

THE CHAIR AND ALL MEMBERS OF THE COUNCIL

Tuesday 19th March 2024

Dear Member

COUNCIL - WEDNESDAY 27TH MARCH, 2024

You are hereby summoned to attend a meeting of the Council of the Borough of Middlesbrough to be held on **Wednesday 27th March, 2024** at **7.00 pm** in the Council Chamber to transact the following business, namely:-

1. Apologies for Absence
2. Declarations of Interest
To receive any declarations of interest.
3. Minutes - Council - 17 January 2024 5 – 10
4. Minutes - Council - 8 March 2024 11 – 14
5. Announcements/Communications
To receive and consider any communications from the Chair, Mayor, Executive Members or Chief Executive (if any).
6. Questions from Members of the Public (if any).
7. Tees Valley Combined Authority (TVCA) - Update
Verbal Update
8. Mayor's Statement and Report
9. Executive Member reports 15 – 76
10. Report of the Overview and Scrutiny Board 77 – 84
11. Urgent Items
To consider and Deal with any urgent business brought before the Council by the Proper Officer (if any).

12.	Members' Question Time	
13.	Notice of Motions	85 – 86
14.	Notice of Urgent Motions (if any)	
15.	Update on Urgent Decisions	87 – 90
16.	Approach to Transformation of Middlesbrough Council	91 – 124
17.	Pay Policy Statement	125 – 134
18.	Corporate Governance Improvement Plan and Section 24 Action Plan progress report	135 – 152
19.	Middlesbrough Independent Improvement Advisory Board: Second Update Report	153 - 172



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 inspected between 9.00 am and 4.00 pm Monday to Friday at the Town Hall, Middlesbrough. Copies may also 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 Scott Bonner/Susan Lightwing, Democratic Services on (Direct Line 01642 729708/729712 or e-mail on: scott_bonner@middlesbrough.gov.uk; susan_lightwing@middlesbrough.gov.uk.

Address: Democratic Services, Middlesbrough Council, Town Hall, Middlesbrough TS1 9FX

Website: www.middlesbrough.gov.uk

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COUNCIL

A meeting of the Council was held on Wednesday 17 January 2024.

PRESENT: Councillors J Rostron (Chair), J Walker (Vice-Chair), J Banks, I Blades, D Branson, C Cooke - Elected Mayor, J Cooke, C Cooper, D Coupe, S Dean, J Ewan, T Furness, P Gavigan, S Hill, L Hurst, N Hussain, D Jackson, D Jones, J Kabuye, L Lewis, T Livingstone, L Mason, M McClintock, J McConnell, I Morrish, M Nugent, J Platt, S Platt, J Ryles, M Storey, P Storey, J Thompson, S Tranter, Z Uddin, N Walker, G Wilson and J Young

OFFICERS: S Bonner, C Benjamin, M Brown, A Davis, G Field, C Heaphy, R Horniman, S Lightwing, D Middleton and M Nath

APOLOGIES FOR ABSENCE: Councillors E Clynch, D Davison, TA Grainge, B Hubbard, D McCabe, J McTigue, J Nicholson, A Romaine, M Saunders and M Smiles

23/80 **DECLARATIONS OF INTEREST**

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

23/81 **MINUTES - COUNCIL - 29 NOVEMBER**

The minutes of the Council meeting held on 29 November 2023 were submitted and approved as a correct record.

23/82 **ANNOUNCEMENTS/COMMUNICATIONS**

The Chair advised Members of the sad passing of former Councillor Bill Hawthorne who represented the Ayresome Ward between 2010 and 2015. The Chair invited Council to stand in a minute's silence.

The Chair also reminded Councillors to clearly indicate their voting intentions during votes.

NOTED

23/83 **QUESTIONS FROM MEMBERS OF THE PUBLIC (IF ANY).**

No questions had been received from members of the public.

23/84 **TEES VALLEY COMBINED AUTHORITY (TVCA) - UPDATE**

The Chair invited the Mayor to provide an update on the Tees Valley Combined Authority.

The Mayor stated the next Cabinet meeting of the Combined Authority was scheduled for Friday 26 January 2024. It was anticipated a discussion would take place around how the Network North monies would be spent.

The Middlesbrough Development Corporation was exploring how to progress projects in Gresham and the Town Centre. Moving forward it was also intended to create a forward plan to link all of the projects together in order to create a town centre wide master plan. It was important to respect the intentions of other stakeholders, such as the University. It was hoped there would be better relationships around the establishment of such plans.

While there was a meeting of the Middlesbrough Development Corporation scheduled later in the week it was hoped it could be re-arranged to ensure the Mayor could attend.

NOTED

MAYOR'S STATEMENT AND REPORT

The Chair invited the Mayor to make his statement.

The Mayor stated the Council had applied for Exceptional Financial Support from the Government. This was a necessary step to avoid issuing a Section 114 notice, which was something that should be avoided. Should a Section 114 notice be issued this would lead to a loss of decision-making power within the Council. The arrival of government commissioners would likely result in an application for financial support anyway.

The Council needed to focus on its plans going forward, namely the recovery of the financial position, re-setting the Council's priorities and delivering improved services to residents. As part of this process, the Council needed to examine and understand what grants and schemes were available and there was also a need to focus on services that mattered most, both financially and morally.

There were several planned consultation exercises taking place, the first had been the Resident's Survey. Consequently, there was a need to enhance some Council services such as the expansion of the Council's homeless provision, and making residents feel safer. Some frontline services, such as area care, needed to be protected. Overall, this was an uncertain time for the Council, and it was important to implement relevant plans to achieve the Council's goals.

The Chair thanked the Mayor and invited questions from Members.

A Member stated he had attended the Executive meeting that approved the application for Exceptional Financial Support. The Middlesbrough Independent Improvement Advisory Board had provided valuable input, but it was clear more needed to be done. The Board had stated that change needed to happen, but the entire Council needed to be devoted to that change. Recent invitations for government commissioners to intervene in the Council were mistaken. There was a need for unity across the Council and during the CIPFA process there was a recognition that the survival of the Council was a priority, despite some disagreements at times. The Member stressed that political differences were inevitable but should not hinder the progress the Council needed to make.

There were no further questions for the Mayor.

NOTED**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 Kabuye in relation to Early Help

The Executive Member stated Early Help was well established and was carried out by hard working staff. Early Help was in place to ensure referrals were made quickly and effectively and to try and mitigate referrals being escalated to social care. There was a referrals process in place which, for Early help, could be made via a form upon request or for safeguarding issues could be made through the Multi Agency Children's Hub or the contact phone number 01642726004.

Any referrals for Early Help required parental consent.

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

Councillor M Storey in relation to Section 114

The Executive Member stated the implications of a Section 114 notice had been discussed at

a previous Member briefing and detailed in the submitted Executive Member report. However, a Section 114 notice would not bring additional money. It would put services that residents value at risk and place all statutory services into a position of minimum and safe levels. This would also put non statutory services at risk with examples being libraries and community centres. There was also a cost involved in issuing a Section 114 notice such as paying for government commissioners. Other councils that had issued Section 114 notices had also been given permission to raise their Council Tax levels above 5%.

Councillor Branson in relation to Commissioners

The Executive Member stated that when government commissioners intervened in councils, they removed some powers from both Members and officers, but this would depend on the circumstances of the relevant council. The Executive Member provided examples from Nottingham City Council. Intervention from government commissioners also caused resentment from within those councils.

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

Councillor Livingston in relation to the Local Plan

The Executive Member stated the Executive had endorsed the consultation on the draft Local Plan. Local Plans were required to contain sites allocated to the traveller community, known as the gypsy traveller accommodation assessment. Part of this was to assess traveller community population increases in conjunction with housebuilding projects across the town.

While Teessaurus Park was a potential site, others included Canon Park and land adjacent to the TA centre on Longlands Road. Consultation had been carried out with the traveller community who said they needed to be close to their current location in Metz Bridge. However, there were several steps involved in approving the Local Plan but currently the Teessaurus Park area was allocated as a future growth site for the traveller community.

NOTED

23/87 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.

NOTED

23/88 URGENT ITEMS

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

23/89 MEMBERS' QUESTION TIME

There were no Members questions submitted within the specified deadlines for this meeting.

23/90 NOTICE OF MOTIONS

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

23/91 NOTICE OF URGENT MOTIONS (IF ANY)

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

23/92 CORPORATE GOVERNANCE IMPROVEMENT PLAN AND SECTION 24 ACTION PLAN PROGRESS REPORT

The Mayor presented the Corporate Governance Improvement Plan and Section 24 Action Plan progress report.

As part of the update the Mayor highlighted two red flags in the report relating to sustainable leadership for the organisation. This would be addressed as part of agenda item 14, Senior Management Arrangements. However, timing was very important. The Mayor approached this matter with caution following the recruitment of the Director of Children's Services. As such it was important to build in sufficient lead time when appointing a Chief Executive and S151 Officer.

All other actions in the update were on track.

NOTED

23/93 **TEES VALLEY COMBINED AUTHORITY IRP - NOMINATION - (COUNCIL APPOINTMENT) - MO'S REPORT**

The Chair invited the Monitoring Officer to present the report.

Council was reminded that Independent Remuneration Panels assisted in the determination of Member remuneration. This was the same of the Tees Valley Combined Authority with each constituent authority required to nominate a representative to sit on its Independent Panel.

The report was brought before Council because of the sad passing of Middlesbrough's previous representative, Dr Jim Whiston. The report asked Council to approve Mr Stuart Green, current member of Middlesbrough's Remuneration Panel, as Middlesbrough's representative to the Tees Valley Independent Remuneration Panel.

ORDERED that Mr Stuart Green of Middlesbrough's Independent Remuneration Panel be appointed to the Tees Valley Combined Authority's Remuneration Panel.

23/94 **FLEXIBLE USE OF CAPITAL RECEIPTS POLICY**

The Chair invited the Executive Member for Finance and Governance to present the report.

The Executive Member stated the Flexible Use of Capital Receipts policy allowed the Council to use capital receipts to finance revenue expenditure. Previous reports in February 2023 had approved up to £3 million for this purpose, however this report requested an increase to £4.3 million.

The Executive Member drew Council's attention to tables 3 and 5 in Appendix 1 of the report which detailed previous approvals and the request for additional flexible use. Each table gave the one-off amount and the net savings.

There was one amendment to the report on p.96 relating to the integrated transport unit that stated "TBC". It was proposed this was removed.

The Chair invited questions from Members.

A Member commented there was a need to invest but queried if the investment needed to come from the sale of assets. Assets could only be sold once and as such there was a need to scrutinise those sales carefully. The Member highlighted the example of the need to reduce costs for children's residential placements as an example of transformation activity. However, there were other items that were vague. The Member also expressed surprise that the S151 officer had approved the list in Appendix 5 which included funding for that role. Overall, while the proposal to increase the use of capital receipts was sound but was let down in the detailed implementation as detailed in Appendix 5. The Member queried if the item relating to the salary of the S151 officer could be deleted.

The Executive Member responded that monies related to the S151 officer post were above budget. In terms of the S151 approving the proposals, the Executive Member stated another officer had identified this and suggested it be included in the report. It was also clarified that any of the proposals in the report had been considered by Audit. If the Auditors did not agree with the proposals, they would not have approved their inclusion in the report.

ORDERED that the Flexible Use of Capital Receipts Strategy be approved.

At this point in the meeting the Chief Executive withdrew from the meeting.

23/95

SENIOR MANAGEMENT ARRANGEMENTS

The Chair presented the report in her capacity as Chair of the Chief Officers Appointments Committee.

The report outlined the meeting of the Chief Officer Appointments Committee held on 12 January 2024 which discussed the Council's senior management arrangements. Members were reminded both the Chief Executive and S151 Officer were interim appointments and only had a short time until their temporary contracts expired.

Members were advised the Council could extend their existing contracts or spread their duties among existing member of senior managers. However, doing this would be a risk due to existing pressures of senior members.

The Chief Officers Appointments Committee was minded, and therefore recommended, the extension of the Chief Executive's and S151 Officer's contracts until March 2025. There was also a strategy to appoint to those posts on a permanent basis in the future.

The Chair invited questions from Members.

A Member queried what third-party costs were part of the contract extension, as these were mentioned in the report.

The Mayor commented that the Chief Executive had been engaged because of the Best Value notice. As such there was additional support to the Council from CIPFA. The Council has found the relationship between the Chief Executive and CIPFA to have been beneficial.

The Mayor expressed his thanks to the Chief Executive for his work. There was also improvements in the way the Chief Executive would be performance managed.

The Executive Member for Finance and Governance likened the appointment of the Chief Executive to a war-time Prime Minister in that his experience would help the Council through difficult times. It was also commented that the recommendation in the report was endorsed by the Middlesbrough Independent Improvement Advisory Board.

ORDERED that Council approve the extension of the appointment of Clive Heaphy as interim Chief Executive until end March 2025.

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COUNCIL

A meeting of the Council was held on Friday 8 March 2024.

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

OFFICERS: C Benjamin, S Bonner, R Brown, A Davis, G Field, L Grabham, C Heaphy, A Humble, S Lightwing, D Middleton, M Nath, J Savage, T Whitehead, K Whitmore and A Wilson

APOLOGIES FOR ABSENCE: Councillor J McTigue

23/96 **DECLARATIONS OF INTEREST**

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

23/97 **ANNOUNCEMENTS/COMMUNICATIONS**

The Chair welcomed everyone to the meeting and reminded Members to use the microphones when speaking at the meeting and to clearly indicate when their voting intentions.

23/98 **COUNCIL PLAN 2024-2027**

The Mayor and the Chief Executive submitted a report, the purpose of which was to set out the Council Plan for 2024-2027.

The report sought Council approval on the Council Plan including its structure and content. The Plan set out how the Council would work with communities and take forward its shared priorities over the 2024 to 2027 period.

The Council Plan, formerly known as the Strategic Plan, was the Council's overarching business plan for the medium-term, and was refreshed on an annual basis, setting out the priorities of the Elected Mayor of Middlesbrough, the ambitions for Middlesbrough's communities and the ways in which it sought to achieve them.

ORDERED that the Council Plan 2024-27 and associated strategic priorities and outcomes to enable development of detailed, supporting delivery plans be approved.

23/99 **COUNCIL TAX REDUCTION SCHEME 2024/25**

The Executive Member for Finance and Governance and the Director of Finance submitted a report, the purpose of which was to seek approval for the 2024/2025 Council Tax Reduction Scheme.

The Executive Member for Finance and Governance outlined the report and stated the reduction scheme was submitted to Council every year. The scheme could be a revised scheme or new scheme. The scheme submitted to Council was a revised scheme and had already been considered by the Executive.

Importantly the proposed scheme did not affect other statutory discounts people could apply for, such as student households and single person discounts.

Until 2013 Council Tax Benefit was determined by Government with Councils administering it. From 2013 onwards Councils were permitted to both set and administer their own scheme within legislative frameworks. This were two key revisions which related to care leavers, which was a technical adjustment, and the childcare cost element. In terms of the childcare cost

element, the revision to the scheme would mean payments received for childcare when claiming Universal Credit would not be considered for Council Tax Benefit.

The Executive Member invited questions. There were no questions from Members.

ORDERED that the Council Tax Reduction Scheme for 2024/2025 and its associated amendments be approved.

23/100

2024/25 REVENUE BUDGET, MEDIUM TERM FINANCIAL PLAN, COUNCIL TAX SETTING AND TREASURY MANAGEMENT

The Elected Mayor of Middlesbrough and the Director of Finance submitted a report, the purpose of which was to seek approval of the Mayor's proposed budget and to enable the Council to set the Council Tax in accordance with the requirements of the Local Government Finance Act 1992, as amended by the Localism Act 2011, on or before 11 March 2024. Prior to setting the Council Tax, Members were required to consider and agree to accept Exceptional Financial Support of up to £13.4m offered 'in-principle' by DLUHC to enable the consideration and approval of the Mayor's proposed budget. Provided the Council accepted this Council was also asked to approve a 2024/25 revenue budget of £143.190 million and Medium-Term Financial Plan (MTFP) for the period 2024/25 to 2026/27 following the confirmation of the Local Government Finance Settlement and those matters found in paragraph 1.3 of the report.

The Mayor presented the report.

The Chair invited Members to comment on the report.

Following a discussion on the content of the report, the Chair invited the Monitoring Officer to conduct a vote on the recommendation found at paragraph 2.1 of the report in relation to in principle offer of Exceptional Financial Support totalling £13.4 million details of which were contained in Appendix A of the report.

ORDERED that Council accept the DLUHC 'in-principle' offer of Exceptional Financial Support of up to £13.4m and associated terms and conditions as set out in Appendix A of the report.

The Chair invited the Monitoring Officer to conduct a recorded vote on the recommendations contained in Appendix B and C of the report.

The result of the vote was as follows:

Votes for: (25)

Mr C Cooke (Elected Mayor) Councillors Banks, Blades, Branson, Clynych, J Cooke, Dean, Ewan, Furness, Gavigan, Hussain, Kabuye, Lewis, Nicholson, Nugent, Romaine, Rostron, Ryles, M Storey, P Storey, Thompson, Tranter, Uddin, JA Walker, N Walker.

Votes against: (16)

Councillors Cooper, Coupe, Hill, Hurst, Hubbard, Jackson, Jones, Livingstone, Mason, McCabe, Morrish, J Platt, S Platt, Saunders, Smiles, Wilson.

Abstentions: (5) Councillors Davison, Grainge, McClintock, McConnell, Young.

Following the vote, it was **ORDERED** that Council:

1. Accept the DLUHC 'in-principle' offer of Exceptional Financial Support the recommendations as submitted in the 2024/25 Revenue Budget, Medium Term Financial Plan, and Council Tax setting report to Executive on 28 February 2024 as set out in Appendix B paragraphs 2.1 to 2.7 be approved.
2. Approves the Prudential Indicators and limits for 2024/25 to 2026/27, Treasury Management Strategy for 2024/25, and the Minimum Revenue Provision (MRP) Policy for 2024/25, and the Approved Authorised Limit for External Debt of £372m for the 2024/25 financial year as shown in the separate Prudential Indicators and Treasury Management Strategy 2024/25 report to Executive on 28 February 2024 as

set out at Appendix C paragraph 2 of the report.

3. Approve the Council Tax for the year 2024/25 in accordance with s30 to 38 of the Local Government Finance Act 1992 as amended as set out in paragraphs 4.17 to 4.24 of the report.
4. Delegate authority to the Director of Finance (s151 Officer) to adjust the Corporate Contingency Budget to account for any further variations that may arise in finalising technical calculations.

23/101

LOCAL GOVERNMENT BOUNDARY COMMISSION 2023/24 (PHASE TWO COUNCIL PROPOSAL)

The Monitoring Officer submitted a report to Council the purpose of which was to seek approval of the Council's Phase Two submission to the Ward Boundary Commission.

The Monitoring Officer presented the report and explained the process that had been followed to that point, including the phase one submission which focussed on Councillor numbers. As a result of this the Boundary Commission suggested overall Councillor numbers remain as they are. It was explained that the phase two submission focussed on warding patterns. It was commented that engagement with Members had been productive and collaborative across the political spectrum.

A Member commented that information in part of the report was not current.

The Chair invited the Monitoring to conduct a vote.

ORDERED that Council approve the phase two ward boundary submission to the Local Government Boundary Commission for England.

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

Council Meeting: 27 March 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 **27 March 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:

Susan Lightwing – Democratic Services Officer - (01642) 729712

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THE MAYOR AND EXECUTIVE MEMBER REPORTS AND ADDITIONAL INFORMATION

COUNCIL MEETING: 27 MARCH 2023

CONTENTS

SECTION 1 - Executive Member Reports

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

SECTION 2 – Table of Executive decisions taken and that have been through the Call-In period, since the last booklet, published on 9 January 2024.

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.

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EXECUTIVE MEMBER REPORT TO COUNCIL

EXECUTIVE MEMBER: MAYOR CHRIS COOKE

DATE OF MEETING: 27 March 2024

STRATEGIC PRIORITIES

Strategic Priority: Reducing inequalities in health

Healthy Weight Declaration (HWD)

1. Middlesbrough Council adopted the Healthy Weight Declaration on 20/02/24 to support people to make positive choices around food and drink. The declaration aims to improve the accessibility, availability and affordability of healthier food and drink, as well as creating more opportunities for exercise.
2. The declaration is a council wide commitment to promote healthy weight and improve the health and wellbeing of the local population. It comprises of 16 core commitments that focus on population level interventions to address the social, environmental, economic and legislative factors that affect people's ability to change their behaviour. I am delighted that we have taken such a positive step and excited for the benefit is going to bring to our residents.

HIGHLIGHTS

Sensory Drop In Clinic – 01/03/24

3. I attended the monthly Sensory Drop in Clinic based in the Live Well Centre at Dundas. The popularity of this service has been growing significantly. The service is open to those with for adults who are partially sighted, blind, D/deaf, or hard of hearing along with family/friends and carers. Support offered is incredibly wide ranging from advising on adaptable equipment to assist with independent living all the way to providing Tai Chi through sign language to promote physical and spiritual wellness. It is an opportunity to meet and socialise with others who are facing similar challenges in a welcoming non-judgemental environment.
4. It was important for me to meet attendees and hear first hand the incredible impact the service has had on their daily lives. I would like to express my thanks again for the staff who organise and provide such a valued service to our residents.



Hemlington Boxing Club – 16/02/24

5. When young people were asked what they wanted bringing to their area the most popular proposal was a boxing club. It was therefore a pleasure to attend the opening of Hemlington Boxing Club which is run by the respected amateur boxers John Waldon, John Waldon Snr and Denis Lowe. The tag line for the club is 'knives down, gloves up' which depicts how the club is not only providing an outlet for physical exercise but providing an opportunity to better themselves in every aspect of their life.



EXECUTIVE DECISIONS

Dental Health and Impact of Covid-19 Scrutiny Panel- 13/03/24

6. The Health Scrutiny Panel conducted an examination of the oral health of residents in Middlesbrough. Between 2019- 2022 Middlesbrough had significantly more dental decay than the England average and the highest rate of dental decay in 5-year-olds across the North East. Poor oral health during the early stages of life often continues into adulthood, so it is important that there is effective and targeted intervention to break this cycle.
7. In response, the Executive approved the recommendations from The Health Scrutiny Panel which aim to improve oral health outcomes through increasing access to services and increasing awareness particularly in deprived areas. One of the recommendations is for free toothbrushes and toothpastes to be posted to hard to reach families who choose not to engage with health visitors. The Executive also approved the collaboration between Teesside University and the North East and North Cumbria ICB to increase accessibility for those who face challenges in accessing NHS dental care.

NAME: Chris Cooke

DATE: 27/03/24

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EXECUTIVE MEMBER REPORT TO COUNCIL

EXECUTIVE MEMBER: Councillor Philippa Storey

DATE OF MEETING: 27 March 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

DIRECTORATE PRIORITIES

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 cultural offer.
- Make events sustainable.

HIGHLIGHTS

Turnaround

2. Turnaround is a prevention programme funded by the Ministry of Justice (MOJ) that means Youth Justice services can intervene at an early point to stop children, who are on the edge of entering the justice system, from going over that edge. This earlier intervention has meant that 45 children have so far been prevented from entering the youth justice system with another 42 children in the Turnaround system. 45 children in the closed cases have not reoffended. This is a brilliant result and one reason why Turnaround funding should be maintained in the future, although with a more localised approach.

Update on Outwood Riverside

3. The Push to get the new Outwood Riverside School actually built, is ongoing. It has been confirmed that no further remedial work is now needed on the site (other than what had already been agreed). This removed another potential delay to getting spades in the ground at site.
4. The planning for the temporary accommodation that is being erected on the Eston site for the year 7 children is well underway and the Trust and DfE are working together to ensure the accommodation meets the needs and requirements of the students. This is not ideal for anyone and I know that many parents have issues with their children being bused off site. This is not fault of the school or teachers – they have worked incredibly hard, along with students to maintain educational and ofsted standards at the school. Again I urge the DfE again to expedite this process and get spades in the ground at the earliest opportunity.

Ofsted inspection results

5. Ofsted inspections have continued to go well for our schools. 90% of our schools have been graded as good or better All of our Private and Voluntary Independent Nursery settings and childminders continue to be judged good or outstanding and they all deserve a massive congratulations.

High Needs Budget

6. The High Needs Budget is facing significant pressure due systemic issues across the sector. These include increases in the number of children requiring an Education, Health and Care Plan and children who are risk of or who have been excluded. Middlesbrough are part of the Delivering Better Value (DBV) programme which is in place to support LAs address the pressures in the High Needs Budget. There is an action plan aimed at reducing the costs across the system. This is closely monitored by our SEND Advisor and DBV lead from Department for Education.

Middlesbrough Literacy Trust -their ongoing work with Allison Potter

7. Over the lifetime of the National Literacy Trust (NLT) in Middlesbrough, the trust has developed a strong partnership with James Cook University Hospital, particularly the neonatal intensive care unit. Working with staff over the years we have normalised reading, singing and talking to babies on the unit. Thanks to Walker Books, parents are gifted a book bag, including a copy of Guess How Much I Love You (<https://fb.watch/qOszpvQPwn/>) and information about the benefits of reading to babies, particularly those born prematurely.
8. A key partner is the Head of Supporter Services at Middlesbrough Football Club. They are passionate about the importance of reading and book ownership, so the trust work together with them to promote this. The trust book gifts at certain matches through the season, talking to young fans about book choice and reading preferences. The NLT in Middlesbrough provide family book bundle prizes, books to support various 'days' such as giving

Democratic Services

copies environmental themed books for National Green Day on 9th Feb and copies of Frozen Planet II for International Polar Bear Day on 27th Feb. Every year we do focussed activity to celebrate World Book Day, gifting 100s of the WBD (World Book Day) books at home matches.

9. World Book Day (WBD) in a huge focus each year. One year the NLT(National Literacy Trust) in Middlesbrough secured 15,000 WBD titles and Allison Potter distributed the books to every primary school in Middlesbrough, particularly those in the most disadvantaged areas of the town, where the children are less likely to use their £1 WBD voucher. In 2024 we did things differently. We hosted 2 sessions at the Dorman Museum, one for childminders the other for Elective Home Educated families, themed around two of the WBD books – dinosaurs and space. The trust created 2 hour-long activity sessions with books at the heart, and all who attended received the WBD title plus another dinosaur/space book. Two primary schools visited local care-homes and read with residents (intergenerational reading) and these links are to be further developed across the year. The pupils took copies of books to be added to the residents' bookshelves, donated by the NLT in Middlesbrough. WBD titles were gifted to The Junction to give to their young people over the week, Nepacs to gift to children visiting HMP Holme House, Ormesby Hall's free WBD event, The Kings Academy plus the MFC men's and women's matches on 6th & 10th March.
10. July 2024 sees the 3rd Big Boro Book Bash, in partnership with the Town Hall and the Arts Council's Connecting Stories project. Over 1000 pupils from Middlesbrough primary schools will gather at the Town Hall for a morning of 'reading' related activity – we have secured the author Tom Percival as the headline. All attending will receive copies of one of Tom's books too. Happening in the same week will be a 'We're Going on a Bear Hunt' interactive trail in one of the parks (working with the Early Years (EY's) Family Hubs team, EYs professionals and Early Years Literacy Champions. This session will be aimed at our youngest residents, with families, child minders and EYs settings being invited to join in. Every child will receive their own copy of the book to take home to keep!

20 years of Stainsby Nursery

11. Stainsby Nursery opened in 2004 and this month, celebrated its 20th Anniversary. A celebratory event was held to mark this important milestone. A trip down memory lane of the nurseries former children –, showcased the excellent start to life and learning children get at Stainsby. A delightful display of photographs showed children from the past to their achievements today. Janet Dixon the current manager who set up the provision from the start deserves every accolade.

Admissions

12. The Council successfully managed 'year 7 offer day' on the 1st of March by ensuring that all Middlesbrough year 6 children who wanted one received an offer of a secondary school place in the town. 92.6% of children received an

Democratic Services

offer of a place at their first or second choice of secondary school, which is brilliant. However, This does mean that 7.4% of children didn't get the place they or their family wanted and this is something we must work on,

The Education Alliance Board

13. Launched at a meeting at the beginning of March, the board aims to strengthen collaboration across schools and settings to develop approaches that will work across the broader educational sector, bringing ideas together.

Family Hubs

14. Fantastic work continues to be undertaken making sure a range of services are collocated and working collaboratively to meet the needs of families within the community.

Culture

Musinc Overview

15. Musinc provides opportunities in Middlesbrough for people of all ages, backgrounds and circumstances to make music, connect with others and explore their musical identity. They have regular term-time music sessions for young people, with in-school and extra-curricular provision, a schools programme of live events as well as activities for adults

16. Bandjam is for young people who are looking for professional tuition in guitar, bass, drums, keyboard or vocals. Musinc offer group tuition with opportunities to play alongside other musicians. they provide instruments at the session, but you're welcome to bring yours along as well. Bandjam Juniors is from age 8 to 11 and takes place from 4.45 to 5.45pm. Bandjam seniors, from age 12 to 17 takes place from 6pm to 7pm. Both take place at Middlesbrough Town Hall and the groups perform regularly at the venue, as well as at events across Middlesbrough.

17. Young Producers is a free programme for those aged 15 to 21 who want to gain knowledge and experience in the music and events industries. The young people meet as a group and take steps to plan and deliver a live event. They get advice from specialists in the field, including marketers, technicians, and event organisers, on what it takes to make an event at Middlesbrough Town Hall a success. In the past, Young Producers have coordinated and produced live music events such as our Town Hall Takeovers, where up-and-coming local bands and performers were invited to grace the stage. Our next cohort of Young Producers will begin in the Summer.

Recent Highlights

- Total Participants to date since April 2023: 1379
- Total Audiences to date since April 2023: 3301

Democratic Services

- On Monday 26 February we welcomed 270 young people, from 9 local schools, to perform as part of Shine Festival. An inclusive, open stage event where groups received feedback from our feedback panel.
- Open Orchestra weekly sessions continue this half term with 25 young people regularly attending. Open Orchestra have been working with composer Kate Whitley to develop an arrangement for Open Up Music and Open Orchestras of her composition 'Falling' which will be used by Open Orchestras across the country. This is the first time Open Up Music have developed a new composition in collaboration with a group of young musicians. The group are also taking part in a research project led by Nottingham University, which looks at Digital Scores and the way that having a live stimulus can impact on performers and performances.

18. Upcoming Events

- Monday 18th March 2024 – MTH Community Choir and North East Opera
7.30pm, Middlesbrough Town Hall
- Tuesday 19th March 2024 – Amplify (Open Mic)
6pm, Middlesbrough Town Hall
- Friday 12th April 2024 – Classical Café for Schools: Paddington Bear
1.30pm, Middlesbrough Town Hall

19. Musinc is a fantastic organisation and I full recommend parents to enrol their children in a class. Anyone interested in Musinc events, please email: musinc@middlesbrough.gov.uk.

Cultural Ambassador Programme

20. A new corporate membership programme has been launched to enable businesses to support Middlesbrough's annual cultural programme including the likes of Mela, Middlesbrough Pride, Middlesbrough Art Week, Taste of Africa Carnival, etc. Membership is £5,000 a year and we have signed up our first member – Leonardo Hotel. If any businesses or interested or you think any businesses in your area may be interested, please let me know and we'll speak to them and send out a sponsorship pack.

The Big Give

21. Work is ongoing with Middlesbrough Cultural Partnership to deliver a week-long fundraising campaign – The Big Give: Arts for Impact – to raise funds for the Partnership to support events, public art and the development of creative spaces in Middlesbrough. We're targeting to raise £10K, which will be matched £1 for £1 by The Big Give. The campaign went live on Tuesday 19 March and donations can be made from then until 26 March on our campaign page <https://donate.biggive.org/campaign/a056900002SEV3uAAH>

Orange Pip Future

22. People make places – people visit Middlesbrough town centre because they NEED to, rather than they WANT to. Like many towns and cities, we need to repurpose the function of our town centre, we need to appeal to the ‘WANTS’ of people and build an innovative experiential economy where people want to spend their time. Events like Orange Pip market are crucial to achieving this. Orange Pip Market is a highlight of Middlesbrough’s social calendar, Influenced by a range of world-class markets such as Borough in London and Smorgasburg in New York City, Orange Pip features the very best in local and regional food, live music and entertainment.
23. Since its inception in 2016 under Mayor Dave Budd, Orange Pip has grown into the popular and iconic event that it is today. As well as being a staple in the social calendar of residents and visitors, its continued success has proved vital in supporting local businesses and the wider town centre economy.
24. To date, Orange Pip has been solely funded by Middlesbrough Council, but now is the time for us to explore more sustainable models for running this much-loved event therefore we are looking to work collaboratively with the wider business community and other external stakeholders to secure the future of Orange Pip and keep this unique event, grown in Middlesbrough, for people to enjoy long into the future. Sponsorship packs are available from the council.

Embedding Culture within the local plan

25. On the Local Plan, we worked with our Planning Team following the production of a new 10 year Creative Vision for Middlesbrough 2023-2033, to write a policy which reflects the aims and ambitions of the cultural sector for creativity in Middlesbrough. The policy makes a commitment to supporting these aims as well as highlighting some areas of focus in the town where we see opportunities to both protect and develop our cultural offer.

Run Through half Marathon

26. The inaugural Middlesbrough Half Marathon and Junior Race, in partnership with RunThrough, took place on Sunday 3 March with over 2,000 people taking part and tens of thousands of pounds raised for local and national charities as a result. Starting in Centre Square, the route took in Albert Park and the Riverside Stadium before looping around the docks and finishing back at Centre Square. The Junior Race took place around Centre Square. Next year’s event is already in the diary for 2 March 2025 and we hope to establish the Half Marathon and Junior Race as a significant fixture in the town’s annual calendar and one that celebrates fitness, community spirit, and the town’s vibrant culture. There were teething issues with regards to vehicle access and this will be addressed by the next event.

Middlesbrough Town Hall Programing Update

Democratic Services

Middlesbrough Council, Town Hall, Middlesbrough TS1 9FX
middlesbrough.gov.uk

27. We have had a fantastic start to 2024 at Middlesbrough Town Hall, with shows, events, conferences & everything in between. Highlights of the start of 2024 include sell out performances with Sarah Millican, You Me At Six, Guz Khan & Jimeoin. Our Classical Season continued with performances from Royal Northern Sinfonia & the Archangelo Ensemble, with ticket numbers increasing each event. The team also worked closely with Middlesbrough Football Club to present their 20th Anniversary Carling Cup dinner & celebration on 29th February.

2024 Upcoming Highlights

- Middlesbrough Pride – 28th September 2024
- Open Air Season in the Courtyard in collaboration with Middlesbrough Theatre – Summer 2024 From The Jam, Big Country & Scouting For Girls - All music concerts
- Other highlights - Mo Gilligan, Paddy McGuinness, Milton Jones, Jeff Stelling

Working with local musicians

28. We are continuing our work with Henry Carden on our Artist in Residency project as part of our Arts Council NPO funding, we've been very lucky to have support from BBC Introducing at all of our AiR events this year and we're looking forward to continuing this relationship into the financial next year.

29. We are also working in conjunction with Middlesbrough Gigs, an independent music organisation promoting shows solely in the heart of Middlesbrough in the following partner venues: Middlesbrough Town Hall & Crypt; Teesside University Students Union; Café Etch. Our first concert will be in May, with further details to be announced in the next few weeks.

30. Middlesbrough Gigs is committed to bringing the best new and emerging regional, national and international acts to Middlesbrough. The team behind Middlesbrough Gigs have decades of experience in delivering high quality live events in the town.

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EXECUTIVE MEMBER REPORT TO COUNCIL

EXECUTIVE MEMBER: CHILDREN'S SERVICES: COUNCILLOR ZAFAR UDDIN

DATE OF MEETING: 27.03.2024

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 Service (Stronger Families)**

1. Stronger Families is designed to prevent escalation of need and risk and is underpinned by a multi-agency Early Help Strategy and the Family Help Board, which has helped to expand the early help offer in Middlesbrough. We work with organisations and agencies to develop joined-up early help services. Our Family Hubs now provide a single access point, a 'front door' to universal and early help services for families, with co-located services to make it easier for families to access the services they need, including Start for Life services, outreach support and virtual offers.
2. Many early help services offered in the Family Hubs are for families who do not need intensive, whole-family Lead Practitioner support; however, the hubs ensure seamless access to more targeted support where needed. This includes skilled Family Practitioners in the Stronger Families Service who provide interventions for more complex families. Family Practitioners undertake child-focused assessments which focus on families' strengths, alongside any worries and concerns. Direct work routinely takes place with children, and this helps to ensure that their views inform decisions about next steps.
3. Our Stronger Families Service has benefited from a stable and experienced workforce with little turnover. The Family Practitioners and Team Managers have a range of different skills, professional backgrounds and experience including domestic abuse workers, early year's practitioners, teachers, police officers, youth workers and DWP employment advisers. Caseload averages for Feb 2024 are 26 children. There are currently 880 (Feb 2024) children and young people supported

by Stronger Families and a further 1245 supported by our partners through early help interventions.

➤ **Young People Not in Education Employment and Training (NEET)**

4. The Early Help service performs all LA statutory duties linked to participation of young people to ensure that young people receive their entitled offer of a suitable place in education or training, under the 'September Guarantee'. We have a team of specialist staff who work with young people who are not in education, employment, or training (NEET) or whose current activity is not known. The Middlesbrough proportional NEET rate is about to be submitted to the Department of Education for 2023/2024 and is currently comparing positively, against regional, national, and statistical neighbour comparisons, this means that we know the destinations of our young people and we can focus support on those who are not participating in learning.

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

5. The MACH Team Manager is fully staffed currently. We continue to strengthen our Multi Agency Partnerships and are facilitating Multi Agency Audit. We have held a practice week which commenced 26/27 February 2024. This has included dip sampling of contacts within the MACH, observations of the daily triage meeting and observations of strategy discussions which will help to strengthen the service.
6. The team have completed some peer audit and reflective discussion around recording and strengthening practice. Weekly Audit is continuing with MA Partners. The Team has regular Team meetings to look at team development, improvement, and stability. Bimonthly MACH strategic Board is held with key partners to support improve and develop multi-Agency working and Operational MACH meetings also take place Bi-Monthly.
7. The Assessment Team have continued to be a relatively stable staff team and although there remain some agency workers in place, there is current recruitment out to advert to replace the current agency workers with permanent members of staff. We have commenced our practice week within the assessment service where our dip sample audit will review management oversight, quality of visits assessments and planning in order for us to strengthen and develop our service. We will be reviewing our direct work with our children to look at strengths and Areas of development. Our performance data continues to improve with regular high support and challenge within supervision and management oversight. Weekly performance is reviewed by Team Managers and the service manager.

➤ **Learning, Review and Development**

8. Following recent recruitment activity, the Review and Development unit now have a full complement of Independent Reviewing Officers, which should see improvement in conference and review timeliness for our children and young people. We have also appointed to the Social Work Academy Team Manager post and are looking forward to strengthening our support offer for AYSE/NQSW and Frontline staff.
9. Group audits have been offered to all our Team Managers this month as we move towards improving our audit quality. This is scheduled to continue to be offered

every month following positive engagement and feedback. Further to this we have an exciting schedule planned for Social Work Practice week, including training and development sessions with our Islington 'Partners in Practice' alongside wellbeing sessions. Weekly Reflective forums are being organised to support practitioners as they explore good practice and areas for development in their work, and the new monthly PSW newsletter is scheduled to be circulated this week, providing a regular vehicle for sharing good practice, training and development opportunities and seeking staff views and engagement.

➤ **Safeguarding & Care Planning, Children with Disabilities, Aspire and Pre-birth Team.**

10. Since last update the pre-birth team is now part of the safeguarding and care planning service. The safeguarding service continues to be busy with a high number of care proceedings and children subject of child protection plans. The introduction of child protection panel and child in need panel has provided extra scrutiny. This means children's cases are escalated and deescalated appropriately. The overall caseloads for social workers in the safeguarding teams has decreased with the average caseload being about 22 cases.

11. Reflecting the picture in neighbouring local authorities, the recruitment of experienced social workers is challenging. The safeguarding service has 25 vacancies for social workers, 17 of these vacancies are covered by agency social workers and there are 8 vacancies that are not covered. To address this the service has started to plan a recruitment day for social workers across the wider service. Prior to the innovate team service's contract expiring, we will need to recruit social workers for the currently unstaffed team 3.

➤ **Children Looked After (CLA)**

12. Staffing recruitment and retention continues to be a factor within the CLA service, the volume of SW churn is significantly impacting on the quality of planning for children and YP within the service. A risk mitigation plan was created following the departure of the previous HOS. Tracy Jeffs who is an experience HOS, was recently appointed as interim Head of Service and will be taking on the role across CLA, Pathway and Leaving care.

HIGHLIGHTS: Please see below

➤ **Increased Residential and Supported Accommodation for Children in Care and Care Leavers.**

13. The Meeting of Executive, on Wednesday 28th February 2024 Noted, the reasons why the original plan could not be delivered and its removal from the Medium-Term Financial Plan (MTFP). And approved the revised approach which is built into the proposed 2024/25 budget and MTFP 2024/25 to 2026/27. Executive also noted further savings that will be incorporated into future MTFP periods. (Item 23/78)

14. The Children's Services Financial Improvement plan approved in February 2023 included elements of increasing the in-house estate for Children's care. During the course of the 12 months significant efforts were made to identify suitable properties to bring online. These efforts were hampered for two key reasons:

1. At the commencement of the year significant time was spent exploring a large property which could have met the needs of our 16+ cohort. Months exploring this including the refurbishment feasibility were undertaken, however it transpired there were issues with the refurbishment and build that had already been undertaken which would have left a legal liability on the local authority to resolve. The focus on this area led to a delay in project achievements.

2. The cost of refurbishment, when seeking to convert any existing council asset to a residential home were prohibitive and did not represent value for money. This had therefore led to a strategy for future consideration being the identification of suitable properties with minimal renovation work required.

Under the revised plan, Middlesbrough Council would reduce the use of the external high-cost placements and grow the residential and supported accommodation offer, by increasing Middlesbrough Council's in house offer and building partnerships with commissioned providers.

For further details please see the copy of the minutes of the above meeting on the council website/modern.Gov.

Anything you wish to highlight – good work/best practice/good news stories,

THE TIME AHEAD: Please see below.

- I am in discussion with Wendy Kelly, Lead for Children, and young people's Emotional Well-being. HeadStart Service Manager, to look at and discuss a way forward to have an engagement, in proactively work with mental health professionals in order to meet with the needs of the young people who are affected by the mental health issues.
- I am exploring the opportunities to work with other Neighbouring Authorities in terms of sharing good practices and supporting each other in relevant issues i.e., Training, Development and Policy Guidance and the best value services.
- I am also exploring re the Equality and Diversity aspects of the relevant issues within the workforce by liaising with HR Department.

Upcoming issues/things on the FWP/projects involved in
See above.

NAME: Cllr Zafar Uddin

DATE: 27.03.2024

EXECUTIVE MEMBER REPORT TO COUNCIL

EXECUTIVE MEMBER: Councillor Janet Thompson

DATE OF MEETING: 27 March 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

Hubs and Libraries

World Book Day



1. As part of this year's World Book Day® celebrations, Acklam and Easterside community hub and libraries were selected to host exciting events, bringing books and the enjoyment of reading to children of Middlesbrough. The Service received £750 in funding to host events to celebrate the day, and also to hold follow up events at a later date. The events are designed to provide local school children with the opportunity to discover a love of books and reading.

2. Acklam Library and Community Hub are giving away 1,200 books (in exchange for £1 tokens) for World Book Day. Tokens are available through schools, early years settings, and children's magazines.

World Book Night

3. The Library service has been successful in its application to participate in World Book Night, and has received 300 Quick Read copies of *The Last Summer* by Karen Swan.
4. Quick Reads have fewer pages than a regular novel with larger text, and are designed for emergent and less confident readers.



National Theatre Screenings



Productions for primary schools

National Theatre titles

Shakespeare for younger audiences: *Romeo and Juliet* and *The Winter's Tale*
 Literary adaptations: *Jane Eyre**, *Peter Pan* and *Treasure Island* (pictured, by Johan Persson)
 NT Let's Play Programme: *Story Seekers*
 Musicals: *Hex**, *I Want My Hat Back* and *wonder.land**

*Hex, *Jane Eyre* and *wonder.land* contain content that may be inappropriate for young ages. However, they have been used successfully by Year 6 teachers and are included here for those who wish to use it. Content warnings are provided where applicable.

Unicorn Theatre titles

Anansi the Spider Re-Spun
 Greek Myths Unplugged: *Ariadne on the Beach*, *Jessie and the Jellybeans* and *Narcissus*
 Phillip Pullman's Grimm Tales: *Little Red Riding Hood* and *Rumpelstiltskin*
 Roald Dahl's *The Magic Finger*

Productions for secondary schools: English

Shakespeare: *As You Like It*, *Antony and Cleopatra*, *Coriolanus* (Donmar Warehouse), *Hamlet*, *Julius Caesar* (Bridge Theatre), *King Lear* (Donmar Warehouse), *Macbeth*, *Much Ado About Nothing*, *Othello*, *Romeo and Juliet* and *Twelfth Night*
 Literary adaptations: *The Book of Dust*, *Everyman*, *Frankenstein*, *Jack Absolute Flies Again*, *Jane Eyre*, *Phaedra*, *Small Island* (pictured, by Johan Persson), *Under Milk Wood*, *The Wife of Willesden* and *Wuthering Heights*
 20th century classics: *A View from the Bridge* (Young Vic), *All My Sons* (Old Vic), *Les Blancs* and *Translations*
 New writing: *Consent*, *Hex*, *Dixon & Daughters*, *Our Generation* and *Shut Up, I'm Dreaming* (The PappyShow)

- The Library service has successfully applied for free performance screenings from the National Theatre. Screenings can be accessed using our network of public computers and includes productions tailored for primary and secondary schools.

Hemlington Boxing Club



- It was great to be invited to see a brand-new boxing club which has recently opened in Hemlington with the potential to change lives and transform a community. The club run by local amateur boxes is already attracting interest from across the area and taster sessions are bringing in new members every day.
- Founder member John Waldon said: When we asked local kids what they most wanted to see in the area the majority said a boxing club.
- This was supported by funding from the government's Safer Streets 3

Special Commendation Certificates

- I was honoured to attend a ceremony to see PCs Tom Cannon and Dom Taylor of Cleveland Police presented with Special Commendation Certificates. The two officers were first on the scene after two-year-old Mahamad Hawser's parents called 999 as the infant had stopped breathing. Discovering the child apparently lifeless in his mother's arms, PC Cannon performed CPR until he began to breathe again while PC Taylor

reassured his parents and obtained vital information. Thankfully the youngster has made a full recovery.



Nighttime Economy – Safe Haven

10. Middlesbrough Council's Safe Haven Service was established in 2015 and continues to be supported by Middlesbrough Council and North East and Cumbria Integrated Care Board (ICB).



11. The Safehaven is situated in Middlesbrough Bus Station and operates within the night-time economy, every Friday 10pm – 3.30am and Saturday from 11pm – 4.30am (11 hours per weekend) and at other busy times of the year including Sundays prior to Bank Holidays and over the festive period. The service aims to help people who become vulnerable during the night-time economy period either as a result of alcohol or other substance misuse, violence against the person or for underage,

safeguarding and any other vulnerabilities in the town centre. As well as operating from a physical base, there is also a mobile patrolling team consisting of a qualified Technician and medical responder who provide support on the street. The Safe Haven staff work closely with the Police, Boro Angels, Women Street Watch and with licensed premises door staff so that they can accompany or direct those in need to receive support.

12. The service provides a wide range of benefits to the town and the public, offering care and support including minor and major clinical assessments and treatment, patient monitoring and interventions and brief advice. The Service diverts minor injuries and reduces attendances to local A&E departments, providing alternative options to 999 calls and alternative drop off points for NEAS. It also assists the Police by providing a safe place for those that require a short-term intervention and to protect them from avoidable harm.



Environmental Enforcement

13. Middlesbrough Council Environmental Enforcement Wardens are responsible for investigating all matters of environmental crime. This includes Fly Tipping, Littering, Waste Presentation at both domestic and commercial premises. The team are also responsible for responding to enforcement of untaxed and abandoned vehicles, stray dogs and matters relating to repairing or selling vehicles on a highway.
14. In the month of February the team investigated a total of 646 service requests (10.4% Increase on January Data) which were made up of 72 requests for service relating to stray dogs, 460 requests for service for fly tipping and environmental related matters and 105 requests for service for untaxed and abandoned vehicles.
15. In the month of February the team issued a total of 30 legal notices for a range of environmental offences. The team issued 11 fixed penalty notices for waste related offences which included Fly Tipping Offences (approximately £3k of fines were paid in the month of February). The team undertook several DVLA and untaxed vehicle operations which resulted in 6 vehicles being seized. We took 14 stray dogs to our kennel provider and returned six stray dogs back to the registered keeper. We have 3 cases scheduled to go to court in the coming weeks for fly tipping and commercial waste related offences.
16. A fly-tipping blackspot underwent a major clean-up after CCTV cameras were brought in. Fridges, washing machines and old furniture were dumped alongside household waste in the alleyway, behind Kensington Road, Middlesbrough. Video surveillance was put in place in October following a blitz on rubbish last April, which saw one resident slapped with a hefty fine. fly-tipping fell from around five reports a month to less than two, with none made in November or February.
17. A staggering 2,180kg of waste was also removed from a site in Linthorpe, during a clean-up operation last year. Since then, one person has been fined £400 and several others have received fixed penalty notices under the Environmental Protection Act. This clean-up was a fantastic piece of work, and I'm delighted to see we're continuing to build on the work that has already been put in. The new CCTV cameras will act as a powerful deterrent, and those still tempted to break the law can rest assured they will be caught and fined. I encourage residents to take pride in their local area and report issues to the council when they arise so that we can work together to address the issues.
18. In December 2022 the team were alerted to a large-scale Fly Tip in East Middlesbrough. We established over a period of time a total of 62 tonnes of waste had been dumped. As part of the case we applied for a forfeiture order of the males vehicle and we were successful.

19. I am pleased to share that Middlesbrough Council now own this vehicle and it is being renovated into a vehicle used in our battle against fly tipping within Middlesbrough. We are the only local authority nationally that has made effective use of powers available to us using legislation under the Environmental Protection Act 1990. This is a perfect way of showing those who choose to blight our neighbourhoods with fly tipping, that there are consequences. Please see photos below of what the van will look like once work is completed.



Neighbourhood Action Partnerships (NAPs)

20. Each area has now had two NAP meetings, I would like to thank those who have attended as your contribution has been invaluable. However, I have been disappointed with the poor attendance of some Councillors. The main purpose of the NAPs is to provide a forum to allow local members, Council staff, the Police and other partner agencies to share information regarding crime and anti-social behaviour in their wards. I would urge members to make a special effort to attend their NAP.

West

21. Youths in the Trimdon Ward have been visited along with Cleveland Police and initial warnings have been issued for being verbally abusive and threatening towards a member of the public at Trimdon shops. Neighbourhood Safety Officers are working with the families to divert the youths away from causing any further ASB in the area.
22. Work is ongoing with NSOs and Neighbourhood Safety Wardens to tackle various parking problems within the West Locality. Several site visits have taken place with local councillors and members of the public who are being affected and we are developing/co-ordinating actions across different departments to address these issues.
23. During a joint visit, a Neighbourhood Safety Officer noticed a driver acting suspiciously in the Longlands area. Police were contacted and quickly attended. Stop searches were carried out, the driver was arrested, and their vehicle seized. We later established that the individual was linked to organised crime.
24. Parking enforcement patrols have been carried out on Pemberton Crescent after reports of cars parking without permits in this location. During a patrol on 15/01/24 Wardens issued three penalty charge notices.
25. After the daily Police briefing, we shared information to assist the Police find a male who was wanted for over forty offences of domestic violence against a female. Officers located the male and alerted Police who acted quickly to arrest the male.

26. Four Residents have been visited to take statements to address ASB in the Longlands area with one resident being provided with a Safer Streets target hardening pack.
27. Proactive warden patrols in Saltersgill hotspot areas have provided footage and images of three individuals riding motor vehicles on the field with the evidence shared with Police and partners to take appropriate action.
28. Numerous Nitrous oxide cannisters have been found in a small car park, the information wardens have gathered has been submitted to Police Intelligence.

Cannabis farm worth £500,000 found in Middlesbrough apartment



29. Proactive work around an address in Whinney Banks has resulted in our team quickly identifying a person with bail conditions attending a specific location in the locality. He was later arrested but continued to ignore bail conditions. This person was due in court on February 14th for sentencing.

East

30. Having identified that several fences, hedges and steel barriers had been removed or vandalised along the Black Path that runs through Thorntree and Netherfields, it was evident to the Neighbourhood Safety Team that the path was being used by off-road motorbikes to transport drugs between the wards without using main roads and as such avoiding being seen by Police, Neighbourhood Wardens or CCTV.
31. Following complaints received from residents in the Lindisfarne Road/Hexham Green area of Priestfields, regarding ASB/off-road bikes, the Neighbourhood Safety Team worked with residents to identify two separate addresses of those believed to be responsible. As a result, the area's Neighbourhood Safety Officer, Thirteen's ASB Officer's and the Neighbourhood Policing Team carried out an operation, during which they located several off-road motorbikes stored at both addresses. Four bikes were seized and formal warnings were issued to the residents. The occupants were advised that should there be further evidence found of off-road motorbike nuisance from either address, tenancy action or a Closure Order application may be taken.



32. Following several reports of youths causing ASB at Vaughan Shopping Precinct and Shelton Court in Thorntree, the Neighbourhood Safety Team worked with local schools and Police to identify the youths responsible. As a result, the following actions have been taken: 2x Final warnings issued, 1x Initial warning issued, 1x Second warning issued, 1x ABC breach warning issued.
33. Having identified the need for youth provision in the Netherfields area, the Neighbourhood Safety Team have worked with the Junction Foundation who have agreed to provide additional youth provision on Monday evenings. Officers from the Neighbourhood Safety Team attended the first youth session and attended a number of properties with Junction staff to invite 12 youths from the area to an overnight outdoor activity residential during half-term week.
34. A Civil Injunction was granted against a male persistently begging, causing harassment, alarm and distress to residents and businesses throughout East Middlesbrough. Officers from the Neighbourhood Safety Team continued to gather evidence against the male who was breaching the terms of his injunction. As a result of the evidence obtained, the male was returned to Court and sentenced to one hundred days imprisonment.
35. Enforcement action escalated against 2 young people known to cause ASB in the Pallister and Berwick Hills ward. They are also causing issues within Middlesbrough Town Centre. CCTV has been reviewed and an ABC Breach and a Final Warning issued. A civil Injunction application is now pending.
36. 4 youths have been identified causing ASB at Rothbury Road shops. Throwing bottles and stones at residential properties. Enforcement action has been taken against all youths. ABC Breach issued, 2nd Warning letter and two Initial Warning letters issued. One youth has been referred to Immediate Justice.
37. The NSO is working with Police and partners to identify youths who have been caught on CCTV cameras on Cotswold Avenue involved in motorbike nuisance. A letter drop has been carried out to residents in the area to encourage them to come forward with any information regarding nuisance behaviour.
38. A motorbike Warning Letter has been issued to tenants at an address on Ellesmere Walk. Whilst out on the estate the NSO witnessed 2 males on an off-road bike visit this address. The tenant has been spoken to and advised if there are any further issues connected to her address we will approach her landlord and request tenancy action is taken.
39. Joint patrols throughout the whole of Berwick Hills and Pallister ward with Cleveland's Fire Prevention officer have taken place. All hotspot areas were checked for any signs of fly tipping that may lead to potential fire setting. A garage on Graygarth Road which is open for access has been reported to Thirteen for boarding.

North

40. Proactive patrols in Linthorpe cemetery identified two tents both of which had drug paraphernalia on the ground and inside the tents. One male has been located by our

team and he was identified as a wanted male. During these patrols the hypodermic needles were safely disposed of, and the tents reported to the locality area care team for removal.

41. Parking enforcement patrols have been conducted on Roman Road, Windermere Road with mobile patrols checking hot spot areas from the residents' reports.
42. The NSO and Safer Streets Officer are using the Community Protection Notice (CPN) process to address begging in the Town Centre. Prolific beggars in both the daytime and nighttime economy have been identified whilst patrolling with Police and Licensing on a Friday night/Saturday morning to observe the nighttime economy.
43. Vancouver House is currently being frequented by homeless individuals who are accessing the building. Evidence of squatting, fires and drug paraphernalia has been found. The Safer Streets Officer is leading a partnership group comprising Fire Service, Police and Environmental Health, to urgently put pressure on the private landlord to secure the building. We are also working with the Rough Sleeper Navigators to address the housing needs of the individuals who are frequenting the building.
44. The Safer Streets Officer has been liaising with Hilliers Jewellers who frequently experienced rough sleepers outside of the shop. We have worked with the Rough Sleeper Navigator, who has found accommodation for the individuals involved, and the matter is now resolved. The Safer Streets Officer has accompanied the Rough Sleeper Navigator on an early morning sweep this month.
45. The Safer Streets Officer is coordinating an online newsletter to be distributed bi-monthly to town centre businesses. The newsletter will provide information on what action is being taken to tackle ASB, updates around reporting and photographs of those subject to court orders. We also plan to introduce a before/after survey to determine perceptions around crime and ASB within the town centre.
46. The NSO has Linthorpe Village on weekly monitors with the Neighbourhood Safety Wardens and visits the area himself on a regular basis. Begging has decreased in the area, although shoplifting has increased.

South

47. 5 individuals were involved in a serious disorder incident in November which resulted in an injury to a police officer, they have appeared at court and put in not guilty pleas. The trial date has been set for 20.5.24. Three of those are on remand and 2 on court bail, one with an electronic tag and conditions not to enter Hemlington. All 5 have had Criminal Behaviour Order applications submitted by the Police with supporting statements provided by MBC.
48. 2 males identified setting fire to the CCTV pole in September have now been charged following a CPS decision. Awaiting court date from police whilst both individuals have also been issued with CPWs.

49. The NSO for Hemlington is working closely with children's social care and information has been shared to identify perpetrators of ASB and warnings issued.
50. A vulnerable lady has been targeted by groups of youths over the past month, with her door being kicked repeatedly and being verbally abused. Housing, Police and Neighbourhood Safety have provided support to her and her father. 4 groups of youths have now been identified, home visits have been completed and formal warnings issued.
51. A letter drop has been completed in Stainton and Thornton Ward following complaints about an off-road motorbike.

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EXECUTIVE MEMBER REPORT TO COUNCIL

EXECUTIVE MEMBER: ENVIRONMENT – COUNCILLOR PETER GAVIGAN

DATE OF MEETING: 27 March 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

I continue to work 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

Since my last Executive Report, I have attended Local Plan Consultation Plan events in Acklam, Ayresome and Longlands and Beechwood wards. I made site visits in Acklam and Berwick Hills and Pallister.

I also had the pleasure of meeting Elaine Dunn, a long-serving crossing patrol officer (also known as a “lollipop lady”) in Marton East during her final week of valuable service to communities across the town.

I enjoyed a visit to Middlesbrough Bus Station to celebrate their achievement in winning a national award for keeping passengers safe. It was granted the Safer Bus station award having received the accolade several times in previous years. It was very well deserved; I would like to congratulate all concerned and thank everyone I met for their hospitality and ongoing commitment.

I have a trip to Middlebeck Nature Reserve before the meeting on 27th March but after my report must be submitted.

I also visited Acklam Cemetery and Teesside Crematorium with Councillor Philippa Storey. It was a fascinating experience, and I was struck by the professionalism and commitment of all the staff we met, a number of whom have many years of experience. I fully understand that this is not for everybody, but I am happy to organise another visit. Please contact me and I can liaise with staff there to ensure a mutually convenient date and time.

WORKS UPDATE

Highways and Infrastructure

Transport Planning and Road Safety

- Ongoing work to develop the City Region Sustainable Settlement (CRSTS) programme that will create bus/walking and cycling infrastructure on strategic corridors is progressing, with a view to public consultation via TVCA post May elections.
-
- Electric vehicle Charging Points continue to be developed through the ORCS funding allocation, and work with TVCA to identify Policy, strategy and further delivery.
-
- Safety Advisory group representation to address traffic issues associated with planned concerts at MFC.
-
- Discussions held with stakeholders regarding the Marton Road traffic issues have been held, including with Community Council and James Cook University Hospital.
-
- Education and promotion at schools and businesses to identify Road Safety messages such as school safety, considerate parking, and Drink driving. This includes Expansion of the Junior Road Safety Officer programme within schools.
-
- School traffic assessments are being undertaken at Easterside, St Thomas More, Thorntree, Corpus Christie, Green Lane, Breckon Hill and Captain Cook to identify potential solutions to improve Road Safety.
-
- Continued delivery of Bikeability and Pedestrian training at Schools, town wide.

Major Scheme - Stainton Way / Hemlington Hall Road signalisation and new footways/cycleways

Consultations are set to start shortly on a new traffic signalised junction at Stainton Way / Hemlington Hall Road, along with improved footway and cycleway links in the area.

The footways / cycleways will provide new linkages to Stainton Village, Hemlington and along Low Lane towards the new Jack Simon Way development, as well as providing a safe route across the Stainton Way / Low Lane roundabout.

The proposed traffic signals at Stainton Way / Hemlington Hall Road will tie into these footways / cycleways and offer safe crossing points at the junction.

Works are provisionally programmed to start in early June 24 and be completed by September, taking advantage of reduced traffic flows during the summer months.

Car Parking

The new parking charges that were approved on Friday 8th March, were implemented across all Council operated car parks and on-street pay & display parking bays from Monday 11th March.

The tariff signs were changed and the changes to the ticket machines have gone live. The enforcement team have been asked to give a week grace period to allow time to make sure motorists are aware of the changes before usual enforcement resumes.

Charging for Residents Parking Schemes were approved at Council, with the charging to commence from September 2024.

Capital Programme

- T&I recently successfully completed a new signalised junction at Cypress Road & Stainton Way to improve road safety. In the past five years, there have been four accidents resulting in injury at the junction (including three pedestrians using the existing zebra crossing), one of which was a serious injury. There have been three further accidents at the nearby Cypress Road / Gypsy Lane junction, including an 80-year-old man who was injured trying to cross the road. T&I designed a scheme which involved the slip lane coming off the eastbound carriageway of Stainton Way onto Cypress Road to be removed to help to reduce vehicle speeds, with new crossings put in place at all three points of the junction – two on Stainton Way either side of Cypress Road and one on Cypress Road itself.
- As we near the end of quarter 4, we are ensuring that all current network improvement schemes are completed and costs associated are accounted for in line with our budget management process. Schemes have been approved and allocated and are currently going through the preliminary design stage which will then be distributed to PM's in April.

Traffic Signals/UTMC

Traffic Signal Junction upgrades 2023/24:

The upgrades on Marton Rd / Aldi Junction, Borough / Abingdon Rd and Marton Rd / Corporation Rd have all been completed in March 24.

Pedestrian crossing upgrades 2023/24:

Ormesby Rd / Balmoral Rd (Programmed to start onsite w/c 18/03/24)
Low Lane Shetland Close (Programmed for completion in March 2024 currently ongoing)
Boro / Emerald St has been completed.

Locations for 24/25 are under review.

Highways

Verge works: 11 of the planned 13 schemes are complete.

Footway Works: 20 of the planned 23 schemes are complete.

Schemes for 24/25 are currently being identified and confirmed.

Transporter Bridge

Transporter Bridge Structural Assessment completed. Updated estimated cost report by Driver Group completed. Digital monitoring equipment that allows constant collection of data regarding movement of the structure to be permanently installed – currently at procurement stage. The data will feed into the design/ repairs going forward.

A66 Column 20B

Issues with the quality of the concrete pour to the beams following routine testing have delayed progress. The issues have been resolved and works continue on the repairs to the beams and column at row 20 of the A66 Station Viaduct, with a revised completion date expected in late June/ early July.

A66

Concrete testing report at Hartington Interchange bridges has been completed. Scope of works being drawn up for concrete repairs to be carried out in 2024-25.

Bridges and Structures

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.

We are in the process of completing the tender documents for repairs to: -

A174 Marton Interchange Overbridge which include 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 and is still ongoing.

Principal and general bridge inspections are ongoing following the tender award via NEPO. There are 18 principal and 169 general inspections taking place with the inspection programme completing all due inspections.

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 are ongoing.

Initial estimated prices provided via Network Rail's main contractor for suicide prevention parapets to Linby and Belle Vue footbridges have been received with a further tender process to follow to ensure best value.

Highways and Infrastructure

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- As we near the end of qtr 4, Ensuring all current network improvement schemes are completed and costs associated are accounted for in line with our budget management process. Complete reports and overlooking costs for LTP budget and compiling all supporting documentation for our Capital Programme ready for the upcoming financial year. Schemes have been approved and allocated and are currently going through the preliminary design stage which will then be distributed to PM's in April.

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Carriageways

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. The classified road resurfacing programme is nearly complete with only Acklam Road remaining. These works are ongoing and due to be completed by 20th March. The unclassified roads have one remaining scheme which is awaiting completion of Northern Gas works prior to being undertaken.

Flood Management

Work is continuing on the clearance of those Gullies identified as being 75% - 100% full of silt following the survey of the network. The risk based approach being adopted to prioritise the cleansing of the Gullies, which will see individual gullies being cleaned 6-monthly, Annually, Biennially or 3-Yearly is expected to start in April. We continue to work proactively on flood risk management through joint working with EA and

NWL and increasing our knowledge of the network and improving the long-term planning for reducing flood risk.

Street Lighting

We have completed the column replacement programme for 23/24 – 257 columns were programmed to be replaced this financial year, following conclusion of the structural and electrical testing that was carried out in 22/23.

Plans for the 24/25 replacement programme are currently being reviewed.

Refuse and Recycling

Household Waste recycling Centre

- **From April, the Household Waste Recycling Centre (HWRC) moves to its Summer Opening Hours**
- **Summer Opening Hours (1 April to 31 October) 8:00am to 7:00pm**

Kerbside Recycling Materials Recovery Facility (MRF)

- **The appointment of a joint Middlesbrough Council & Redcar & Cleveland Borough Council Monitoring Officer to examine kerbside recycling deliveries from April to Cumbrian Waste Management Facility.**

Chargeable Garden Waste Collection Service

- **The new chargeable collection service has gone live taking subscriptions for the service - so far, the new opt-in subscription service is going well.**
- **Delivery of the new Garden Waste bins to commence 2nd April.**
- **Proposed Garden Waste rounds to commence 16th April.**
- **In the first year, the service will run from 16th April to 7th December 2024.**
- **Residents not wishing to subscribe to the new service can take their garden waste to the Household Waste Recycling Centre at Haverton Hill. Residents will need to book a slot via the Council's Website.**



Fortnightly Collections/Larger Bin Request

- **Fortnightly collections planning to start week commencing 1st July 2024.**
- **Request for a Larger Bin (subject to terms and conditions) has now gone now live - all applications are available through the contact centre or the Middlesbrough Council website.**

Additional Refuse Vehicles

- **We are excited to announce that we have 2 new refuse collection vehicles and a new box van to add to our current collection- this is great news.**

The Van

- **The van has arrived and looks great, designs are being drawn up for the van to be wrapped. Once this is complete, Sam Garside will be out and about doing lots of recycling roadshows around the town, in as many locations as possible including Hubs, Parks, shopping centres and the Leisure Farm. The roadshows will inform residents about the changes to fortnightly collections for refuse, garden waste subscriptions and recycling.**



Environment

- I can confirm that we have now launched Complete Clean with the alleyways within Middlesbrough. This will see all alleyways within Middlesbrough get a full cleanse which consist of all waste that is in the alleyways being removed and where practically possible a mechanical brush will go through. This is early days and with the pending changes to collections we are working through getting this process staffed to the levels needed to make this approach work effectively.

Area Care

- Area Care started grass cutting – Amenity Grass cutting (Grass verges and estates) has commenced in all areas.

- Area Care Weed spraying to commence – Weed killing of Obstacles & Walls/fence lines has commenced in all areas. We weed kill these areas rather than strim them to alleviate the need of the labour-intensive workload of strimming, which may need doing three-four times per year, rather than one-two. Weed spraying instead of strimming also reduces the amount of fuel that is introduced into the environment. To encourage wildlife areas in the areas we no longer apply weedkiller or strim underneath hedges and some shrub bed areas unless they encroach onto the footpath and become a possible health & safety risk. The hard standing (footpath) weed spraying is programmed to commence the first week in April in all areas.

MIDDLESBROUGH ENVIRONMENT CITY

Middlesbrough Environment City has recently rolled out the Communities Growing Together project. The project, co-ordinated by long-time MEC employee David Scriven, works intimately with various community groups to co-ordinate a variety of activities, such as workshops and Community Action Days. The local organisations that Communities Growing Together has worked with include All Year Round The Flower Patch, the Staying Put Agency and Regeneration of Communities, amongst others. The project has already received good reviews from the general public, and we look forward to seeing it grow throughout the years.

Climate Action Middlesbrough continues to go from strength to strength. The project recently received favourable coverage from the National Lottery Community Fund. Julie Coxon, Funding Officer, stated: "It's difficult to put into words just how important Middlesbrough Environment City is to environmental action in the North East. Building on the well-established grassroots movement across the town to reduce Middlesbrough's carbon footprint, it was fantastic to hear how the Climate Action Middlesbrough project - made possible thanks to more than £1.5million of National Lottery funding - is working to reduce the town's carbon footprint and encouraging residents to lead more sustainable lifestyles." The project also continues to head into 2024 with the continuation of its publicly-commended On 'Yer Bike Initiative, as well as Climate Change Awareness Training and a variety of community days delivered by ourselves and partners, as well as the continued provision of Climate Action Clubs in primary schools across the area!

MEC's Affordable Warmth team have also been active in the local community, hosting a number of Drop-In events at Community Hubs across the South Tees area during February, with many more currently planned as the year progresses. The team has also been bolstered by over £500,000 worth of funding, secured by Jonathan Wright, as part of the Vulnerability and Carbon Monoxide Allowance from Northern Gas Networks to deliver the Warm Homes: Better Health project. The project will target 15 GP practices across the Tees Valley which are in deprived areas with a significant number of COPD sufferers, supporting them with access to required heating equipment and providing vouchers to contribute towards heating their home during the winter period.

Middlesbrough Environment City also saw some key changes at Board level, with the departure of Julia Rostron as Chair, with Sam Grainger stepping forward as Chair in her stead.

EXECUTIVE MEMBER REPORT TO COUNCIL

EXECUTIVE MEMBER: FINANCE & GOVERNANCE – COUNCILLOR NICKY WALKER

DATE OF MEETING: 27 March 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:

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.

Since my last report to Council, I attended budget consultation meetings in 4 areas of Middlesbrough and enjoyed an extensive conversation with Gary Philipson on BBC Tees regarding the budget consultation.

HIGHLIGHTS

FINANCE

Budget consultation with the public

In response to an extensive budget consultation exercise, outlined in the budget reports, 1171 people responded to the online questionnaire, the highest response rate the Council has had to a consultation in the last 5 years, and a further 50 people sent emails or completed a webform in order to comment on the consultation.

I referred in my last report to Council to consultation events for members of the public which took place in January. These were led by Mayor Chris Cooke and me, with senior officers also attending and offering support in response to detailed questions relating to their directorate. Around 90 people attended these events.

These consultation events included my presentation covering the background to our financial position, the need to make savings, apply for Exceptional Financial Support

in order to balance the budget and take future action through transformation, to bring expenditure back within income as part of our plans for financial recovery. Mayor Cooke then outlined the principles behind the budget and the savings proposals and there were some lively discussions on key proposals.

The majority of the feedback from those attending, showed an understanding of the national pressures that councils are under and of Middlesbrough's position. Whilst there were some challenging questions and points raised, as would be expected, this included some constructive suggestions and, along with on-line feedback and that from ward councillors, some these suggestions were incorporated into the final budget, for example in relation to the Cook Birthplace Museum and Stewart Park car parking proposals,

Members consultation/engagement

There were two all member briefings which took place on 12 December 2023 on the Budget Setting Process and 21 December 2023 on the Budget Proposals. This followed other earlier briefings during 2023 for members on the council's financial position. There was also an all member briefing on Exceptional Financial Support on January 17, ahead of the council meeting.

Scrutiny was also involved in the consultation process, with OSB and the individual scrutiny panels considering the different areas of the proposals relevant to their service area. OSB made one suggestion for amendment to the proposal on community grants to retain some provision for small grants to individuals and community groups and review the grants process. This was incorporated in full into the final budget, with a follow up meeting being held with the councillor who proposed this, and I would like to thank her for her valuable input - and that of scrutiny as a whole.

Officer time was made available to minority groups, as far as possible utilising staff other than those who compiled the budget reports, to work with members on a confidential basis responding to questions and/or offering support needed in relation to framing alternative budget proposals.

I am advised that confirmation was provided by officers to relevant minority groups where their ideas shared during the summer had been included in the budget proposals in the December report for consultation. Discussions were held in relation to the feasibility of other proposals, with some considered not to be feasible (for example removing ongoing savings and replacing on a one off basis with EFS) and others that were feasible but planned to form part of the transformation programme during 2024/25 (for example management review) A template was provided to capture proposed formal budget amendments and support offered to assist with completion. I am informed that no formal alternative budget proposals were received.

I have had early discussions with Mayor Chris Cooke and officers as to how there can be increased cross-party working and collaboration relating to our financial recovery and sustainability and to budget setting in the future, including the potential of setting up a cross-party finance working group.

Recover, reset, deliver

Although the Council ultimately agreed a balanced budget for 2024/25 and those members who voted for it, ensuring we avoided the devastating consequences for our residents of a section 114 notice at that stage, as has been stressed previously, the Council remains in a critical financial position.

A great deal of further work, and tough decisions, are now required to recover our financial position and reset the way in which we deliver services during 2024/25, protecting services as much as we can for the people of Middlesbrough. There remain huge challenges ahead, which include:

- Controlling expenditure within the agreed budget and deliver all proposed savings in full in 2024/25
- Developing further transformational savings during 2024/25 to deliver a balanced budget in 2025/26 and 2026/27
- Rebuild our critically low revenue reserves to become financially sustainable.

It is therefore essential that the Council works 'at pace' to deliver all planned savings and to develop and deliver plans that as a minimum, will be capable of closing the estimated budget gap of £7.5m in 2025/26.

Flexible Use of Capital Receipts Strategy 2024/25

As part of the report on our approach to transformation members are being asked to approve Phase 1 of the Flexible Use of Capital Receipts Strategy which is critical to enable the development and implementation of transformation plans that seek to improve the efficiency and effectiveness of services to our residents and deliver the cost reduction, efficiencies and/or income generation that is required in order to achieve a balanced budget for 2025/26 and in the Medium Term Financial Plan.

In some cases, there is a direct link between a project and the realisable financial benefit. In those cases, I have taken on board the comments made by a member at the council meeting of 17 January and endeavoured to ensure that the report provides a clear, reasoned justification to members for inclusion in FUoCR, what the funding is for, what it will deliver and how, relate it to the criteria, that is how:

- it will reduce costs, or
- increase revenue income, or
- support a more efficient provision of services

However, in other cases it is difficult to quantify, that is where the project contributes to enabling savings or costs avoidance in other areas or provide a wider benefit, which would not otherwise be realised; for example the Portfolio Management Office (PMO), some enabling services and some elements of external consultancy costs.

The funding proposed under FUoCR also includes an estimate to cover redundancy costs associated with savings proposals agreed in the 2024/25 budget.

Due to the level and complexities of the work required to develop proposals and provide a report on a robust and comprehensive Transformation Programme, associated FUoCR and brief all members in advance of a council meeting on the subject, this has turned out not to be feasible to deliver in full for the 27 March 2024 meeting. Therefore, the report presented for consideration at this council meeting incorporates Phase 1 of the 2024/25 FUoCR. Further phases and details will follow as projects reach 'business case' stage.

Phase 1 is required in order to approve the funding of expenditure that will enable transformation work including building business cases, to continue to progress beyond 31 March 2024 and until the full Transformation Programme and associated funding is considered by Council for approval at the Extraordinary Council meeting of 24 April 2024.

Exceptional Financial Support and external assessment

Members may recall that it was a condition of the approval of our Exceptional Financial Support application, that the Council is required to undergo an external assessment of its financial position and financial management arrangements. Other councils who have applied for EFS have had a similar requirement. Arrangements are being put in place by our s151 officer for this to take place conducted by Chartered Institute of Public Finance and Accountancy (CIPFA). It is expected that members will be engaged in this review.

GOVERNANCE

Member Communications

Following on from concerns raised about member-officer relationships and communication I have been considering how this can be improved in certain areas (this of course over and above, and intended to be complementary to those actions in :

1) Onestop responses

I have been working with officers with a view to improve the quality of responses to members provided following queries submitted through the current 'onestop' email address. This should include a more meaningful response and stipulate what members can expect in terms of timescales under service response standards, so would provide information for example on how long it would normally take to remove fly tipping, inspect and fill potholes, fix street lighting, respond to flooding etc.

2) Cross-party Working Group on Member Communication

Following on from discussions with some councillors I am proposing that a cross-party working group be formed, initially with the idea of focussing on two areas but it would be open to others:

- a) Along with the Mayor and some officers I recently had some informative discussions with a member who highlighted the lack of a member resource to refer to for information and guidance on making queries, getting answers, how to access particular services for members, useful internal and external contacts etc, similar to a member handbook. This group could assist in identifying what should be in such a resource. This has been somewhat held up by my intensive work on the budget, but a communication will be going out on this shortly and I would like to thank the councillor concerned for his time and suggestions on this matter.
- b) Feeding back on the effectiveness of the enquiry system-both the current one and the new one as rolled out. It is important that members are involved in this, as it is ultimately us who will use it (see also 3 below)

3) Member Champions of new Member Enquiry System

It has been suggested to me by officers that as the new system approaches roll out, it would be beneficial to have 3-5 members who will be on board to help with the build and launch of the new Councillor Portal/Member Enquiry System.

This will be starting very shortly and will consist of Teams meetings including the below:

- Kick Off Meeting
To attend the initial meeting to discuss roles and responsibilities.
- Process Mapping
To attend the meetings as and when to have involvement in the process from logging a job on the system all the way through to it been closed (What will happen in between)
- Design
To help design what the system will look like, what Councillors will require to ensure they get the most out of it (The system is an 'out of the box' product that we will tailor to our needs)
- Testing
Once the system is built, they will be required to run through some test jobs from start to finish and ensure they are happy with what we have put together.
- Champions – Going Forward
A point of contact for other councillors as they will have the knowledge of the system.

Further communication will also be going out about this shortly.

NICKY WALKER
EXECUTIVE MEMBER FOR FINANCE AND GOVERNANCE

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EXECUTIVE MEMBER REPORT TO COUNCIL

EXECUTIVE MEMBER: REGENERATION – COUNCILLOR THEO FURNESS

DATE OF MEETING: 27/03/2024

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

Levelling Up Funding

14 February 2024 Executive meeting

Package of projects to be delivered through Levelling Up Partnership capital funding. Middlesbrough was identified in the Spring Budget of 2023 as one of 20 Levelling up Partnership areas; based on deprivation indices. Each area was to receive enhanced capital funding support of up to £20.816m to invest in initiatives which would impact some of the most pervasive and pernicious issues which limit the life chances of Middlesbrough residents. Following a desktop exercise conducted by the Department of Levelling Up, Housing and Communities (DLUHC), internal and external stakeholders were engaged to identify the most pressing issues facing Middlesbrough and develop a deliverable package of interventions. Below is a table of projects and the investment amounts.

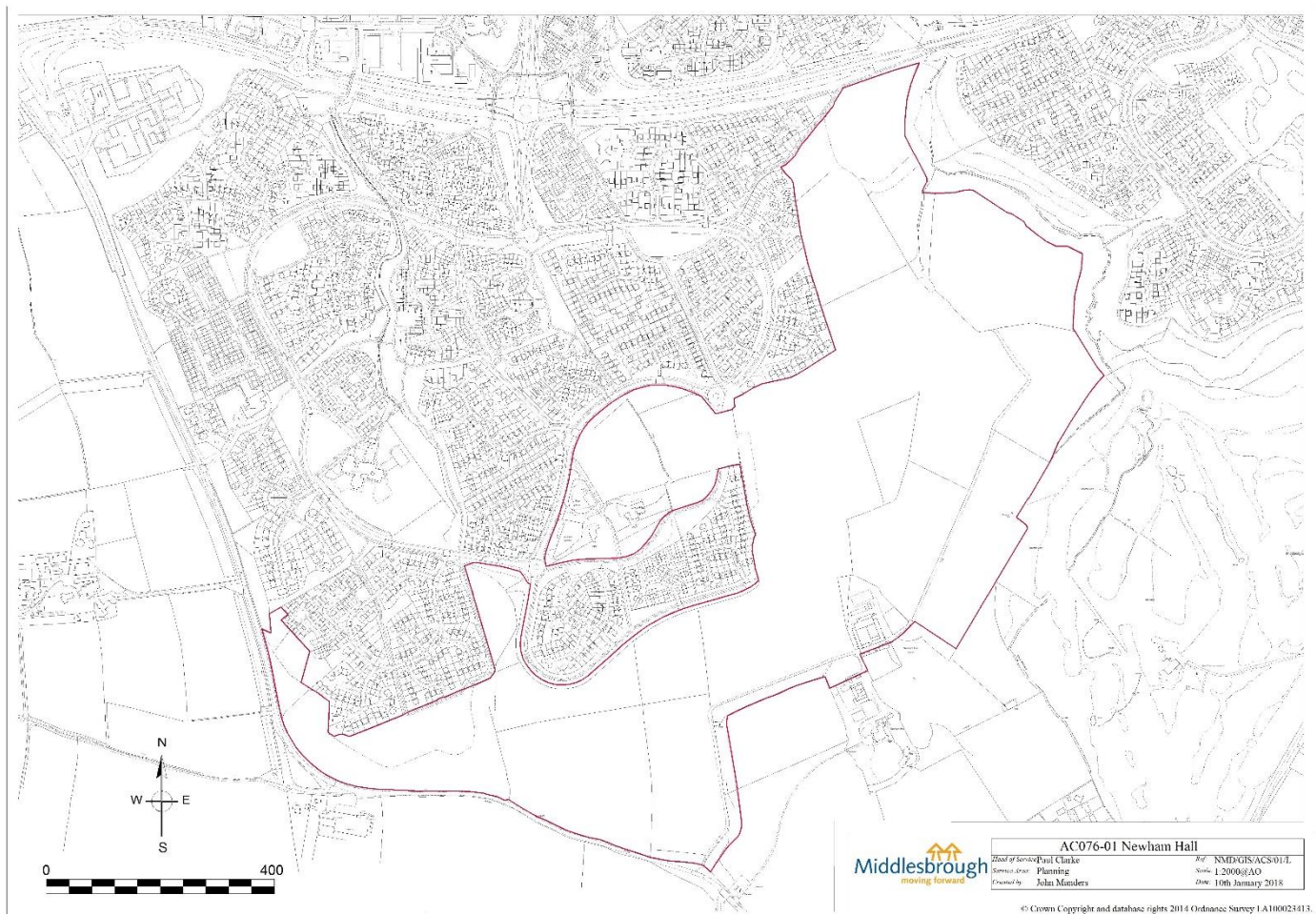
Project	Indicative Spend Profile		
	2023 – 2024 £m	2024 – 2025 £m	Total £m
Live Well Centre Relocation	0.500	3.500	4.000
Live Well East	0.500	0.650	1.150
New Employment Hub in Cleveland Shopping Centre	0.200	1.050	1.250
Middlesbrough College improvements	2.200	0.000	2.200
Middlesbrough College expansion (purchase of 100 Russell Street)	3.700	0.000	3.700
Family Hubs facilities	0.000	1.100	1.100*
Crime and ASB improvements	0.400	1.500	1.900
House of Fraser refurbishment pilot	0.500	1.500	2.000
Playzones	0.000	0.125	0.125*
The Junction	0.500	0.500	1.000*
The International Centre	0.000	0.250	0.250*
Increase Temporary Accommodation stock	1.400	0.741	2.141
	10.000	10.9166	20.816

Newham hall

We approved 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;

We will use the 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;

We will bring forward an masterplan for the site which will set out the road network and areas of development for around 1000 homes, also within the development we will have a site for a primary school.



Disposal of Property Executive meeting 13/3/24

the Executive approved the sale of two properties previously identified for sale - House of Fraser (Binns Building) and Zetland Car Park.

Sale of the two properties would enable the Council to generate significant capital receipts that would provide critical flexibility in managing the Council's current financial position, and the need to transform.

House of Fraser (37 Linthorpe Road)

The property situated on the prominent Linthorpe Road / Corporation Road crossroads was purchased by the Council in 2020 for £1,000,000 to extend the presence of the retailer in the town centre, and secure control over a major strategic asset in the town's prime retail area.

Redevelopment of the building has been thoroughly explored, but all potential options would require the Council to invest resources significantly beyond those currently available and are therefore undeliverable.

As the holding costs for the building are significant (£100,000 pa) a sale has therefore been sought that enables the following: a. removing the Council's ongoing liability; b. securing a capital receipt; and, c. facilitating investment in the town centre.

The Council instructed two external 'Red Book' valuations from Knight Frank and Algin Property Services, confirming that the current market value for the property is (HoF Valuation - Confidential). This reflects the fall in the market for retail property and the deteriorating condition of the now vacant building. The buyer has also sought a formal 'Red Book' valuation that has confirmed a similar value.

To ensure that the property is not passed on to a third party at a higher price within a short timescale, an appropriate overage agreement will be put in place to protect the Council.

Zetland Car Park

As with House of Fraser, the Council instructed two external 'Red Book' valuations from Knight Frank and Algin Property Services, confirming that the current market value for the property is (Zetland Valuation - Confidential). The buyer has also sought a formal 'Red Book' valuation that has confirmed a similar value. A sale is therefore proposed, with a requirement that it remains in operation as a car park for at least five years.

The costs of operating the car park currently exceed the income secured from parking by £18,983 per year, although this is mitigated by the income achieved through the solar panels situated on the roof (£26,573), giving a small surplus of £7,590 per year. The sale would therefore represent a small loss of income, although any repairs required each year would clearly negate that income if the property was retained.

Draft Local Plan Public Consultation

We concluded the public consultation on the Draft Local Plan on 15th March. The consultation included a series of well-attended public drop-in events and we have received in excess of 2000 responses, which the planning team are now recording and processing. These comments tell us what the residents and businesses think, and we will consider all their responses in amending and finalising the plan, seeking what is best for everyone in the town and its future generations..



EXECUTIVE MEMBER REPORTS AND ADDITIONAL INFORMATION

SECTION 2 – THERE ARE NO DECISIONS TAKEN DURING THIS PERIOD

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SECTION 3 – DECISIONS TO BE TAKEN UP UNTIL THE COUNCIL MEETING

DATE	PROPOSED DECISION MAKER	ISSUE	PURPOSE OF REPORT	KEY DECISION
Executive Member for Environment				
25 Mar 2024	Executive Member for Environment	Trading with Schools	Decision on the 2024-2025 trading position in respect of school cleaning.	Yes
Executive Member for Finance and Governance				
20 Mar 2024	Executive Member for Finance and Governance	Discretionary Housing Payment	Following the approval of the 'Credit Their Service Motion' passed through Council on 25.10.23 the policy requires updating to reflect the motion.	Yes
20 Mar 2024	Executive Member for Finance and Governance	Debt Management Policy	Following approval of the new Council Constitution and increase in the Council's key decision threshold the policy requires updating to reflect the financial regulations and processes.	No

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SECTION 4 – DECISIONS TO BE TAKEN FOLLOWING THE COUNCIL MEETING

DATE	PROPOSED DECISION MAKER	ISSUE	PURPOSE OF REPORT	KEY DECISION
10 Apr 2024	Executive	Council Plan 2024-2027: Delivery Workplan	To endorse the initiatives that will support delivery of the Council Plan's priorities and aims over the period of 2024-2027	Yes
10 Apr 2024	Executive	Social Value Policy	to seek approval of the first social value policy and supporting charter	Yes
10 Apr 2024	Executive	Selective Landlord Licensing - Re-designation of Newport 1	To seek executive approval for the re-designation of the selective landlord licencing scheme in Newport 1 and consideration of consultation responses.	Yes
1 Jun 2024	Executive	Gambling Policy 2024-2029	Statutory requirement to have gambling policy to place.	Yes
10 Apr 2024	Executive	Schools Capital Programme 2024	The report proposes new capital maintenance and strategic school capital schemes. The report requires Executive approvals as the proposed expenditure is in excess of £250k	Yes
3 Jun 2024	Executive	Stray Dog Kennelling Provision	This report sets out Middlesbrough Councils statutory responsibilities relating to Stray Dog provision. Middlesbrough Council face challenges relating to delivering this function as a result of a lack of available provision/ service providers to deliver services. The report summarises	Yes

DATE	PROPOSED DECISION MAKER	ISSUE	PURPOSE OF REPORT	KEY DECISION
			the financial implications faced as a result of the lack of available provision.	
3 Jun 2024	Executive	Community Safety Partnership Plan	The Council have a statutory obligation to develop and publish a Community Safety Plan every 2 years.	Yes
10 Apr 2024	Executive	Transport and Infrastructure Capital Programme 24/25	The purpose of this report is to gain approval to allocate funding to develop and deliver transport and infrastructure improvements contained within the report.	Yes
31 Mar 2024	Executive Member for Finance and Governance	Council Tax Support Fund (Discretionary Scheme) 23/24	approval required to utilise remaining Council Tax Support funds to provide additional council tax support for residents in exceptional circumstances.	Yes
2 Apr 2024	Executive Member for Finance and Governance	Impact Assessment Policy	To seek approval of the IA policy which supports compliance with the Public Sector Equality Duty by ensuring the Council has in place a policy to ensure compliance with the duty within decision making processes	No
10 Apr 2024	Executive	Corporate Procurement Strategy 2023-2026	Presentation of the refreshed and updated Middlesbrough Council Corporate Procurement Strategy 23-26.	Yes
10 Apr 2024	Executive	Tender Pipeline 2024/25	To seek Executive approval of the Middlesbrough Council tender pipeline for 2024/25 including the delegation of responsibility for award to the relevant Director in consultation with their Executive member.	Yes
10 Apr 2024	Executive	Middlesbrough Development Company Update April 2024	To update members on the closure of the company.	No

DATE	PROPOSED DECISION MAKER	ISSUE	PURPOSE OF REPORT	KEY DECISION
1 Jun 2024	Executive	Capex Municipal Buildings and Town Hall Roofs	Any matters relating to bids for funding, which are financially or strategically significant and have not been provided for within the financial and policy framework.	Yes

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MIDDLESBROUGH COUNCIL	
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Report of:	The Chair of Overview and Scrutiny Board and the Director of Legal and Governance Services
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Submitted to:	Council
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Date:	27 March 2024
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Title:	Scrutiny Progress Report
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Report for:	Information
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Status:	Public
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Strategic priority:	All
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Key decision:	No
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Why:	Not applicable
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Urgent:	No
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Why:	Not applicable
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Executive summary

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 2024 Onwards
The Mayor outlined the need for a Council Plan (formerly known as the Strategic Plan). Having the plan would allow the Council to have a structured approach to achieving its objectives. The Council Plan would consist of several strands with each strand having its own priorities. The Council Plan needed to be financially sustainable and as such would be considered by Council alongside the Budget.
- Council Budget 2024/2025 and MTFP refresh
The Executive Member for Finance and Governance and the Director of Finance provided an overview of the Budget proposals identifying that individual service budget proposals would be considered by the respective scrutiny panel. OSB was advised that the consultation process for the 2024/25 budget had been comprehensive.
- Final Report of the Health Scrutiny Panel - Dental Health and the Impact of Covid-19.
The Board approved the Panel's final report into Dental Health and the impact of Covid-19 and submitted it for Executive consideration.
- Scrutiny Chairs Updates.
Members were updated about the activity within each Scrutiny Panel.

3. The Overview and Scrutiny Board met on 10 January 2024.

- Executive Forward Work Programme
Members noted the Executive Forward Work Programme.
- Council Budget 2024/25 and MTFP refresh - Finance and Governance
The Executive Member for Finance and Governance presented the budget proposals for both the Finance and Legal and Governance Directorates. Both the Executive Member and Directors of Finance and Legal and Governance responded to questions from OSB about the budget proposals.

4. The Overview and Scrutiny Board met on 18 January 2024.

- Executive Forward Work Programme
Members noted the Executive Forward Work Programme
- Budget Consultation - Scrutiny Feedback
OSB considered a summary of discussions that had taken place in every scrutiny panel when they considered their respective budget proposals. OSB was advised that one alternative proposal was submitted to Executive regarding proposal FIN08 and the reduction of Small Grants to community groups.
- Local Government Ward Boundary Review - Phase Two
OSB was advised that Phase Two (Warding Patterns) of the Boundary Review was due to be submitted by 11 March 2024. Phase Two was focussed on ward boundaries and their community make up. OSB agreed that the Council should submit a proposal to the Boundary Commission and that Member workshops should be held to capture community-based information.

5. The Overview and Scrutiny Board met on 7 February 2024.

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

- Boundary Review 2023/ 2024 – Update
OSB was advised the first of the Member workshops had taken place with positive and collaborative input provided by all those that attended. OSB was also advised that after all the sessions had been held a report would be compiled that would form the Council’s submission for Phase Two.
- OSB Work Programme – discussion
OSB discussed its work programme and how best to proceed with the topics it had selected for the municipal year.
- Scrutiny Chairs Update
Members were updated about the activity within each Scrutiny Panel.

6. The Overview and Scrutiny Board met on 28 February 2024.

- Executive Forward Work Programme
Members noted the Executive Forward Work Programme
- Executive Member Update – Environment
The Executive Member for Environment provided an overview of his portfolio and responded to questions from OSB about areas of challenge and opportunity.
- Local Government Boundary Review 2023/24
OSB was presented with the final draft of Phase Two of the Council’s submission to the Local Government Boundary Commission. OSB was advised that the Boundary Commission would present its proposals in the summer of 2024 after which all stakeholders, including the Council, would have the opportunity to respond.
- Scrutiny Chairs Update
Members were updated about the activity within each Scrutiny Panel.

7. The Overview and Scrutiny Board met on 6 March 2024.

- Executive Forward Work Programme
Members noted the Executive Forward Work Programme
- Executive Member Update - Community Safety
The Executive Member for Community Safety provided an overview of her portfolio and responded to questions from OSB about areas of challenge and opportunity.
- Scrutiny Chairs Update
Members were updated about the activity within each Scrutiny Panel.

SCRUTINY PANEL UPDATES

8. 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

9. The Adult Social Care and Services Scrutiny Panel met on 9 January 2024 and received a presentation on the Council Budget 2024/25 and MTFP refresh - Adult Social Care from the Director of Adult Social Care and Health.
10. The next meeting of the Panel will take place on 26 March 2024, when Members will receive an update from the Director of Adult Social Care and Health Integration on progress made on the recommendations from the Scrutiny Panel's 2022 review of Recruitment and Retention of Staff in Adult Social Care.

Children and Young People's Scrutiny Panel

11. The Children and Young People's Scrutiny Panel met on 15 January 2024 to consider the Council Budget 2024/2025 and Medium Term Financial Plan Refresh in relation to Children's Services.
12. The Panel met again on 11 March and received a presentation from the Director of Children's Services on the Council's proposals for increasing residential and supported accommodation for children in its care and care leavers. Members also discussed evidence gathering for its new scrutiny topic of School Attendance.
13. The next meeting is scheduled for 8 April 2024.

Environment Scrutiny Panel

14. Since the last update provided to Council, the Environment Scrutiny Panel has met on four occasions.
15. 11 December 2023 - Members heard from Community Action Group, Boro Doughnut, who spoke about how they are working with communities across the town to support the Green Strategy, in the context of the Panel's review of Waste Management.
16. The Panel also received further evidence in relation to its review on: Current education programmes on recycling, litter and fly-tipping, and; Environmental enforcement, including the activity undertaken by the Council and the legal framework it must operate within; penalties and interventions available particularly linked to recycling, littering and fly-tipping.
17. 15 January 2024 – The Panel received further evidence into its scrutiny of Waste Management in relation to bulky waste and fly-tipping collections. The Panel also considered the Council Budget 2024/2025 and Medium Term Financial Plan Refresh in relation to Environment and Community Services.
18. 5 February 2024 – Members were provided with the statutory annual update in relation to the use of the Council's Surveillance Policy for 2023/24 and compliance in accordance with the Statutory Codes of Practice under the Regulation of Investigatory Powers Act 2000 (RIPA).

19. The Panel identified a potential gap in the current process in relation to non-RIPA investigations and made a recommendation to be considered for inclusion in the Surveillance Policy, as follows:-

“That the approval pathway for sanctioning non-RIPA surveillance should be strengthened by including approval from the Monitoring Officer, in addition to notifying the Chief Executive, for each case”.

20. Members felt this would ensure a more robust process and independence for non-RIPA investigations, which tended to relate to staff or Council contractors.

21. 4 March 2024 – The Panel was provided with statutory annual updates in relation to the Community Safety Partnership and the Prevent and Chanel Programmes. This included the work being undertaken by each and relevant data, targets and outcomes.

22. The Vice Chair provided a further update in relation to the Crustacean Deaths Collaborative Working Group and details around the Group’s Draft Final Report.

Health Scrutiny Panel

23. The Health Scrutiny Panel last met on 19 February 2024.

24. In 2021, the Executive had considered the Health Scrutiny Panel’s final report on Opioid Dependency - What Happens Next? and approved the action plan responding to the Scrutiny Panel’s recommendations. At the last meeting, the Head of Health Inclusion for Public Health South Tees was in attendance to provide an update on the progress made with implementing the recommendations and an update on the current in-house Substance Misuse Clinical Prescribing Service, including:

- an overview of how the service was planned, developed and implemented safely, in conjunction with relevant partners and stakeholders;
- information on service demand (both previously at Foundations and for the in-house service); and
- an outline of opportunities, benefits and challenges associated with service delivery.

25. At the meeting on 19 February, the Panel also considered, discussed and agreed the Terms of Reference for its new review of Avoidable Deaths and Preventable Mortality.

26. The next meeting is scheduled to be held on 19 March 2024. At this meeting, the Panel will receive further evidence on the topic of Avoidable Deaths and Preventable Mortality. Representatives from the NHS North of England Commissioning Support Unit (NECS) and the North East and North Cumbria Integrated Care Board (ICB) will be in attendance to provide:

- Key data and information held by the NHS/ICB on Middlesbrough’s:
 - leading causes of avoidable deaths (those that are either preventable or treatable); and
 - risk factors for ill health.
- Information on the role of the NHS and ICB in helping people to make healthier lifestyle choices and treat avoidable illness early on.
- An overview of the work undertaken by the NHS/ICB to reduce the number of avoidable deaths, e.g., healthcare interventions.
- Information on evidence-based best practice that could further contribute towards tackling the local population’s major risk factors driving preventable ill health and avoidable deaths.

Regeneration Scrutiny Panel

27. Since the last update to Council there had been two meetings of the Regeneration Scrutiny Panel. On 17 January 2024 the Regeneration Service budget was presented to the Panel for comment. The Panel also received an update from the Head of Planning in relation to the Local Plan. The draft Local Plan was scheduled to be considered for approval for consultation by the Executive later that day. Further evidence was also provided for the current scrutiny investigation into Planning Capacity.
28. At the meeting on 21 February 2024, the Assistant Director Planning at South Hams District Council and West Devon Borough Council was in virtual to provide information in relation to shared services as evidence for the current review. The two Councils had worked together since 2006 and delivered a wide range of services, including planning, for residents and businesses across south west Devon in a shared service partnership.
29. The next Panel meeting is scheduled for Wednesday 20 March 2024 when the Panel will be discussing and approving the draft Final Report on Planning Capacity. In addition, the Director of Regeneration and the Chair of the Captain Cook Birthplace Trust will be in attendance to provide Members with an overview of the Captain Cook Birthplace Museum and the work of the Trust.

South Tees Health Scrutiny Joint Committee

30. The South Tees Health Scrutiny Joint Committee will next meet on 20 March 2024. At this meeting, the Committee will consider the following items:
- Live Well South Tees Health and Wellbeing Board
The Joint Committee will receive an update on the Board's work programme, the performance framework and priority indicators.
 - Social Prescribing
Representatives from Public Health and MIND will be in attendance to present:
 - the aim and core principles of social prescribing and community-based support;
 - the schemes that are in place locally (across South Tees); and
 - the impact of social prescribing on the person, the health and care system and community groups.

Tees Valley Health Scrutiny Joint Committee

31. The Tees Valley Health Scrutiny Joint Committee met on 15 March 2024. At this meeting, the Committee considered the following items:
- North East and North Cumbria Integrated Care Board - Update on Recent Re-structure
The Committee received an update on the recent re-structure of the North East and North Cumbria Integrated Care Board (NENC ICB).
 - Tees, Esk and Wear Valleys NHS Foundation Trust - Quality Account 2023-2024
Representatives of Tees, Esk and Wear Valleys NHS Foundation Trust (TEWV) outlined performance against the Trust's quality priorities for 2023-2024 and informed the Committee of the emerging priorities for the next year.
 - North East Ambulance Service NHS Foundation Trust - Quality Account 2023-2024
Representatives of North East Ambulance Service NHS Foundation Trust (NEAS) outlined performance against the Trust's quality priorities for 2023-2024 and informed the Committee of the emerging priorities for the next year.
 - Work Programme 2023-2024

Tees Valley Combined Authority Overview and Scrutiny Committee

32. The Tees Valley Combined Authority Overview and Scrutiny Committee met on 2 March 2023.

33. 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

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

Executive – 13 March 2024 - Final Report of Health Scrutiny Panel in respect of a review of Dental Health and the Impact of Covid-19.

What decision(s) are being recommended?

35. That Council note the report.

Rationale for the recommended decision(s)

36. 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

37. 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

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

Strategic priorities and risks

39. 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.

Risk No	Risk Description	Impact
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.

Human Rights, Equality and Data Protection

40. 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

41. 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

**COUNCIL MEETING – 27 MARCH 2024
NOTICE OF MOTION**

COUNCIL PROCEDURE RULE NOS. 4.28 – 4.34

MOTION NO.	PROPOSER	SECONDER	MOTION
163	Councillor M Storey	Councillor E Clynch	<p>This Council notes:</p> <ul style="list-style-type: none"> • Middlesbrough Council and the people of Middlesbrough have a proud history of welcoming people seeking safety to Middlesbrough. • Significant capacity problems in the UK asylum system are directly affecting residents in Middlesbrough with a record backlog of cases awaiting a decision from the Home Office. This is leaving many asylum seekers who have not yet had their claims decided in ‘limbo’ unable to legally work. • Middlesbrough Council believes everyone has the right to seek safety and all asylum claims should all be treated fairly and equally. <p>Therefore, this Council resolves to:</p> <ul style="list-style-type: none"> • Not cooperate with any UK Government plans to build or repurpose facilities within Middlesbrough Council’s local authority area for the purpose of detention or warehousing of people seeking safety, except where Middlesbrough Council is legally bound to do so. • Defend the right to seek safety from war and persecution in the UK by signing up as a Council to Refugee Action’s Fight the Anti-Refugee Laws Pledge.

Fight the Anti-Refugee Laws Pledge

We believe that people seeking protection from war and persecution should be welcomed and that everyone's claim for asylum should be treated equally and fairly.

We believe that the UK should offer sanctuary to those who need it. That's why we're taking a stand against the anti-refugee laws. We pledge to:

- Defend the right to seek safety from war and persecution in the UK.
- Speak out against attempts to criminalise and punish those who make their own way to safety.
- Challenge the anti-refugee laws which will risk the lives and well-being of people.
- Work towards a refugee protection system that treats all people with dignity and compassion.

MIDDLESBROUGH COUNCIL	
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Report of:	Director of Legal and Governance Services
Relevant Executive Member:	The Mayor, Chris Cooke
Date:	27 March 2024
Submitted to:	Council
Title:	Update on Urgent Decisions
Report for:	Information
Status:	Public
Strategic priority:	All
Key decision:	Not applicable
Why:	Not applicable
Subject to call in?	Not applicable
Why:	Not applicable

Executive summary	
The Constitution requires the Council to be provided with an update with regard to any urgent decisions that have been taken.	

Purpose

1. The report provides details of decisions that have been taken under the urgency rules.

Background and relevant information

SPECIAL URGENT DECISIONS

2. A special urgent decision is where the required statutory notice of the proposed decision cannot be given (i.e. it is not possible to give the five days public notice). A decision is defined as urgent where any delay likely to be caused by the call-in process would seriously prejudice the interests of the Council or the public. In terms of the Scrutiny call-

in procedure, agreement that the decision cannot be reasonably deferred is always sought from the Chair of Overview and Scrutiny Board or the relevant Scrutiny Panel. Once this agreement is obtained, a copy of the notice is placed on the Council website. The decision taker must sign a form recording the decision and a record of that decision is then published. The information is available on the Modern Gov system or via the Council website.

URGENT DECISIONS

- An urgent decision is where the required statutory notice of the proposed decision can be given but due to urgent deadlines for implementing those decisions, the Scrutiny call-in procedure do not apply. Agreement is always sought from the Chair of Overview and Scrutiny Board or relevant Scrutiny Panel to exempt the proposed decision from the call-in process. The decision then becomes a public record. The information is also available on the Modern Gov system or via the Council website.

Date:	17 January 2024
Decision Maker	Executive
Decision	2024-25 Budget and Medium Term Financial Plan (MTFP) – Application for Exceptional Support
Reason for Urgency	Middlesbrough Council has reached the point, in financial and budget setting terms, when an application for exceptional financial support is needed. A decision to enable the application is required urgently to enable the matter to be progressed at pace by the Department for Levelling Up Homes and Communities prior to the budget setting deadline of 11 March 2024. Pursuant to section 7.25 of the Constitution the matter should be exempt from call in for reasons of urgency.

What decision(s) are being recommended?

- That Council note the decisions that have been taken under the urgency rules.

Rationale for the recommended decision(s)

- The Constitution requires the Council to be provided with an update with regard to any urgent decisions that have been taken.

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

- That an update on urgent decisions is not provided to full Council. This would not comply with the requirements for details of any urgent decisions that have been taken and the reasons for urgency, to be reported to full Council.

Impact(s) of the recommended decision(s)

Legal

7. The Constitution requires regular updates on urgent decisions that have been taken, to be submitted to full Council.

Strategic priorities and risks

8. 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.

Risk No	Risk Description	Impact
O8-054	Failure to adhere to Local Code of Corporate Governance and deliver governance improvements outlined in the Annual Governance Statement.	If updates on urgent decisions were not provided to Council, it would not be in accordance with the requirements of the Constitution.

Human Rights, Equality and Data Protection

9. 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

10. 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

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MIDDLESBROUGH COUNCIL	
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Report of:	Chief Executive
Executive Member:	The Mayor and the Executive Member for Finance and Governance
Submitted to:	Council
Date:	27 March 2024
Title:	Approach to Transformation of Middlesbrough Council
Report for:	Decision
Status:	Public
Council Plan Priority:	All
Key decision:	Not applicable
Why:	Not applicable
Subject to call in:	No
Why:	n/a

Proposed decision(s)				
That Council:				
<p>a) Notes that the transformation of Council services is critical to achieving service improvements from a lower cost base to recover the council's financial position and achieve financial sustainability over the medium to long term.</p> <p>b) Notes that officers are continuing to work on the development of transformation programme and business cases to enable full consideration of the proposed transformation portfolio to be considered by Council at a meeting on 24 April 2024.</p> <p>c) Notes the total investment required over the next three years (including d) below) as approved within the MTFP for 2024/25 as set out below.</p>				
	2024/25	2025/26	2026/27	TOTAL
Transformation Capital Scheme	£m	£m	£m	£m
Programme Costs	5.500	4.800	3.300	13.600
Redundancies	6.500	-	-	6.500
Contingencies	1.700	2.900	2.000	6.600
Total Transformation Costs	13.700	7.700	5.300	26.700

- d) Approves expenditure of the £4.827m to in respect of the items set out below and the associated Flexible Use of Capital Receipts Strategy at Appendix 2 to fund this work.

April 2024 Phase 1 Investment	FUoCR £m
Estimated Redundancy Costs of approved savings (including Pension Strain)	3.600
Programme costs - New Member's Enquiry System - IT Solution Implementation	0.120
Programme Cost - Children's Charity - SHiFT 3-year Contract	0.135
Programme Costs to 30 April continuation of existing resources	0.473
Consultancy Resource - Schemes (Subject Matter Expertise)	0.499
Total	4.827

- e) Notes that the target investment return of at least £2.50 for each £1.00 invested giving a net benefit of at least £34.0m for £13.6m of programme investment costs over the term of the MTFP.
- f) Notes the Executive-approved governance and decision-making arrangements for the Transformation Portfolio, as approved by Executive and its programmes and projects to deliver cost savings, as detailed in the 2024/25 budget (Appendix 1).

Executive summary

What we need to do and why we need to do it

The Council remains in a critical financial position. It is regularly spending more money delivering its services than it receives in income. Once savings proposals totalling £21.028m for the period to 2026/27 are taken into account, a further budget gap of at least £7.965m remains for which service transformation and redesign is required to reduce operating costs.

This financial context means the Council must change the way it delivers services and engages with the community, to reduce costs and improve outcomes for residents. *Recover, Reset, Deliver*, the Council's transformation programme, requires investment in the short and medium term to ensure savings and service improvements are sustainable in the longer term.

Service areas which contribute heavily to budget pressures are a particular focus of the proposed transformation approach. Unless the Council modernises its approach to delivering services it will be unable to achieve a balanced budget. The impact of returning to such a position was discussed extensively as part of the 2024/25 MTFP process and the Council must take all necessary steps to avoid these risks materialising.

The programme is being developed as the new Council Plan for 2024-27 is implemented. The Elected Mayor's four priorities will be the focus as part of his mission to create a healthier, safer and more ambitious Middlesbrough that delivers value for money and is financially sustainable.

Work is progressing to bring members the full and detailed transformation portfolio and required investment on 24 April 2024, and on that basis, this report outlines the Council's approach to transformation, and seeks approval for the continued resource and subject matter expertise to ensure continuity and pace.

What will transformation cost, how will we pay for it and what will it save?

In the short-term, delivering the savings proposals of the 2024/25 budget, will result in redundancies, for which there will be a one-off cost. Additional transformation activity in future

years is likely to lead to further one-off redundancy costs, in order to create a leaner, better performing and more efficient council.

Delivering transformation will also incur costs of engaging specialist short term expertise, which is not available within Council's existing staff following several years of annual budget savings, which has reduced staffing and expertise, particularly in those service areas considered the 'engine room' of the council, such as finance, project management, ICT and human resources.

The approved Capital Programme for 2024/25 to 2026/27, set out the estimated investment required to deliver transformation and meet the costs of redundancies over a three-year period, estimated to be up to £26.7m from Flexible Use of Capital Receipts generated by asset sales.

Transformation is a form of 'invest to save' – investment of resources now to achieve improved services and lower costs in the future years. In terms of specific spending on the development and delivery of invest to save proposals, a return of 2.5 to 1 is proposed, meaning that £13.6m direct investment in transformation would be expected to result in a savings return of at least £34.0m over the course of the MTFP.

Due to the critically low level of reserves, it is intended that transformation will be funded using capital receipts in accordance with government regulation, as set out in the Flexible Use of Capital Receipts Strategy 2024/25. This means that money generated from selling properties, land and other assets can be used to fund the modernisation of services which will save the Council money in the longer-term.

It should be noted that the regulations around the Flexible Use of Capital Receipts do not permit the Council to fund ordinary day-to-day services from the proceeds of land, property and other asset sales.

Without successful transformation, the Council will not return to a position of financial sustainability, will not be able to sustain the role it needs to play in the town and for and with the community., The impact of returning to such a position was discussed extensively as part of the 2024/25 MTFP process and the Council must take all necessary steps to avoid these risks materialising.

What will the Council look like in the future?

The Council needs to transform into an organisation that works with the community to achieve its aims and objectives, as set out in the Council Plan 2024-27. Indeed, the Mayor's visions is that "We Will Thrive".

As well as staffing changes, the approach to transformation will require investment into modernising our business processes and new technologies and streamlining our ways of working. Services will be modernised to make them as efficient as possible, ensuring the best outcomes for residents.

Work is underway to assess the layers of management within the Council, leading to a new structure and ensuring that staffing levels are appropriate in priority areas.

In its revised Best Value Notice of January 2024, the government made clear it expected the Council to demonstrate it had the "capacity to transform at pace", alongside making progress on identified governance and cultural issues and a deliverable plan to achieve financial sustainability.

Purpose

- 1. The intent of the report is to set out the proposed direction of travel in relation to the Council's *Recover, Reset, Deliver* transformation programme, with further and fuller detail to be provided to full Council on 24 April 2024. This report also reiterates the proposed funding arrangements associated with transformation, as well as seeking approval for the Flexible Use of Capital Receipts Strategy 2024/25.

Recommendations

- 2. That Council:
 - 2.1 Notes that the transformation of Council services is critical to achieving service improvements from a lower cost base to recover the council's financial position and achieve financial sustainability over the medium to long term.
 - 2.2 Notes that officers are continuing to work on the development of transformation programme and business cases to enable full consideration of the proposed transformation portfolio to be considered by Council at a meeting on 24 April 2024. Notes the total investment required over the next three years (including d) below) as approved within the MTFP for 2024/25 as set out below.
 - 2.3 Notes the total investment required over the next three years (including 2.4) below) as approved within the MTFP for 2024/25 as set out below.

	2024/25	2025/26	2026/27	TOTAL
Transformation Capital Scheme	£m	£m	£m	£m
Programme Costs	5.500	4.800	3.300	13.600
Redundancies	6.500	-	-	6.500
Contingencies	1.700	2.900	2.000	6.600
Total Transformation Costs	13.700	7.700	5.300	26.700

- 2.4 **Approves** expenditure of the £4.827m to in respect of the items set out below **and** the associated Flexible Use of Capital Receipts Strategy at Appendix 2 to fund this work.

	FUoCR £m
April 2024 Phase 1 Investment	
Estimated Redundancy Costs of approved savings (including Pension Strain)	3.600
Programme costs - New Member's Enquiry System - IT Solution Implementation	0.120
Programme Cost - Children's Charity - SHIFT 3-year Contract	0.135
Programme Costs to 30 April continuation of existing resources	0.473
Consultancy Resource - Schemes (Subject Matter Expertise)	0.499
Total	4.827

- 2.5 Notes that the target investment return of at least £2.50 for each £1.00 invested giving a net benefit of at least £34.0m for £13.6m of programme investment costs over the course of the MTFP.
- 2.6 Notes the Executive-approved governance and decision-making arrangements for the Transformation Portfolio, as approved by Executive and its programmes and projects to deliver cost savings, as detailed in the 2024/25 budget (Appendix 1).

Rationale for the recommended decision(s)

3. To enable the Council to approve spend to enable it to progress at pace and to approve Phase 1 of the Flexible Use of Capital Receipts Strategy (FUoCR) Strategy 2024/25 to allocate appropriate funding to meet redundancy costs of the approved savings programme and secure progress of the development of the transformation programme to enable consideration by full Council on 24 April 2024.

Background and relevant information

Corporate Governance Journey

4. The Council is currently mid-way through a corporate governance improvement journey, following the report and findings of the Council's external auditor, Ernst and Young LLP in July 2022 which reported significant areas of concerns in governance, including relations between members and officers, which impacted on decision-making.
5. Following communication of the findings of the external auditor, the Council brought in external support (CIPFA and the LGA) to support with the development of the corporate governance improvement plan, alongside undertaking a review of the organisation's financial resilience.
6. In January 2023, the Department of Levelling Up, Housing and Communities (DLUHC), issued a Best Value Notice which required the council to evidence improvements in the way in which it delivered value for money. To respond effectively to the wider governance challenges facing the Council, the corporate governance improvement plan was refreshed in September 2023 around two specific themes: cultural transformation and financial resilience. Simultaneously, the external auditor escalated concerns via statutory recommendations (Section 24 recommendations), under Section 24 of the Local Audit and Accountability Act 2014, which the Council responded to with an action plan of improvements, aligning with the Corporate Governance Improvement Plan intentions.
7. An Independent improvement Advisory Board was established to provide expertise, challenge, and advice against delivery of the revised governance improvement plan, with the first meeting taking place in September 2023. Progress against the governance improvement plan (and including the actions in response to the Section 24 recommendations), is reported at these monthly Boards, as well as each meeting of full Council and Audit Committee.
8. The Best Value Notice was extended in January 2024 for a further six months, to be reassessed in July 2024.
9. Within this timeframe, there is an expectation to demonstrate traction and progress on development and delivery of the corporate transformation portfolio that is the vehicle through which financial recovery and sustainability will be achieved.

Transformation Portfolio Management Office: purpose and structure

10. The *Recover, Reset, Deliver* transformation programme will be governed and overseen by the Council's Portfolio Management Office (PMO).
11. The PMO has responsibility for the strategic oversight of the Council's portfolio of programmes and projects that are managed within the corporate Programme and Project Management framework (PPMF), to ensure consistent approach to programme and project management governance and documentation.
12. Established in 2016, the Portfolio Management Office already provides support and assurance for existing priority programmes and projects across the Council, though is significantly under-

resourced to support transformation, as well as underpinning the achievement of existing programmes and projects and the Council Plan 2024-27 priorities and aims.

- 13. The scope, scale and pace of change required over the course of the MTFP will require building upon these foundations, refining governance and delivery approaches, applying best practice programme and project management principles in a pragmatic and proportional manner, and ensuring the PMO has the capability and capacity to deliver effectively.
- 14. The PMO will be the glue between the programmes within the portfolio, promoting best practice, providing challenge, and coordinating transformation efforts to assure delivery and maximise impact through effective management of activity, evidence-based decision making, enhancing change capability and effective management of resources and risk.
- 15. Day to day responsibilities of the Transformation PMO will be cover portfolio, programme and project:
 - **Standards.** Set and uphold programme and project standards, ensuring consistent application of principles, in a proportional and pragmatic manner.
 - **Governance and Assurance.** Set and uphold governance standards across the programme and projects, managing and facilitate portfolio level governance. Tracking portfolio status and standardising the way programme information is compiled, providing independent assurance.
 - **Reporting.** Report at progress and performance at Portfolio, Programme and Project level against the corporate governance framework and performance management arrangements, engaging with officers and members, alike.
 - **Coordination.** Based on a total view of programmes and their deliverables, milestones, resources, risks, issues, assumptions and interdependencies.
 - **Strategic alignment.** Support for portfolio design, programme and project selection, and continually review the portfolio to ensure activity remains aligned to strategic priorities.

Transformation Portfolio: Governance

- 16. Proposed governance of the Transformation Portfolio will not deviate from the existing arrangements outlines in the PPMF, with all programmes and projects within the Transformation Portfolio governed through a clear and integrated board structure that will approve the initiation and continuation of project activity via gateway controls, including routes for escalation and change control(s) where required.
- 17. The governance board structure is made up of several layers, with the Executive being the ultimate accountable body for successful delivery of the transformation portfolio, in its entirety. To ensure the success of this governance framework, key roles and responsibilities are designated at each layer (see Appendix 1).
- 18. The Transformation Assurance Board will be Chaired by the Mayor, and will provide political accountability, ownership, and oversight to ensure the portfolio, programmes and projects have the political and organisational support to be successfully delivered and that they align with key political and operational priorities. The Transformation Assurance Board is ultimately accountable to the Executive, the body with mandate over the Transformation Portfolio.
- 19. The Leadership Management Team will sit as the Corporate Transformation Board, chaired by the Chief Executive as the Transformation Portfolio Sponsor / Senior Responsible Officer (SRO) and the key leadership figure in driving the portfolio forward, and to ensure that the portfolio meets its objectives and delivers the projected benefits. The Transformation Portfolio SRO supports and holds Thematic Programme Sponsors to account and is accountable to the Executive, leading the interface with the Transformation Assurance Board.

20. The Transformation Portfolio SRO has overall responsibility for portfolio budgetary control, with the Head of Service responsible for the Portfolio Management Office (PMO) accountable and responsible for central PMO costs, and Thematic Programme Sponsors accountable for associated programme costs.
21. The Corporate Transformation Board is supported by the Thematic Programme Boards, chaired the relevant Programme Sponsor; a representative of LMT and provide guidance and challenge to the Programme Manager and projects. They are accountable for the overall success of their respective programme, defining what success looks like, and ensuring the successful delivery of projects and benefits within the programme. Accountable to the Transformation Portfolio SRO (the Chief Executive), programme progress will be reported to the Corporate Transformation Board.
22. Localised / operational project boards will be stood up as appropriate, depending on scale and scope of projects.
23. This Executive-approved structure ensures that projects and programmes are scrutinised in a uniform way with exceptions escalated to senior responsible officers to ensure action is taken to bring the portfolio, programmes and projects back on-track, where required and / or necessary.

Delegated decision-making and reporting

24. Scheduling of the governance reporting framework will align with existing monthly corporate performance reporting cycle, for consistency. Furthermore, the Executive will receive quarterly progress reports against the Transformation Portfolio with quarterly all staff and member briefings provided by the Chief Executive on progress today and key matters of interest.
25. To ensure transparency of those specialist project resourcing costs within the transformation portfolio and its agreed project financial profiling, any decision to appoint project expense on an interim basis to ensure specialist input with a focus on return on investment, will be taken by the Chief Executive as Transformation Portfolio Senior Responsible Officer, in consultation with the Mayor, ensuring full compliance with the Council's constitution and contract and financial procedure rules.
26. It is also proposed that the delegated decision-making powers relating to approval of proposed changes to time, scope, cost and benefit of individual projects programmes, enabling them to be brought back within agreed tolerances are as set out in the Programme and Project Management Framework (PPMF), except where this would be a key decision and Executive approval would be sought through the governance arrangements outlines in this report or via an additional Executive report where a more urgent decision is required.
27. Some projects may require Executive approval in addition; however, they must first have a fully justified and Sponsor-approved Business Case that supports the Executive report to be considered.

Transformation Portfolio, Programmes and Projects

28. Successful Council-wide transformation of the organisation is integral to delivering the Council Plan 2024-27, its Medium-Term Financial Plan, and removal of the Best Value Notice through development of new approaches to the design of service delivery, driving of improved controls and efficiencies, implementation of effective demand management measures as part of the wider governance improvement arrangements currently in play.
29. In recognising the evolving landscape, the Council is committed to adopting innovative approaches in the design and delivery of services, encompassing new strategies, partnerships and collaborative efforts with stakeholders.

30. As an authority in the midst of significant change and challenge, transformation is key to delivering services more effectively and making positive changes to improve our culture. This involves a continuous process of monitoring external factors, staying abreast of best practice and innovation, and being agile in responding to emerging challenges and opportunities. The Council sees transformation not as a one-time event but as an ongoing journey that transitions into an approach of continuous improvement, aligning with the ever-changing landscape of public service and governance and which works in partnership with our communities.

31. The proposed Transformation Portfolio comprises six thematic programmes, each containing a number of projects, and which are sponsored by a member of the Leadership Management Team.

Adults	Children's	Property	Customer	Place-based Services	Target Operating Model and Core Services
Improved efficiency of current systems and transformation of delivery model through enhanced early intervention, use of digital technologies, increased reablement and review of accommodation offer.	Improved efficiency of current systems, transformation of delivery model through enhanced early help and prevention, development of new models of placement provision and increased in-house fostering capacity.	A review of Council's asset holdings to identify short-term opportunities to maximise generation of revenue and capital receipts to support organisational transformation.	Transformation of the organisation's approach to engaging with our customers and implementation of a customer-centric end-to-end journey, enabled through a behavioural change.	A review of service accessibility to allow more focused delivery and better meet the needs of residents, alongside transformation of the Council's approach to community engagement with the public.	Design and implementation of a Target Operation Model, alongside a review of the management structure to ensure stability and delivery of core enabling service-related savings.
Programme Sponsor: Director of Adult Social Care and Health Integration	Programme Sponsor: Director of Children's Services	Programme Sponsor: Director of Regeneration and Culture	Programme Sponsor: Director Finance (S151 Officer)	Programme Sponsor: Director of Environment and Communities	Programme Sponsor: Director of Legal and Governance

32. The scope of the transformation portfolio of programmes is firstly, to ensure the successful delivery of the existing initiatives developed to deliver the commitments within the Council Plan and the savings agreed as part of the 2024/25 budget by Council on 8 March, detailed at Appendix 3. Work leading up to February 2024, was undertaken to provide assurance on the deliverability of approved savings, alongside exploration of new and further transformation ideas to find additional savings over and above the £21.028, to as a minimum close the budget gap of £7.965m by 2026/27:

- A new council-wide approach to delivering a consistent and standardised customer services model across departments and thereby addressing the multiple 'front doors' through which customers currently access council services, the high levels of demand, often customers contact the council because something went wrong or was handled incorrectly, resulting in an inconsistent customer experience.
- The development of an integrated neighbourhood based working model. While the focus has been on crisis support it is a recognised necessity to pivot towards prevention and early intervention. This Programme is focused on gaining a better understanding of the root causes of demand and develop interventions or strategies to address them and thereby reducing the need for expensive and complex statutory services.
- Designing a new operating model for the council that which includes an examination of existing officer structures, which aims to establish a robust framework for effective governance and service delivery, whilst reducing costs and increasing productivity.
- Leading the ICT Service through an improvement journey to stand up a stable and fit for purpose service, recognising its pivotal role as a critical enabler of the council's overall transformation programme within the wider operating model. Additionally, opportunities for potential savings through the process of the rationalisation of ICT assets.

33. The second is identifying, qualifying, and then delivering further transformation to address the remaining budget deficit, creating a financially sustainable Council that can continue to meet its commitments i.e., the emerging opportunities identified in Customer, Integrated Neighbourhood Working, ICT and Target Operating Model.

The Transformation Portfolio

34. The following section of the report describes the programmes that make up the transformation portfolio in further detail.

Adult Transformation Programme

35. The Adults Programme has a targeted saving of £7.701m, as agreed as part of the 2024/25 budget setting process and consists of 13 projects aimed at improving the efficiency of the current systems and transformation of the delivery model for the provision of Adult Social Care services through enhanced intervention, the use of technologies, increased reablement and review of accommodation offer.

36. The programme seeks to optimise resource allocation while maintaining or enhancing service quality. Ultimately, the Adult Transformation Programme is poised to deliver tangible improvements in service provision, enhancing the quality of life for service users and their families within our community.

Children’s Transformation Programme

37. The Children’s Programme has a targeted saving of £6.501m, as agreed as part of the 2024/25 budget setting process and consists of 8 projects that are aimed at enhancing the efficiency of current systems while fundamentally transforming service delivery. By prioritising early help and prevention measures, the Programme aims to address challenges proactively, thereby mitigating potential risks and reducing long-term costs.

38. Moreover, through the development of new models for placement provision and the expansion of in-house fostering capability, the Programme seeks to improve the outcomes, safety and experience of the children supported by the council so that children in need of care have access to stable, nurturing and local environments.

Property Programme

39. The Property Programme is undertaking a comprehensive review of the Council’s asset portfolio, with a focus on identifying immediate opportunities to maximise the generation of revenue and capital receipts to support organisational transformation.

Customer Programme

40. The Customer Programme will look to transform and enhance the customer service model across Middlesbrough enhancing the experience for customers, delivering joined up services in a way that best meets their needs rather than aligning with organisational structures, with a view to achieving efficiencies of digitalisation and a singular front door, but also leverage significant opportunities within the Council through the creation of a council-wide customer service resolution and prevention hub.

41. By the end of May 2024, the programme will have concluded its foundation phase, during which, the focus will be on evaluating high-demand service areas for a phased roll out of a proposed new customer model (services in scope to be agreed during April, such as Adults and Children’s).

Place-based Services Programme

- 42. The Place-based Services Programme consists of existing savings proposals and emerging transformation initiatives. With the existing savings proposals there is a target saving of £3.854m, as agreed as part of the 2024/25 budget setting process. The Programme consists of 21 projects that are a combination of initiatives across both Environment and Communities and Regeneration and Culture Directorates as well as emerging opportunities.
- 43. This Programme is aimed at delivering a review of service accessibility to allow more focused delivery and to better meet the need of residents, alongside transformation of the council's approach to community engagement with the public. The emerging opportunities within this Programme include the introduction of a council owned vehicle recovery pound and an integrated neighbourhood model.
- 44. By the end of May 2024, the programme will have concluded its foundation phase, evaluating 3-4 high-demand and high-cost priority areas of the Council, such as homelessness and youth justice (areas in scope to be confirmed in March).
- 45. The assessment will identify the demand and cost pressures, analyse root cause factors influencing demand, and assess gaps in outcomes for specific cohorts / locations. Additionally, the foundation phase will define the case for change for service integration and re-design.

Target Operating Model and Core Enabling Services Programme

- 46. The Target Operating Model and Core Enabling Services Programme consists of existing savings proposals and emerging transformation initiatives. With the existing savings proposals there is a target saving of £3.023m, as agreed as part of the 2024/25 budget setting process. The Programme consists of 22 projects that include savings proposals across the core enabling services e.g., Finance and emerging transformation initiatives.
- 47. Further savings opportunities have been identified in designing a new target operating model for the council, including reviewing the current council officer structures. This will provide a solid framework on which to build strong governance and services which perform well and deliver good outcomes for the people of Middlesbrough, whilst also reducing costs and improving productivity.
- 48. Additionally, the ICT Service transformation is an expedited component of the future operating model as the council will need a stable and fit for purpose ICT Service which will play a pivotal role as a critical enabler of the council's overall transformation programme. Further opportunities for targeted savings exist in the rationalisation of ICT assets, this is detailed further below.
- 49. The approach will be to review the ICT application estate, ensuring maximum effectiveness and efficiency, whilst delivering savings on current spend, and underpinning the Council's ambition for joined up services that better serve its people.

Transformation resourcing, investment

Why we need to change

- 50. The Council's financial position is critical given that it has been unable to set a balanced revenue budget for 2024/25 without reliance upon Exceptional Financial Support (EFS) to close the gap of £4.7m between its planned spending levels and its revenue income sources. It also has insufficient revenue reserves to cover risks in its operating environment totalling a further £8.7m.
- 51. Service areas which contribute heavily to budget pressures are a particular focus to the approved savings plans and of the further work of the transformation programme. Unless the Council modernises its approach to meeting its statutory duties in relation to adult and children's social care provision, and waste disposal, it will be unable to achieve a balanced budget and meet its

legal obligations. This would lead to adverse consequences for staff and residents, including the likelihood of the issuing of a s114 Notice by the s151 Officer and further government intervention in the Council's decision making.

52. In addition, the Council is forecast to overspend its 2023/24 budget by £4.805m (Period 10 figures).
53. The Council's financial pressures are driven mainly by volume and complexity of demand in the statutory people-based services of adults and children's social care, SEND transport, along with the expected commercial price increases for residual waste disposal for which the Council has also has statutory responsibilities.
54. In developing the 2024/25 budget and MTFP to 2026/27, an ambitious and challenging savings programme has been developed which aims to deliver expenditure savings of £13.910m in 2024/25, rising to £21.028m in 2026/27. These service areas and sources of financial pressure are of particular focus within the savings programme. Without modernising and rethinking its approach to meeting statutory responsibilities, including managing and reducing demand for such service over time, the Council is unable to balance its annual budget and achieve a financially sustainable position over the medium term.
55. After all identified savings and utilisation of EFS in 2024/25, a budget gap of £7.474m remains in 2025/26 and a further £0.491m in 2026/27, totalling £7.965m over the period. The development of further projects within the Transformation Programme is required in order to deliver further savings of at least £7.965m over the period. This will be set out in more detail in the further report to Council in April.
56. The table below details the inflationary and demand pressures, together with planned savings

Budget Item	2024/25 £m	2025/26 £m	2026/27 £m
Net Budget brought forward	126.354	134.865	141.126
Pay Inflation	5.051	3.575	1.778
Contractual inflation	1.550	1.550	1.550
Other inflation	0.209	-	-
Fees & Charges inflation	(1.853)	(0.648)	(0.648)
Inflation subtotal	4.957	4.477	2.680
Service Demand pressures	20.764	7.361	5.331
Service Demand pressures subtotal	20.764	7.361	5.331
Technical adjustments	4.878	1.599	0.207
Risk Management	1.952	0.750	0.750
Grant Funding adjustments	(4.661)	-	-
Savings - approved in previous years	(0.769)	-	-
New savings proposals	(13.910)	(5.151)	(1.967)
Budgeted contribution to Reserves	8.325	-	-
Other adjustments subtotal	(4.185)	(2.802)	(1.010)
Projected Net Budget	147.890	143.901	148.127
Exceptional Financial Support	(4.700)	4.700	-
REVISED PROJECTED NET BUDGET	143.190	148.601	148.127
Council Tax	(71.438)	(75.770)	(80.319)
Business Rates	(48.305)	(49.781)	(51.274)
Estimated Collection Fund Surplus	(8.325)	-	-
Revenue Support Grant	(15.122)	(15.576)	(16.043)
Assumed Funding	(143.190)	(141.127)	(147.636)
Incremental Budget Gap + / Surplus ()	(0.000)	7.474	0.491
Cumulative Budget Gap + / Surplus ()	(0.000)	7.474	7.965

and income sources. This illustrates the budget gap between planned expenditure and income sources.

What we need to do

57. The analysis of savings approved by Council on 8 March 2024 is summarised below by directorate and type of saving. All savings must be delivered in full in order to ensure that the Council's financial recovery is achieved.

Directorate	2024/25 £m	2025/26 £m	2026/27 £m	Cumulative £m
Adult Social Care	(5.757)	(1.283)	(0.750)	(7.790)
Children's Care	(4.254)	(1.400)	(0.715)	(6.369)
Education & Partnerships	(0.132)	-	-	(0.132)
Environment & Community Services	(1.459)	(0.670)	(0.120)	(2.249)
Regeneration	(0.551)	(0.794)	(0.200)	(1.545)
Finance	(1.379)	(0.959)	(0.182)	(2.520)
Legal & Governance Services	(0.378)	(0.045)	-	(0.423)
	(13.910)	(5.151)	(1.967)	(21.028)

Directorate	2024/25 £m	2025/26 £m	2026/27 £m	Cumulative £m
Income	(3.156)	(1.502)	(0.182)	(4.840)
Efficiency	(5.849)	(1.027)	(0.120)	(6.996)
Service Reduction / Stop	(0.532)	(0.157)	-	(0.689)
Transformation	(3.541)	(2.465)	(1.665)	(7.671)
Demand Management	(0.832)	-	-	(0.832)
	(13.910)	(5.151)	(1.967)	(21.028)

58. The Transformation Programme Management Office will ensure robust governance, monitoring and reporting of the delivery of all approved savings. In addition, new projects are being developed in order to deliver at least £7.474m in 2025/26. The Director of Finance will issue a savings target to all thematic programmes during April in order to target a level of savings that will exceed the current budget gap estimate, so that the transformation programme is preparing for the review of the MTFP that will take place in July 2024 for the 2025/26 MTFP cycle.

59. The table below analyses the approved savings by thematic programme and the financial year profile, together with the estimated range of savings that is anticipated from new initiatives subject to the development and implementation of further project business cases.

	2024/25 £m	2025/26 £m	2026/27 £m	Sub Total £m	2023/24* £m	TOTAL £m	New ** £m
Analysis of savings by Theme							
Adults	(5.757)	(1.283)	(0.750)	(7.790)	0	(7.790)	TBC
Children's	(4.386)	(1.400)	(0.715)	(6.501)	(0.979)	(7.480)	TBC
Property	(0.080)	(0.220)	(0.200)	(0.500)	0	(0.500)	TBC
Customer	(0.136)	0.000	0.000	(0.136)	0	(0.136)	c£2.6m to
Place Based Services	(1.930)	(1.244)	(0.120)	(3.294)	(0.119)	(3.413)	£5.2m
Target Operating Model and Core Services	(1.621)	(1.004)	(0.182)	(2.807)	(0.294)	(3.101)	£0.580m+TBC
	(13.910)	(5.151)	(1.967)	(21.028)	(1.392)	(22.420)	
* 2023/24 Saving Initiative for delivery in 2024/25							
** New Savings in the process of identification and assurance by Transformation Programme							

60. The range of projects are in different stages of maturity:

- Some projects are well developed and will be implemented from the start of the new financial year to start to deliver savings immediately as part of business-as-usual activity.
- some projects require the deployment of expert resources for example project management or subject matter expertise in order to secure delivery.

- Some of the bigger and more complex transformation initiatives require investment to develop the full business case for which specification of required investment and expected financial and non-financial benefits of implementation will be articulated and funding approved later in the financial year.

How will we do it?

61. Transformation provides the route through which the Council will achieve improved service efficiency and cost reduction, whilst striving to deliver improved services and outcomes for the people of Middlesbrough. This will be delivered through a diverse range of projects of varying size and complexity. It will involve changes to the way that the Council interacts with citizens and in the way that it meets their needs.
62. Whilst a range of proposed savings are within the Council's capacity and capability to deliver as part of business-as-usual activity, those involving redesign through efficiency and transformation will require enhanced support to deliver reliably and successfully.
63. The Council's capability in terms of transformation, programme and project management expertise has been substantially reduced over recent years as a result of annual cost saving measures. Therefore, it has been necessary to engage the support of external consultants [Inner Circle Consulting Ltd - ICC] to work with Directors to assure the deliverability of all the planned savings and to ensure that robust delivery and resource plans are in place for all proposals. Advice from both ICC and the Middlesbrough Independent Improvement Advisory Board (MIIAB) has confirmed the assessment of the Chief Executive that the council lacks sufficient capacity to deliver on the transformative aspects of the plan.
64. In particular, the Council needs to supplement its permanent staff capacity with programme and project management expertise; subject matter expertise within various programmes; enabling services such as Finance, HR, ICT and data analytics. This will be achieved through a combination of external consultancy services, interim staff, reallocating internal resources with appropriate 'backfilling' arrangements and some fixed term contracts.
65. Robust governance arrangements in the form of an enhanced Transformation PMO and Enabling services (PMO, Finance, ICT, HR, Procurement, Legal and Business Intelligence) is critical to ensure full alignment between the Council's ambitions and its spending plans. In outlining an achievable programme of work that delivers performance improvement within reduced resources, the approach to transformation governance will support the Council in delivering value for money in the medium-term.

What will it cost and how will we pay for it.

66. The 2024/25 budget, MTFP, Capital Programme and Treasury Management Policy approved on 8 March¹ set out the estimated investment required to deliver transformation and to meet the estimated cost of redundancies over the 3-year period of the MTFP. The total cost is estimated to be up to £26.7m over the period and the approved funding source is the application of Flexible Use of Capital Receipts. In relation to Transformation Programme investment of £13.6m, a financial return of 2.5:1 is proposed, which equates to total savings of £34m over the period of the MTFP.
67. Given that the Council needs to extend its financial planning horizon from the historical annual focus to a medium term focus, this programme is developing a blend of short, medium and longer term savings in order to underpin more robust financial planning and resilience over time. Therefore, some savings may extend beyond the period of the current MTFP to 2026/27. The Director of Finance intends to develop the MTFP to run over a period of 5 years from 2025/6

budget setting i.e. through to 2029/30 to enable investment and savings to be tracked beyond the current MTFP period.

68. Transformation programme costs comprise programme management and transformation expertise, subject matter expertise and enabling services costs. Redundancy costs (including the cost to the Council of funding reimbursing the Pension Fund for the costs of liabilities) and a Contingency budget. The high-level approved budget is summarised below:

Transformation Capital Scheme	2024/25 £m	2025/26 £m	2026/27 £m	TOTAL £m
Programme Costs	5.500	4.800	3.300	13.600
Redundancies	6.500	-	-	6.500
Contingencies	1.700	2.900	2.000	6.600
Total Transformation Costs	13.700	7.700	5.300	26.700

69. It should be noted that the estimated cost for redundancies includes the estimated 75.4 FTE reduction associated with the approved savings programme as set out in the 2024/25 budget report, plus an estimate of staff FTE reductions that are yet to be confirmed through the review of the Target Operating Model of the Council which will involve a review of the management structure. Further details associated with this workstream will be provided in the April report to Council.

70. The approval of the allocation of Flexible Capital Receipts to be deployed to fund the proposed investment remains subject to Council approval of a Flexible Use of Capital Receipts (FUOCR) Strategy. The first phase of the strategy is set out in this report at Appendix 2 for approval in order to approve the funding of expenditure that will enable transformation work to continue to progress beyond 31 March 2024 and until the full Transformation Programme and associated funding is considered by Council for approval on 24 April 2024. It will be necessary for further revisions to the FUOCR Strategy to be submitted to Council throughout the 2024/25 financial year for approval of further allocations of this budget as business cases are developed.

71. Investment in Transformation is subject to an Eligible spend criteria under the Flexible Use of Capital Receipts regulations operated by DLUHC. Eligible expenditure under the regulations must evidence:

- 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.

72. The Resources planned expenditure is split into the following elements:

- Programme Management and subject matter expertise and additional enabling services support required to deliver targeted to deliver the £21.028m of approved savings projects.
- expenditure identified for further programmes and projects for which business case development and governance is required, for example Customer Services, Place Based and Target Operating Model.

73. A ringfenced budget allocation is in place for estimated redundancy costs, arising from transformation of £6.5m from FUoCR. In 2022 a new restriction was introduced to prevent authorities from funding discretionary redundancy payments, i.e. those not necessarily incurred under statue. For further details on eligible expenditure under the FUoCR regulations see Appendix 2.

- 74. Contingency budget allocation, £6.6m over the period of which £1.7m applies to 2024/25 will be subject to additional financial approval in line with the Transformation Programme Governance.
- 75. Financial reporting and monitoring of savings and Investment of costs will be assured through the PMO, Finance and Directorate Services reporting through both the Transformation Programme and the Council’s Budget Monitoring process.
- 76. Council approval of the FUoCR strategy is sought for allocation of expenditure of £4.827m of the £13.7m FUOCR allocation in 2024/25 to fund:
 - a. the associated redundancy costs to support the delivery of approved savings
 - b. funding the transformation improvements to the new Member Enquiries system
 - c. funding of SHiFT programme (Executive report 20 December 2023)
 - d. securing existing interim specialist resource and funding for specific projects within the transformation programme.

April 2024 Phase 1 Investment Costs	FUoCR £m	Revenue Change Fund £m	Total £m
Estimated Redundancy Costs of approved savings (including Pension Strain)	3.600	0.400	4.000
Programme cost: Member Enquiries system implementation	0.120	0.000	0.120
Programme cost: Children's Charity - SHiFT 3-year Contract	0.135	0.000	0.135
Programme costs to 31/05/24: continuation of existing resources	0.473	0.000	0.473
Consultancy Resource to 31/05/24: Schemes (Subject Matter Expertise)	0.499	0.000	0.499
Total	4.827	0.400	5.227

- 77. The SHiFT Programme under Children’s Services which is aligned to deliver savings, (ref CC06 SHiFT Project, a multidisciplinary approach in prevention). It is an investment in a 3-year partnership with a children’s charity SHiFT, reducing costs through intensive preventative work with children and young people caught up in, or at highest risk of, cycles of crime and exploitation, also providing more positive outcomes for them and their families. Match funding is provided by DLUHC. The contractual commitment for 3 years was approved by Executive 20 December 2023.
- 78. Costs allocated to the new Member Enquiries front-end system shows the implementation cost of the IT software. This is an enabling activity to support a more efficient provision of addressing member enquiries and will form part of the wider approach to customer transformation.
- 79. The council will require continued consultancy resource, currently supplied through external consultancy, Inner Circle Consulting Ltd for subject matter expertise to complete the full Business case development. In some cases, implementation over a period of 6 to 10 months of new savings ideas to address the budget gap outlined in paragraph 63
- 80. A full overview of the Transformation Portfolio and associated resource plan will be presented to Council in April 2024, for approval, in the event that all or partial elements of the plan are amended, there will be an impact on delivery of the transformation savings for which mitigations will be required.
- 81. Subject to approval of the resourcing investment, the routes to procurement will be explored for PMO and delivery staff where no internal resource is available or suitable. Where internal resource is suitable subject to implementation of backfill arrangements, appropriate HR processes will be implemented. A specification will be developed, to go out to existing procurement frameworks. Execution of contracts beyond 30 April 2024 will be subject to Council approval on 24 April unless otherwise stated. To note investment outlined for SHiFT programme

and the IT implementation of the New Members Enquiry System are committed in full and therefore not subject to further procurement approvals.

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

82. It is imperative that the Council effectively articulates the governing arrangements to ensure achievement of the intended financial and non-financial benefits of the Transformation Portfolio.

Impact(s) of the recommended decision(s)

Financial (including procurement and Social Value)

83. The Council’s approach to transformation is one of the key drivers of the Council Plan 2024-27 and delivering the Medium-Term Financial Plan (MTFP) to deliver the Council’s financial recovery and secure financial resilience over the period of the MTFP.

84. The Council approved the high level expenditure budget and capital resources to be allocated to transformation. The approval of the FUoCR strategy agrees the allocation of budget an resources to programmes and projects within the transformation portfolio.

85. The financial implications associated with the programme are referred to in the main body of the report. The funding of transformation expenditure set out in the transformation programme will be funded primarily through application of capital receipts in accordance with the FUoCR Strategy as detailed in Appendix 2.

Legal

86. Implementation of the transformation governance arrangements will enable the Council to deliver planned transformation within the resources available to it, and continue to meet its various statutory duties, including the overarching Duty of Best Value.

Risk

87. The thematic programmes within the Transformation Portfolio will be cross-referenced against the Council’s Strategic Risk Register, following a review against the recently approved Council Plan 2024-27, to reduce the risk of impacting negatively on the Council’s ability to achieve the ambitions set out in the Council Plan and Transformation Portfolio and a positive impact on the risk against failure to achieve a balanced budget.

Human Rights, Public Sector Equality Duty and Community Cohesion

88. Not applicable.

Climate Change / Environmental

89. Not applicable.

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

90. Not applicable.

Data Protection / GDPR

91. There are no concerns that the proposed governance arrangements could impact adversely on data protection or GDPR.

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

Action	Responsible Officer	Deadline
Implementation of Flexible Use of Capital Receipts Strategy 2024/25	Director of Finance (s151 officer)	27 March 2024

Appendices

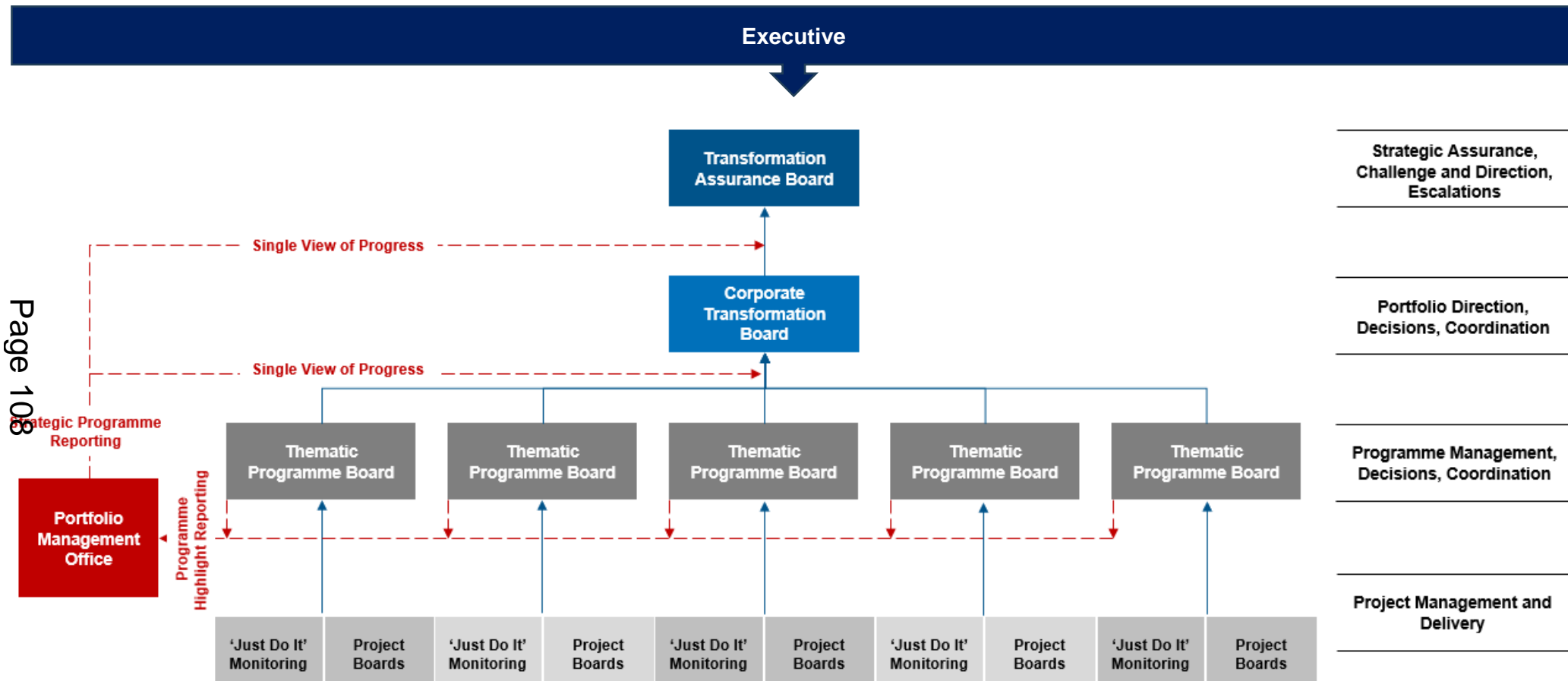
1	Transformation Portfolio governance framework and associated roles and responsibilities
2	Flexible Use of Capital Receipts Strategy 2024/25
3	Transformation Portfolio proposed programmes and projects to deliver cost savings

Background papers

Body	Report title	Date
Executive	Council Plan 2024-27	28 Feb 2024
Executive	2024/25 Revenue Budget, Medium Term Financial Plan, Council Tax setting and Treasury Management	28 Feb 2024
Executive	Transformation: Governance Arrangements	13 Mar 2024

Contact: Gemma Cooper, Head of Strategy, Business and Customer
Email: gemma_cooper@middlebrough.gov.uk

Appendix 1: Transformation Portfolio governance framework and associated roles and responsibilities



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Transformation Portfolio SRO	<p>The SRO for the Transformation Portfolio is the CEX, responsible for ensuring that a portfolio meets its objectives and delivers the projected benefits and responsible for budgetary control of the portfolio. The SRO is the visible owner of the overall organisational change, should be recognised throughout the organization as the key leadership figure in driving it forward. The SRO chairs the Corporate Transformation Board and supports and holds Thematic Programme Sponsors to account, though is accountable to the Executive and leads the interface with the Transformation Assurance Board.</p>
Thematic Programme Sponsor	<p>The Programme Sponsor is a representative of LMT. They are accountable for the overall success of their respective programme, including appointing the Programme Manager, defining what success looks like, and ensuring the successful delivery of projects and benefits within the programme. They chair their Programme Board, providing guidance and challenge to the Programme Manager and projects. They are accountable to the Transformation Portfolio SRO and report programme progress through the Corporate Transformation Board.</p>
Thematic Programme Manager	<p>The Programme Manager is a dedicated senior delivery role reporting to their respective Programme Sponsor. They are responsible for designing the overarching Programme Plan, and ensuring the projects within the programme are appropriately controlled, adequately resourced, and coordinated. They proactively and robustly monitor progress, manage interdependencies, resolve issues, and initiate appropriate corrective action on a day-to-day basis. They produce the monthly Programme Highlight Report and maintain the programme level Benefits Tracker and RAID Log.</p>
Project Sponsor	<p>The Project Sponsor is accountable for ensuring that their respective project is governed effectively and delivers in accordance with the agreed Project Plan. The Project Sponsor is in charge of moving their project forward in order to realise the associated values and benefits. The Project Sponsor chairs their respective Project Board, providing direction, support and challenge to the Project Manager and Project Team. They report progress through the Thematic Programme Board.</p>
Project Manager	<p>The Project Manager is the individual responsible for delivering the project on a day-to-day basis. The individual leads and manages the Project Team, with authority and responsibility from the Project Board / Project Sponsor. As well as the formal responsibilities set out in methods such as PRINCE2, the Project Manager has an important role in interfacing between the project and the service areas directly affected.</p>

Appendix 2: Flexible Use of Capital Receipts Strategy 2024/25

Flexible Use of Capital Receipts Strategy 2024/25

1. The role of Transformation in delivering Financial Sustainability

- 1.1 The Council is required to deliver transformational change of its service delivery models in order to achieve financial recovery and sustainability over the period of the Medium Term Financial Plan (MTFP) 2024/25 to 2026/27. The Council's 2024/25 budget contains plans to spend £4.7m more than its available income streams after identifying £14m of savings that are to be delivered. This shortfall has been met on a one-off basis in 2024/25 using Exceptional Financial Support in the form of borrowing as approved in principle by Department for Levelling Up, Housing and Communities, (DLUHC). It is therefore essential that the Council works at pace to deliver all planned savings and to develop and deliver plans that will be capable of closing the estimated budget gap of £7.5m in 2025/26 rising to £7.965m by 2026/27.
- 1.2 In the absence of sufficient revenue reserves to fund investment in transformation, the principal source of funding available to the Council is the use of capital receipts from asset sales that are applied to fund the associated revenue expenditure that is eligible under Government regulation. This is achieved through the adoption of a Flexible Use of Receipts (FUoCR) Strategy that is required to be approved by Council and is overseen (but not approved) by the Department for Levelling Up Housing and Communities (DLUHC).
- 1.3 The Council can only apply capital receipts to fund eligible expenditure in accordance with the plans set out in the FUoCR strategy and cannot exceed the level of planned expenditure without formally reviewing and approving a revised strategy. Revisions can be made during the financial year subject to Council approval and are required to be notified to DLUHC.
- 1.4 These regulations allow capital receipts to be used to finance revenue expenditure for specific purposes set out in paragraph 2.1 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. Government is currently consulting on offering local authorities further flexibilities on use of capital resources to support the management of revenue pressures although the outcome is not yet known.
- 1.5 The FUoCR strategy is critical to enable the development and implementation of Transformation plans that seek to improve the efficiency and effectiveness of services to the community and deliver the cost reduction and/or income generation that is required in order to achieve a balanced budget and MTFP. This FUoCR Strategy is the first phase for 2024/25 and reflects progress to date on the development of the Transformation Programme. It sets out the first estimate of investment requirements, together with forecast savings over the period of the MTFP that will be further updated as the Transformation Programme develops.

- 1.6 Work to develop business cases for service redesign that will deliver further savings from 2025/26 onwards is progressing and will be further reported to Council in April 2024 and at intervals throughout 2024/25 financial year in order to consider and approve revisions to the FUoCR Strategy as required by regulations.
- 1.7 In order to facilitate the progression of financial recovery plans in 2023/24 and to lay the foundations to progress transformational work in some service areas, some transformational expenditure has been incurred in relation to external consultancy and interim expert capacity in order to provide additional skills, capability and capacity on a fixed term basis in order to develop and implement projects and initiatives that will deliver improved outcomes and ongoing cost reductions. This expenditure has been funded from the Change Fund Reserve as reported through quarterly budget monitoring reports to the Executive.
- 1.8 The 2023/24 FUoCR strategy was revised and approved by Council on 17 January 2024 to enable this qualifying expenditure to be funded by capital receipts as far as possible in order to preserve limited revenue resources. The Council's ability to implement these revisions is dependent upon the realisation of sufficient capital receipts by 31 March 2024 and will be reported as part of the 2023/24 financial outturn to the Executive in June 2024.
- 1.9 The majority of qualifying transformation expenditure in 2024/25 is planned to be met from capital receipts under the FUoCR Strategy, given that the Council's critically low revenue reserves are insufficient to fund the investment required. Limited expenditure that does not qualify for capitalisation under the Strategy will be met from the Transformation Fund Reserve, for example specific redundancy cost elements that are excluded by government regulations.
- 1.10 In order to retain the current resources deployed across the Council beyond 31 March 2024, to enable the progression, development and implementation of the Transformation Programme, approval is sought through this FUoCR strategy to apply capital receipts to fund eligible expenditure up to **£4.827m** of the £13.700m capital budget allocated for this purpose in accordance with the approved 2024/25 budget and capital programme. Further details are set out in section 4.

2. Legislative framework

- 2.1 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. A summary of the key points of the current direction and the Statutory Guidance are set out below:
- 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 under s15(1) of the Local Government Act 2003 (as amended).

- b. The direction allows authorities to use the proceeds from asset sales to fund the revenue costs in specific circumstances where projects:
 - will reduce costs, or
 - increase revenue income, or
 - 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. Pension strain is the financial contribution that the Council must make to the Teesside Pension Fund to compensate for the reduction in pension contributions for staff who are entitled to take an unreduced pension upon taking redundancy. This is determined by personal circumstances of individuals e.g., salary, age, length of pensionable service.

- 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. 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.
- l. 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.

3. Use of Flexible Capital Receipts in previous years

- 3.1 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.

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

3.2 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 2022², and was also shown in the Strategy for 2022/23.

3.3 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

3.4 The Strategy for 2022/23 was approved by Council on 7 September 2022³. The report 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.

3.5 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.

3.6 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.

2023/24

3.7 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 main capital programme.

² Year-end Outturn position 2021/22 14th June 2022:
<https://moderngov.middlesbrough.gov.uk/documents/s12560/Report.pdf>

³ Report on Flexible Use of Capital Receipts 2022/23 7 September 2022:
<https://moderngov.middlesbrough.gov.uk/documents/s13772/Flexible%20Use%20of%20Capital%20Receipts%20Strategy%202022-23.pdf>

- 3.8 The main emphasis of the Flexible Use of Capital Receipts Strategy in 2023/24 was 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.
- 3.9 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 presented the single biggest risk to the Council's financial sustainability.
- 3.10 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.
- 3.11 A number of schemes within the original plan for 2023/24 for £3m approved by Council in February 2023 did not progress as originally intended and a number of new projects were added for which the expenditure qualifies under the regulations for flexible use of capital receipts funding.
- 3.12 In order to reduce the forecast overspend, it was 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, and therefore a revised FUoCR strategy for 2024/25 was approved by Council on 17 January 2024⁴.
- 3.13 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 final position will be reported in the 2023/24 outturn report to Executive in June 2024.
- 3.14 Progress against the 2023/24 Strategy has been reported in the quarterly budget monitoring reports to Executive. The impact of planned transformation and efficiency measures has contributed towards lowering the overspend during 2023/24 but is not expected to mitigate it fully and further transformational initiatives are planned for 2024/25 and are incorporated into the 2024/25 approved savings plans.
- 3.15 Performance against this plan will be reported as part of the 2023/24 outturn to Executive in June 2024. Entries will be made in the Council's accounts in 2023/24 for these having due regard to the Local Authority Accounting Code of Practice, including the effect on the Council's Capital Programme.

4

Flexible use of Capital Receipts Policy: 17th January 2024:
<https://modern.gov.middlesbrough.gov.uk/documents/s20224/Report.pdf>

4. 2024/25 Transformation and FUoCR Strategy

- 4.1 The 2024/25 budget, MTFP, Capital Programme and Treasury Management Policy approved on 8 March 2024⁵ set out the estimated investment required to deliver transformation and to meet the estimated cost of redundancies over the 3-year period of the MTFP. The total cost is estimated to be up to £26.7m over the period of which £13.7m relates to 2024/25 (see Table 1). The approved funding source is capital receipts in accordance with an approved Flexible Use of Capital Receipts Strategy.
- 4.2 In relation to Transformation Programme investment of £13.6m over the three-year period, a financial return of 2.5:1 is proposed, which equates to total savings to be delivered of £34m.
- 4.3 The budgeted allocation is summarised below:

Transformation Capital Scheme	2024/25 £m	2025/26 £m	2026/27 £m	TOTAL £m
Programme Costs	5.500	4.800	3.300	13.600
Redundancies	6.500	-	-	6.500
Contingencies	1.700	2.900	2.000	6.600
Total Transformation Costs	13.700	7.700	5.300	26.700

Table 1: Flexible Use of Capital Receipts, Transformation Capital Scheme.

- 4.4 A number of transformation projects are in development as detailed in the main report. This is the first phase of the Transformation Programme funding pending a further report to Council in April 2024. The table below sets out the qualifying expenditure that is required to be approved to enable transformation work to continue to progress beyond 31 March 2024. A further report on the Transformation Programme and associated funding will be presented for consideration by Council for approval on 24 April 2024.
- 4.5 It will be necessary for further revisions to the FUoCR Strategy to be submitted to Council throughout the 2024/25 financial year for approval of further allocations of this budget as business cases are developed.

Phase 1 FUoCR

- 4.6 Table 2 summarises expenditure totalling **£4.827m** for phase 1 of the 2024/25 FUoCR. Further phases and details will follow as projects reach ‘business case’ stage.
- 4.7 In some cases there is a direct link between a project and the realisable financial benefit, however in others it is difficult or not possible to quantify a direct impact on savings, and the investment contributes to enabling savings or costs avoidance in other areas or provide a wider benefit, which would not otherwise be realised; for example the Portfolio Management Office (PMO), some enabling services and some elements of external consultancy costs.

⁵ Budget 2024/25 and MTFP Refresh to 2026/27 Report
<https://moderngov.middlesbrough.gov.uk/documents/s20940/Report.pdf>

April 2024 Phase 1 Investment	FUoCR £m
Estimated Redundancy Costs of approved savings (including Pension Strain)	3.600
Programme costs - New Member's Enquiry System - IT Solution Implementation	0.120
Programme Cost - Children's Charity - SHiFT 3-year Contract	0.135
Programme Costs to 30 April continuation of existing resources	0.473
Consultancy Resource - Schemes (Subject Matter Expertise)	0.499
Total	4.827

Table 2: April 2024 Phase 1 Investment
See Annex 1 for further details regarding Table 2

4.8 The estimated cost of up to **£3.600m** funded from Flexible Use of Capital Receipts is required to fund one off estimated Redundancy and Pension strain costs to facilitate the delivery of savings initiatives approved in the Budget 2024/25 and MTFP Refresh to 2026/27 Report. The estimated £2.895m ongoing savings including 75.4 FTE staff reductions. See details in Annex 1 and 2.

- 4.9 Programme Costs cover the costs:
- to implement improvement to the new IT solution for the member portal, **£0.120m**. This investment is intended to enable an improved whole system solution for the new Member Enquiries system, to enable a more user-friendly front end for members and enable more efficient and timely response to queries and provision of information to members. It is not expected to deliver cashable savings.
 - the SHiFT Programme under Children’s Services, **£0.135m**, is an investment in a 3-year partnership, (total contractual commitment, £0.556m), with a children’s charity SHiFT, reducing costs through intensive preventative work with children and young people caught up in, or at highest risk of, cycles of crime and exploitation, also providing more positive outcomes for them and their families. Match funding is provided by DLUHC. The investment is aligned to deliver savings, (ref CC06 SHiFT Project, savings of £0.400m in 2024/25, a multidisciplinary approach in prevention).
 - **£0.473m** are required for the continuation of existing interim resources to 31 May 2024. This includes additional capacity for programme management enabling services and subject matter expertise across the transformation themes.

- 4.10 The expenditure from November to March 2024 with Inner Circle Consulting Ltd represents external specialist transformation and programme management support in the form of short-term specialist skills and capacity will be needed in order to achieve our transformation goals. It includes:
- £0.247m covering Discovery, Design and Portfolio Management activity already funded from the Change Fund between November to February under officer delegations with Inner Circle Consulting.
 - **£0.499m**, is proposed in relation to Inner Circle Consulting for subject matter expertise and programme management from March to May 2024 to support

the development of new savings projects to deliver at least the MTFP Budget Gap in 2025/26 and 2026/27 . Beyond this, a competitive tender process will be undertaken to seek a partner over the next 2 years.

- 4.11 A full resource plan will be presented to Council in April 2024 alongside the Transformation Programme deliverables for approval. If all or partial elements of the plan are amended, there will be an impact on delivery of the transformation savings for which mitigations will be required.
- 4.12 The estimates of transformational expenditure have been made on a prudent basis, and it should be noted that there will be potentially other expenditure which will be incurred due to the significant transformation work that will be required within the Council that will be reflected in further phases of the FUoCR Strategy to be considered by Council during 2024/25.
- 4.13 Any increase in the use of capital receipts on a flexible basis during 2024/25 above that contained in this Strategy, will as per the Statutory Guidance, require an amended plan and strategy to be made and approved by Council, and notified to DLUHC.

Monitoring the Strategy

- 4.14 Delivery against the updated strategy will be monitored throughout the financial year as part of the Transformation Programme governance arrangements and reflected in regular corporate budget monitoring arrangements and be reported quarterly to Executive including the realisation of cashable capital receipts. It should be noted that the final financing position on the strategy will be determined as part of the accounts closure process on 31 March 2025.
- 4.15 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.

5. The Prudential Code

- 5.1 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 prudential Code and indicators ensure that the Council's borrowing to fund capital investment is affordable over the long term. It governs the overall investment in the capital programme to ensure the balance of borrowing, grant and other external funding and capital receipts can deliver planned investment. The capital expenditure prudential indicators will be amended and approved as appropriate.
- 5.2 The indicators that will be impacted by this Strategy are set out in the 2024/25 budget and MTFP and Capital Strategy report approved by Council on 8 March 2024.

Annex 1 Details on Table 2 April 2024 FUoCR Phase 1 Investment

April 2024 - Phase 1 Investment	FUoCR Criteria	FUoCR Investment		Approved Savings £21.028m (Extract)				Estimated New Savings Proposals £m	Enabling Deliverables
		Sub Total £m	Total £m	2024/25 £m	2025/26 £m	2026/27 £m	Total £m		
Redundancy Costs: Cost estimate of redundancy to support staff reductions 75.4FTE	Saving		3.600	(2.103)	(0.792)	0.000	(2.895)		See Annex 2 for details
Programme Costs									
New Member's Enquiry System - IT software solution costs	Service Improvement		0.120	0	0	0	0	0	Investment of a combination of capital and revenue costs to support service improvement and a more efficient provision of services
Children's Charity - SHiFT 3 year Contract commitment £0.556m	Saving		0.135	(0.400)	0.0	0.0	(0.400)	0	Savings Ref CC06 £0.400m in 2024/25, with potential further savings upon benefits realisation
Continuation of existing resources to 31 May	Service Improvement / Enabling		0.473	0	0	0	0	0	Supporting Programme Management, £0.030m, Enabling Services, £0.073m and Subjective Matter Expertise, £0.370m across the programme
Customer - Investment to progressing to 31 May for Outline Business case stage which will determine full investment requirements and benefits.	Savings	0.139		0	0	0	0	c£2.600m to £5.200m	Development of a business case for change, including a phased roll out of the new customer model
Place Based Services : Neighbourhoods, Investment to progressing to 31 May for Outline Business case stage which will determine full investment requirements and benefits.	Savings	0.142		0	0	0	0		Transformation for Integrated Neighbourhood Working, baselining and assessing 3-4 high demand / high-cost priority areas to develop a baseline analysis and assessment of those services in scope and a detailed business case and implementation plan
Core Enabling Services ICT Service Maturity Assessment to 31 May for Phase 1	Service Improvement	0.057		0	0	0	0	c£0.580m	ICT Service Maturity Assessment
Core Enabling Services ICT Application Rationalisation to 31 May for Phase 1	Savings	0.041		0	0	0	0		ICT Application Rationalisation
Subject Matter Expertise for Enabling Services to 31 May	Service Improvement / Enabling	0.120		0	0	0	0	0.000	Support a more efficient provision of services : Programme Management, Business Analyst, Transformation Lead and Business Planner Resource to support continuation of programme support for 6 months
Sub-total : Consultancy Resource - Schemes			0.499						
Total			4.827	(2.503)	(0.792)	0.000	(3.295)	c£3.180 to £5.780m	

Annex 2 Details on Savings approved in Budget 2024/25 and MTFP refresh enabled by estimated Redundancy Investment

Directorate	Ref:	Categorisation	Budget savings proposal	24/25 (£m)	25/26 (£m)	26/27 (£m)	Total (£m)	Proposed reduction in Staff over 2024/25 to 2025/26 FTE	Current Vacant Posts FTE
Adult Social Care	ASC10	E / I	Expand Autism Day Care through relocation to Cumberland Resource Centre	(0.130)			(0.130)	(2.9)	4.0
Children's Care	CC01	T	Review of all Services across Children's Care.	(0.700)	(0.500)		(1.200)	(27.0)	114.0
Environment & Communities	ECS01	E	Fortnightly Collection Residual Waste.	(0.374)			(0.374)	(12.0)	6.0
Environment & Communities	ECS05	E	Integrate Environment Services and Supporting Community functions and create a Neighbourhood management approach.	(0.287)	(0.113)		(0.400)	(12.0)	8.0
Environment & Communities	ECS07	S	Cease Council financial support for Environment City	(0.105)			(0.105)	(2.0)	0.0
Regeneration	REG01	S	Reducing the number of staff we need to deliver regeneration activities by implementing new ways of working.	(0.263)	(0.129)		(0.392)	(10.0)	45.9
Regeneration	REG06	E	Reducing the number of staff we need to deliver the Council's marketing and communication activities by implementing new ways of working.	(0.050)	(0.050)		(0.100)	(2.0)	1.0
Legal & Governance	LGS05	E	Centralisation of Data Analytics (Cross Council)	(0.058)			(0.058)	(1.5)	1.5
Legal & Governance	LGS03	E	A Cross-Council review of administrative roles and functions.	(0.136)			(0.136)	(6.0)	0.0
TOTAL				(2.103)	(0.792)	0.000	(2.895)	(75.4)	180.4

Appendix 3: Transformation Portfolio proposed programmes and projects to deliver cost savings, as detailed in the 2024/25 budget.

Adults Programme

TOTAL SAVINGS (£m)	2024/25	2025/26	2026/27	TOTAL
	(5.757)	(1.283)	(0.750)	(7.790)

No. Projects: 6		Stage: In Plan
Documentation		Business Case + Project Workbook
Ref	Description	2024/25
ASC02	Temporary Accommodation and support review	(0.165)
ASC08	Review of high-cost care packages	(0.238)
ASC09	Review of Independent Supported Living schemes	(0.176)
ASC11	Re-provision use of Levick Court	(0.311)
ASC12	Transformation of Adult Social Care Services	(1.900)
ASC13	Review of Direct Payments	(0.660)
TOTAL		(3.450)

No. Projects: 4		Stage: In Plan
Documentation		Project on a Page
Ref	Description	2024/25
ASC07	Fairer Charging / Fair Cost of Care	(0.100)
ASC14	Court of Protection Service Charges	(0.100)
ASC15	Review of ASC client income contribution for non-residential care	(0.500)
FIN09	Invoice Reconciliation	(0.080)
TOTAL		(0.780)

No. Projects: 4		Stage: In Deliver
Documentation		Project on a Page
Ref	Description	2024/25
ASC03	Introduction of Residential Care Panel	(0.200)
ASC04	Review of Domiciliary Care	(0.091)
ASC05	Review of Care Packages Funding	(0.402)
ASC10	Expand Autism Day Care relocating to Cumberland Resource Centre	(0.130)
TOTAL		(0.823)

No. Projects: 2		Stage: In Plan
Documentation		Project Workbook
Ref	Description	2024/25
ASC01	Accommodation and Support review	(0.072)
ASC06	Expansion of reablement provision	(0.632)
TOTAL		(0.704)

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Children's Programme

TOTAL SAVINGS (£m)	2024/25	2025/26	2026/27	TOTAL
	(4.386)	(1.400)	(0.715)	(6.501)

No. Projects: 5		Stage: In Plan	
Documentation: Business Case + Project Workbook			
Ref	Description	204/25	
CC01	Review of all Services across Children's Care.	(0.700)	
CC03	Improvement of Internal Residential capacity	0.000	
CC04	Workforce Development	(0.800)	
CC06	SHIFT Project	(0.400)	
EDC01	Review of Integrated Transport Unit arrangements	(0.132)	
	TOTAL	(2.032)	

No. Projects:		Stage: In Plan	
Documentation: Project Workbook			
Ref	Description	2024/25	
CC05	Other savings - Maximising grants	(0.454)	
	TOTAL	(0.454)	

No. Projects: 1		Stage: In Deliver	
Documentation: Project Workbook			
Ref	Description	2024/25	
CC02	Review of Placements (including Processes and Procedures).	(1.100)	
CC07	Special Guardianship Order Payment review.	(0.800)	
	TOTAL	(1.900)	

Place-based Services Programme

TOTAL SAVINGS (£m)	2024/25	2025/26	2026/27	TOTAL
	(2.010)	(1.464)	(0.320)	(3.794)

No. Projects:	4	Stage:	In Plan
Documentation	Business Case + Project Workbook		
Ref	Description	2024/25	
ECS06	Recycling Education and Enforcement	(0.030)	
REG03	Town's museum offer in the Dorman Museum	(0.100)	
REG04	Commercial potential, Town Hall and Theatre	(0.050)	
REG07	Better housing provision co-ordination	(0.080)	
TOTAL		(0.260)	

No. Projects:	1	Stage:	In Plan
Documentation	Project Workbook		
Ref	Description	2024/25	
ECS08	Resident Parking Permits Charge	(0.125)	
TOTAL		(0.125)	

No. Projects:	1	Stage:	In Plan
Documentation	No requirements		
Ref	Description	2024/25	
REG02	Changing the way the Middlesbrough News e-newsletter is produced and delivered	(0.008)	
TOTAL		(0.008)	

No. Projects:	9	Stage:	In plan
Documentation	Project on a Page		
Ref	Description	2024/25	
ECS04	Replacement Wheeled bins charge	0.000	
ECS05	Integrate Environment Services and supporting Communities functions and create a Neighbourhood management approach	(0.287)	
ECS11	Review contribution to Community Hubs running costs	(0.040)	
ECS12	Charge for Waste Bins on New Developments	0.000	
ECS07	Cease Council financial support for Environment City	(0.105)	
ECS10	Review of Community Facilities	0.000	
REG01	Reducing the number of staff - regen activities	(0.263)	
REG05	Use grant funding for existing economic growth activities the Council carries out	0.000	
REG06	Reducing the number of staff - marketing and comms activities	(0.050)	
TOTAL		(0.745)	

No. Projects:	3	Stage:	In Deliver
Documentation	Project Workbook		
Ref	Description	2024/25	
ECS01	Fortnightly Collection Residual Waste	(0.374)	
ECS02	Green Waste Collection Charge	(0.406)	
ECS03	"Junk' Job collection will be chargeable	(0.092)	
TOTAL		(0.872)	

Target Operating Model and Core Services Programme

TOTAL SAVINGS (£m)	2024/25	2025/26	2026/27	TOTAL
	(1.757)	(1.004)	(0.182)	(2.943)

No. Projects:	4	Stage:	In Deliver
Documentation	No requirements		

Ref	Description	2024/25
LGS01	Reduce car mileage rate paid to staff	(0.116)
LGS02	DBS Renewals - staff to self-declare at renewal stage.	(0.012)
LGS04	Review corporate mobile telephone contract.	(0.050)
LGS07	Review of Subscription spend	(0.006)
	TOTAL	(0.184)

No. Projects:	2	Stage:	In Plan
Documentation	Business Case + Project Workbook		
Ref	Description	2024/25	
LGS03	A Cross-Council review of administrative roles and functions.	(0.136)	
LGS06	Legal Services Service Review	0.000	
	TOTAL	(0.136)	

No. Projects:	5	Stage:	In Plan
Documentation	Project on a Page		
Ref	Description	2024/25	

FIN03	Collection of Council Tax (recovery of old debt)	0.000
FIN04	Collection of Council Tax (increase the recovery of debt)	0.000
FIN05	Collection of Business Rates	0.000
FIN07	Reduction in Contractual Spend	(0.700)
FIN10	Centralisation of grants administration and maximisation of opportunities for grant income across the authority	(0.050)
	TOTAL	(0.750)

No. Projects:	6	Stage:	In Deliver
Documentation	Project on a Page		
Ref	Description	2024/25	

FIN01	Collection of Housing Benefit Overpayments.	(0.105)
FIN02	Review of Single Person Discounts and Student Exemption for Council Tax.	(0.198)
FIN06	Collection of Council Debt	(0.188)
FIN08	Reduction in the allocation of resource for voluntary and community sector grants from the local authority.	(0.138)
FIN11	Closure of Cashiers at Middlesbrough House.	0.000
LGS05	Centralisation of Data Analytics (cross Council)	(0.058)
	TOTAL	(0.687)

MIDDLESBROUGH COUNCIL	
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Report of:	Director of Legal and Governance and Executive Member for Finance and Governance
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Submitted to:	Council
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Date:	27 March 2024
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Title:	Pay Policy Statement 2024/2025
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Report for:	Decision
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Status:	Public
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Strategic priority:	All
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Key decision:	Not applicable
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Why:	Not applicable
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Urgent:	Not applicable
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Why:	
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Executive summary

The Pay Policy Statement sets out the Council’s policies on remuneration of its staff in accordance with Section 38 of the Localism Act 2011. The policy must be approved by full Council and is subject to annual review. The Pay Policy Statement sets out details of the various employee policies relevant to the remuneration of Chief Officers in operation within the Council. The actual content of those policies included within the statement will continue to be determined by current mechanisms.

Purpose

1. The purpose of the report is to set out the Pay Policy Statement 2024/2025 for consideration by full Council.

Background and relevant information

2. To comply with the Localism Act 2011, the Council is required to approve a Pay Policy Statement setting out details of the Council's policies on the following:
 - Level of remuneration of Chief Officers / highest paid staff
 - Level of remuneration paid upon recruitment
 - Payment of increments
 - Enhanced / additional pension contributions
 - Payment of bonuses, performance related pay and severance pay for Chief Officers
 - Awarding additional fees for election work
 - The creation of new posts with a salary package over £100,000 per annum
 - Employment of individuals already in receipt of a local government pension
 - Employment of ex-employees as Chief Officers under a contract for services
3. The Pay Policy Statement also sets out:
 - The Council's approach to the pay of its lowest paid employees
 - The relationship between senior officer pay and the Council's remaining employees as set out within the context of the pay multiple calculation
 - How the Pay Policy Statement will be publicised
4. The Pay Multiple has reduced to 5.84 this year from 6.5 last year. This is in part due to a number of TUPE transfers of staff on lower grades.

What decision(s) are being recommended?

5. That the Council:
 - Agree the Pay Policy Statement 2024/25.

Rationale for the recommended decision(s)

6. The Pay Policy Statement is being recommended to ensure that the Council complies with statutory requirements in relation to publication of information required by the Localism Act 2011.

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

7. The only other option would be not to approve the Pay Policy Statement. This is not recommended because it would result in failure to comply with the Localism Act 2011.

Impact(s) of the recommended decision(s)

Legal

8. As set out above.

Strategic priorities and risks

9. The Pay Policy Statement forms part of the Policy Framework, meaning that it a decision reserved for full Council. Once agreed it will replace the previous year's statement, therefore amending the Policy Framework.

10. The statement sets out how the Council remunerates its senior officers and provides assurance that it is employing fair and transparent employment practices.

Human Rights, Equality and Data Protection

11. An Impact Assessment has not been completed as the Pay Policy Statement sets out details of policies already in place within the Council, rather than establishing policy in its own right. The policies set out within the statement have previously been subject to the Impact Assessment process, where required.

Financial

12. There are no direct implications arising from the report. It sets out financial detail, but this detail is determined by the Council's range of HR Policies that in place.

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

Action	Responsible Officer	Deadline
Publish on Council's Website	Nicola Finnegan, Head of HR	31 st March 2024

Appendices

1	Pay Policy Statement
2	
3	

Background papers

Body	Report title	Date
Council	2023/2024 Pay Policy Statement	February 2023

Contact: Nicola Finnegan, Head of HR
Email: Nicola_finnegan@middlesbrough.gov.uk

PAY POLICY STATEMENT 2024/2025

INTRODUCTION

1. This Pay Policy Statement sets out the Council's policies on remuneration of its staff in accordance with Section 38 of the Localism Act 2011. The policy must be approved by full Council and is subject to annual review. Any amendments during the year must also be considered by full Council. The Pay Policy Statement will be published on the Council's website as soon as reasonably practicable after approval or amendment.
2. Section 38 of The Localism Act 2011 does not require the Council to consider individual schools or any individual employed by a third party contracted to work for the Authority. Therefore, the arrangements set out in this document do not extend to any staff employed within a school or individuals engaged via an agency.

DEFINITIONS

3. The Localism Act 2011 defines the following as Chief Officer posts:
 - Head of Paid Service designated under Section 4(1) of the Local Government and Housing Act 1989
 - Monitoring Officer designated under Section 5(1) of that Act
 - Any statutory Chief Officer mentioned in Section 2(6) of that Act
 - Any non-statutory Chief Officer mentioned in Section 2(7) of that Act
 - Any Deputy Chief Officer mentioned in Section 2(8) of that Act.
4. The following posts within the Council fall within the above definition:
 - Chief Executive
 - Executive Directors
 - Strategic Directors
 - Directors
 - Monitoring Officer (Director of Legal and Governance Services)
5. As at 31st December 2023 the lowest paid employee of the Council received £11.98 per hour. The Real Living Wage rate increased to £12.00 with effect from 24th October 2023 and will be implemented with effect from 1st April 2024 in line with the Council's commitment.
6. Apprenticeships have been excluded as the salaries attributable to apprenticeships are largely in line with those set out within National Apprentice rates.
7. The median salary figure for the organisation is the middle value of all employees' salaries listed in numerical order. The median salary figure is then used to calculate the organisation's pay multiple and is calculated on a fixed date each year, on 31 December.

CONTENT

8. To comply with the Localism Act 2011, the Council is required to approve a Pay Policy Statement setting out details of the Council's policies on the following:
- Level of remuneration of Chief Officers
 - Level of remuneration paid upon recruitment
 - Payment of increments
 - Enhanced / additional pension contributions
 - Payment of bonuses, performance related pay and severance pay for Chief Officers
 - Awarding additional fees for election work
 - The creation of new posts with a salary package over £100,000 per annum
 - Employment of individuals already in receipt of a local government pension
 - Employment of ex-employees as Chief Officers under a contract for services
9. The Pay Policy Statement also sets out:
- The Council's approach to the pay of its lowest paid employees
 - The relationship between Chief Officer / senior staff pay, and the Council's remaining employees as set out within the context of the pay multiple calculation
 - How this Pay Policy Statement will be publicised

CHIEF OFFICER REMUNERATION

Remuneration of Chief Officers

10. The level of remuneration paid to Chief Officers is based on the Local Government Association Scheme and the policy on this was approved in December 2005 by the Mayor. The terms and conditions of Chief Officer Employment contracts incorporate nationally agreed Joint Negotiating Committee terms and conditions.

Post	Salary Band
Chief Executive	£162,376
Executive Director	£119,623 - £131,999
Strategic Director	£113,149
Joint Director of Public Health ¹	£95,473 - £101,316
Monitoring Officer ²	£113,149
Director Level 1	£95,473 - £101,316
Director Level 2	£83,787 - £89,631

Level of remuneration paid upon recruitment

11. The Council's policy on pay upon recruitment is set out within the Recruitment & Selection Policy Statement and Guide, which applies to all employees. The Starting Salaries Policy states that upon recruitment to a post, remuneration will begin at the bottom of the pay band unless agreed otherwise by the Director and the Head of Human Resources in

¹ Director of Public Health has joint responsibility for Middlesbrough and Redcar & Cleveland

² Currently allocated to the Director of Legal and Governance Services

exceptional circumstances. In the case of Chief Officers, the Chief Executive and the Director of Finance would be required to agree any variation to this policy.

Payment of increments and increases in salary

12. The Council's policy on the payment of increments is that all employees with less than six months' service on the first of April will receive their first increment six months after appointment, promotion or re-grading. Otherwise, all employee increments are payable on an annual basis on the first of April. Other increases in pay for any employee will only occur where:

- There is a pay award agreed by way of national / local collective bargaining
- There is a significant change to a job role which results in a higher salary being appropriate which is confirmed by an appropriate job evaluation process
- Recruitment and Retention payments which, following consideration of the circumstances at the time, are deemed necessary and in the best interests of the Council and which are determined under the relevant policy relating to such payments.

Enhanced / additional pension contributions

13. The Council's policy on enhanced or additional contributions to pensions is set out within the Teesside Pension Fund Policy Statement and the Council's Statement of Policy regarding the application of the discretionary elements of the Local Government Pension Scheme regulation. These apply to all employees. These statements set out:

- Allocation of employee contribution bands
- Awarding extra benefits for early retirement situations
- Extending time limits for certain provisions
- Setting up a shared cost Additional Voluntary Contribution (AVC) scheme
- Waiving actuarial reductions for early / flexible retirements

Payment of bonuses, performance related pay and severance pay

14. The Council's policy is that it does not operate bonus or performance related pay for its employees.

15. The policy on severance and redundancy pay is set out within the Reviews, Consultation and Redundancy Policy, which applies to all employees. This states that calculation of any redundancy payment to an employee will be in accordance with the Council's policy in relation to Redundancy. Redundancy payments will be based on age and years' service in line with the Statutory Redundancy table up to a maximum of 30 weeks, however the Council retains the discretion under the Local Government (Early Termination of Employment) (Discretionary Compensation) (England and Wales Regulations) 2006 to offer discretionary payments. Such discretionary elements will be approved by the Chief Officer Appointments Committee as a Committee of full Council.

16. Corporate Affairs and Audit Committee previously approved a temporary enhancement of the Council's Voluntary Redundancy Scheme. This policy currently enables a multiplier of 1.25 to be applied to voluntary redundancies that arise either because of a review within a specific service area or from time to time within a Council wide scheme.

17. Where consideration to allow voluntary redundancy/early retirement to terminate a contract of employment any redundancy payment, pension strain costs and/or salary in lieu of notice total amounts to a single payment of £100,000 or more, full Council or a committee thereof will be given an opportunity to vote before the package is approved.
18. Where an employee is contractually entitled to a payment in excess of £100,000 on the grounds of compulsory redundancy, failure to comply with this would place the Council in breach of contract and leave it exposed to litigation. Therefore, there is an exemption from the requirement to give Council an opportunity to vote on those cases where the payment of a severance package does not involve any discretion, this is because the Council is legally bound to comply with severance terms in any event.
19. In the absence of any exceptional circumstances which render it necessary in the best interests of the Council to do so, the Council will generally not re-engage any individual who has previously been employed by the Council and left that employment with the benefit of a severance, early retirement, or redundancy payment.

Awarding additional fees

20. The policy on the payment of additional fees is set out within the Council's Constitution and decision making is delegated to the Corporate Affairs and Audit Committee. The Council's policy on the payment of additional fees to officers within the scope of this statement is that fees for election duties for Chief Officers are not included in salaries. These are determined separately in consultation with the other Tees Valley Councils. For contested elections, the fees are based on an agreed sum for the first 1,000 electors and a further sum for each additional 1,000 electors or fraction thereof, and a set agreed sum for uncontested elections. This policy of payment is approved by the Council's Corporate Affairs Committee and is in line with national guidance and legislation.

Creation of new posts with a salary package over £100,000 per annum

21. In line with the requirements of the Localism Act 2011, Council will be given the opportunity to approve salary packages for any new posts that would come within the scope of this Pay Policy Statement, defined within the Act as posts over £100,000 per annum. This includes any additional fees, charges or allowances that would be routinely payable. The approach to be taken when creating a new post is set out within the Constitution. Where a Chief Officer post is created which is under £100,000 the usual processes will be followed as set out within the Recruitment and Selection Policy and the Pay Policy Statement will be amended accordingly.

Employment of individuals already in receipt of a local government pension

22. The approach to the employment of individuals already in receipt of a Local Government Pension is set by the administering authority for the pension. The Local Government, Teesside Pension Fund has resolved not to abate pensions on re-employment, having regard to the enactment of regulations introducing flexible retirement, unless an enhanced ill-health retirement has been awarded. Some pensioners have been awarded extra pensions by their former employers to compensate them for retiring early. When this happens, the extra pensions, called compensatory added years (CAYs), are paid along with the Fund's retirement pension. These extra pensions may be abated upon re-employment or upon subsequent retirement, in accordance with the Local Government

(Early Termination of Employment) (Discretionary Compensation) (England and Wales) Regulations 2000 (as amended).

Employment of ex-employees as Chief Officers under a contract for services

23. The Council's position is that this is generally discouraged, however there may be some specific circumstances where employment of an ex-employee under these terms, could be the most effective and efficient way of meeting the Council's needs. If this situation applies formal approval must be sought from the Chief Executive in their role as Head of Paid Service.

Chief Officers' Tax and National Insurance

24. The Council does not enter into arrangements with individual employees to minimise their tax and national insurance contributions.

REMUNERATION OF THE LOWEST PAID EMPLOYEES WITHIN THE COUNCIL

Lowest paid employees

25. On 31st December 2023 the lowest FTE salary within the Council grading structure is £23,114.

The Council's approach to the pay of its lowest paid employees

26. The Council is committed to ensuring that pay and reward policies are fair and that the needs of the lowest paid employees are properly considered. The Council has completed the job evaluation process to ensure that all employees receive a fair and equal rate of pay for the work that they undertake. The Council is signed up to nationally negotiated pay agreements.

Relationship between the highest paid employee and other employees

27. The Council publishes its pay multiple in line with the Local Authorities (Data Transparency) Code 2015. The pay multiple is the ratio between the highest paid employee (£162,376) and the median earnings across the organisation (see paragraph 7 for information on the method used to calculate this). The current median salary earned within the Council is £27,803. The pay multiple is 5.84.

PUBLICATION OF THE PAY POLICY STATEMENT AND TRANSPARENCY INFORMATION

28. The Pay Policy Statement is published on the Council's website. Further information on the remuneration of Chief Officers can be found on the Open Data section of the Council's website in line with the Local Authorities (Data Transparency) Code 2015.

POTENTIAL FUTURE REVIEW

Recovery of Public Sector Exit Costs

29. The Government is seeking to introduce legislation to require senior officers in the public sector (those earning over £80,000) to repay termination payments in the event that they return to the public sector within a prescribed period, which is currently proposed as 12 months. The enabling provisions are set out in the Enterprise Act which received Royal Assent in May 2016. However, there is still no clear timeline for the implementation of these provisions.

£95k Exit Cap on Public Sector Employees

30. The Restriction of Public Sector Exit Payments Regulations 2020 came into force on 4th November 2020. The government then dis-applied the regulations with effect from 12th February 2021 and they were formally revoked on 19th March 2021.
31. The consultation re-opened in August 2022 and ended in October 2022. There has been no update regarding the analysis from the feedback.
32. The Department for Levelling Up, Housing and Communities plans to introduce further changes to exit payments at the same time as the exit cap is re-introduced. However further consultation will be undertaken before any changes are made.
33. The Pay Policy Statement will be amended should there be any changes in regulation.

MIDDLESBROUGH COUNCIL	
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Report of:	Chief Executive, Director of Finance and Director of Legal and Governance Services
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Relevant Executive Member:	The Mayor, Chris Cooke
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Submitted to:	Council
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Date:	27 March 2024
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Title:	Corporate Governance Improvement Plan and Section 24 Action Plan progress report
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Report for:	Decision
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Status:	Public
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Strategic priority:	All
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Key decision:	Not applicable
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Why:	Not applicable
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Subject to call in?	Not applicable
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Why:	Not applicable
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Proposed decision(s)	
That Council notes the progress against the Corporate Governance Improvement Plan and Section 24 Action Plan and agrees the proposed changes to milestones and activity in relation to the Section 24 Action Plan as outlined at paragraphs 6.7 to 6.10.	

Executive summary	
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 17 January 2024.	

1. Purpose

1.1 This report sets out the key activities and progress since an update was last provided to Council on 17 January 2024, in response to the Section 24 recommendations made by the Council’s External Auditors and the Council’s Corporate Governance Improvement Plan.

2 Recommendations

2.1 That Council notes the progress against the Corporate Governance Improvement Plan and Section 24 Action Plan and agrees the proposed changes to milestones and activity in relation to the Section 24 Action Plan as outlined at paragraphs 6.7 to 6.10.

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. It also received a report from the Council’s External Auditors which made statutory recommendations in relation to the Council’s governance. This report provides an update on delivery against the action plan that was put in place in response to that report, as well as an update on delivery against the Corporate Governance Improvement Plan.

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:	
BLUE - COMPLETE	Activity delivered in full
GREEN – ON TRACK	Delivery plan activities are on track and / or a or above standard
AMBER – OFF TRACK	Delivery plan activities are < 5% below standard
RED – OFF TRACK	Delivery plan activities are > 5% below standard
IMPACT - NO CHANGE	The measures of success used to assess impact, refresh on differing time periods. Some are annual, others are more frequent. If it says no change, either the data has stayed the same or is not due to be refreshed

IMPACT MET – NO (AMBER)	Performance measures for this workstream are within 5% of the target
IMPACT MET – NO (RED)	Performance measures for this workstream are below target by more than 5%
IMPACT TREND – MIXED CHANGES	Of the range of performance measures that are against the workstream, some have improved and others have worsened

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 11/03/2024			
	% On-track	% Off-track	% Delivered	Overall % on track or delivered
Corporate Governance Improvement Plan	37% (34/93)	6% (6/93)	57% (53/93)	94%
Section 24 Action plan	31% (15/48)	8% (4/48)	61% (29/48)	92%

5.3 The above table shows that 94% of planned activity has either been delivered or is on-track for delivery in relation to the Corporate Governance Improvement Plan, with six planned activities across the 10 workstreams measuring as off-track.

5.4 92% 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, seven of the workstreams are on target in terms of activity, as per timescales set out in the corporate Governance Improvement Plan, with three being off target currently in the Cultural Transformation plan, which are outlined below:

- *Ensure stable and sustainable leadership for the organisation* – two milestones relating to a senior management review are off-track, however it is proposed to remove these milestones from the plan – please see section 6.11 below.
- *Development and implementation of an improved focus on employee performance and accountability* – a milestone relating to the target of 95% of all staff to have had an appraisal by end of March at risk of not being achieved by that date. Additional activity is being undertaken to communicate to all managers to ensure appraisals take place and are recorded on the People Manager system.
- *Review the Council's approach to Member enquiries and engagement* – a milestone relating to the design of the new system and processes is delayed however no change control is required as the overall system go live date is not expected to be delayed.

6.2 Following a review of the current content of plans to assess where additional measures can now be added in as a result of progress. Additional milestones will now be included within future reporting to provide more detail on the delivery of the Transformation Programme, People Strategy and the Communications plan.

6.3 Summary of proposed changes to milestones and Measures of Success:

Change	Rationale
Four additional milestones to capture in more detail launch and delivery of the People Strategy	There is now increased certainty around the launch and delivery plan which has enabled these milestones to be mapped
Expansion of the communications plan milestones to include communication plans around transformation	Expansion of planned work to capture the need to communicate the transformation vision to all staff, members and residents
Two additional milestones in relation to establishing the governance of the Transformation Programme	Following significant development work, the Council is now in a position to capture additional key milestones around the launch of the Transformation Programme
Measure of Success – split out Agency staff measure to capture BAU staff who are agency and those who have been recruited to support transformation	Measure changes will enable a more nuanced assessment of the stability of the workforce by separating out where additional short term capacity has been brought in to drive transformative activity.

Measures of success

6.4 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.

6.5 Where there has been an update to measures, this is set out in full in the appendices.

Key activities

6.6 The following activities within the governance improvement plan have been delivered since progress was last reported to Council:

THEME	WORKSTREAM	COMPLETED ACTIVITIES WITHIN REPORTING PERIOD
Cultural Transformation	Development and implementation of a People Strategy	Commenced with delivery / implementation of the Strategy against the underpinning delivery plan, feeding into corporate performance reporting cycle. Workshop was delivered to the HR service to explore the Corporate Plan and how it links into the daily work of staff and aligns to the People Strategy.
	Development and implementation of a corporate governance training programme	The majority of staff (96%) have undertaken mandatory e-learning on the constitution, corporate values and codes of conduct. Chief Officers, Heads of Service and Budget Managers have undertaken face to face budget management training.

	Ensure stable and sustainable leadership for the organisation	A recruitment plan / process has been developed for all interim appointments in a Leadership and Management position.
	Development and implementation of an improved focus on employee performance and accountability	The appraisal window was opened with communication to all Managers and staff.
	Review the Council's approach to Member enquiries and engagement	A review of effectiveness of short-term improvements with Members was undertaken and work has commenced to design the new system / processes.
	Develop and implement communications and engagement plan to support cultural transformation	Launch of regular CGIP newsletter communications to all staff and members from the Chief Executive, aligned to the meeting schedule of the Board.
Financial Recovery and Resilience	Setting a balanced budget for 2024/25 to 2026/27	<p>Implementation of a savings programme.</p> <p>Completion of reviews of fees and charges and the Capital Programme.</p> <p>Development of set of budget management tools for use by Chief Officers, Heads of Service and Budget Managers.</p> <p>Deliver training in Financial Procedure Rules and Contract Procedure Rules.</p>

Changes to delivery dates

- 6.7 Detailed delivery milestone plans have been developed to underpin all workstream activities within the improvement plan.
- 6.8 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.
- 6.9 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.
- 6.10 The change controls since last reported to Council are described below and summarised in the following table:
 - *Cultural Transformation:*
 - *CT3.04:* Delivery of mandatory e-learning for all staff on the constitution, corporate values and codes of conduct was delayed as not all staff completed the training prior to deadline. Toolbox Talk sessions for staff who do not access ICT were scheduled for staff throughout January and February. Change control confirmed by LMT and IIAB to extend deadline from 31/12/2023 to 29/02/2024. Current staff completion rate is at 96% and tool box talks are scheduled with remaining staff to take place during March.

- **CT4.01:** Draft of a Senior Management Review including review of spans and layers within the organisation to be reviewed by LMT and **CT4.03:** Implementation (Completion) of a Senior Management Review including review of spans and layers within the organisation - The milestones relating to 'Senior Management Review' continue to show slippage, however this was a legacy action, from the initial delivery phase of the Governance Improvement Plan, to achieve stability in the workforce at a senior level. The ambition in this workstream has now been achieved through the recruitment of permanent staff to senior leadership posts in Children’s Services and the securing services of the Section 151 officer and Chief Executive in the medium-term, to March 2025 and the planned implementation of a governance protocol. Whilst wider reorganisation is still planned, this will be done as part of the Transformation Programme to ensure the management structure aligns with the future operating model of the organisation. As a result, the senior management review milestones will be removed from this workstream. This will be replaced with an alternative milestone that tracks permanent recruitment to the Section 151 officer and Chief Executive post by March 2025, in line with the timeline set out in the January 2024 Senior Management Arrangements report to Council.

- **CT4.06:** Implementation and completion of recruitment plan / process for all interim appointments in a Leadership and Management position - Change control to March 2025 to reflect the revised timeline agreed by Council in the Senior Management Arrangements report on 17 January 2024.

Theme	Key tasks / milestones	Original target date	Revised target date
Cultural Transformation	CT3.04: Delivery of mandatory e-learning for all staff on the constitution, corporate values and codes of conduct.	31/12/2023	29/02/2024
	CT3.05: Mandatory face to face training on Budget Management and Financial and Contract Procedure Rules for Chief Officers, Heads of Service and Budget Managers	31/12/2023	29/02/2024
	CT4.01: Draft of a Senior Management Review including review of spans and layers within the organisation to be reviewed by LMT	Start date: 01/10/2023	Remove from the scope of this workstream
	CT4.03: Implementation (Completion) of a Senior Management Review including review of spans and layers within the organisation	Completion date: 30/9/2024	
CT4.06: Implementation and completion of recruitment plan / process for all interim appointments in a Leadership and Management position	Start date: 01/02/2024 Completion date: 31/03/2024	Start date: 01/09/2024 Completion date: 31/03/2025	

Summary of progress against plan and measures of success

6.11 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. This table reflects the current status – as per the above change controls that have been considered by LMT and IIAB.

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	Green	Green	Improved	No	C Benjamin	Cllr N Walker
Development / implementation of Member Development Strategy and Programme	Green	Green	No change	No	C Benjamin	Cllr N Walker
Development / implementation of a corporate governance training programme	Green	Green	No change	No	C Benjamin	Cllr N Walker
Ensure stable and sustainable leadership for the organisation	Red	Red	Improved	No	C Heaphy / C Benjamin	Mayor Cooke
Development / implementation of improved focus on employee performance and accountability	Red	Green	No change	No	C Heaphy	Cllr N Walker
Review Council's approach to Member enquiries and engagement	Red	Green	No change	No change	C Benjamin	Cllr N Walker
Develop / implement communications and engagement plan to support cultural transformation	Green	Green	No change	No	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	Green	Green	No change	No	D Middleton	Cllr N Walker
Setting a balanced budget for 2024/25 to 2026/27	Green	Green	No change	No change	D Middleton	Cllr N Walker
Improvements to financial governance, spending controls and monitoring through more effective financial management	Green	Amber	No change	No	D Middleton	Cllr N Walker

7. Independent Improvement Advisory Board

7.1 Since the previous progress report, the Board met formally on 5 February 2024. The Board considered reports and presentations on the following:

- in-year budget position and the development of the 2024/25 update
- an update on work to develop a transformation programme
- an update on progress against the improvement plan and Section 24 report.

7.2 The Chief Executive invited all staff who were interested, to participate in a series of focus group sessions with the Board. Three groups met with Board members, covering frontline staff, middle managers and Heads of Service. The Board also met with the Trade union representatives.

7.3 This information was shared with all staff and members following the meeting.

7.4 The Board also met on 5 March 2024 to continue to oversee the Council’s progress against its improvement plan and section 24 action plan. This meeting focussed on:

- initial feedback from the Board on the development of their progress report to Council which will be presented to Council on 27th March,
- a further update on the transformation programme development and timeline – there are reports to Executive and Council this month to set out the governance and launch of the transformation programme as well as a range of briefings on this, and
- an Overview of the Council’s approach to Cultural Transformation.

7.5 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.

8.2 Since the last report a further two actions have been completed and the measure of success for another has been achieved:

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.	Complete	Complete	N/A	N/A

2. Development of contingency and succession governance protocols to mitigate potential impact of any future changes in senior leadership.	Red	Red	Improved	No
3. Conclusion of Constitution review and provision of officer / member training ensuring changes are understood and implemented.	Green	Green	Improved	Yes
4. Identification of deliverable short-term savings, protecting limited remaining reserves, considering statutory responsibilities and delivery of services.	Green	Red	N/A	N/A*
5. Review service delivery models to ensure that they are efficient, represent value for money and achieves the outcomes required.	Red	Red	N/A *	N/A*
6. Review of financial forecasting processes to understand emergence of significant financial pressures, in both 22/23 and 23/24.	Green	Green	Mixed changes	No
7. Conclusion of Financial and Contract Procedure rules review to ensure they are fit for purpose.	Complete	Complete	Complete	Complete
8. Provision of training on Financial and Contract Procedure rules to all officers involved in contracting, procurement or financial decisions.	Green	Green	Complete	Complete
9. Completion of contract review to ensure compliance with Public Contracts Regulations 2015.	Green	Red	No change	Yes
10. Review oversight arrangements for Middlesbrough Development Company to assure value for money.	Complete	Green	Complete	Complete
11. Develop action plan for the demise of Middlesbrough Development Company setting out benefit realisation.	Amber	Green	No change	Yes

*No baseline set

8.4 Across all S24 workstreams, three are reporting activity which is off-target:

- *Recommendation 2, Contingency and succession planning:*
 - S2.02: The milestones relating to 'Senior Management Review' continues to show slippage, however this was a legacy approach agreed in the initial delivery phase of the Governance Improvement Plan, to achieve stability in the workforce at a senior level. The milestone had been included in this workstream to ensure any review did not undo the work to improve contingency and success planning through the creation of a governance protocol. As a result of changes set out in the approach to this review earlier in this report, it is proposed that the milestone will be removed from this workstream.
 - S2.03: Implementation and completion of recruitment plan / process for all interim appointments in a Leadership and Management position - Children's Services positions recruited to permanently. Director of Finance and Chief Exec positions extended to March 2025. Recruitment plan has been developed and will commence / be implemented in September. Change control required to change start date to September 2024 and completion date to March 2025.

- *Recommendation 5, S5.01: The Council’s strategic planning and budget development process for setting a balanced budget for 2024/25 and over the period of the MTFP to 2026/27 to consider opportunities for managing service demand, service redesign and transformation, reduced levels and stopping services* - a balanced budget has been set due to exceptional financial support funding and service delivery models now need to be reviewed, which will feed into transformation work, however Council hasn't yet approved the transformation programme or funding - due to go to Council in April. Change control required to extend completion date to end of April 2024.
- *Recommendation 11, S11.01: Develop an action plan for the demise of MDC* - an action plan is in place and a closure report was due to be considered by Executive in March 2024. While the work to close the company will be concluded by 31 March 2024 and an instruction issued to the external specialists to commence closure of the Company on behalf of the Council. Reporting on that will not be possible within the current deadline of 31 March 2024. There is a change control in place to ensure this occurs by 30 May 2024.

Section 24: key activities

8.5 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
S4.09	Relaunch of use of Purchasing Cards, for essential users only and subject to mandatory training.
S5.02	Development of a first stage transformation programme (2024/25 to 2026/27) to review service delivery models to maintain / improve service outcomes from an affordable and sustainable cost base.
S8.03	Chief Officers, Heads of Service, all budget managers, and Finance Directorate, to undertake mandatory face to face training on Financial and Contract Procedure rules.
S9.06	Submission to Audit Committee of final report regarding review of all ongoing contracts which were initially awarded under an exemption but have been subject to subsequent amendment (including extension) to identify whether they are compliant with The Public Contracts Regulations 2015.

Changes to delivery dates

8.6 Since last reported to Council, 6 minor change controls are presented below to workstream activities for full Council to note. They reflect adjustments in prioritisation and chronology of activities:

Key tasks / milestones	Original target date	Revised target date
S2.02 Implementation of a senior Management Review including review of spans and layers within the organisation	Start date: 01/10/2023 Completion date: 30/9/2024	Remove from the scope of this workstream.

<p>S2.03: Complete recruitment process for all interim appointments in a Leadership Management Team position</p>	<p>Original start date 01/02/2024</p> <p>Original target date 31/03/2024</p>	<p>Revised start date 01/09/2024</p> <p>Revised target date 31/03/2025</p>
<p>S5.01: The Council's strategic planning and budget development process for setting a balanced budget for 2024/25 and over the period of the MTFP to 2026/27 to consider opportunities for managing service demand, service redesign and transformation, reduced levels and stopping services</p>	<p>28/02/2024</p>	<p>30/04/2024</p>
<p>S11.01: Provision of a closure report on Middlesbrough Development Company to Executive</p>	<p>31/03/2024</p>	<p>31/05/2024</p>

Section 24: measures of success

8.7 Of the 17 measures of success in place to assess the impact of activity within the Section 24 action plan:

- Four are now complete
- Two are on or above target
- Four cannot yet be measured
- Of the remaining measures which are all below target, four have improved performance while two have worsened and there is no change in one.

8.8 As part of the review of measures of success, future reporting will include a slight amendment, replacing the proxy measure of success in relation to recommendation 9, with an indicator that more closely links to the recommendation – number of contract extensions that do not comply with Public Contract Regulations 2015, of which there were zero in 2022/23. This will be tracked quarterly.

8.9 As set out in section 8.4, following a revision to the reporting timelines for closure of the Middlesbrough Development Company, the impact measure has been amended to reflect that this is an ongoing process until closure which is now planned for May 2024.

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

1	Corporate Governance Improvement Plan: measures of success
2	Section 24 Plan: Measures of success
3	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
Audit committee	Corporate Governance Improvement Plan and Section 24 Action Plan progress report	14 December 2023
Audit Committee	Corporate Governance Improvement Plan and Section 24 Action Plan progress report	1 February 2024
Audit Committee	Corporate Governance Improvement Plan and Section 24 Action Plan progress report	14 March 2024

Contact:

Ann-Marie Johnstone, Head of Governance, Policy and Information
Ann-marie_johnstone@middlesbrough.gov.uk

Appendix 1: Corporate Governance Improvement Plan: measures of success

Outcome	Measure of Success	Track against which workstream	Current performance	Previous performance	Target	Status against target	Frequency of data refresh	Source	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	CT3	Worse	No change	0	Below target	every 2 months	Internal audit progress reports to Audit Committee	2 out of 12 complete audits	December 2023 report	1 out of 8 complete audits	October 2023 report
	Improve the percentage of priority One and Priority Two actions from Internal Audits that are delivered within original timescales	CT3	Improved	n/a baseline	80% or higher	Below target	Quarterly	Internal Audit	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.	CT3	No change	No change	0	At target	Annual	Internal Audit	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	CT1, CT2	Improved	n/a baseline	50% of staff and 80% of councillors or higher	Below target	Ad hoc	Staff surveys	77% of heads of service and directors now view relationships with Executive members as positive or very positive (22	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	CT1, CT4, CT5	No change	Improved	5%	Below target	Quarterly	HR - Kerry Rowe	5.60%	Quarter 3 2023/24	5.64%	Quarter 2 2023/24
Improved staff satisfaction	1-10 Score of how valued staff feel as an employee of the Council	CT1	Worse	n/a baseline	6.2 or higher	Below target	Ad hoc	Staff surveys	5.9	August 2023 Survey	6.22	Nov-22
Reduced need to use agency staff	Number of agency staff working for Middlesbrough Council – total	CT4	Improved	Worse	75	Below target	Monthly	Procurement - Claire Walker	116	Feb-24	121	Jan-24
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	CT4	Improved	No change	3	Below target	Monthly	Procurement - Claire Walker	5	Feb-24	8	Jan-24
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	CT1	Improved	Improved	Less than 150	Above target	Monthly	Monthly compliance report to LMT	101	Jan-24	133	Dec-23
	% of complaints upheld or partially upheld by the central team	CT1	Improved	Worse	Less than 40%	Below target	Monthly	Complaints dashboard	43%	Jan-24	54%	Dec-23
Members have a Member development programme that meets their needs and is well used	Percentage of members completing all mandatory training	CT2	Complete	Complete	100%	At target	Annual	Member training data	100%	Oct-23	100%	Oct-22
	Percentage of Members attending wider skills	CT2	n/a baseline	n/a baseline	95%	Above target	Annual	Member training data	98%	Oct-23	Data not available	Oct-22
	Member satisfaction with the Member development programme	CT2	n/a baseline	n/a baseline	90%	Below target	Annual	Member training data	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	CT1	not yet measured	not yet measured	95%	not yet measured	Annual	OD - Nicky Spencer	n/a	n/a	n/a	n/a
Improved Member behaviour	Number of member on member complaints received	CT1	Worse	Worse	2 or fewer per quarter	Below target	Quarterly	Ann-Marie Wilson	6 complaints received member on member	Q3 2023/2024	3 complaints received member on member	Q2 2023/2024
Residents are increasingly satisfied with the way the Council is ran and with the Council overall	Questions within the 2023 Resident survey currently underway	CT7	45%	n/a baseline	61% (NE average 21/22)	Below target	TBD	Vickie Holmes	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	CT7	43%	Not previously asked	55% (NE average 21/22)	Below target	TBD	Vickie Holmes	43%	Nov-23	n/a	Not previously asked

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Cultural Transformation

Outcome	Measure of Success	Track against which CGIP workstream	Track against which S24 recommendations	Current Performance	Previous Performance	Target	Status Against Target	Frequency of data refresh	Source:	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	FRR1	6	Improved	Improved	£0	Below target	Quarterly report to Executive	Finance quarterly report to Executive	£7.023m	Period 8 2023/24	£7.438m	Period 7 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	FRR2	4	n/a	n/a	Balanced budget set	n/a	Annual - One Time	Finance quarterly report to Executive	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	FRR2	6	n/a	n/a	Balanced MTFP set	n/a	Annually	Finance quarterly report to Executive	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	FRR2	6	Improved	Worse	£12m or more	Below target	Annually	Finance quarterly report to Executive	£7.806m	Period 8 2023/24	£6.273m	Q2 2023/24
	Maintain unrestricted usable revenue reserves at a minimum of £4m at 31/3/24.	FRR2	6	Worse	Worse	£4m or more	Below target	Annually	Finance quarterly report to Executive	£0.0m	Period 8 2023/24	£1.171m	Q2 2023/24
Establish Medium Term Plan to rebuild GF balance and revenue reserves	Section 151 Officer assessment of adequacy of reserves	FRR2		n/a	n/a	n/a	n/a	Feb-24	Section 25 Report to Council	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 trained by 31 December 2023	FRR3	7, 8	Complete	Improved	95% or higher	Complete	Monthly	E-Learning training data reporting dashboard	80.10%	Feb-24	76.88%	Jan-01
Corporate finance training programme established	Quarterly programme of finance training established	FRR3		100%	n/a baseline	One training session delivered per quarter	Complete	Quarterly	E-Learning training data reporting dashboard	100%	Feb-24	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	FRR3		Complete	n/a	Dashboard in place	Complete	n/a one off measure	Finance dashboard in place	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	FRR3		n/a	n/a	95% or higher	n/a at this stage	n/a one off measure	J.Weston and A.Humble? Data off Nicky	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.	FRR3		n/a	n/a	n/a	n/a	Subjective measure	J.Weston/A.Humble	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	FRR3		n/a	n/a	n/a	n/a	Service review completed	A Humble	n/a	n/a	n/a	n/a

Financial Recovery and Resilience

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Appendix 2 – Measures of success – Section 24 Report

Recommendation	Measure of Success	Also in CGIP	Current performance	Target	Status against target	Frequency of data refresh	Source:	Current performance data:	Current performance period:	Previous performance data:	Previous performance period:	Narratives:
1	Delivery of the Corporate Governance Improvement Plan activity		Complete	n/a	Complete	Monthly	Corporate Governance Improvement Plan	6 out of 10 workstreams activity on target	Nov-23	10 out of 10	Oct-23	
2	Number of roles at Head of Service and above that are vacant / occupied by Agency or interim staff	Y	Improved	3	Below target	Monthly	Procurement - Claire Walker	5	Feb-24	8	Jan-24	5** - please note this is made up of 4 agency workers and 1 employee in interim posts •Chief Executive – Agency •Director of Finance – Agency
3	Reduce the number of audits that have limited or no assurance	Y	Worse	0	Below target	Quarterly	Internal audit progress reports to Audit Committee	2 out of 12 complete audits	December 2023 report	1 out of 8 complete audits	October 2023 report	A further 19 audits are in progress in December, with one on hold. A further 15 audits were in progress in October.
3	Improve the percentage of priority One and Priority Two actions from Internal Audits that are delivered within original timescales	Y	Improved	80% or higher	Below target	Annual	Internal Audit	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	
3	Percentage of members completing all mandatory training	Y	Complete	100%	Complete	Annual	Member training data	100%	Oct-23	100%	Oct-22	
3	Percentage of Members attending wider skills	Y	No change	95%	Above target	Annual	Member training data	98%	Oct-23	Data not available	Oct-22	
3	Member satisfaction with the Member development programme	Y	No change	90%	Below target	Annual	Member training data	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	
4	2024/25 revenue budget is balanced and maintained during 2024/25	Y	No change	n/a	n/a	Annual	Finance quarterly report to Executive	Balanced budget set	n/a	n/a	n/a	
5	90% of projects within the programme, once launched are on track			n/a	n/a at this stage	Quarterly once live		90% once launched	n/a			
5	90% of benefits from projects realised in line with benefits realisation trackers			n/a	n/a at this stage	Quarterly once live		90% once launched	n/a			
6	Actual expenditure and Forecast revenue outturn within the approved budget	Y	Improved	£0	Below target	Quarterly	Finance quarterly report to Executive	£7.023m	Period 8 2023/24	£7.438m	Period 7 2023/24	
6	Balanced MTFP to 2026/27	Y	No change	Balanced MTFP set	n/a	Annually	Finance quarterly report to Executive	n/a	n/a	n/a	n/a	Not due until Feb 24
6	Maintain GF balance at £12m at 31/3/24	Y	Improved	£12m or more	Below target	Annually	Finance quarterly report to Executive	£7.806m	Period 8 2023/24	£6.273m	Q2 2023/24	
6	Maintain usable revenue reserves at a minimum of £4m at 31/3/24.	Y	Worse	£4m or more	Below target	Annually	Finance quarterly report to Executive	£0.0m	Period 8 2023/24	£1.171m	Q2 2023/24	
7 and 8	LMT, WLMT, all Budget Holders and all staff involved in Purchase to Pay trained by 31 December 2023	Y	Complete	100%	Complete	Monthly	E-Learning training data reporting dashboard	100.00%	Feb-24	76.88%	Jan-24	Final mop-up session booked for 23-02-2024
9	Reduce Upheld whistleblowing reports on non-compliance with corporate governance processes.	Y	No change	0	At target	Annual	Internal Audit	0 in 2022/23	2022/23	n/a	n/a	
10 and 11	Provision of quarterly reports on MDC until closure		No change	1 a quarter until closure	At target	Quarterly	Executive reports	Report to be provided in April 2024	n/a/	Report provided in December 2023	Dec-23	Now closed, therefore completed

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Appendix 3 – Summary of information requested and major action points arising from the Middlesbrough Independent Improvement Advisory Board (MIIAB) recent meetings

Information requests	Status
Provision of further information on the process being undertaken to close Middlesbrough Development Company	Complete
Provision of information on redundancy terms and conditions	Complete
Information on the methods of engagement undertaken between the Council and Trade Unions	Complete

Major comments / action points
Setting the focus of future meetings – March meeting to include an update on delivery of cultural transformation, update on the development of the transformation programme and feedback on staff undertaken engagement by the Board
Planned programme of member engagement by the Board over the next three months to include the Mayor, Group Leaders, Audit Committee chair, Scrutiny chairs and the Chair of Constitution and member Development.
Planned engagement of the Board with external partners to be undertaken in May
The Board gave feedback on the proposed governance of the Council’s Transformation Programme. This has been reflected in the report to Executive.
Suggestion for a more ambitious target to track the volume of discretionary training accessed by members.
April Board meeting to consider a discussion item on the plans to align the work of the Board with the Children’s Improvement Board

There were a number of comments in relation to the transformation report which was subsequently considered by Executive in March, suggesting amendments to the report to clarify governance for members. The Board have also requested future information on planned resourcing of transformation and planned tracking of benefits that will need to be realised by Transformation. The Board also highlighted the importance of regular engagement with wider members to support their understanding of transformation.

Future reporting dates of the Board to Executive and Council to be confirmed once the Committee diary for 2024/25 has been agreed by the Council at the May Annual General Meeting.

The Board have formally requested the appointment of an additional subject matter expert in relation to Adults and Children's Social Care to support its understanding of the risks and opportunities

In the March 2024 Board meeting, the Board made a number of comments in relation to planned content of their first progress report to full Council. To avoid repetition, those comments are not repeated here, members should direct their attention to the report on the same agenda as this item where they are set out in detail by the Board.

MIDDLESBROUGH COUNCIL	
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Report of:	Mayor, Chris Cooke
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Submitted to:	Council
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Date:	27 March 2024
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Title:	Middlesbrough Independent Improvement Advisory Board: Second Update Report
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Report for:	Information
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Status:	Public
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Strategic priority:	All
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Key decision:	Not applicable
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Why:	Not applicable
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Subject to call in?	Not applicable
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Why:	Not applicable
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Proposed decision(s)

That Council notes the second report of the Middlesbrough Independent Improvement Advisory Board and the planned response of the Council.

Executive summary

The Board's second report sets out the background to its appointment, a summary of activity to date and a forward view on the future focus the Council should have in its improvement journey.
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1. Purpose

1.1 The Board’s first report sets out the background to its appointment, a summary of activity to date and a forward view.

2 Recommendations

2.1 That Council notes the content of the board’s second report and the planned response of the Council.

3 Rationale for the recommended decision(s)

3.1 The Council must continue to 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 The report of the Board provides an independent view of progress made to date and its expertise and advice will assist the Council in its improvement journey.

4 Background and relevant information

4.1 In September 2023 the Council appointed a discretionary Independent Improvement Advisory Board, comprised of the following members:

Name	Experience / speciality
Wallace Sampson OBE	Local authority CEO (Chair)
Ros Jones CBE	Unitary local authority Mayor / Leader
Suki Binjal	Unitary local authority Monitoring Officer
Chris Buss	London Borough and Unitary local authority Chief Finance Officer
Mark Edgell	LGA Regional Lead

4.2 The Board’s role is to provide oversight, support and challenge to the Council’s improvement and transformation journey, with particular focus on ensuring compliance with the Council’s Best Value Duty under the Local Government Act 1999, notably:

- Cultural and governance issues, including those identified through previous CIPFA and previous, and any future, external auditor reports.
- Financial sustainability, including a balanced medium-term financial strategy aligned to the Council’s Corporate Plan.

4.3 On 30 January 2024, the Council’s Best Value Notice was extended on a non-statutory basis by government for a further six months. The Notice states that during the next six months, government expects the Council to:

1. 'Continue to work with the Independent Improvement Board established in Middlesbrough to support the Council to deliver the Council’s locally led improvement strategies, organisational transformation and to monitor progress of the application of the improvement board recommendations and delivery of improvements against the serious concerns highlighted by the external auditor,

published in July 2022, around governance arrangements, and cultural and governance issues further investigated in the CIPFA review published in September 2022.

2. Continue in your efforts to deliver against your agreed action plan, accepted at full Council on 30 November 2022, at pace and to meet the set milestones and success measures established.
3. Continue in your efforts to implement cultural change, particularly in relation to the relationships between officers and members, and that this will be an important continuing focus of the Independent Improvement Board.
4. Work with the Department as you deliver on your Best Value requirement to secure the financial recovery and return to financial sustainability through setting a balanced 3-year MTFP over the period to 2026/27.'

4.4 As well as the activity contained in the notice, the Board also oversees progress by the Council towards implementing the actions arising from the Section 24 Statutory Recommendations of the External Auditor, dated 21 August 2023 and presented to Council on the 18 September 2023.

Board reports

4.5 The Board will report to Members on its view of the Council's progress against its improvement plan and the Section 24 action plan to both Executive and Council. The first report was submitted to Executive in January 2024. Appended to this report at Appendix One, is the Board's second formal report for member consideration. The next planned report of the Board will be to Executive in July.

Next steps

4.6 This second Board report makes several recommendations and comments in relation to the continued delivery of the Council's improvement plan:

- Comments in relation to the development of staff and members. Delivery of both the People Strategy and the Member Development Strategy will address comments in relation to cultural change still to be delivered.
- Similarly, there are comments in relation to the need to have a robust grip on Budgets. Measures put in place by the Director of Finance in 2023 to grip the budget and reduce the overspend, will continue to be in place during 2024/5 and have been recommunicated to all staff in March 2024.
- Board have recommended that the Council vision is revisited, in light of the transformation agenda. The Council vision was articulated in the Council Plan 2024-27 as a two-pronged approach to reflect aspirations for the town to thrive, in line with the Mayor's four priorities and associated aims, alongside the approach required to transform the organisation of 'Recover, Reset and Deliver' to support that vision. Further work is being undertaken to bring that vision to life and articulate

the target operating model the Council will adopt to support achievement of that vision.

- The Board have recommended that the Council consider whether it needs the support of the Board beyond the 12-month anniversary of its work in October 2024. Extending the work of the board to align with recruitment timescales to the Council's Chief Executive and Director of Finance posts, would enable it to support continuity from this improvement journey to business as usual. The Board has also stated its requirement for a subject matter expert to support their work in relation to Adults and Childrens services.

4.7 The Council welcomes this ongoing support and the positive nature of the Board's second report and senior managers endorse the proposal in relation to the extension of timescales for the work of the Board and the inclusion of a subject matter expert in children's and adults care. The Chief Executive will take an officer delegated decision, following this meeting to enable both these recommendations to occur.

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

5.1 Not applicable.

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

Financial (including procurement and Social Value)

6.1 The budget previously approved for the Board to run from October 2023 to October 2024 was £44,800 for the Council plus a contingency budget of £10,000, based upon the Council meeting the costs of two Board members and the Board meeting on a four-weekly basis.

The Board has proposed to move to a six-weekly cycle from May 2024 onwards. This means the proposal to extend the Board's lifespan from September 2024 through to March 2025 on a six weekly basis can be met within the existing £44,800 budget plus contingency.

The Council is currently exploring whether some or all of the cost associated with the proposal to engage and Adults and Childrens Subject Matter Expert - from May 2024 to March 2025 on an estimated two days a month - can be met from the Local Government Association. At the time of writing this is subject to confirmation, with the expectation that this information will be available by the meeting. If this is not the case, the Council will charge these costs to the Contingency Fund, using an Officer Delegated decision to process this.

Legal

6.2 There are no direct legal implications as a result of this report.

Risk

6.3 If the Council fails to respond effectively to the issues identified in the Corporate Governance Improvement Plan and the Section 24 delivery 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

6.4 Not applicable.

Climate Change / Environmental

6.5 Not applicable.

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

6.6 Not applicable.

Data Protection / GDPR

6.7 Not applicable.

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

6.8 The Chief Executive will issue revised appointment letters to the Board to reflect the content of this report and the enact the appointment of the additional subject matter expert.

Appendices

1	Middlesbrough Independent Improvement Advisory Board: Second Update Report
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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
Executive	First Quarterly Report of the Middlesbrough Independent Improvement Advisory Board	17 January 2024
Audit Committee	Corporate Governance Improvement Plan and Section 24 Action Plan progress report	1 Feb 2024
Audit Committee	Corporate Governance Improvement Plan and Section 24 Action Plan progress report	14 March 2024

Contact:

Ann-Marie Johnstone, Head of Governance, Policy and Information
Ann-marie_johnstone@middlesbrough.gov.uk

Appendix 1: Corporate Governance Improvement Plan: measures of success

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

Cultural Transformation Page 159

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
Page 161	2024/25 revenue budget is balanced and maintained during 2024/25	n/a	n/a	n/a	n/a	n/a		n/a
	90% of projects within the programme, once launched are on track	n/a	n/a	n/a at this stage	n/a	n/a		
	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		
6	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
	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

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**Middlesbrough Council Independent Improvement Advisory Board:
Second Update Report
March 2023**

PURPOSE

1. This is the second report of Middlesbrough's Independent Improvement Advisory Board (MIIAB); the first to Full Council.

BACKGROUND

2. At the invitation of the Council, and in association with the Local Government Association, the MIIAB was established in October 2023. It is a non-statutory Board which brings together independent expertise from across the sector.
3. The Board was established to provide oversight, support and challenge to the Council's improvement and transformation journey. This includes a focus on helping the Council ensure compliance with its Best Value Duty under the Local Government Act 1999; particularly around:
 - 3.1. Cultural and governance issues, including those identified through the previous CIPFA review, progress towards implementing the actions arising from the Section 24 Statutory Recommendations of the External Auditor and any future external auditor reports.
 - 3.2. Financial sustainability, including a balanced medium-term financial strategy aligned to the Council's Corporate Plan.
4. As set out in its Terms of Reference, the MIIAB will provide a written report on its activity, quarterly. At the first quarter this was to the Council's Executive. In line with the agreed timetable, this second quarterly report is provided to Full Council.
5. It should be noted that matters around Children's Services remain the responsibility of the Middlesbrough's Children's Improvement Advisory Board.
6. Underpinning the Council's improvement journey is a formal 'Best Value Notice' issued by the Department for Levelling Up Housing and Communities (DLUHC) on 24 January 2023. Within the Notice, it is clear that a failure by the Council to demonstrate continuous improvement may be judged to contribute to Best Value failure and the Secretary of State will consider using his statutory powers as appropriate.
7. That Best Value Notice was re-issued/renewed by DLUHC on 30 January 2024, for 6 months. The Notice says they expect: "the Council to:
 - Continue to work with the Independent Improvement Board.....
 - Continue efforts to deliver against your agreed action plan, accepted at full Council on 30 November 2022, at pace and to meet the set milestones and success measures established.
 - Continue efforts to implement cultural change, particularly in relation to the relationships between officers and members.....
 -deliver on your Best Value requirement to secure the financial recovery and

return to financial sustainability through setting a balanced 3-year MTFP over the period to 2026/27.”

8. The fact that DHLUC has extended the Best Value Notice for a further six months is significant. On the one hand this can be seen as a positive reflection of the improvement that the Council has made since the original notice was issued in January 2023 – DLUHC stated that ‘the Council has worked effectively with the Department setting out and implementing a range of improvement measures to effectively address the identified concerns’. On the other hand, a six-month timeframe is relatively short. It therefore puts pressure on the Council to continue to deliver improvement at pace, if the government is to remove the Best Value Notice in the summer, rather than consider more formal forms of statutory intervention.

ACTIVITY TO DATE: OCTOBER 2023 – MARCH 2024

9. The Board has met, formally, 6 times. Through these meetings the Board has engaged with key elected politicians and officers at Middlesbrough Council, including the: Mayor, Executive, Interim Chief Executive, Leadership Management Team (LMT), Head of Financial Planning and Support, Head of Governance, Policy and Information, Head of Strategy, Business and Customer, and Chair of Middlesbrough’s Children’s Executive Improvement Board (CEIB), Group Leaders, the Trades Unions, Heads of Service, middle and frontline staff.
10. In addition to the Formal Board meetings, activity has included:
 - 10.1. Meeting regularly (informally) to discuss and consider the progress the Council is making regarding its improvement journey.
 - 10.2. Holding a meeting for all Middlesbrough elected members.
 - 10.3. Observing public council committee meetings online.
 - 10.4. Regular contact between the MIIAB Political Peer and Middlesbrough Mayor.
 - 10.5. Regular meetings between the MIIAB Chair and Middlesbrough’s Interim Chief Executive.
 - 10.6. Regular meetings between the MIIAB Governance Lead and Middlesbrough’s Director of Legal and Governance Services.
 - 10.7. Regular meetings between the MIIAB Finance Lead and Middlesbrough’s Interim Director of Finance.
 - 10.8. Offering support, including mentoring, for members of the Executive and LMT, transformation expertise, Childrens Services, Adults Services, team development and organisational re-design.
 - 10.9. Providing an anonymised channel of communication for elected members.
11. The Board is grateful for the constructive and open way the Council, at all levels, has engaged with it.
12. Given the critical point in the financial cycle, the Board has, so far, had a particularly strong focus on the Financial Recovery and Resilience workstream including the emerging proposals for transformation.

OVERVIEW

13. From what the Board has heard and seen, it is evident that there are many dedicated, and hard-working elected members and officers focused on moving the Council forward on its improvement journey. With Phase Three of the Council's Corporate Governance Improvement Plan and Section 24 Action Plan agreed in September 2023, the Board recognises that significant and broad activity has been undertaken, over several months, by the Council on its Cultural Transformation, Financial Recovery and Resilience workstreams. It has done all this alongside day-to-day delivery.
14. The progress has been against a backdrop of significant organisational changes, with a new Mayor and a change of political control in May 2023. Since the Best Value Notice was issued there have also been new people in the roles of Chief Executive, Finance Director, and Director of Childrens Services. This inevitably has meant a period of orientation and reset, but the Board have heard that it has also heralded better relationships, a clearer acknowledgement of the issues needing to be addressed, and fresh impetus and ideas with which so to do.
15. The positive steps taken, and progress made around governance, culture, and financial management are to be commended. Progress, however, is inevitably at an early stage, and therefore not yet embedded.
16. Indeed, there remains much still to do, including to tackle the scale of the financial challenge. Middlesbrough Council's financial position is critical. The Council has been successful in an application to Government for Exceptional Financial Support. This will not in itself solve the Council's budget, as it doesn't give the Council any additional money, but it does give the Council a bit more time to make structural reductions to its budget. The Council is planning to do this largely through what it has termed its Transformation Programme.
17. In our first update report we identified a number of areas of focus for the Council as it looked ahead. These were:
- Continue to have a relentless focus and pace in identifying financial savings.
 - Ensure the robustness of business cases coming into the transformation programme to ensure they are deliverable.
 - Establish at pace a clear vision for Middlesbrough as a place and organisation.
 - Build on good progress made in establishing positive relationships between members and officers.
 - Ensure that all elected members can engage with the Council's improvement programme.
 - Focus on aligning and implementing the key cultural change strategies and processes.
18. It is the view of the Board that the Council has listened to the above suggestions and has worked positively to ensure that they are embedded in its improvement plans.

THE COUNCIL'S IMPROVEMENT JOURNEY FROM HERE

19. As the Council moves from "recovery" through to "reset" and on to "delivery", the Board considers that there are 4 main areas on which the Council needs to focus to move from

where it is now, to a situation where it is financially stable, sound in terms of governance and culture and safely away from the risk of government intervention. In other words, to a sustainable, fit for purpose Council. These 4 areas are: culture change, financial strength, transformation, transition to “normal.”

CULTURAL CHANGE

20. The development, in recent months, of key cultural change strategies, policies and training programmes should be commended. This has included agreement of a Member Development Strategy, corporate governance training programme, a new appraisal process for staff, as well as the development of a People Strategy. These will be important vehicles through which to drive the cultural and behavioural change the Council wants and needs to see.
21. The existence of these statements of intent, however, do not, in themselves, directly lead to meaningful change. Alignment, implementation and embedding of these strategies will be critical to ensure they translate into tangible change in practice. The Council is moving in the right direction, but there is still a way to go. As with any organisation, cultural change takes time to embed and needs to be constantly reinforced and supported.
22. It will be important to ensure that all elected members can engage with the Council's improvement programme and understand their role within it. Indeed, generally, there is a need to do a lot more work on the elected member side. There are still a small number of members who are unwilling to put the past behind them and are demonstrating negative behaviours. Everyone elected to the Council has a personal responsibility to ensure their own actions are consistent with taking Middlesbrough forward.
23. To help them in this, the Council should ensure that the existing Member Development Strategy, which was put in place during the improvement journey, addresses these points to ensure politicians are even clearer on roles, positive behaviours and are building respect and relationships. Members need to show personal commitment to attending the training provided.
24. The Council has more to do, too, in supporting members in their roles. Officers conducted a workshop to understand needs from a revised Members' Enquiry process. The Board has, however, heard clear frustrations as to how elected members' queries continue to be responded to. Resolving this, by officers, as a priority will be important in ensuring members are able to carry out their roles, and in establishing expected behavioural norms within the wider workforce. A revised and effective approach to members' enquiries should be implemented as soon as possible.
25. The Board has heard that relationships between elected members and officers have improved significantly since the issuing of the Best Value Notice in January 2023. We are aware that the Mayor, Executive and LMT have worked hard to establish positive relationships, behaviours and norms based on the Nolan Principles. However, the Board has also heard that legacy issues around trust, behaviours and understanding roles and responsibilities are still impacting across the Council.
26. Whilst recognising the significant good work that has happened to date, further steps to

establish positive relationships and norms in roles and responsibilities between elected members and officers will be important. Undertaking a programme of top team development for the LMT with the Executive (embedded within the People Strategy) should further progress understanding of respective roles and responsibilities. It could also help develop the resilience of relationships necessary to support the Council through future challenges and difficult decisions. How the organisational values are 'lived and breathed' is something the Board will be keen to explore – and see evidence of - as the Council continues its improvement journey.

27. There is, additionally, a need to develop the Leadership and Management Team, themselves, into a cohesive, proactive, effective team of, well, corporate leaders. Again, we will expect to see this reflected in the People Strategy.
28. An important action within the Corporate Governance Improvement Plan is to ensure that arrangements are put in place for stable and sustainable leadership of the organisation. Notwithstanding the interim nature of some key leadership positions, the Board recognises the stabilising influence that these senior appointments have brought to the organisation. This has brought benefits in terms of leadership and direction, and if carefully managed should enable the Council to have an orderly transition to more permanent arrangements in the future. The Board commends the Council for agreeing a clear programme of activity towards the permanent recruitment of key leadership positions commencing this Autumn, extending the current contracts for the CEO and S151 officer to March 2025
29. More generally, through the People Strategy, it will be important to develop the corporate health, focus, cohesion, and capacity of the wider organisation. Much of this could be done through a values-based development programme for all staff. The Board is supportive of the Council's plan to conduct a full staff survey through which to establish a baseline and from which you can assess the impact of your current initiatives.
30. In terms of cultural change, the Council have developed and agreed many strategies, but the Board have yet to see many of the actions that will deliver the intended and necessary results. Translating strategy into actions and in turn into results is a big issue for the Council. With these various strategies at an understandably early stage in terms of delivery, this will be something the Board will be keen to explore further in the coming months.

FINANCIAL STRENGTH

31. It is evident to the Board that the Council acknowledges the scale of the financial challenge and is undoubtedly working hard to improve the budgetary position. Meaningful progress has been made in reducing the 2023/24 overspend, which in October stood at £7.4m and is, at the time of writing, now down to £4.8m. This remaining overspend will still need to be met from reserves which will be replenished either in part or in full by the release of an over provision for bad debt in respect of Council tax collection. This is a one-off scenario. Whilst the Council will benefit from this, it is important the whole Council is explicitly clear that this cannot be repeated.

32. For Middlesbrough Council to become financially sustainable, it is essential that all Departments, identify and deliver on savings going forward. The agreed MTFP for 2024/5 to 2026/7 contains savings proposals of £13.91m for 24/25 rising to £21.03m by 2026/27. Even with the proposed level of savings there is a cumulative budget gap of £7.414m. With critically low levels of reserves the Board is clear that the Council needs to continue to have a relentless focus on identifying and delivering financial savings to ensure financial resilience in future years.
33. The Council has consulted on its 2024/25 budget and, following this, some proposed budget reductions have been removed or deferred. However, given the low level of reserves, the remaining gap in the budget has meant the Council has had to apply for Exceptional Financial Support from the Government. This has been provisionally awarded in the sum of £13.4 m. The 2024/25 budget has only been balanced as a result of this. This is a one off and effectively buys the Council time to get the Council onto a sustainable level in future years.
34. Your structural budget deficit needs to be closed. The Council will start the new financial year with a gap that will effectively be funded by the government Exceptional Financial Support. Middlesbrough needs to close the gap by bringing down its spending and is heavily reliant on its Transformation Programme to deliver those savings.
35. The Transformation Programme is itself reliant upon the generation of Capital receipts which will be used to fund the Programme. The Council will need to find some £13.7m in receipts in 2024/5 and a further £12.9m over the subsequent two years. In the absence of receipts being achieved then these transformation costs will need to be met from revenue which would further increase the requirement for budget savings.
36. The Board notes that the generation of the receipts is a work stream in the Transformation Programme. We would encourage the Council to review how they will generate the required level of receipts in a timely and effective manner.
37. The Council has agreed a capital programme for the period 2024/5 to 2026/27 which amounts to almost £175m. This includes the costs of the Transformation Programme and the Exceptional Financial Support. After these are removed, the Council has a programme of almost £135m of which almost £53m will require recourse to borrowing and £18m from Capital receipts (over and above those required for the Transformation Programme.) The revenue costs of this and the Exceptional Financial Support will add over £3m to the base revenue budget and will increase debt financing to 9.8% as a percentage of net revenue budget, up from 7.8% in 2024/25. The Board is of the view that the Council-funded element of the capital programme should be further reviewed to reduce the impact of capital financing on revenue costs.
38. Finally, the Council needs to further develop and maintain far stronger financial discipline throughout the year to ensure any tendency to overspend the agreed revenue budgets is dealt with quickly. It should continue to apply strict and effective financial controls on agreed expenditure as well as maximising income collection as a matter of course. The authority should ensure that, beyond the Transformation Programme, it controls and reduces demand for service spend.
39. You must have strong financial control right from the start of the financial year. The

Council needs to have a good start to the 24/25 budget and the Transformation Programme needs to remain focused and operate at pace to deliver effectively.

TRANSFORMATION

40. The Council is developing an intensive transformation and service redesign activity with the assistance of Inner Circle Consulting. This is producing an overarching Transformation Programme linked to the MTFP. Ensuring the robustness of the business cases coming forward as part of the Programme – and mitigating against risks of optimism bias – will be critical in ensuring the savings identified are realistic and deliverable. The Transformation Programme needs proper governance, capacity and capability to deliver. The Council will need to develop its own internal capability and capacity to take over as Inner Circle pare away.
41. The Transformation Programme is essential to Middlesbrough's future. If it doesn't succeed there is a significant risk that the Council will fail financially, and this will precipitate external intervention.
42. Being the largest elements of the Council's budget, Childrens and Adult Services will be important planks within the Transformation Programme. They must contribute at least their fair share of reductions. There is evidence that elements of both services are spending more than those in comparable councils. Transformation within Childrens Services will be of relevance to the Department for Education (DfE) mandated Middlesbrough Children's Improvement Board.
43. The MIIAB have been encouraging the Council to establish a clear vision for Middlesbrough as a place and Middlesbrough Council as an organisation. The Council has made progress on this. Having a vision will set out how the Council's ambitions can link together – and drive – the transformation, cultural and financial change Middlesbrough is seeking to achieve. This vision will also help take councillors, staff, and communities on the journey with the Council. Whilst a vision for Middlesbrough is articulated in the recently published Council Plan, the Council will wish to revisit it in parallel with the development of the Transformation Programme aims and objectives.
44. The Transformation Assurance Board will be the way members can provide oversight and drive to the Transformation Programme. There will be a direct link from that Board to the Executive and Council. To enable the Mayor to take on the crucial role of Chairing the Transformation Assurance Board the Board would support any plans he might have to slim down his existing, extensive, portfolio.

TRANSITION TO NORMAL

45. The Council needs to look to change the way it works. We do not believe you can come out of intervention and move forward purposefully until things do change. You need to move towards a new way of working, one with permanency at the top. There is some important work to ensure that the wider reorganisation planned as a result of transformation aligns with any changes to the management structure and the future operating model for the organisation. The Council will also need to ensure it has the

appropriate capacity and capabilities in the right places, including HR, Organisational Development, finance, and transformation. The Board will want to support and challenge your steps to become a “normal” council.

46. At present, the Council is having to react to issues. It needs to get ahead of things and be making its own weather. The Board are encouraged by the green shoots across the Council. Alongside the comprehensive Improvement Plan, these provide a platform from which to drive forward. The Board would encourage Middlesbrough Council not to lose pace and focus. It is early days, but it needs to deliver quickly and sustainably. Its plans need to embed positive cultures and behaviour changes to ensure its improvement journey is realised, is sustainable and is resilient and it becomes that “fit for purpose” Council.
47. The Council has committed to undertaking an LGA Corporate Peer Challenge as part of its improvement journey as part of it evidencing its progress.

FUTURE BOARD WORKING

48. The Board has so far focussed more on the Council’s financial situation and the emerging Transformation Programme, than cultural change. This is partly a product of the Board having been in place during the budget setting period, but also because this has been the most pressing issue risking tipping the Council over. The Board now needs to up its oversight of cultural change, as this is what will take the Council towards a sustainable and successful future. But the Board will not lose sight of the authority’s financial challenges and what it is doing to meet them.
49. The Board also intends to look at the Council’s partnership working, including regional and sub-regional relationships.
50. The Board, in conjunction with key people at the Council, has undertaken its planned six-month review. As a result of this and given the importance of transformation of the Council’s people services, the Board intends to bring on some expertise in Childrens and Adults Services. The Board also intends to reduce the frequency of its meetings from a monthly cycle to a six-weekly cycle in order to release council capacity away from supporting the Board and towards supporting its improvement work.
51. The Council’s Best Value Improvement Notice will expire in July 2024. DLUHC will no doubt consider at that stage what action, if any, to take regarding further oversight or intervention. The Council’s plan to have a new Chief Executive Officer and Chief Finance Officer in post after March 2025 also mean the Council will remain in a degree of transition until that stage. The original intention was for the MIIAB to be in place for approximately 12 months from October 2023. With the timescales ahead the Council will want to consider whether it needs the support of the Board beyond the 12 months anniversary in October 2024.