permanent recruitment

11. The following provides a recruitment timetable to secure permanent appointments to the roles of Chief Executive and Director of Finance.

Activity	Deadline	Responsible
Review Job Description	13 <sup>th</sup> September 2024	Monitoring Officer/Head of HR
Prepare Advert	20 <sup>th</sup> September 2024	Head of HR
Advertise role (3 weeks)	23 <sup>rd</sup> September 2024	Head of HR
Closing date	13 <sup>th</sup> October 2024	Noted
Shortlisting	w/c 21st October 2024	Chief Officer Appointment Committee
Interviews	w/c 11th November 2024	Chief Officer Appointment Committee
Expected Start Date	Up to February 2025 depending upon notice period	

12. The timescale outline is based on both posts being advertised at the same time but consideration may want to be given to advertise the Chief Executive first so that they can be involved in the recruitment process for the Director of Finance.

## Next Steps

13. If Chief Officer Appointments Committee consider the extension to both posts to be appropriate, the Executive will be given the opportunity (3 days) to raise any well-founded or material objections to the appointment with the Mayor.
14. For both roles, clear performance targets and milestones will be agreed.
15. If no well-founded or material objections to the appointment have been received from Executive, full council will be asked to approve the appointments on 17<sup>th</sup> January 2023.

## What decision(s) are being recommended?

16. That the Chief Officer Appointments Committee:
  - Consider the extension of the interim Chief Executive up to 31<sup>st</sup> March 2025 taking into account the milestones set out and potential timetable for permanent recruitment.
  - Consider the extension of the interim Director of Finance to 31<sup>st</sup> March 2025 taking into account the milestones set out and potential timetable for permanent recruitment.
  - Recommend the appointments to full council.

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

17. It is recommended that an extension to the interim Chief Executive appointment is made in order that the council is not left in a position of not having a Head of Paid Service (currently allocated to the role of Chief Executive).

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

18. Council could reallocate the role of Head of Paid Service to an existing Director as an interim measure and not extend the interim Chief Executive until a permanent appointment is made. This is not recommended as it would create too much risk given the limited capacity of existing directors and the particular challenges that the council currently faces around governance, financial resilience and the children's services improvement journey.
19. The role of Section 151 officer could be reallocated to one of the current Deputy Section 151 Officer's however this would reduce current capacity and given the size of the financial challenges to be faced this is not recommended.

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

#### ***Legal***

20. The Head of Paid Service is a statutory post and is currently allocated to the Chief Executive.
21. The Section 151 Officer is a statutory post and currently allocated to the Director of Finance.

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

22. Risk of not meeting the challenges we face, making the required improvements around governance improvement, producing a balanced budget and the transformational change required for future sustainability.
23. Risk of not having a Head of Paid Service in place.

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

24. No protected groups are affected by the decision.

#### ***Financial***

25. The total Chief Executive's budget equates to approximately £240,800. It is likely an interim Chief Executive will cost approximately £243,000 for an interim appointment for 12 months would. The cost identified is the cost incurred to the Council paid to the third-party organisation and does not reflect the salary received by the individual.

26. The current Director of Finance salary budget on costs equates to £123,900. It is likely an interim Director of Finance will cost approximately £233,000 for 12 months. The cost identified is the cost incurred to the Council, paid to the third-party organisation and does not reflect the salary received by the individual.

27. The difference between the budgeted cost and the actual cost will be met from the recurring contingency budget outlined in the Revenue Budget, Council Tax, Medium Term Financial Plan, and Capital Strategy 2023/24 report approved by Council on 27 February 2023. Both posts are fundamental to delivering the transformational change that is required to deliver better outcomes at lower cost. The difference will be considered for inclusion in the Flexible Use of Capital Receipts Strategy for 2024/25.

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

<b>Action</b>	<b>Responsible Officer</b>	<b>Deadline</b>
<a href="#">Report to council</a>	Charlotte Benjamin, Monitoring Officer	

### **Appendices**

None

### **Background papers**

None

**Contact:** Charlotte Benjamin, Monitoring Officer, Director of Legal and Governance Services

**Email:**

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