

OVERVIEW AND SCRUTINY BOARD

Date: Wednesday 20th December, 2023
Time: 4.30 pm
Venue: Mandela Room

AGENDA

1. Apologies for Absence
2. Declarations of Interest
3. Minutes - Overview and Scrutiny Board - 15 November 2023 3 - 8
4. Executive Forward Work Programme 9 - 26
5. Council Plan 2023-24 27 - 44
6. 2024/2025 Budget and MTFP Refresh 45 - 108

The Mayor and Executive Member for Finance and Governance will be in attendance to present the Council's Budget for 2024/25 and the refresh of the Medium-Term Financial Plan.

The papers for this agenda item will also be considered by Executive on 20 December 2023 at 12.30pm. As such, any amendments made at the Executive meeting will be verbally noted at the meeting of OSB.

7. Final Report of the Health Scrutiny Panel - Dental Health and the Impact of Covid-19 109 - 136
8. Scrutiny Chairs Update
9. Any other urgent items which, in the opinion of the Chair, may be considered.

Charlotte Benjamin
Director of Legal and Governance Services

Town Hall
Middlesbrough
Tuesday 12 December 2023

MEMBERSHIP

Councillors M Storey (Chair), J Kabuye (Vice-Chair), J Banks, I Blades, E Clynch, S Dean, J Ewan, M McClintock, J Platt, J Ryles, M Smiles, J Walker and J Young

Assistance in accessing information

Should you have any queries on accessing the Agenda and associated information please contact Scott Bonner, 01642 729708, scott_bonner@middlesbrough.gov.uk

OVERVIEW AND SCRUTINY BOARD

A meeting of the Overview and Scrutiny Board was held on Wednesday 15 November 2023.

PRESENT: Councillors M Storey (Chair), J Kabuye (Vice-Chair), J Banks, I Blades, E Clynch, S Dean, J Ewan, M McClintock, J Platt, M Smiles, J Walker and J Young

PRESENT BY INVITATION: Councillor N Walker (Executive Member for Finance and Governance)

OFFICERS: S Bonner, A Johnstone and A Perriman

APOLOGIES FOR ABSENCE: Councillors J Ryles

23/31 **DECLARATIONS OF INTEREST**

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

The Chair welcomed Councillor Jackie Young to the Overview and Scrutiny Board following her being elected to Council.

23/32 **MINUTES - OVERVIEW AND SCRUTINY BOARD - 18 OCTOBER 2023**

The minutes of the Overview and Scrutiny Board meeting held on 18 October 2023 were submitted and approved as a correct record.

The Chair thanked the Vice Chair for taking the Chair in his absence at the last meeting.

23/33 **EXECUTIVE MEMBER UPDATE - FINANCE AND GOVERNANCE**

The Chair welcomed the Executive Member for Finance and Governance and invited her to present her information. The Executive Member advised the Board that while she was elected in 2023, she had previously held similar portfolio responsibilities between 2003 and 2015.

The Executive Member outlined her personal targets for her portfolio, with the main target being the avoidance of issuing a Section 114 Notice. The Council's ability to issue a Section 114 Notice was found in the Local Government Finance Act 1988 with reasons including the current year's expenditure exceeding available resources or the inability for the Council to set a balanced budget. It was clarified there was no procedure in law for the Council to declare itself bankrupt.

A Section 114 Notice was not a silver bullet solution to budgetary problems, and it should be avoided. Issuing a Section 114 Notice would also remove significant amounts of autonomy from the Council. The Council was duty bound to perform its statutory duties but there was no requirement to perform those duties in a particular way. If a Section 114 was issued the Council would only retain minimal levels of expenditure to meet statutory duties and it would need to create a financial recovery plan. If the Council issued a Section 114 Notice the Government would set the Council's budget, which for other authorities, had resulted in cuts to services and the sale of assets.

The Executive Member highlighted a comment made by the Chief Executive of the Local Government Information Unit. They stated while government commissioners could turn a Council's finances around the cure could be brutal. It was valued by the community but non-statutory that would likely be cut first, such as community centres, libraries, and cultural related services. Such cuts would also likely be made to preventive services.

The cost of government commissioners was £1100 per day, per person plus expenses which would be borne by the Council. In some cases where Section 114 Notices had been issued the government had allowed Councils to raise their Council Tax levels above prescribed limits. Examples included Croydon that had raised its Council Tax levels to 15%.

At this point, the Executive Member invited questions from the Board.

As the Street Wardens were funded from a separate grant, a Member queried if commissioners could cut this service, if they were brought in. It was clarified that while the Street Wardens were funded by grant for this financial year, they would need to be put in scope of the general budget next financial year. It was also clarified that Street Wardens were not a statutory service. The Member also queried if a grant was ring fenced could this be cut. This was unlikely as doing so would serve no financial advantage. However, if grants were not being used for specific purposes this would need to be classed as growth in the budget.

A Member queried if preventative services had a significant budget. This was confirmed but also that any cuts to those services would be a false economy. It was also asked if cuts would equate to job losses. This was also confirmed as the Council's largest spend was on staff. Where Section 114 Notices had been issued there had been significant job losses.

A Member commented that, in the event a Section s114 notice was issued, staff would be given a statutory redundancy notice only. While this could be not confirmed the Executive Member commented it would be highly likely. She also commented the Council currently prioritised and retained control of any savings it had to make. This was preferable to outside bodies making such decisions for the Council.

A Member queried how likely issuing a Section 114 Notice was. The Executive Member commented it could not be ruled out, but the prospect was less likely due to the ongoing work to reduce the budget overspend for 2023/24. However, next financial year would be more difficult, and it was more likely the Council would seek exceptional financial support. The Council was also awaiting the announcement of the Autumn Budget Statement, but the Local Government settlement would not be known until just before Christmas 2023. There were several actions required to bring the budget into balance, some of which depended on the success of planned transformation programmes. However, the biggest financial risk to the Council was Children's Services, and any shocks in that area could have significant implications for the overall budget.

It was asked what plans were being put in place in the event a Section 114 Notice was issued. It was clarified plans were being drawn up to avoid a Section 114 Notice at all costs, and that the Council would not benefit from issuing a Section 114 Notice. A conversation took place regarding how cuts to local government over the preceding 13 years had impacted the current financial situation. It was commented that while demand costs were increasing, previous cuts had played a role in the current situation.

The Executive Member continued with her presentation.

From a national perspective, The Levelling Up Committee had stated that Section 114 Notices were no longer idiosyncratic but more systematic. It was increasingly the case that funding was unable to cover local authority costs. Half of all Councils stated they would be in financial distress in the next two years. Adult and Children's Social Care were the largest areas of spend and the Board was presented with the so-called Barnet Graph of Doom that tried to illustrate how spending on social care would overtake all other aspects of spending.

From a local perspective, Middlesbrough had seen a 46% reduction to its finances since the changes to the local government finance system in 2013/14. Other factors that affected Middlesbrough's financial position included a low Council Tax base, with more than 50% of houses being in Bands A or B as well as the fact Middlesbrough was the 5th most deprived authority in England.

The Council also had critically low levels of reserves, such as its usable earmarked reserves, which were usually used to cushion overspends. These had been reduced from £16 million to £4 million between 2019 and 2023 and had not been replenished. This left a total of £14.829 million in unrestricted revenue reserves.

At this point the Executive Member invited questions from the Board.

A Member queried if the reduction in income from government had considered inflation. It was confirmed that if inflation had been considered the reduction would have been more than 50% rather than 46%.

A discussion took place about the Council's reserves levels. It was discussed that while the Council's reserves had increased slightly during the Covid-19 pandemic the monies received during that time were for activities associated with this. It was also discussed that the reduction in the levels of reserves was due to attempts to balance the budget. Members also discussed the relatively low Council Tax base for Middlesbrough as opposed to neighbouring authorities such as Stockton. If Middlesbrough had a higher Council Tax base this would have mitigated the impact of reduced income from government.

It was asked why the Council's reserves had been so heavily depleted since 2019. It was confirmed that as the Executive Member was not a Councillor between 2019 and 2023, she could not comment.

At this point the Executive Member continued with her presentation.

The Executive Member outlined the budget setting process and the reasons CIPFA had been invited to work with the Council. It was noted this action indicated there was problem with the Council's budget profiling.

With regards to the Quarter Two outturn overspend projections, this had been reduced by £3million to £8.5 million. However, it was commented that current service delivery models were incurring annual expenditure more than the Council's income. Overall, if the current projected overspend of £8.5 million was not reduced this would be added to the expected budget gap of £14.2 million for 2024/25.

There were several actions being undertaken to ensure the Council operated within budget. These included vacancy control panels, a review of the Council's fees and charges and monthly budget challenge sessions that were chaired by the Executive Member. While the challenge meetings had been operated prior to 2019 they had been reintroduced. The challenge sessions identified budget issues and challenged any overspends. The Executive Member also met with Directors on a regular basis and attended the weekly Policy Development Group. The Executive Member also commented that the Independent Improvement Advisory Board provided useful challenge and that she was taking responsibility for making tough decisions.

One of the primary goals in setting the budget was to undertake transformation activities rather than salami-slicing the budget. The Council was also required to heed the statutory recommendations put forward by the external auditor, EY. These recommendations included a need for Transformation, a need to bring expenditure in line with income and to manage service demand. There was the possibility of stopping some services and replenishing reserves as part of this process. It was also highlighted that approaching the government for exceptional financial support was a last resort which could result in the Council receiving the support, having it refused or receiving a lower amount that requested.

At this point the Executive Member invited questions from the Board.

A Member queried if the email for budget suggestions was in operation as this had been mentioned during the Chief Executive's update. It was confirmed the email was in operation and that an email for Members to suggest budget suggestions had also been created. The Executive Member had emailed all Members to remind them of this and reassured the Board that all suggestions were being examined. A Member queried to what extent other Councils were being examined as areas of best practice. It was commented that suggestions had been made to examine how other Councils were operating. For example, the Independent Improvement Advisory Board had suggested that in other Council areas the Library Service had utilised volunteers to help run libraries, and in a wider capacity. It was also confirmed that Council officers had visited different authorities to understand how some services had been brought back in house.

It was also commented the Council had engaged a consultancy firm, Inner Circle, who had experience in helping Councils facing financial difficulty. This would be for a short-term period.

Members also discussed the possibility that some officers may have been working to improve services while those services may already be excellent. As such the Council needed to ensure it was changing only those areas it needed to change which could potentially mitigate the need for cuts across a wide area. The Executive Member clarified there were various online tools that

allowed comparisons to be made between Middlesbrough and other Councils. Such tools provided insight into spending patterns between Councils.

Based on the number of Section 114 Notices being issued, a Member queried how much effort was being made to seek exceptional financial support. It was confirmed such dialogue was being undertaken between the Department for Levelling Up, Communities and Housing and Council officers. It was also reiterated that if the Council could not set a balanced budget it was required to approach the government for additional financial assistance, but the closer the Council got to balancing the budget the more likely it was it would receive financial support if requested.

Members discussed the fact that Children's Services was a high spending area and that resources should be spent in areas that enabled families to help themselves. The Executive Member commented that in the financial year 2023/ 2024 an additional £17million had been put into Children's Services budget. Previously, any overspend in Children's Services had been met with additional budget. Carrying out transformative work would, potentially, enhance early intervention that could see reduced overspends going forward. It was also discussed that some placements for Children were expensive, and consideration should be provided to bring care homes back in-house. It was commented that Middlesbrough was out of step on this issue and such a move was required.

A Member queried what timeframes were involved for the transformation process. It was clarified this was ongoing but there were some deadlines for the financial year 2024/ 25.

The Executive Member continued with her presentation.

One of the recommendations made by the external auditor was a need for improved Culture. Progress against this action included improved working relationships between the Mayor, Executive Members and Officers as well as Training Programmes that encouraged interaction between Members. The Executive Member thanked Members for their efforts in improving collaboration. Transparency had also been improved with the development and delivery of briefings on finance and other matters.

The Board was advised that a Member briefing would be taking place on 12 December which was the same day the budget proposal report was published.

The Chair thanked the Executive Member for her presentation and stated he looked forward to OSB receiving and considering the budget proposals at its meeting on the 20 December.

Agreed: That the information presented be noted

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EXECUTIVE FORWARD WORK PROGRAMME

The Chief Executive submitted a report which identified the forthcoming issues to be considered by the Executive, as outlined in Appendix A to the report. The report provided the Overview and Scrutiny Board with the opportunity to consider whether any item contained within the Executive Forward Work Programme should be considered by the Board or referred to a scrutiny panel.

A Member queried whether the Board would get chance to consider the Asset Review as it had long-term implications for the Council. The Chair clarified this would be considered as part of the Budget Proposals when they were presented to OSB at its meeting on 20 December.

AGREED that:

- That the Asset Review be referenced as part of OSB's consideration of the budget proposals;
- The information, as presented, be noted.

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SCRUTINY CHAIRS UPDATE

The Chair of OSB invited individual Scrutiny Panel Chairs to provide their updates:

Adult Social Care and Services

The Chair of the Panel apologised for her absence from recent meetings and thanked the Panel's Vice Chair for assuming the role of Chair in her absence. Members were advised the Panel would no longer be reviewing hospital discharge and would instead be reviewing preventative services. This review would examine helping people remain in their own homes as Middlesbrough had previously relied on care home provision. Allowing people to remain in their own homes was better both for individuals and the Council.

Children's and Young People Scrutiny Panel

The Panel had received information from South Tees Safeguarding and would be looking closely at school attendance as the main topic for the Panel.

Environment

The Chair of OSB presented the update in the Chair of the Panel's absence. The Panel had met on 13 November during which officers from Environment Services had provided further information around recycling, including the amounts and types of recycling collected. At the meeting the Vice Chair of the Panel provided an update regarding the Crustacean Deaths Collaborative Working Group and the Panel agreed its Terms of Reference for its review. The Panel's next meeting was scheduled for 11 December.

Health

The Panel's next meeting was the 20 November at which Professor Tim Thompson would be attending as guest speaker in relation to the Panel's review into free dental care. In addition, representatives from Health Watch would be attending to provide information about local population views on accessing NHS dentistry as well as the impact of Covid-19.

Regeneration

The Panel met on 1 November and received an update from the Planning Advisory Service in relation to planning capacity in Middlesbrough. The Planning Advisory Service was part of the Local Government Association that aimed to help implement changes in the Planning system. An issue for Middlesbrough was the possibility of receiving a Designation on Planning which could be viewed as a failure. This would be known during the first week in January. About 10 Councils per year were designated, and when this happened Councils had two weeks to respond. The Panel also received a verbal update on the Local Plan with the Panel's next meeting being on the 6 December.

A Member queried if the Designation was due to the speed applications were being processed. It was clarified the Council was complying with government standards and timescales for all application types other than large applications. For large applications the Council was slightly under the required target. In the event the Planning Service was put into special measures the Council would continue to process applications, but any resulting fees would be claimed by the government.

AGREED that the information presented be noted.

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

None.

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Report of:	Chief Executive
Submitted to:	Overview and Scrutiny Board – 20 December 2023
Subject:	Executive Forward Work Programme

Summary

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

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

Contribution to delivery of the 2021-24 Strategic Plan		
People	Place	Business
Open and transparent scrutiny supports all elements of the Mayor’s Vision.	Open and transparent scrutiny supports all elements of the Mayor’s Vision.	Open and transparent scrutiny supports all elements of the Mayor’s Vision.

Ward(s) affected
All Wards affected equally

What is the purpose of this report?

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

Why does this report require a Member decision?

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

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

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

What decision(s) are being asked for?

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

Other potential decisions and why these have not been recommended

No other options were considered.

Impact(s) of recommended decision(s)

Legal

Not Applicable

Financial

Not Applicable

Policy Framework

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

Equality and Diversity

Not Applicable

Risk

Not Applicable

Actions to be taken to implement the decision(s)

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

Appendices

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

Background papers

Executive Forward Work Plan

Contact: Scott Bonner
Email: scott_bonner@middlesbrough.gov.uk



Forward Plan 12 December 2023 - 31 December 2023

FOR THE PERIOD 5 MAY 2023 TO 31 DECEMBER 2023

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Council Strategy	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
The Mayor and Executive Member for Adult Social Care and Public Health							
TD17349 All Wards	Public Health Strategy and Grant Allocation The Public Health Strategy outlines the key priorities for public health over the next 3 years giving clarity to the public health outcomes that will be delivered through the programme approach. The Strategy will outline	Executive 20 Dec 2023		KEY	Public		The Mayor and Executive Member for Adult Social Care & Public Health <i>Mark Adams, Director of Public Health - South Tees</i> <i>mark_adams@middlesbrough.gov.uk</i>

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Council Strategy	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
	the principles and processes for the allocation of the public health grant and how each directorate can support the achievement of the public health outcomes underpinned by an SLA						
P 017581 All 12 wards	South Tees Changing Futures Programme – Extended Funding To seek approval for Middlesbrough to accept ‘boost funding’ to enable the continuation, as lead organisation, for the South Tees Changing Futures Programme for the period of one additional year – from April 2024 – March 2025. To also seek approval to undertake activities with this	Executive 20 Dec 2023		KEY	Public		The Mayor and Executive Member for Adult Social Care & Public Health <i>Jonathan Bowden</i> <i>Jonathan_Bowden@middlesbrough.gov.uk</i>

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Council Strategy	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
	funding that are over the procurement value threshold.						
Deputy Mayor and Executive Member for Education and Culture							
I017405 All Wards Page 13	Annual Update: Standing Advisory Council on Religious Education (SACRE) To provide an update to members with an update of work undertaken by Standing Advisory Council on Religious Education (SACRE)	Executive 17 Jan 2024			Public		Deputy Mayor and Executive Member for Education and Culture <i>Karen Smith</i> <i>karen_smith@middlesbrough.gov.uk</i>
I016303 All Wards	Digiwise Project - Foster Care and Supported Lodgings Wifi and Internet Use Policy Adoption of council wide policy and approval of recommendations to be agreed for all residential and foster care settings.	Executive 14 Feb 2024			Public		Deputy Mayor and Executive Member for Education and Culture <i>ralph jordinson</i> <i>Ralph_jordinson@middlesbrough.gov.uk</i>

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Council Strategy	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
Executive Member for Children's Services							
1017591 All Wards Page 14	Shift Partnership Proposal To seek approval of a new three-year partnership with SHiFT, a youth justice charity, that will create a new SHiFT Practice hosted by Children's Services within the Council. The Practice will work intensively across two, 18-month Programmes with children caught up in, or at highest risk of, cycles of crime and exploitation. The costs of the partnership are supported by funding SHiFT has secured from the Department for Levelling Up, Housing & Communities,	Executive 20 Dec 2023		KEY	Public		Executive Member for Children's Services Joe Tynan joe_tynan@middlesbrough.gov.uk

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Council Strategy	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
	alongside investment from the Council.						
I015473	Approval for Consultation on the Draft Statement of Licensing Policy 2023-2028 and Cumulative Impact Assessment	Executive 14 Feb 2024		KEY	Public		The Mayor and Executive Member for Adult Social Care & Public Health <i>Judith Hedgley, Head of Service - Public Protection</i> <i>judith_hedgley@middlesbrough.gov.uk</i>
Executive Member for Community Safety							
I017604 All Wards	Save and Legal Routs - Refugee Resettlement Needs political support to extend the current pledge and open to emerging global issues. It will still set a limit on the number of families to 5 per year.	Executive Member for Community Safety 13 Dec 2023			Public		Executive Member for Community Safety <i>Marion Walker, Head of Stronger Communities</i> <i>marion_walker@middlesbrough.gov.uk</i>
Executive Member for Environment							
I017527 Newport	Selective Landlord Licensing: Evaluation of	Executive 20 Dec 2023		KEY	Public		Executive Member for Environment <i>Judith Hedgley, Head of</i>

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Council Strategy	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
Page 16	Newport 1 scheme and approval to consult on the proposal for designation for further five years (Newport 3). Executive approval is required as the schemes are delivered via a legislative framework that requires organisational approval to start formal consultation on the proposal for the designation of Newport 1 scheme.						<i>Service - Public Protection judith_hedgley@middlesbrough.gov.uk</i>
	I017831 All Wards	Tree Policy That the Executive agrees to adopt the amended Tree Policy.	Executive 17 Jan 2024		KEY	Public	Executive Member for Environment <i>Andrew Mace, Head of Environment Service Andrew_Mace@middlesbrough.gov.uk</i>
	I017724 All Wards	Gambling Policy 2024-2029 Statutory requirement to have gambling policy to	Executive 14 Feb 2024		KEY	Public	Executive Member for Community Safety <i>Judith Hedgley, Head of Service - Public Protection judith_hedgley@middlesbrough.gov.uk</i>

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Council Strategy	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
	place.						<i>h.gov.uk</i>
I017712 All Wards	Statement of Licencing Policy 2024-2029 Statutory requirement that this policy is approved by full Council.	Council 10 Apr 2024		KEY	Public		Executive Member for Community Safety <i>Judith Hedgley, Head of Service - Public Protection</i> <i>judith_hedgley@middlesbrough.gov.uk</i>
Executive Member for Finance and Governance							
I017462 All Wards	Revenue and Capital Budget - Forecast Outturn position at Quarter Two 2023/24 This report advises the Executive of the Council's financial position as at Quarter Two 2023/24	Executive 21 Nov 2023		KEY	Public		<i>Keely Trainor</i> <i>Keely_Trainor@middlesbrough.gov.uk</i>
I017675	2023 Residents Survey To set out the findings of a comprehensive survey of the town's	Executive 20 Dec 2023			Public		Executive Member for Finance and Governance <i>Ann-Marie Johnstone</i> <i>Ann-Marie_Johnstone@middlesbrough.gov.uk</i>

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Council Strategy	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
	residents to gather their views on the Council and their communities and outline next steps						
I017461	2024/25 Budget & MTFP Refresh	Executive 20 Dec 2023		KEY	Public		Executive Member for Finance and Governance <i>Keely Trainor</i> <i>Keely_Trainor@middlesbrough.gov.uk</i>
I017743	Abusive, Persistent or Vexatious Complaints Policy to seek agreement of a framework that will manage individual's rights to complain, while also protecting staff from abusive, persistent or vexatious complaints	Executive Member for Finance and Governance 20 Dec 2023			Public		Executive Member for Finance and Governance <i>Ann-Marie Johnstone</i> <i>Ann-Marie_Johnstone@middlesbrough.gov.uk</i>
I017415 All Wards	ASC Non-Residential Charging Policy The purpose of this report is to seek LMT approval for the Adult Social Care	Executive 20 Dec 2023		KEY	Public		Executive Member for Finance and Governance <i>Keely Trainor</i> <i>Keely_Trainor@middlesbrough.gov.uk</i>

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Council Strategy	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
Page 19	<p>Non-Residential Charging Policy. The purpose of this new policy is to provide clear guidance for all Council Officers, partners and Middlesbrough residents on the council's approach to ensure consistency of assessment, fairness and clear and transparent charging for non-residential care. It also promotes wellbeing, social inclusion, and supports the council's vision for social care of personalisation, independence, choice and control along with the principles provided in the</p>						

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Council Strategy	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
	statutory guidance.						
I017626 All Wards	Council Plan 2024 Onwards For approval of the intended approach to the Council Plan and its priorities for 2024 onwards	Executive 20 Dec 2023		KEY	Public		Executive Member for Finance and Governance <i>Gemma Cooper</i> <i>gemma_cooper@middlesbrough.gov.uk</i>
I017690 All Wards	Council Tax Base Report 2024/25 This report is part of the process to set the council tax base for the financial year 2024/25 by the statutory deadline of 31 January 2024	Executive 20 Dec 2023			Public		Executive Member for Finance and Governance <i>Andrew Humble</i> <i>andrew_humble@middlesbrough.gov.uk</i>
I017741	Surveillance Policy 2023-2024 required to be reviewed annually by the statutory code of practice	Executive Member for Finance and Governance 20 Dec 2023			Public		Executive Member for Finance and Governance <i>Ann-Marie Johnstone</i> <i>Ann-Marie_Johnstone@middlesbrough.gov.uk</i>
I017605 All Wards	CTR Scheme 2024-25 2024-25 Council Tax Reduction scheme	Executive 17 Jan 2024			Public		Executive Member for Finance and Governance <i>Janette Savage, Head of Resident and Business Support</i> <i>Janette_Savage@middlesbrou</i>

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							<i>gh.gov.uk</i>
I016676 All Wards	Corporate Procurement Strategy 23-25 Presentation of the refreshed and updated Middlesbrough Council Corporate Procurement Strategy 23-26.	Executive 14 Feb 2024		KEY	Public		Executive Member for Finance and Governance <i>Keely Trainor</i> <i>Keely_Trainor@middlesbrough.gov.uk</i>
Executive Member for Regeneration							
I016052 Central	EXEMPT - Captain Cook Square - Business Case Requirement for update on current position, along with options for maximising the commercial options for the strategic viability of a key Council asset.	Executive 20 Dec 2023		KEY	Fully exempt		Executive Member for Regeneration <i>Sam Gilmore, Head of Economic Growth</i> <i>Sam_Gilmore@middlesbrough.gov.uk</i>
I016907 All Wards	Houses in Multiple Occupation Article 4 Direction To agree that an Article 4 Direction	Executive 20 Dec 2023		KEY	Public		Executive Member for Regeneration <i>Alex Conti</i> <i>Alex_Conti@middlesbrough.gov.uk</i>

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Council Strategy	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
	be put in place to require smaller HMOs, that are currently part of the permitted development regime, to be subject to a planning application.						
1017303 Page 22 Wards	Middlesbrough Development Company Update To update members on the process of closing down the company.	Executive 20 Dec 2023		KEY	Public		Executive Member for Regeneration <i>Richard Horniman, Director of Regeneration</i> <i>Richard_Horniman@middlesbrough.gov.uk</i>
1017304 Nunthorpe	The Disposal of Land at Nunthorpe Grange for Housing The report seeks approval for Middlesbrough Council to progress with the disposal and marketing of the land and to utilise capital reserves and Section 106 monies to undertake de-risking of the site to	Executive 20 Dec 2023		KEY	Public		Executive Member for Regeneration <i>Peter Brewer</i> <i>peter_brewer@middlesbrough.gov.uk</i>

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Council Strategy	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
	ensure Best Value for Money (BVM) at the point of sale. This will include a review of the adopted masterplan.						
1017873 Nunthorpe	EXEMPT - The Disposal of Land at Nunthorpe Grange for Housing - Part B To seek Executive approval for the disposal of Nunthorpe Grange, which is allocated in the Housing Local Plan (2014), in accordance with the Council's Asset Disposal Process, and to inform Executive of the next steps to take these sites to market.	Executive 20 Dec 2023		KEY	Fully exempt		Executive Member for Regeneration <i>Peter Brewer</i> <i>peter_brewer@middlesbrough.gov.uk</i>
1017049 All Wards	Capex Municipal Buildings and Town Hall Roofs Any matters relating to bids for funding, which are financially	Executive 17 Jan 2024		KEY	Public		Executive Member for Regeneration <i>Teresa Garret</i> <i>teresa_garret@middlesbrough.gov.uk</i>

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Council Strategy	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
	or strategically significant and have not been provided for within the financial and policy framework.						
I016906 All Wards	Draft Local Plan To seek approval of the Draft Local Plan for the purpose of public consultation.	Executive 17 Jan 2024		KEY	Public		Executive Member for Regeneration <i>Alex Conti</i> <i>Alex.Conti@middlesbrough.gov.uk</i>
I017156 All Wards	Levelling Up Partnership Executive consideration of a funding package to address deprivation indicators and improve services for residents of Middlesbrough.	Executive 17 Jan 2024		KEY	Public		Executive Member for Regeneration, The Mayor and Executive Member for Adult Social Care & Public Health <i>Sam Gilmore, Head of Economic Growth</i> <i>Sam_Gilmore@middlesbrough.gov.uk</i>
I014849 Coulby Newham	Newham Hall - Disposal Option Update To seek Executive approval to enter into a Collaboration Agreement with Homes England to develop the	Executive 17 Jan 2024		KEY	Public		Executive Member for Finance and Governance, Executive Member for Regeneration <i>Andrew Carr</i> <i>Andrew_Carr@middlesbrough.gov.uk</i>

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Council Strategy	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
	Newham Hall housing site.						

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MIDDLESBROUGH COUNCIL	
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Report of:	Chief Executive
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Executive Member:	The Elected Mayor of Middlesbrough
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Submitted to:	Executive
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Date:	20 December 2023
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Title:	The Council Plan, 2024-27
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Report for:	Discussion
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Status:	Public
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Strategic Priority:	<p>Not applicable.</p> <p>The purpose of this report is to set out the planned approach to development and delivery of the Council Plan 2024-27 and its strategic priorities and ambitions.</p>
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Key decision:	No
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Why:	Not applicable
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Subject to call in?:	No
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Why:	The report is to seek Executive endorsement. The decision to agree a new Council Plan is reserved for full Council, as part of the Budget and Policy Framework.
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Proposed decision(s)	
That the Executive:	
<ul style="list-style-type: none"> • Endorses the proposed Council Plan 2024-27 and associated strategic aims, ambitions, and outcomes prior to full Council approval of the final Council Plan 2024-27 and to enable development of detailed, supporting delivery plans. • Recommends seeking feedback and input from partners and stakeholders to enable the further development of the Council Plan 2024-27, prior to full Council approval of the final Council Plan 2024-27 and alongside the final 2024/25 Budget and Medium-Term Financial Plan (MTFP) Update 2024/25 to 2026/27 report. 	

Executive summary

This report sets out a proposed Council Plan 2024-27, seeking Executive endorsement on its structure and content, setting out how we will work with our communities, to take forward our shared aims and ambitions over the 2024 to 2027 period.

It is proposed that the Council Plan 2024-27 is structured around the following aims:

A Successful and Ambitious Town: *Maximising economic growth, employment and prosperity, in an inclusive and environmentally sustainable way.*

A Healthy Place: *Helping our residents to live longer and healthier lives, improving life chances and opportunities to thrive.*

Safe and Resilient Communities: *Creating a safer environment where residents can live more independent lives.*

Delivering Best Value: *Changing how we operate, to deliver affordable and cost-effective outcomes for residents and businesses.*

The report outlines the next steps for the finalisation of the plan which will be considered by Council in February 2024, and the more detailed Service Plans to the Executive in March 2024.

Purpose

1. That the Executive endorses, prior to consideration by full Council on 28 February 2024, the Council Plan 2024-27, ensuring that it remains current and reflective of major developments of the past year, and those anticipated in the coming three years.
2. The Council Plan, formerly known as the Strategic Plan, is the Council's overarching business plan for the medium-term, and is refreshed on an annual basis, setting out the priorities of the Elected Mayor of Middlesbrough, the ambitions for our communities and the ways in which we seek to achieve them.
3. Part of the Council's Policy Framework, the Council Plan requires the approval of full Council, as set out in the [Constitution](#). The Council's Budget and Policy Framework Procedure Rules provide for the Executive to draw up firm proposals on the Strategic Plan (Change Strategy) for submission to Full Council.
4. Full Council approved the previous Strategic Plan 2021-2024 on 16 February 2021, which expressed the previous Mayors' priorities for the town.
5. This report commences the process of developing a new Council Plan for the 2024-27 period articulating the aims and ambitions of Mayor Cooke elected in May 2023, which are informed by, and responsive to the views of residents and will need to be delivered within available resources.
6. The Council's strategies and plans must be evidence based and financially sustainable, if they are to be effective in addressing the challenges facing Middlesbrough. To that end, the output and analysis of the recent resident survey, considered elsewhere on this agenda, and the draft Medium Term Financial Plan (MTFP) and budget proposals proposed for consultation are being used to shape the Council Plan and determine service priorities within the financial constraints facing the Council. Both reports will be considered at the same meeting of the Executive on 20 December 2023 and formed part of briefings for the Executive and all members, held on 12 December 2023.

7. As set out in the draft 2024/25 Budget and Medium-Term Financial Plan (MTFP) Update 2024/25 to 2026/27 report, the current budget proposals are insufficient to achieve a legally balanced budget for 2024/25 and further work is required to address the budget shortfall, to meet the Council's statutory responsibility for a balanced General Fund Revenue Budget for 2024/25 and to achieve financial sustainability over the medium term to 2026/27 and beyond.
8. The outcome of the budget consultation exercise will inform the budget proposals presented as part of the final 2024/25 Budget and Medium-Term Financial Plan (MTFP) Update 2024/25 to 2026/27 report for consideration and approval by Council on 28 February 2024. This will shape the development of detailed service plans to enable delivery of the Council Plan 2024-27. The consultation will run between 21 December 2023 to 18 January 2024.

Recommendations

That the Executive:

- Endorses the proposed Council Plan 2024-27 and associated strategic aims, ambitions, and outcomes prior to full Council approval of the final Council Plan 2024-27 and to enable development of detailed, supporting delivery plans.
- Recommends seeking feedback and input from partners and stakeholders to enable the further development of the Council Plan 2024-27, prior to full Council approval of the final Council Plan 2024-27 and alongside the final 2024/25 Budget and Medium-Term Financial Plan (MTFP) Update 2024/25 to 2026/27 report.

Rationale for the recommended decision(s)

9. To enable the Executive to endorse, prior to consideration by full Council, the Council Plan 2024-27, ensuring that it is reflective of major developments of the past year, and those anticipated in the coming three years.

Background and relevant information

10. 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's in July 2022 which reported significant areas of concerns in governance, including relations between members and officers.
11. 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.
12. Despite progress made, in January 2023, the Department of Levelling Up, Housing and Communities (DLUHC), issued a Best Value Notice. To respond effectively to the wider governance challenges facing the Council, the corporate governance improvement plan was refreshed in July 2023 around two specific themes: cultural transformation and financial resilience.
13. An Independent improvement Advisory Board was established to provide expertise, challenge and advice in delivery of the revised governance improvement, with the first meeting taking place in September 2023.
14. The Leadership Team has worked collaboratively with the Mayor and the Executive to incorporate the Mayor's aims, and ambitions for the town within the proposed Council Plan 2024-27 as set out below:

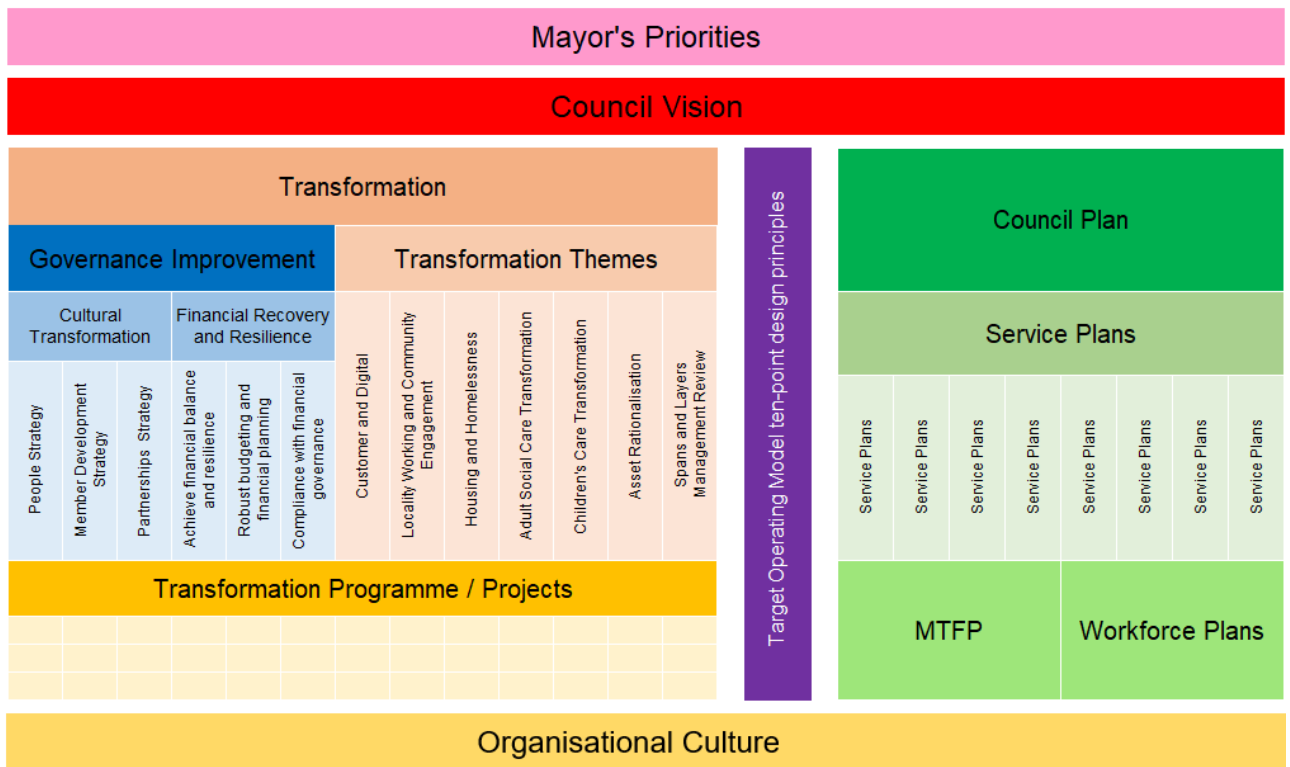
Aims	A Successful and Ambitious Town Maximising economic growth, employment and prosperity, in an inclusive and environmentally sustainable way.	A Healthy Place Helping our residents to live longer and healthier lives, improving life chances and opportunities to thrive.	Safe and Resilient Communities Creating a safer environment where residents can live more independent lives.	Delivering Best Value Changing how we operate, to deliver affordable and cost effective outcomes for residents and businesses.
	<i>We will thrive</i>			
Priorities / Ambitions	<ul style="list-style-type: none"> Attract and grow local business, increasing employment opportunities Improve attainment in education and skills Housing provision will meet local demand and need 	<ul style="list-style-type: none"> Improve life-chances for children and adults, to address and respond to health inequalities Protect and improve our environment Promote inclusivity for all Reduce poverty 	<ul style="list-style-type: none"> Support adults to be independent for longer Improve connectivity: digital and transport Promote new ideas and community initiatives Reduce crime and anti-social behaviour 	<ul style="list-style-type: none"> Set a balanced revenue budget and Medium Term Financial Plan, restoring financial resilience and sustainability Demonstrate robust and effective corporate governance

15. Appendix 1 sets out a proposed Council Plan for the 2024-27 period, which also includes:

- an introduction from the Mayor of Middlesbrough and the Chief Executive
- the Mayor’s aims
- ambitions and priorities for 2024-27
- measures of success
- plans for transformation

16. Supporting initiatives and workplans to support delivery of the Council Plan 2024-27 ambitions and measures of success are being developed into Service Plan, alongside the proposed performance and governance arrangements for Executive decision in March 2024.

17. The diagram below demonstrates the links between the Council Plan, the MTFP and our intentions towards transformation.



18. Successful organisation-wide transformation of the organisation is integral to delivering the Council Plan and MTFP and will see new approaches to the design of service delivery, drive improved controls and efficiencies and implement effective demand management measures to enable the Council to deliver improved outcomes for the community, from a lower cost base that is financially sustainable. 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.

19. 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 aligns with the ever-changing landscape of public service and governance.

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

20. It is imperative that the Council effectively articulates and communicates an overarching plan to direct activity across Directorates and services, towards the achievement of its priorities and ambitions.
21. The only other realistic potential decision would be to leave the Council's strategic objectives unchanged on the assumption that they are sufficiently robust to address and achieve previously identified outcome measures. This, however, is not correct and neither would it represent an appropriate response to the needs of the town, it would detrimentally impact local communities and the business of the Council for some years ahead.
22. The only other feasible decisions therefore relate to the structure of the document, and its horizon (i.e., reverting to an annual plan). It is strongly in the Council's interest to plan over the medium-term, (between 3 – 5 years) in line with the indicative budgets over this period outlined by the Government. The proposed document achieves this whilst also providing an appropriate level of detail for all audiences on the Council's planned activity over this period.

Impact(s) of the recommended decision(s)

Financial (including procurement and Social Value)

23. The Council Plan and the Council's annual revenue and capital budgets are developed in parallel, to ensure full alignment between the Council's ambitions and spending plans. In outlining an achievable programme of work that delivers performance improvement within reduced resources, the Council Plan and its supporting Service Plans therefore demonstrate how the Council will deliver value for money in the medium-term.

Legal

24. Implementation of the Council Plan will enable the Council to operate within the resources available to it, and continue to meet its various statutory duties, including the overarching Duty of Best Value.

Risk

18. The proposed Council Plan sets out a range of activity to address the key risks within the Council's Strategic Risk Register which have the ability to impact on the Council's ability to achieve the ambitions set out in the Council Plan. As such, once the new Council Plan is agreed by full Council, a review of the current content will be completed, with any changes reported to Executive, as part of the quarterly performance management reports.

Human Rights, Public Sector Equality Duty and Community Cohesion

19. The proposed Council Plan will have a positive impact on individuals and communities. It contains within it, plans to ensure that the Council has an inclusive approach for all its residents. An impact assessment has been completed on the draft plan and is attached to this report at Appendix 2.

Climate Change / Environmental

20. The proposed Council Plan will have a positive impact on climate change and the environment, with a specific priority to 'protect and improve our environment' which will focus Council activity on these areas. The Plan will set a series of measurable outcomes to be achieved against this theme.

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

21. The proposed Council Plan will have a positive impact on children and young people, with a proposed priority to 'improve education and attainment' with focused activity directed at these areas. The Plan will set a series of measurable outcomes to be achieved against this theme including a particular focus on the steps we can take to improve the educational attainment of children and young people cared for by the Authority and Care leavers.

Data Protection / GDPR

22. There are no concerns that the proposed plan could impact adversely on data protection or GDPR.

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

Action	Responsible Officer	Deadline
Subject to Executive endorsement, the proposed Council Plan 2024-27 will be presented to full Council on for consideration and approval.	Head of Strategy, Business and Customer	Feb 2024
Subject to full Council approval of Council Plan 2024-27, supporting Service Plans and associated delivery plans will be developed and presented to Executive for approval.	Head of Strategy, Business and Customer	Mar 2024

Appendices

1	Proposed Council Plan 2024-27
2	Impact Assessment (screening level)

Background papers

Body	Report title	Date
Executive	Refreshing the Strategic Plan workplan for the 2022-24 period	5 Apr 2022
Executive	Strategic Plan 2022-24	14 Feb 2022
Executive	Strategic Plan 2021-24	16 Feb 2021

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

Council Plan 2024-27



'Middlesbrough is a brilliant town, and we must use the talent, pride and positivity of our people to make the most of the opportunities that come our way'

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Foreword

Welcome to our Council Plan for the 2024-27 period.

The Council has experienced lots of change following May 2023's elections and this plan sets out the new administration's visions and ambitions.

Like most local authorities, Middlesbrough faces lots of challenges. As a Council, we're determined to work with local people, our partners and businesses to overcome them.

We are also working closely with government and other bodies to make changes to our culture. There are problems from the past we are determined to resolve so we can look to the future with confidence.

We will recover, reset and deliver for the people of Middlesbrough.

By recovering our financial position, we will put the Council on a stronger footing for the future.

By resetting our priorities, we will ensure our attention is focused on things that matter to people and businesses.

With those foundations in place the Council will be able to put all its energy into delivering services that people value.

Our main aims centre on creating a healthier, safer and more ambitious town.

We will be a Council for the whole of Middlesbrough – serving our town centre with the same commitment we show our proud estates, largest neighbourhoods, and newer housing developments.

While acknowledging the difficulties and societal problems that people face, we must also promote Middlesbrough as an area where great things happen.

Our town centre hosts thousands of people on a regular basis whether it be for football, live music, or the various cultural festivals we're proud to play a part in.

We're home to innovative companies that do business on the world stage and we boast award-winning educational institutions preparing our young people for prosperous lives.

Middlesbrough is a brilliant town, and we must use the talent, pride and positivity of our people to make the most of the opportunities that come our way.

Clearly, there's a lot of work to get through as we set about transforming the way we do things.

We believe this Council Plan can help create a fair, welcoming, and thriving place.

Chris Cooke
Elected Mayor of
Middlesbrough

Clive Heaphy
Chief Executive



Chris Cooke, Elected
Mayor of Middlesbrough



Clive Heaphy, Interim
Chief Executive.

Middlesbrough's challenges and opportunities

1. Middlesbrough is a lively and exciting place with an increasingly diverse population. Approximately 18% of our people are of an ethnic minority.

We are proud that our 2023 residents' survey found increasing numbers of people think Middlesbrough is a place where people from different backgrounds get on well together



2. We're the heart of the Tees Valley with 800,000 people living within a 30-minute radius. We're a busy place with lots happening



3. Our population of around 144,000 lives in an area of just 35 square miles. Roughly 19 people live on each football pitch size of land making it the most densely populated part of the North East



4. Middlesbrough is a vibrant place with a strong sense of community



5. Our population is younger than the regional and national averages



6. We must ensure our future workforce has the right skills so we can attract investment



7. Life expectancy and healthy life expectancy for men and women are both lower than national averages



8. We must transform our services in the face of reductions in government funding and declining resident satisfaction



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Sources:
 · Office for National Statistics 2021 Census
 · Middlesbrough Council Resident Survey 2023
 · Indices of Deprivation 2019

Our vision and ambitions

We will thrive is our vision for Middlesbrough.

We will build a Middlesbrough people want to be part of.

Our ambitions are all focused on the future happiness of our communities.

Our town will always be a place where heritage meets innovation.



1 A successful and ambitious town

Maximising economic growth, employment and prosperity in an inclusive and environmentally sustainable way.

2 A healthy place
 Helping our residents to live longer, healthier lives.

3 Safe and resilient communities
 Creating a safer environment where residents can live more independent lives.

4 Delivering best value
 Changing how we operate, to deliver affordable and cost-effective outcomes for residents and businesses.





A successful and ambitious town

Maximising economic growth, employment and prosperity in an inclusive and environmentally sustainable way.

Priorities:

Attract and grow businesses to increase employment opportunities

Middlesbrough is home to thriving companies in innovative industries who compete on the world stage. To ensure we continue to be an attractive place to start or build a business, we will work to grow the range of employment opportunities. We will attract new businesses and support existing ones to grow, increasing the links between employers and job seekers.

Improve attainment in education and skills

Our town boasts award-winning education institutions including Teesside University, Middlesbrough College and the Northern School of Art. We have dozens of wonderful schools led by inspirational teachers.

We will work alongside these organisations to ensure skills provision is focused on the future needs of the economy and that our residents are equipped for work.

Ensure housing provision meets local demand

Our population is growing and we need to have homes that meet all types of needs and aspirations. Housing provided through the Council must promote and support independent living.

Services for homeless people will be safe and dignified, supporting access into long-term sustainable accommodation.

How will we know we are delivering?

We need to increase the proportion of our residents that are economically active. 45.4% of residents are economically inactive compared to 39.1% nationally (ONS 2021 Census).

We track the number of businesses based here and the sectors they operate in.

Our residents need support to find work. 15.3% have either never worked or are long term unemployed, compared to 8.5% nationally (ONS 2021 Census).

We need to have more well paid, secure jobs in the town. Currently, those in employment are more likely to work in sales, care, leisure or manual jobs when compared to regional and national averages.

We need more roles in senior management positions and professional and technical occupations.

Increasing our skills base is key to attracting businesses and improving job prospects. Currently, 23.9% of residents have no qualifications, compared to 20.3% regionally and 18.1% nationally.

26.4% of residents have a Level 4 equivalent qualification or higher, compared to 28.6% regionally and 33.9% nationally.

We track the number of new homes that are delivered and the number of affordable homes. We monitor the levels of homelessness and the circumstances of people at the risk of homelessness.



A healthy place



Helping our residents to live longer, healthier lives.

Priorities:

Improve life chances of our residents by responding to health inequalities

Using our Family Hub model, we will support families to secure the best start in life for children.

We will improve children's readiness to learn and help them develop strong foundations for success at school.

Early intervention and support for families will prevent issues escalating and build resilience.

Through our Public Health Strategy we will work with partners to increase the prevention and early detection of disease and act on the structural factors that drive ill health.

Adult Social Care Services will further develop early intervention and prevention services to reduce the need for social care assessment.

We will consistently promote the conditions for improved health and wellbeing to users of our services and their carers.

Protect and improve our environment

Through our Green Strategy we will continue to drive up recycling rates and encourage our residents to join with us in protecting our environment, green spaces and parks.

Promote inclusivity for all

To ensure the principle of fairness is at the heart of everything we do, we will work together with communities and partners to develop solutions that improve outcomes for all.

We will always consider the impact our policies, strategies and decision making have on health inequalities.

Reduce poverty

We will work with partners to support our residents out of poverty and improve community resilience to prevent people falling into poverty.

Meeting this challenge is central to all of the ambitions within the Council Plan.



How will we know we are delivering?

We track the percentage increase of families who are engaging with the Family Hub service, the percentage of eligible families supported to take up their funded place for two year olds and the number of children reached each month via the literacy pathway.

Life expectancy at birth in Middlesbrough is 75.4 for males and 79.8 for females, compared to 79.3 and 83.1 nationally. Healthy life expectancy is also lower than national averages. We must work to close the gaps.

56.5% of over-16s in Middlesbrough are classed as 'active', taking part in sport and physical activity for over 150 minutes per week. This compares to 67.3% nationally. Obesity and

overweight rates for both children and adults are higher than the national average.

Promoting and supporting healthier lifestyles can influence these measures that impact on people's health.

We track resident satisfaction on environmental issues, including maintenance, parks and green spaces, via the Resident Survey.

We have statistics for amounts of waste sent for refuse, recycling and composting.

Based on the 2019 Indices of Deprivation, Middlesbrough is the fifth most deprived council area in England. This measure is due to be updated in 2025.

Safe and resilient communities

Creating a safer environment where residents can live more independent lives.



Priorities:

Support for adults to be independent for longer

We will improve access to advice and information for adults and informal carers.

We will develop and expand our use of assistive technology and reablement to minimise the need for ongoing care.

We will develop the choice of accommodation and support options for vulnerable adults to promote independent living, reducing reliance on residential care.

Improved transport and digital connectivity

Our transport infrastructure will meet the needs of our residents and businesses and also support the town's green agenda by increasing the number of electric vehicle charging points.

We will work to improve digital connectivity, including by allowing residents to access Council services in the most convenient way.

Promotion of new ideas and community initiatives

We will develop an approach that empowers individuals and groups to build resilient and thriving communities.

Reducing crime and antisocial behaviour

We will work to reduce crime and antisocial behaviour across the town, allowing residents to live safer lives.

How will we know we are delivering?

Middlesbrough has consistently had the highest crime rate in the Cleveland Police area for the past five years. We must narrow the gap between our town and the rest of the Tees Valley.

We track the number of adults whose long-term support needs are met by admission to residential and nursing care homes.

We track the number of over-65s who receive reablement/rehabilitation services after discharge from hospital.

We monitor the number of people who use public transport and the average minimum travel time to reach key services by different modes of travel.



Delivering best value

Changing how we operate, to deliver affordable and cost-effective outcomes for residents and businesses

Priorities:

Ensuring robust and effective corporate governance

It will be a priority over the life of this plan to provide government and the Council's auditors with assurances the Council has effectively addressed concerns as set out in the Best Value notice and subsequent statutory recommendations.

Set a balanced revenue budget and Medium Term Financial Plan to restore financial resilience and sustainability

The Council is required by law to manage its annual revenue expenditure within its available financial resources.

It also has a Best Value duty to deliver a balanced Medium Term Financial Plan over three to five years to demonstrate financial stability and sustainability in delivering its wider Council Plan objectives.

The Council faces a significant risk that it is unable to balance its revenue expenditure with its available resources in 2024/25, and over the medium term to 2026/27, without fundamental transformation and redesign of services.

The Council's financial resilience is currently weak due to its critically low level of usable revenue reserves which constrain its ability to respond effectively to unforeseen financial pressures.

The Council's Medium Term Financial Planning and annual budget setting framework provides the affordability envelope within which the Council's plans will need to be developed in order to secure financial sustainability.

This includes the requirement to plan to rebuild revenue reserves to strengthen financial resilience that will enable more stable financial planning and management in delivering wider objectives and priorities over the medium term.



How will we know we are delivering?

By demonstrating successful cultural transformation and financial recovery and resilience, we will aim for the removal of the Best Value notice within the period of this plan.

We will deliver the action plan in response to the external auditor's statutory recommendations and move towards an unqualified set of accounts within the period of this plan.

Monthly budget monitoring takes place with Executive Member oversight.

The Section 151 officer will assess the financial health of the council, including a risk assessment

of the adequacy of reserves annually as part of medium term financial planning and budget setting.

Audits, risks to the organisation, complaints, programme and project management, health and safety and information security incidents are all tracked.

Compliance with Freedom of Information Act and Subject Access Request legislation to ensure we are demonstrating transparency and accountability by the way in which we respond to requests.

Transformation

Changing how we operate to deliver the best outcomes for residents and businesses.

Priorities:

Transformation is not only a response to challenges, but a proactive strategy to shape a future-ready organisation.

It is a catalyst for positive change, driving the organisation forwards.

In embracing this ethos, the Council aspires to create a culture that thrives on adaptability and continuous improvement, ensuring its resilience in the face of ongoing challenges and changes.

Our transformation is focused on key areas and priorities:

Service delivery: we are committed to adopting new approaches to the design and delivery of services to better meet the needs of our residents.

Controls and efficiencies: our emphasis is on driving improved controls and efficiency measures across the organisation, ensuring streamlined processes and resource optimisation.

Demand management: through implementing effective demand management measures, we aim to optimise resource allocation and target our interventions precisely where they are needed most

Outcomes: ultimately, the goal of our transformation is to deliver improved outcomes for our residents, communities and businesses, elevating the overall quality of life.

How will we know we are delivering?

In recognising the evolving landscape and dynamic nature of our operating environment, the Council is dedicated to embracing innovative approaches in the design and delivery of services.

This commitment involves new strategies, partnerships and collaborative efforts with stakeholders.

To methodically track our progress and ensure the successful delivery of our transformative vision, we will establish a comprehensive Transformation Portfolio. This portfolio will serve as a structured framework, outlining a range of projects and programmes designed to implement our initiatives effectively.

Our approach will be both strategic and adaptive, examining short and long-term transformative opportunities to ensure that our efforts align with the evolving needs of our community and the broader landscape. Through this approach, we will proactively gauge our success and respond to emerging opportunities and challenges.






Middlesbrough
moving forward

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PO Box 500, Middlesbrough, TS1 9FT

Phone: **01642 245432** (Monday to
Thursday, 8.30am to 5pm, and
Friday, 8.30am to 4.30pm)

Website: www.middlesbrough.gov.uk

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Appendix 2: Impact Assessment Level 1 (Initial screening assessment)

Subject of assessment:	Council Plan 2024-27			
Coverage:	Overarching / crosscutting			
Decision relating to:	<input checked="" type="checkbox"/> Strategy	<input type="checkbox"/> Policy	<input type="checkbox"/> Service	<input type="checkbox"/> Function
	<input type="checkbox"/> Process / procedure	<input type="checkbox"/> Programme	<input type="checkbox"/> Project	<input type="checkbox"/> Review
	<input type="checkbox"/> Organisational change	<input type="checkbox"/> Other (please state)		
It is a:	New approach: <input type="checkbox"/>	Revision of an existing approach: <input checked="" type="checkbox"/>		
It is driven by:	Legislation: <input type="checkbox"/>	Local or corporate requirements: <input checked="" type="checkbox"/>		
Description:	<p>Key aims, objectives, and activities: The Council Plan, formerly known as the Strategic Plan, is the Council's overarching business plan for the medium-term, and is refreshed on an annual basis, setting out the priorities of the Elected Mayor of Middlesbrough and other corporate priorities and ambitions for the Council.</p> <p>Statutory drivers: Local Government Act 1999; Equality Act 2010.</p> <p>Differences from any previous approach: This will result in a new Council Plan which includes new aims, priorities and ambitions.</p> <p>Key stakeholders and intended beneficiaries (internal and external as appropriate): Elected members, employees of the Council, local communities and businesses, partners.</p> <p>Intended outcomes: To ensure that the Council's strategic objectives are achieved, and that the Council continues to comply with the duties of the Equality Act 2010 relating to the publication and pursuit of equality objectives.</p>			

Live date:	February 2024			
Lifespan:	2024-27, though reviewed annually			
Date of next review:	Potential for review in 2024/25			
Screening questions	Response			Evidence
	No	Yes	Uncertain	
Human Rights Could the decision impact negatively on individual Human Rights as enshrined in UK legislation?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No. The content of the proposed plan and delivery of it would not contravene Human Rights as identified in national legislation.
Equality Could the decision result in adverse differential impacts on groups or individuals with characteristics protected in UK equality law? Could the decision impact differently on other commonly disadvantaged groups?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No. The Strategic Plan commits to reducing inequalities within Middlesbrough. It is based on a robust evidence base of needs and includes a commitment to inclusivity for all. As a result, there are no concerns that the Plan or associated activity could have a disproportionate adverse impact on groups or individuals with characteristics protected in national legislation.
Community cohesion Could the decision impact negatively on relationships between different groups, communities of interest or neighbourhoods within the town?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No. The Plan commits to improving community resilience within the town, which will result in direct benefits for cohesion. As a result, there are no concerns that the proposed plan could have an adverse impact on community cohesion.
Assessment completed by:	Gemma Cooper. Head of Strategy, Business and Customer			
Date:	6 December 2023			
Head of Service:	Clive Heaphy, Chief Executive			
Date:	6 December 2023			

MIDDLESBROUGH COUNCIL	
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Report of:	Interim Director of Finance (s151 Officer)
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Relevant Executive Member:	Elected Mayor of Middlesbrough Executive Member for Finance and Governance
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Submitted to:	Executive
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Date:	20 December 2023
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Title:	2024/25 Budget and Medium Term Financial Plan (MTFP) Update 2024/25 to 2026/27
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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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The decisions in this report are to progress the development of the budget and MTFP for which the Council will take the final decisions in February 2024.

Subject to call in?:	Not applicable
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Why:	The approval of the budget and MTFP will be taken by Council in February 2024
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Proposed decision(s)

The report provides an update to the Executive on the budget and Medium Term Financial Plan (MTFP) development process for 2024/25 to 2026/27 that will conclude with consideration and approval of the budget by Council in February 2024. The recommendations in this report are for formal noting and endorsing by Executive of a range of budget proposals aimed to balance the budget to go out to public consultation. These are detailed in paragraph 2.

Executive summary

There is a legal requirement upon all members of the Council to set a balanced General Fund Budget for 2024/25 by 11 March 2024. In addition, it is a Best Value requirement to secure the financial recovery and return to financial sustainability of the Council through setting a balanced 3-year MTFP over the period to 2026/27.

It should be noted that the Council's financial position remains critical, and it is necessary to identify, approve, and implement a range of budgetary control measures at significant scale to return to a financially sustainable position where the annual expenditure of the Council remains within its annual income over the medium term. Achieving financial sustainability is essential to enabling the Council to succeed in delivering improved services and outcomes for the people of Middlesbrough in the medium to long term.

The risk of the s151 Officer being required to issue a s114 Notice under s114(3) of the Local Government Finance Act 1988 remains in the event that the Council is unable to set a legally balanced budget for 2024/25. The adverse consequences of issuing a section 114 notice are significant and are set out in more detail in paragraphs 4.132 to 4.135.

Middlesbrough Council continues to operate in a volatile and challenging economic and financial environment. Like many local authorities, the Council is experiencing significant financial challenges because of continuing high inflation, increasing demand, and complexity of need for services for the most vulnerable in the community, primarily adult and children's social care, home to school transport, homelessness, and waste disposal, for which it is required to meet its statutory responsibilities.

The Executive last considered the MTFP in August 2023. Since then, assumptions have been revised based upon new information and further work to validate demand and cost models for high spending areas and taking account of financial performance over the period to 31 October 2023 including the 2024/25 anticipated impact of current year financial performance.

A range of factors impacting the financial position are outside of the Council's control and are subject to change prior to final budget setting by the Council in February 2024, and of particular importance is the Government's position in relation to levels of grant available to local authorities that will be announced in the provisional Local Government Finance Settlement (LGFS) that is expected on or around the 19 December 2023.

This report:

- provides an update on the national and local context in which the Council is developing its Council Plan and MTFP (paragraphs 4.25 to 4.44)
- takes account where possible, of announcements made in the Chancellor's Autumn Statement 2023 on 22 November 2023 and the Local Government Finance Policy Statement 2024/25 issued by Department for Levelling Up,

Housing & Communities (DLUHC) on 5 December 2023 (paragraphs 4.56 and 4.57)

- updates Members on progress in developing the Council's General Fund Budget for 2024/25 and its MTFP for the three-year period 2024/25 to 2026/27 alongside the development of the new Council Plan which reflects the Elected Mayor's priorities over this period (paragraphs 4.64 to 4.105)
- **seeks Executive endorsement** to enter into consultation on budget proposals that will deliver expenditure savings and income growth over the period totalling £14.038m in 2024/25 rising to £21.088m in 2026/27, which potentially will result in a reduction of approximately 75 FTE posts, however in the areas affected there are currently 180 vacant posts. Also there will be an increase of 15 FTE posts required to implement some of the proposals (paragraphs 4.110 to 4.112 and Appendices 1 and 2)
- **seeks Executive endorsement** of growth proposals totalling £2.219m in 2024/25, in relation to undeliverable/delayed savings and revision of Mayoral priorities (paragraphs 4.107 to 4.109 and Appendices 3 and 4)
- **seeks Executive endorsement** to enter into consultation on the proposed total Council Tax increase of 4.99% for 2024/25 (comprising of a 2.99% increase in general Council Tax and a 2% Adult Social Care Precept), in line with the referendum limits announced by the Government (paragraphs 4.71 to 4.73)
- updates Members on the remaining budget gap of £6.279m in relation to 2024/25, with a further £1.596m in 2025/26, and a further £0.305m in 2026/27, after taking account of all current proposals. (paragraphs 4.115 and 4.116)
- updates Members on the further measures that will be taken to set a balanced budget in order to prevent the need for a s114 Notice to be issued by the s151 Officer, including:
 - the progress in developing a Transformation Programme to support the achievement of financial recovery and financial sustainability over the medium term (paragraphs 4.118 to 4.123)
 - the intention to make an application to DLUHC for Exceptional Financial Support should this be required after consideration of further budget proposals and the Provisional Local Government Finance Settlement to be announced on or around 19 December 2023 (paragraphs 4.129 to 4.131)
- sets out the implications of a s114 Notice for the Council if it is unable to set a legally balanced budget for 2024/25 by 11 March 2024 (paragraphs 4.132 to 4.135)

The final MTFP report to be considered by the Executive in February 2024 will also include an updated position for the Capital Programme, Capital Strategy, Treasury Management Strategy, and Flexible Use of Capital Receipts Strategy.

The Council's Director of Finance (Section 151 Officer) has a statutory duty to assess the robustness of the budget estimates and the adequacy of reserves in the form of a report under s25 of the Local Government Act 2003. This assessment will be provided in the MTFP report to the Executive and Council in February 2024.

1. Purpose

1.1 The report provides an update to Members on:

- The general economic climate, central government funding, and relevant assumptions impacting upon the Council's Medium Term Financial Plan (MTFP) and the proposed level of Council Tax increase for 2024/25 through to 2026/27.
- The current estimated budget gap for 2024/25 and summarises significant developments within the 2023/24 financial year to date which impact upon budget setting for 2024/25.
- The responsibilities of all Council members to set a legally balanced budget by 11 March 2024 and the implications of a s114 Notice under s114(3) of the Local Government Finance Act 1988, in the event that Council fails to meet this requirement.

1.2 The report seeks approval to commence consultation on a range of budget proposals before finalising the proposed budget for 2024/25 and MTFP by Executive on 14 February 2024 for consideration by Council on 28 February 2024 including:

- local income growth,
- service reductions,
- demand management
- efficiency (doing things differently)
- transformation (doing different things)

The report also seeks approval to commence consultation on the proposed council tax increase for 2024/25 before finalising as part of the proposed budget for 2024/25 by Executive on 14 February 2024 for consideration by Council on 28 February 2024.

2. Recommendations

That Executive :

- 2.1. Notes the updated General Fund Budget gap to be closed for 2024/25 of £6.279m rising to £8.180m in 2026/27 further to the Medium Term Financial Plan (MTFP) refresh report considered by the Executive on 23 August 2023.
- 2.2 Notes the national financial and economic context within which the Council is operating and the financial benchmarking which provides context for the range of Council services which present some of the most significant financial pressures to be addressed in the Council's business and financial planning.
- 2.3 Notes the updated budget assumptions set out in paragraph 4.67 and the progress in developing proposals to balance the Council's General Fund Budget for 2024/25 and the updated MTFP position for the three-year period 2024/25 to 2026/27.

2.4 **Endorses** the draft budget proposals including:

2.4.1 Total budget savings and income growth of £14.038m in 2024/25 rising to £21.088m in 2026/27, of which £3.949m in 2024/25 rising to £5.465m in 2026/27 are deemed to involve policy change and/or impact service delivery levels and will be subject to public consultation (detailed in Appendix 2)

2.4.2 Total budget growth of £2.219m in 2024/25 comprising:

- Revision of 2023/24 approved savings of £1.114m in 2024/25 to reflect the Elected Mayor's priorities (detailed in Appendix 3)
- Delayed savings of £1.105m (detailed in Appendix 4)

2.5 **Endorses** the proposed total Council Tax increase of 4.99% for 2024/25 comprising:

- 2.99% increase in general Council Tax and
- 2% Adult Social Care Precept,

Which is in line with the current maximum referendum limits announced by the Government.

2.6 **Endorses** that where applicable, budget consultation will commence, on 21 December 2023 and conclude on 18 January 2024 prior to finalising the proposed budget on 14 February 2024 for consideration and approval by Council on 28 February 2024.

2.7 Notes that:

2.7.1 a budget gap of £6.279m in 2024/25 rising to £8.180m in 2026/27 remains after the inclusion of all current budget proposals and the proposed council tax increase; further work is required to develop and agree final proposals to present to Council on 28 February 2024 to achieve a legally balanced budget for 2024/25 by the statutory deadline of 11 March 2024

2.7.2 The Mayor and Executive are working with Officers and external consultants to develop a Transformation Programme that will deliver modernisation and redesign of services to operate from a significantly lower and financially sustainable cost base over the medium to long term.

2.7.3 Transformation Programme business cases must be robust, and adequately assured to enable their inclusion in the proposed 2024/25 budget that is to be considered and approved by Council on 28 February 2024.

2.7.4 The timeframe to achieve the required levels of assurance including consultation, are likely to extend beyond these applicable deadlines and will need subsequent consideration by the Executive and approval by Council during the 2024/25 financial year to revise the 2024/25 budget and MTFP.

2.8 Notes that:

- 2.8.1 a further review of the budget and MTFP will be undertaken following consideration and analysis of the expected announcement for the Local Government Finance Settlement which is due on/around 19 December 2023.
 - 2.8.2 if the combined effect of the Local Government Finance Settlement and any further identified and assured budget proposals are insufficient to close the remaining budget gap for 2024/25, then it will not be possible for the Council to achieve a legally balanced budget for 2024/25.
 - 2.8.3 in these circumstances, the interim Director of Finance (s151 Officer), after appropriate consultation with the interim Chief Executive and Monitoring Officer, will be required by law to consider issuing a s114 Notice under s114 (3) of the Local Government Finance Act 1988.
 - 2.8.4 prior to issuing a s114 Notice the s151 Officer and Chief Executive with the support of the Mayor and Executive, will make an application to DLUHC for Exceptional Financial Support (EFS) by mid-January 2024. This is likely to be in the form of a capitalisation direction in respect of any remaining budget shortfall in 2024/25. This application will incorporate a draft plan for financial recovery over the medium term of which the developing of a Transformation Programme will be a key element.
 - 2.8.5 if DLUHC refuses the application for EFS or approves an amount less than the Council requires to balance the 2024/25 budget, then it will be necessary for the s151 Officer to issue a s114 Notice under s114 (3) of the Local Government Finance Act 1988. The implications of issuing a s114 notice are set out in paragraphs 4.132 to 4.135.
- 2.9 Notes the updated financial position for 2023/24 at Period 7 to 31 October 2023 and the measures taken by the s151 Officer in order to mitigate the risk of a s114 Notice arising in 2023/24 as set out in paragraph 4.28

3. Rationale for the recommended decision(s)

- 3.1 The Council has a legal obligation to set a balanced budget by 11 March 2024 and a Best Value duty to demonstrate financial sustainability through a balanced Medium Term Financial Plan (MTFP). The setting of the budget is part of the budget and policy framework and therefore requires Full Council approval.
- 3.2 The recommendations enable the Council to progress towards meeting its statutory responsibility to set a balanced revenue budget in 2024/25 and the requirement to secure financial sustainability of the period of the MTFP.
- 3.3 The Council is required to take a systematic, coherent, and controlled approach to addressing its ongoing financial challenges over the medium-term, while enabling the delivery of the Mayor's vision and priorities for Middlesbrough through delivery of the wider Council Plan.

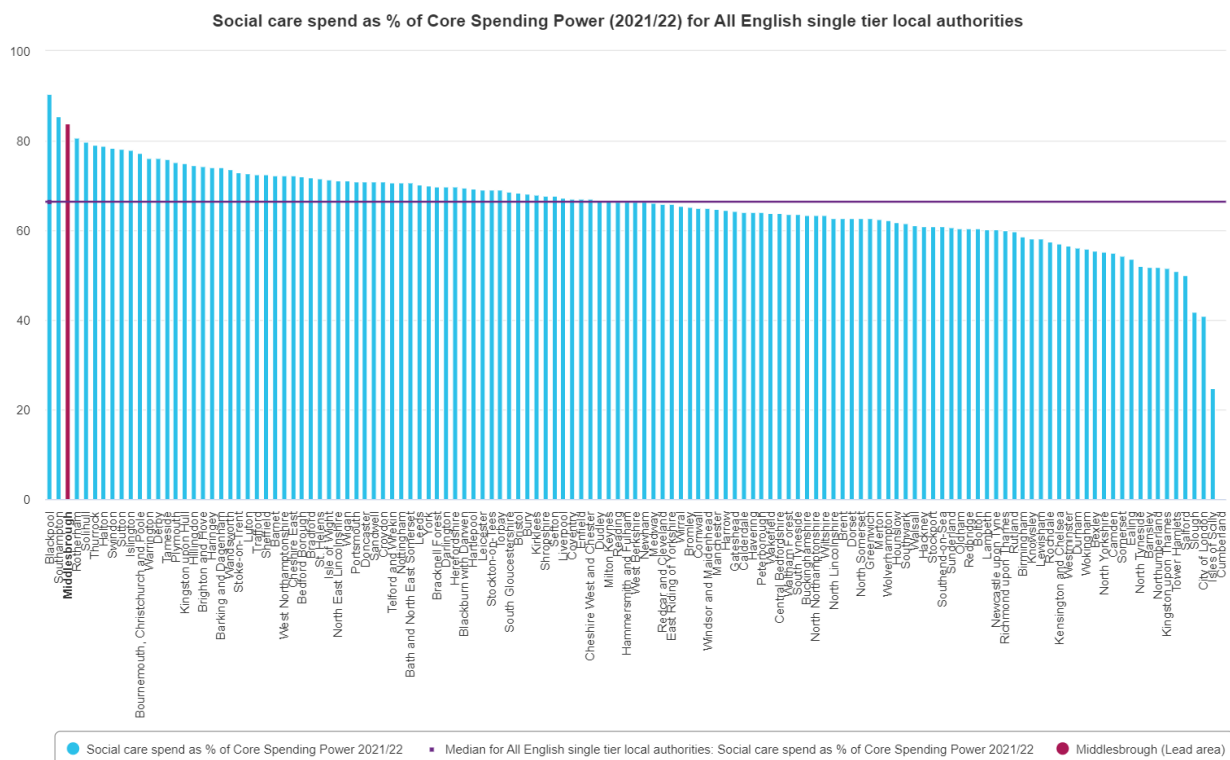
4 Background and relevant information

Middlesbrough Context

- 4.1 Middlesbrough is the business, culture, and education capital of the Tees Valley. Our location in the North East of England gives us access to stunning countryside, unrivalled coastline and the beautiful North York Moors. We are home to thriving companies who compete on the world stage and award-winning education institutions including Teesside University.
- 4.2 Middlesbrough's population totals 143,900 (as per the Census 2021) living across an area of around 7 miles by 5 miles, located at the centre of the Tees Valley and one of the most densely populated and diverse parts of the Northeast. Approximately 18% of the town's population are from an ethnic minority background whilst a significant minority of Middlesbrough's total population (12.29%) were born outside of the UK.
- 4.3 Employment and Skills are long outstanding challenges, Middlesbrough is younger on average than the rest of the region, or even nationally, which means that there is a large proportion of the population (62.4%) in education or at working age (higher than the North East at 61.9%), which presents opportunities to shape the future workforce, to meet the needs of the town. However one of our key challenges will be ensuring that the current and future workforce have the skills to attract business to the town, for example, 23.9% of residents have no qualifications, compared with 18.1% nationally.
- 4.4 Middlesbrough ranks as the 5th most deprived area in England and 40% of wards are ranked as amongst the top 3% most deprived areas (as per the Index of Multiple Deprivation 2019). Local people face significant health inequalities, with men and women in some of our poorest areas are likely to live for 4 years and 3 years respectively less on average than those regionally and nationally.
- 4.5 Whilst living in Middlesbrough can be challenging, there is a real sense of community, and the town has been incredibly welcoming to new arrivals, based on the Council's Resident Surveys completed in 2017 and 2023.
- 4.6 These factors represent long term challenges to the prosperity and wellbeing of Middlesbrough as a town and to the Council, with significant and increasing demand for services for which the authority is required to meet its statutory responsibilities, such as adults and children's social care, which in 2023/24 account for 83% of the Council's opening total net revenue budget.
- 4.7 This is a substantial proportion of the Council's budget and higher than most other unitary authorities. Comparative information on the level of expenditure on social care as a proportion of the Council's assessed Core Spending Power is shown in Figure 1 below. This shows that in 2021/22, the Council spent 83.9% of its Core Spending Power on social care compared to the median (midpoint) of all English single tier authorities of 66.3%.

Figure 1: Social Care spend as a % of Core Spending Power 2021/22 for all English single tier local authorities

In 2021/22, the level of social care spend as a percentage of Core Spending Power for Middlesbrough was 83.9%, which was above the All English single tier local authorities median of 66.3%.



Source:
 Department for Levelling Up, Housing & Communities, Revenue Outturn Summary (RS), [Net current expenditure - children Social Care \(RS\)](#) , **Data updated:** 05 Jul 2023
 Department for Levelling Up, Housing & Communities, Revenue Outturn Summary (RS), [Net current expenditure - adult Social Care \(RS\)](#) , **Data updated:** 05 Jul 2023
 Department for Levelling Up, Housing & Communities, Core spending power, [Core Spending Power \(Actual\)](#) , **Data updated:** 06 Jul 2023

4.8 The high proportion of expenditure directed towards meeting the Council’s statutory responsibilities for social care, significantly limits the Council’s ability to invest in the provision and improvement of other services and particularly discretionary place based services that are highly valued by the wider community. The Council needs to pursue strategies to deliver more cost-effective social care provision in order to be able to continue to provide valued discretionary services.

Middlesbrough Council Plan

4.9 The Council Plan is the Council’s overarching business plan for the medium-term, and is refreshed on an annual basis. It sets out the ambitions and priorities of the Elected Mayor of Middlesbrough and the wider corporate priorities that the Council is required to deliver.

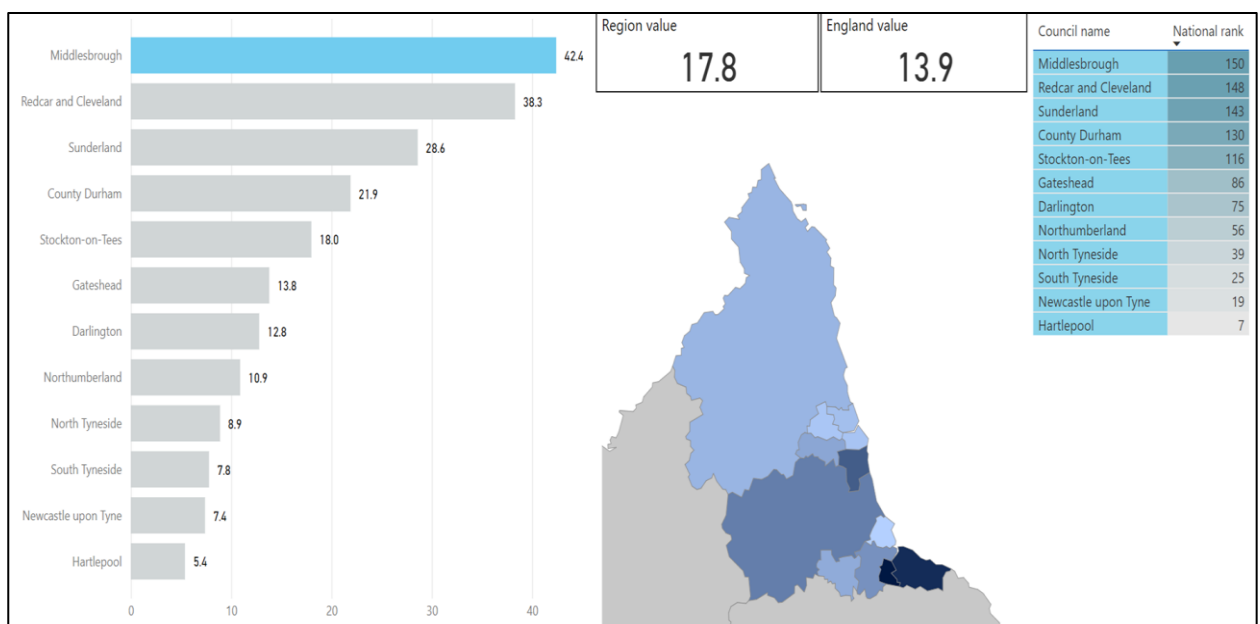
4.10 Following the outcome of the 2023 Mayoral and Local Elections, the Council has a newly elected Mayor who has worked with his appointed Executive and the Leadership Management Team to articulate his vision and to priorities that are incorporated into the wider Council Plan. The revised Council Plan for the period 2024/25 to 2026/27 is considered elsewhere on this Executive agenda.

- 4.11 The Council Plan and the Council’s annual revenue and capital budgets are developed in parallel, to ensure full alignment between the Council’s ambitions and spending plans.
- 4.12 In outlining an achievable programme of work that delivers performance improvement within constrained financial resources, the Council Plan and its supporting Service Plans, will be presented to a meeting of the Executive in March 2024. This will demonstrate the Council’s approach to securing better value for money and financial sustainability over the medium term.
- 4.13 The remainder of this section provides a summary of the local context for high spending service areas which present significant financial pressures and upon which the Council’s focus for transformation and efficiency be required.
- 4.14 Adult Social Care

Adult Social Care is the second largest area of net expenditure for the Council at £49.8m (40% of the Council’s opening total net revenue budget) for 2023/24. Care sector supplier capacity, and demand for the Health and Care sector continues to provide challenges for the Council.

This is borne out in several areas where Middlesbrough remains an outlier in performance for Adult Social Care Services. Figure 2 below shows Middlesbrough has more adults admitted to residential and nursing care homes at 42.4 per 100,000 population compared to Regional and England as 17.8 and 13.9 respectively.

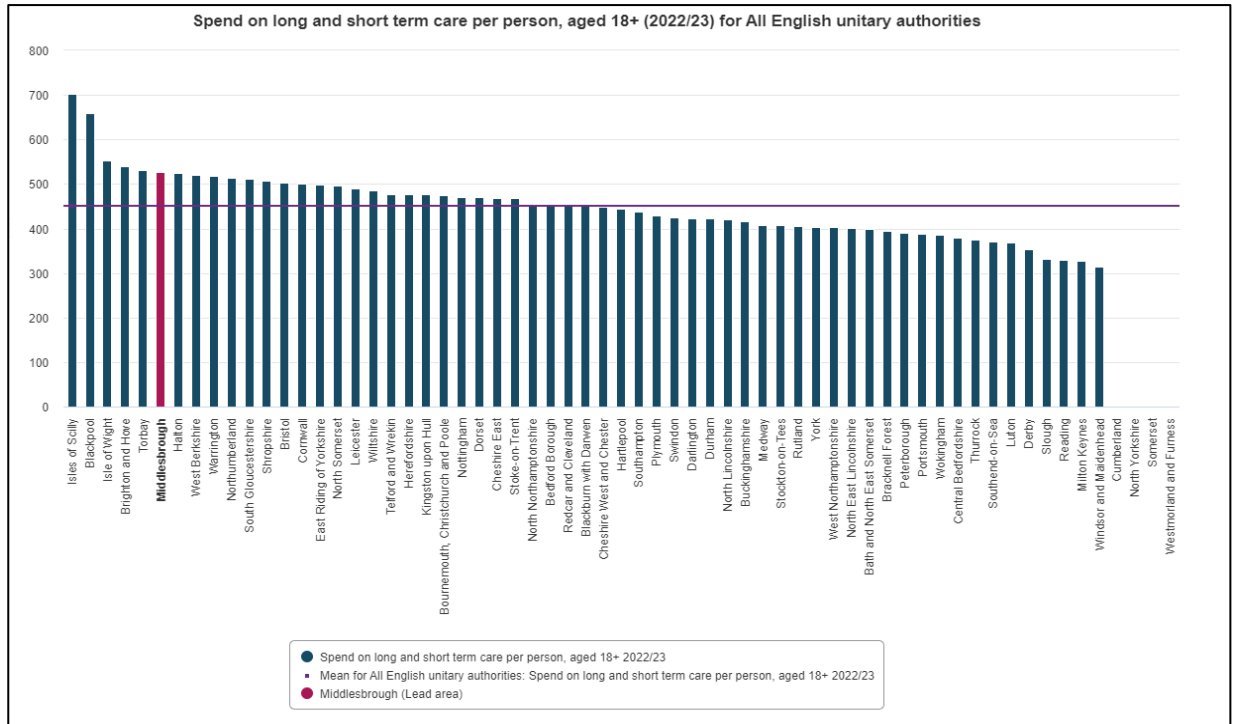
Figure 2: The number of adults aged 18 to 64 whose long-term support needs are met by admission to residential and nursing care homes (per 100,000 population) - comparison against regional neighbours in 2021/22



Source : Adult Social Care Outcomes Framework (ASCOF) data

Also this is borne out by the level of spend on long and short term care per person for Middlesbrough compared to other England Unitaries, as shown in Figure 3 below.

Figure 3: Spend on long and term short care per person, aged 18+ (2022/23) for all English Unitary authorities



Source : LG Inform

The budget proposals reflect the increased demand for services with savings initiatives and proposals focused on improved efficiency of current systems and transformation of the Adult Social Care delivery model through enhanced early intervention, digital technology, increased reablement, and the broadening of our accommodation offer.

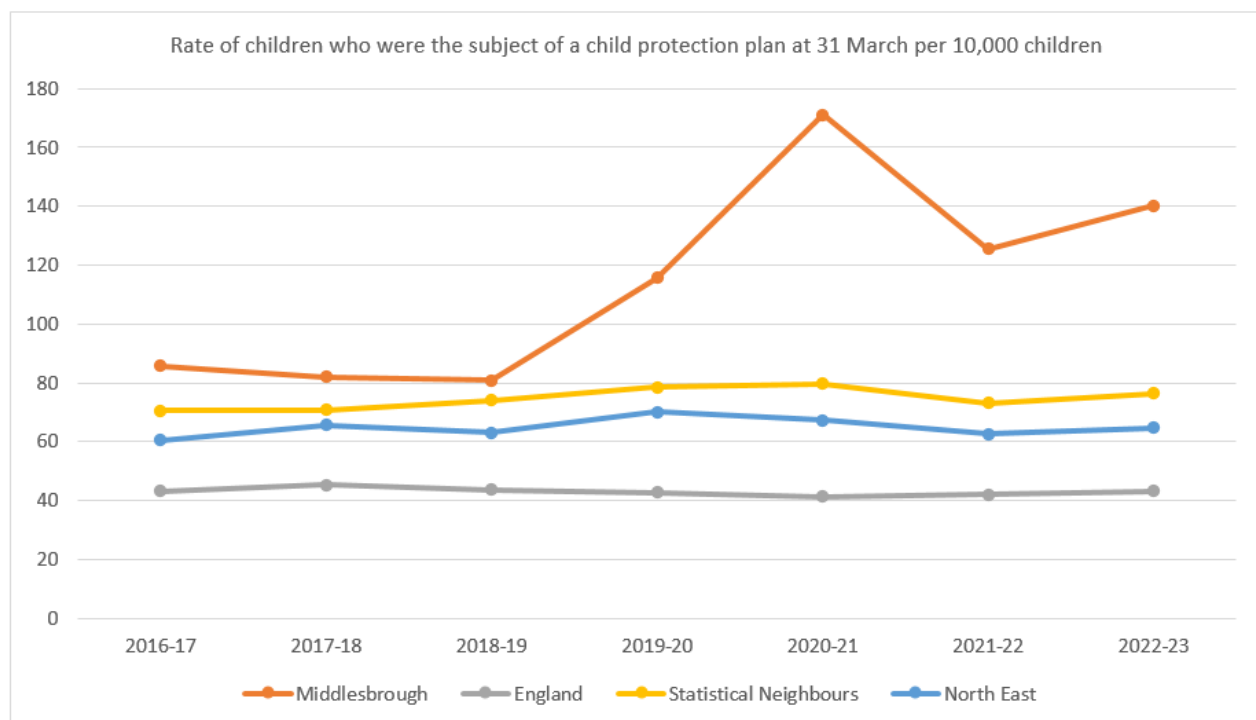
4.15 Childrens Social Care

Childrens Social Care is the largest area of net expenditure for the Council at £54.6m (43% of the Council's opening total net revenue budget) for 2023/24. Middlesbrough has a high young population, with 23% of the population aged between 0 to 17 compared to North East neighbours of 19.8% and 20.8% for England (as per Office for National Statistics). The number of Children aged 0-15 in absolute low income families was 31.8% compared to the England average of 15.3% (as per Department for Work and Pensions data). The number of young people, and those living in poverty directly impacts on the number of children requiring support from Children's Services.

The level of demand is demonstrated in Figure 4 below, showing that for Child Protection plans in place for Middlesbrough there are 140.2 per 10,000 children whilst the England average was 43.2 in 2022/23.

Figure 4: Rate of children who were subject to child protection plans at 31 March per 10,000 children

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	% change from '21-22 to '22-23	
	rate	rate	rate	rate	rate	rate	rate		
Middlesbrough	85.8	82.1	80.9	115.6	171.1	125.6	140.2	Up	12%
England	43.3	45.3	43.7	42.8	41.4	42.1	43.2	Up	3%
Statistical Neighbours	70.5	70.8	74.1	78.4	79.6	73.1	76.4	Up	5%
North East	60.6	65.7	63.1	70.0	67.2	62.6	64.8	Up	4%



Source : Department for Education latest data

The direction of travel for Children's Social Care is for improvements to efficiencies of current systems to transform the delivery model through enhancement of early help and prevention, the development of new models of placement provision for looked after children, and development of more in-house fostering capacity. These initiatives will be overseen by the Childrens Improvement Board.

A recent Ofsted and Care Quality Commission (CQC) inspection has resulted in Middlesbrough's special needs service for young people being given the highest possible rating. The inspectors described children and young people with SEND in Middlesbrough as 'valued, visible and included' and typically able to receive the right help at the right time, while good relationships are maintained with schools and the local parent carer forum.

4.16 Waste Management

The Council currently operates weekly collection of waste, where the current 2023/24 net budget for Waste Collection is £2.854m. Waste disposal is a significant cost to the Council with a 2023/24 budget of £3.969m.

As well as contributing to the Council’s environmental objectives, the cost of disposing of recycled waste (average disposal rate is £53.01 per tonne) is much lower than the cost of residual waste (disposal rate is £72.56 per tonne). Further, it is important to note that there is a significant cost to disposing of waste incorrectly. Residual waste that is put in the recycling bin causes contamination to the recycled waste stream and is rejected by waste operators and diverted to the residual waste stream for which the Council has to pay to process twice (average residual waste disposal rate of £173.78 per tonne).

Table 1 below summarises the forecast total waste disposal cost, tonnage, and cost per tonne of recycled waste, residual waste, and contaminated waste for 2023/24

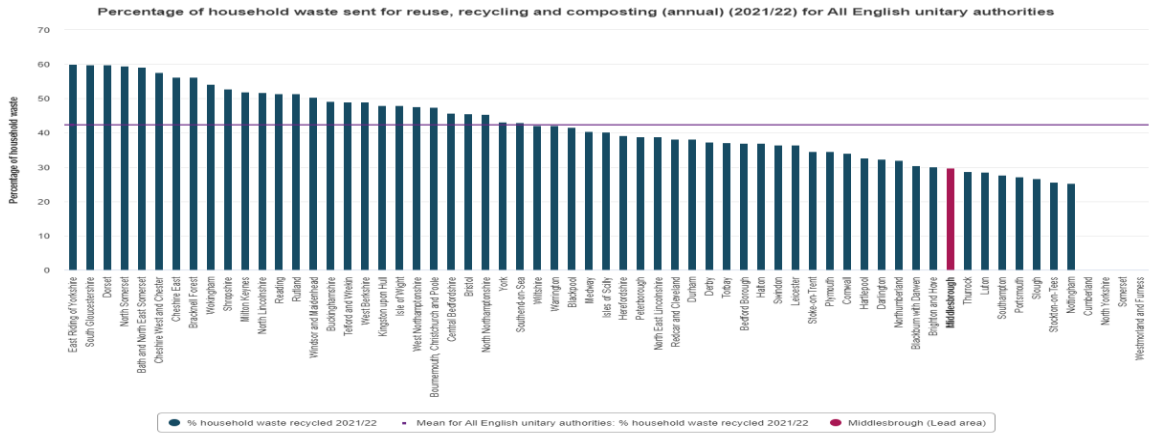
Table 1: forecast total waste disposal cost, estimated tonnage, and average cost per tonne of recycled waste, residual waste, and contaminated waste for 2023/24 (Forecast as at October 2023)

Disposal Stream	Annual Forecast Cost as at October 2023 (£)	Forecast Tonnage	Average Rate per tonne* (£)
Main Waste Disposal Contract	3,073,594	41,588	72.56
Landfill	452,000	3,327	135.86
Recycling - Civic Amenity Site	584,442	8,661	Various
Recycling - MRF Facility	389,183	9,815	Various
Green Waste	178,444	6,024	28.00
Road Sweepings	39,573	1,019	35.00
Miscellaneous/Fly/Bulk	79,508	817	Various
Other Costs (staffing, rates, miscellaneous)	203,156	n/a	n/a
	4,999,900	71,251	

**Note - as these are average tonnage rates, the tonnage multiplied by these rates for each element do not necessarily equal the total forecast for the year as at October 2023*

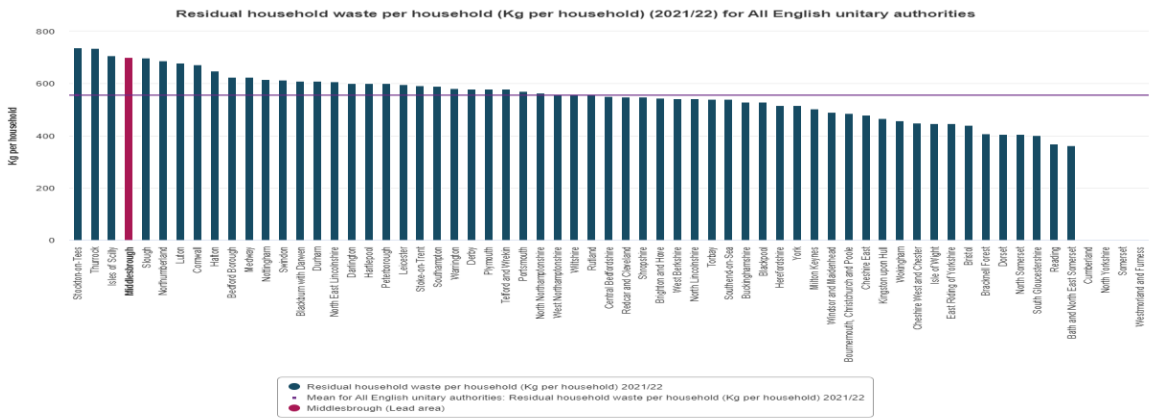
Based upon 2021/22 available comparative data, Middlesbrough has one of the lowest recycling rates of all single tier authorities at 29.8% compared to a mean of 42.3%. Whilst the amount of residual waste is higher than most single tier authorities at 701kg per household compared to 554kg, the level of contaminated waste as seen in Figure 7 below is also higher than most single tier authorities.

Figure 5: % of household waste recycled 2021/22



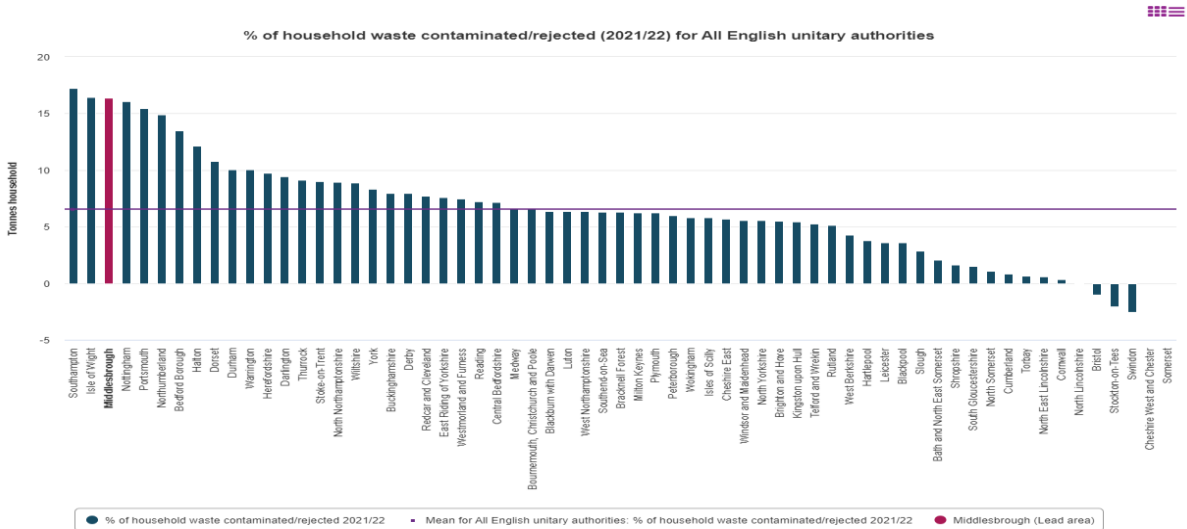
Source: Department for Environment, Food and Rural Affairs

Figure 6: Residual Household Waste Per household 2021/22



Source: Calculated by LG Inform

Figure 7: % of household waste contaminated/rejected 2021/22



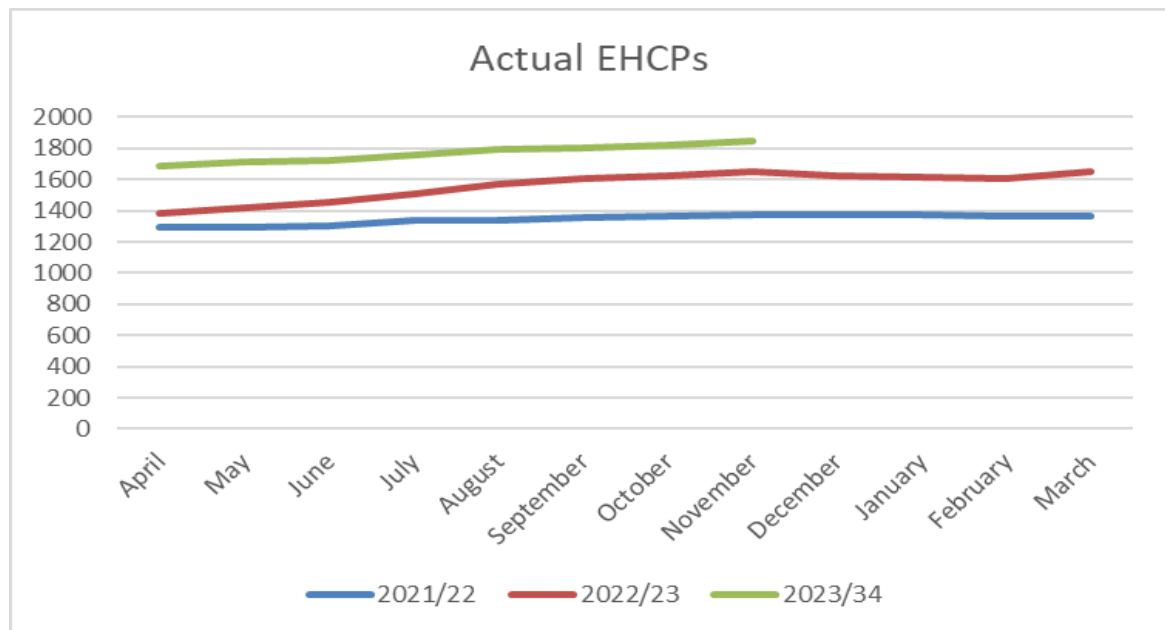
Households in Middlesbrough can make a significant contribution to reducing the total cost of waste disposal by complying with Council guidance on what waste to put in each bin.

4.17 Home to School Transport

Home to School Transport for children and young people is an area of significant expenditure for the Council. It is a vital statutory service that provides transport to the most vulnerable children, young people, and disabled children in Middlesbrough.

The net budget to the Council in 2023/24 is £3.7m, however the service is facing significant budget pressures with a forecast overspend of £1.9m in 2023/24. The provision of transport is delivered through in-house services and is commissioned externally. Transport costs are, however, subject to the volatility of fuel costs, and labour market pressures, alongside demand growth in terms of the increase in school age children with complex health and multiple disabilities. A view of the number of Education, Health, and Care Plan's (EHCP) provides a good indicator of demand, which for Middlesbrough has increased by 12% from the previous year (1,652 cases to 1,848 cases in November 2023).

Figure 8 : actual number of Education, Health, and Care Plans (EHCP) 2021/22 to 2023/24



Source : internal monthly data

The focus is to continue to increase options and the ability for disabled young people to travel independently, whilst delivering cost efficiencies through our commissioning of service provision, route optimisation and efficiencies in inhouse provision.

Corporate Governance Improvement Programme (CGIP)

- 4.18 The Council was issued with a Best Value Notice by DLUHC in February 2023 and subsequently with 11 statutory recommendations relating to the need to improve its Best Value arrangements by the External Auditor Ernst & Young (LLP) in August 2023. The Council has established a Corporate Governance Improvement Plan (CGIP) to deliver the improvements that are necessary to secure Best Value which were considered by Council at its meeting on 18 September 2023. The key themes are:
- Cultural Transformation
 - People Strategy
 - Member Development Strategy
 - Partnership Strategy
 - Financial Recovery and Resilience
 - Achieve financial balance and resilience
 - Robust budgeting and financial planning
 - Compliance with financial governance
- 4.19 Successfully addressing the Council's Financial Recovery and Resilience at pace is fundamental to securing the Council's financial future. Financial stability is at the foundation of building an effective and efficient customer focused organisation.
- 4.20 As reported by the previous Interim Chief Financial Officer at budget setting in February 2023 and subsequently by the Interim Director of Finance in the Quarterly financial updates and MTFP Refresh report considered by Executive on 23 August 2023, the Council's financial position is serious with a forecast overspend for 2023/24 of £8.556m at Quarter Two. Whilst this has improved to a forecast £7.438m overspend at Period 7 (end of October), significant work is still required in order to achieve financial balance in 2023/24 within the context of already critically low usable revenue reserves of £14.829m.
- 4.21 The initial estimated budget gap for 2024/25 as per the MTFP Refresh report to Executive in August was £14.204m and this has been updated to reflect ongoing financial pressures emerging during 2023/24 and the review and development of demand and cost models for high spending services and the revised budget gap is set out in paragraph 4.68 and Table 10.
- 4.22 Of particular relevance to the 2024/25 budget setting and MTFP process are the statutory recommendations issued in August 2023 by the External Auditor Ernst & Young (LLP) known as EY in relation to the Council's financial recovery and resilience that require the Council to:
- Build upon the steps already taken to control its expenditure to identify specific deliverable savings over the short term (next 12 months) to protect its limited remaining reserves. Where appropriate this may need to include the Council changing how it meets its statutory responsibilities and the extent to which it delivers services which are not required to discharge its statutory responsibilities.

- Review service delivery models to ensure that they are efficient, represent value for money and achieve the outcomes required for the resources invested. Where opportunities to improve service delivery models are identified, the Council should develop detailed plans for implementation of service delivery transformation and how the up-front transformation costs will be funded.

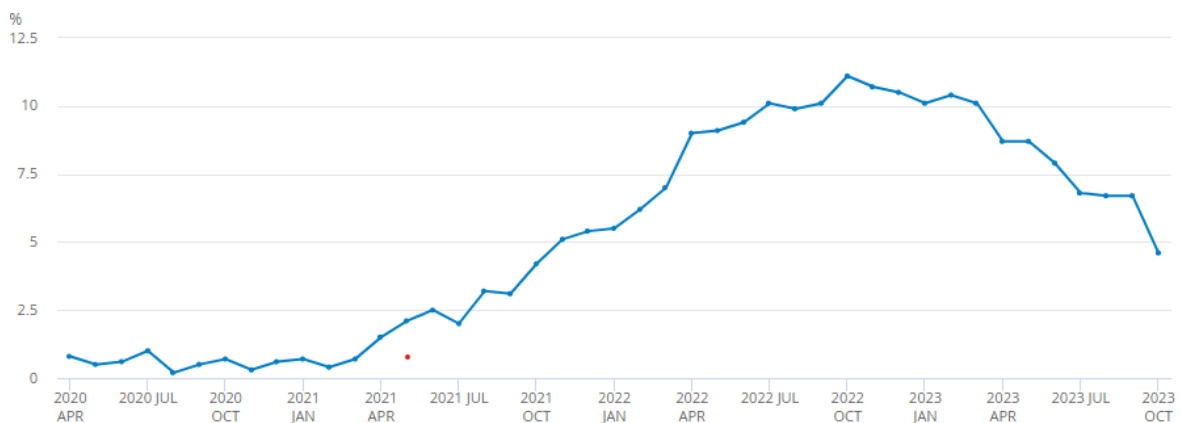
4.23 The Council has voluntarily engaged the Middlesbrough Independent Improvement Advisory Board (MIIAB) to provide challenge and support in the development and delivery of the CGIP for the period of 12 months from October 2023. The Board is currently particularly focused upon supporting the Council to meet its financial challenges.

4.24 Statutory Officers are in regular dialogue with the External Auditor and with officials within the Department for Levelling Up Housing and Communities (DLUHC) in relation to the progress of the CGIP and the Council’s financial position, particularly in relation to the prospect of the need for the Council to make an application for EFS to avoid a s114 Notice in respect of 2024/25 as a critical element of its financial recovery plan for the medium term.

National Economic Context

4.25 Inflation as measured by the CPI (Consumer Prices Index) has remained persistently high during 2023/24, falling unexpectedly by 31 October 2023 to 4.6%. There continues to be uncertainty and volatility in the global economy, driven by adverse global events including the ongoing war between Russia and Ukraine and the recent escalation of conflict between Israel and Palestine. This is reflected in Figure 9 below:

Figure 9: CPI Monthly increase between April 2020 and October 2023



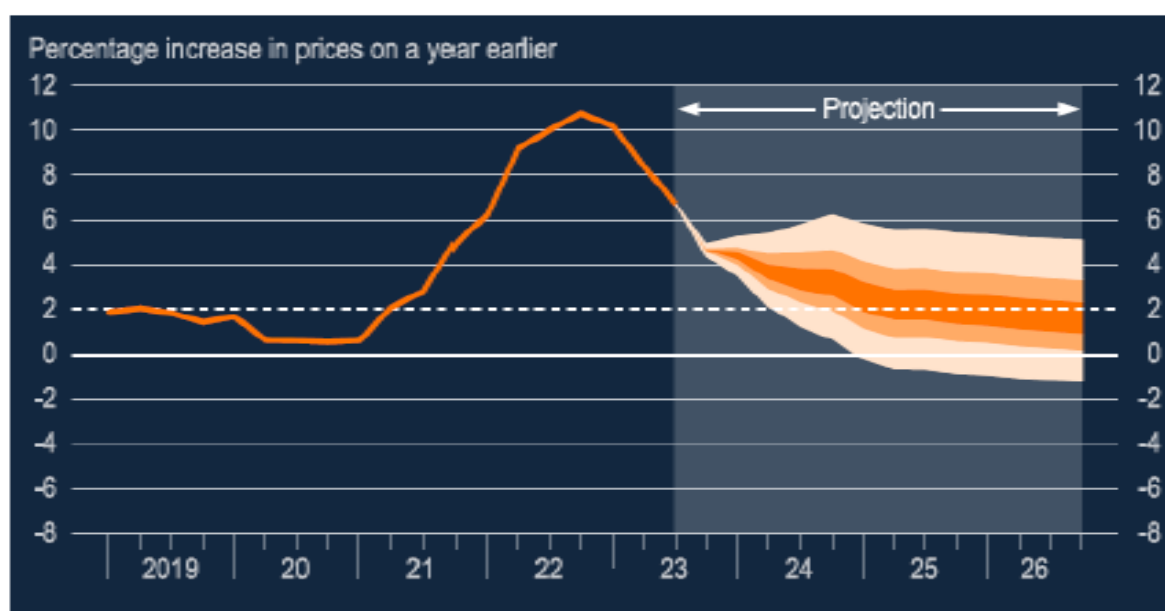
Source: Office for National Statistics CPI Data Tables (October 2023)

4.26 The Bank of England has raised interest rates in an attempt to curb inflation, on 14 consecutive occasions since 19 March 2020 when the rate stood at 0.1% through to the rate in 2 November 2023 at 5.25%. There are a range of forecasts for inflation currently and these are variable due to a range of complex economic factors. The last Office for Budget Responsibility (OBR) prediction in October 2023 is that they expect

inflation to remain higher for longer, taking until the second quarter of 2025 to return to the 2 per cent target, more than a year later than forecast in March 2023.

- 4.27 The forecast provided by the Council's Treasury Management Advisers, Arling Close, indicates that they expect that this reduction will not happen as quickly as forecast by the OBR. They predict that the second-round effects in domestic prices and wages are expected to take longer to unwind than they did to emerge. In the CPI forecast conditioned on the market-implied path of market interest rates, an increasing degree of slack in the economy and declining external cost pressures lead CPI inflation to return to the 2% target by the end of 2025 and to fall below the target thereafter. They judge that the risks are skewed to the upside. Taking account of this skew, mean CPI inflation is expected to be 2.2% and 1.9% over the two and three-year horizons respectively. This is demonstrated in Figure 10.

Figure 10: Outlook for UK CPI inflation



Source: Arling Close

Local Financial Context

Latest forecast 2023/24 position

- 4.28 The Quarter Two budget monitoring report to Executive on 21 November 2023 highlighted a forecast 2023/24 overspend of £8.556m. The position at Period 7 (31 October 2023) is a forecast overspend of £7.438m forecast 2023/24 overspend as shown in the Table 2 below. Financial recovery plans continue to be developed to mitigate this further, along with a range of budgetary management and control measures as detailed in the Quarter Two budget monitoring report.

Table 2: Movement of 2023/24 Projected Outturn Variance between Quarter 2 and Period 7 2023/24

Movement of 2023/24 Projected Outturn Variance between Q2 and P7			
Directorate	Projected Outturn Variance as at Q2 23/24 £m	Projected Outturn Variance as at P7 23/24 £m	Difference £m
Adult Social Care	1.676	1.686	0.010
Public Health	-	-	-
Children's Care	3.172	3.447	0.275
Education	1.943	1.943	-
Regeneration	(0.396)	(0.356)	0.040
Environment & Community Services	0.737	0.859	0.122
Legal & Governance Services	0.004	0.011	0.007
Chief Executive	(0.012)	(0.012)	-
Finance	(0.147)	(0.147)	-
Central Budgets	1.579	0.007	(1.572)
Total	8.556	7.438	(1.118)

Financial Resilience – Adequacy of Reserves

4.29 The Council’s Financial Resilience and level of usable reserves is extremely low. This is demonstrated by the latest national comparative data by Figure 11a below. This shows that Middlesbrough’s level of usable reserves was 28% of Net Revenue Expenditure at the end of 2021/22 compared to the mid-range of 63% for all single tier authorities. Reserves have deteriorated further by the end of 2022/23 as reflected in this and previous reports.

Figure 11a comparison of level of reserves with all English single tier authorities 2021/22

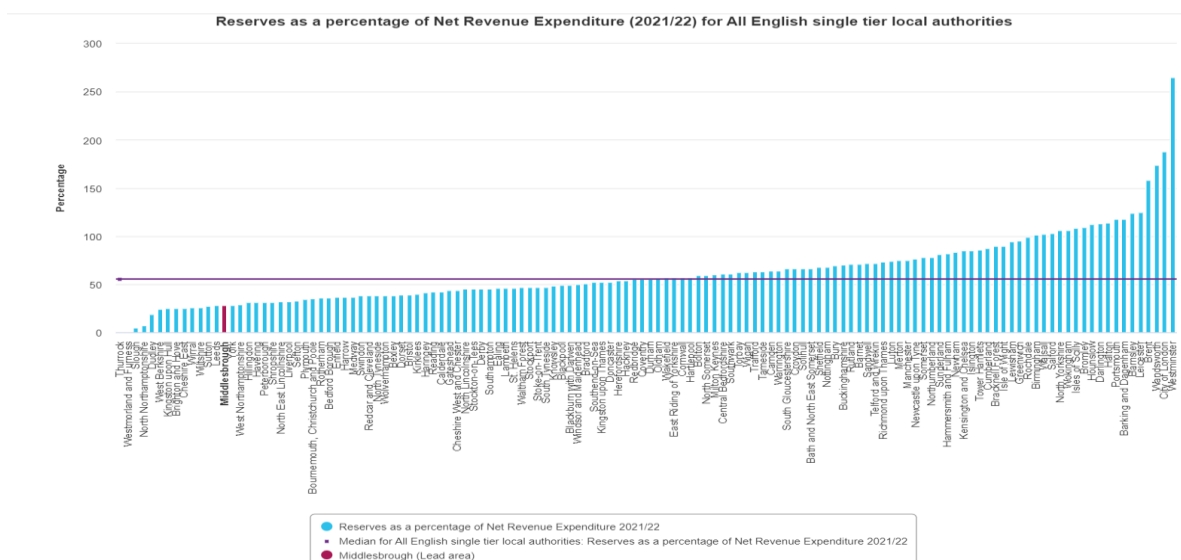
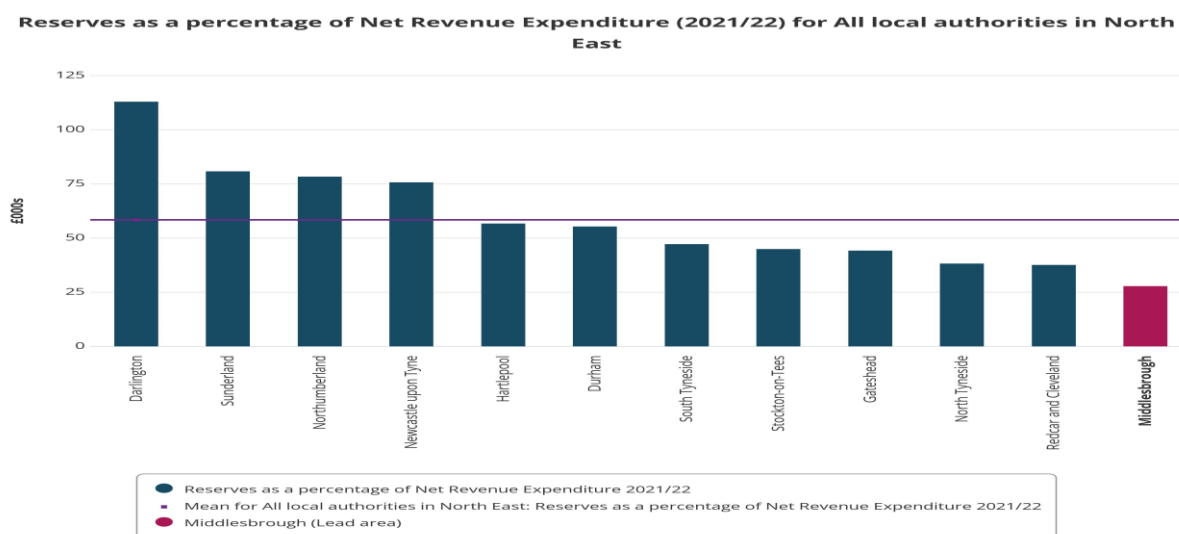


Figure 11b comparison of level of reserves with the other 11 authorities in the North East 2021/22



Source:
 Calculated by LG Inform
 Powered by LG Inform

4.30 The level of usable revenue reserves at the start of the 2023/24 financial year were critically low and at period 7 are forecast to reduce further to £7.391m as a result of the Period 7 forecast overspend of £7.438m as summarised in Table 3 below.

Table 3: Unrestricted Usable Revenue Reserves

Unrestricted Usable Revenue Reserves			
Directorate	Balance at 31/03/23	Q2 Forecast Balance at 31/03/24	P7 Forecast Balance at 31/03/24
	£m	£m	£m
General Fund Reserve	12.041	6.273	7.391
Unrestricted Usable Reserves	2.788	-	-
Total Unrestricted Usable Reserves	14.829	6.273	7.391
% of Net Revenue Budget	11.7%	4.6%	5.5%
Net Revenue Budget (approved 2023/24 / estimated 2024/25)	126.354	135.298	135.298

- 4.31 It is essential to protect the level of unrestricted usable revenue reserves and rebuild them to strengthen the financial resilience of the Council over the period of this MTFP.
- 4.32 As mentioned in the Quarter Two budget monitoring report an in depth review of the balance sheet in the 2021/22 and 2022/23 accounts has been undertaken.
- 4.33 This work includes a revision of the methodology for accounting for the potential revenue cost of bad debt in the event that it proves to be uncollectable and is required to be written off. This revision is to comply with International Accounting

Standard IAS37 which is applicable from 2021/22 financial year and which remains subject to external audit.

- 4.34 It should be noted that income related debt in the balance sheet is revenue income that has already been recognised in previous financial years revenue accounts. Accounting standards require a financial provision to be made against the risk of such debt becoming uncollectable and requiring to be written off which would reduce the total income accounted for over time.
- 4.35 Making a provision or increasing a provision held in the balance sheet, results in an expenditure charge to the revenue account in the year of the change, whilst a reduction in the provision results in a credit of the expenditure charge in the revenue account.
- 4.36 Where uncollectable debt is written off, it is charged against the bad debt provision in the balance sheet rather than the write off impacting the current revenue budget in the year of write off and therefore setting aside provision over time provides the financing in the event of write off, so as to be cost neutral to the in-year revenue position.
- 4.37 The Council holds bad debt provisions in relation to council tax and business rates within its Collection Fund, and other general debt within the General Fund balance sheet. The Collection Fund bad debt provision is the most significant of the provisions under review. The Council's approach to collection and recovery of council tax and business rates alongside measures to provide support and relief to those who cannot afford to pay, is explained further in paragraphs 4.77 to 4.82.
- 4.38 The revised methodology for calculating the bad debt provision is to be based upon an assessment of actual long term debt recovery performance as opposed to the historical approach which was based upon the age of debt in order to comply with IAS37. The calculations are complex and extensive sensitivity analysis and due diligence is being undertaken given the impact is likely to result in material reduction in the bad debt provision on the collection fund and other debt related provisions. This work will result in a one-off release of provisions to the Council's revenue reserves with the collection fund provision to be available for 2024/25 budget setting and general fund provisions to be available in 2023/24.
- 4.39 The interim s151 Officer remains in discussion with the external auditor relating to the finalisation of the agreed methodology and associated adjustment to the 2021/22, 2022/23 accounts, and forecast for 2023/24 year end position. It is anticipated that this will conclude early in the new calendar year.
- 4.40 The s151 Officer has determined that the application of any release of the provision will be applied to re-build the Council's revenue reserves including the replenishment of the general fund balance and earmarked reserves that will be required to meet any final overspend in 2023/24. This will serve to strengthen the Council's financial resilience over the medium term.
- 4.41 Revenue reserves are not intended to be used to fund ongoing expenditure and to this end do not provide a solution for balancing the 2024/25 base budget position. A

further update will be provided in the February report to Executive and Council. However, the s151 Officer expects the outcome of this work will be sufficient to mitigate the risk of a s114 Notice being required for the 2023/24 financial year.

Sources of Revenue Income

4.42 The source of local authority funding has altered in recent years with a greater proportion of overall funding coming from Council Tax and less from Revenue Support Grant (RSG). Figure 12 below shows the Council's Core Spending Power for 2013/14 to 2023/24, with Table 4 showing the absolute figures used for the chart to provide detail on the individual components. This shows a change in the mix of funding over the years including increasing percentage of overall funding from Council Tax and a reducing percentage from RSG.

Figure 12 – Core Spending Power per year 2013/44 to 2023/24

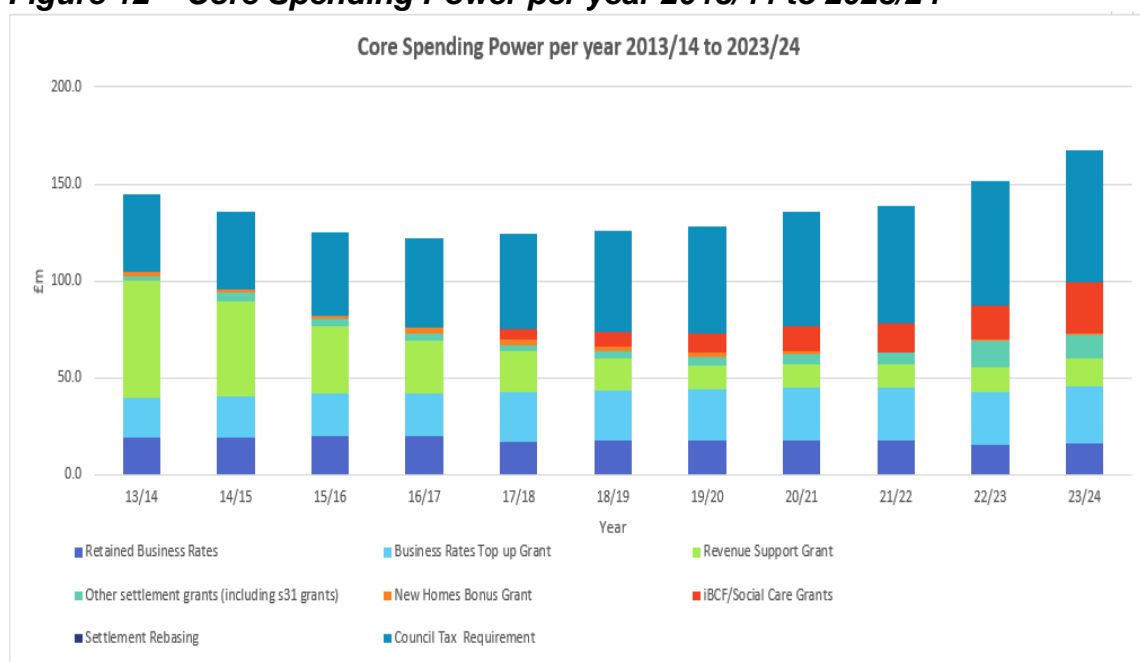


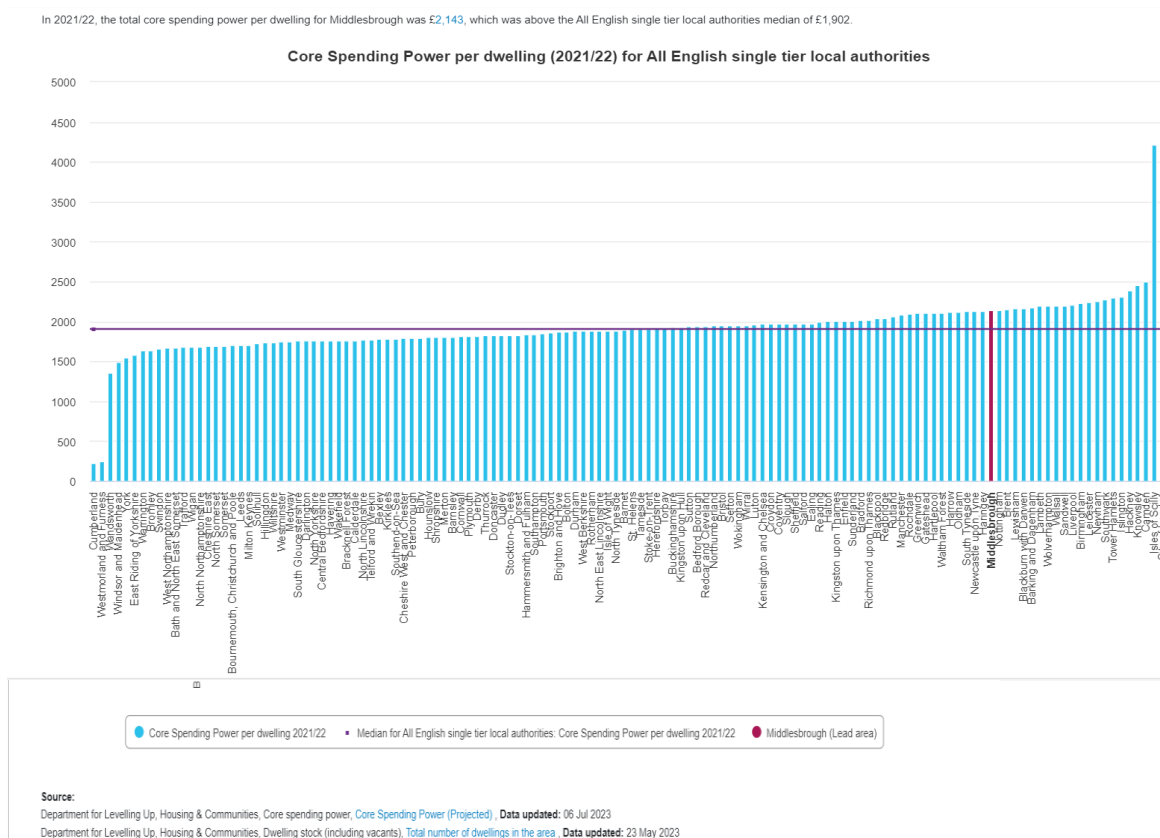
Table 4 – Core Spending Power per year 2013/14 to 2023/24

Core Spending Power per year											
	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
Council Tax Requirement	40.2	40.0	42.6	46.2	49.1	51.9	55.3	58.7	60.6	63.8	68.0
iBCF/Social Care Grants	0.0	0.0	0.0	0.0	5.1	7.3	9.7	13.2	14.7	17.7	26.7
New Homes Bonus Grant	1.6	1.7	2.1	3.3	3.0	2.3	2.0	1.3	0.2	0.9	1.1
Other settlement grants (including s31 grant)	2.5	4.6	3.6	3.3	3.3	4.1	4.6	5.0	6.0	13.6	12.0
Revenue Support Grant	60.4	49.1	34.9	27.6	21.1	16.5	12.0	12.2	12.2	12.6	14.2
Business Rates Top up Grant	20.8	21.2	21.6	21.8	25.7	26.0	26.9	27.3	27.3	27.3	29.3
Retained Business Rates	18.9	19.1	20.0	19.9	16.9	17.4	17.5	17.7	17.6	15.5	16.4
Core Spending Power	144.5	135.7	124.8	122.1	124.1	125.5	127.8	135.4	138.6	151.2	167.6
% Annual change		-6.1%	-8.0%	-2.1%	1.6%	1.1%	1.8%	6.0%	2.4%	9.1%	10.8%

Note – above does not factor in inflation

- 4.43 It is important to note that the Government’s calculation of Core Spending Power assumes that the local authority increases the Council Tax by the maximum permitted. Therefore the extent to which the Council has determined Council Tax increases below the maximum permitted, results in a level of funding below the assessed Core Spending Power
- 4.44 Figure 13 shows the comparison of the Council’s Core Spending Power per dwelling of £2,143 compared to the median of £1,902 for all single tier local authorities for 2021/22.

Figure 13 – Core Spending Power dwelling for 2021/22 for all English single tier local authorities



Central Government Funding

- 4.45 The Government allocates grant funding to local authorities in a process called the ‘local government finance settlement’. These can be multi-year or single-year settlements, since 2015 these have been single year. A single year was released for 2022/23 and in December 2022 the provisional settlement announced (and confirmed in the final settlement in February 2023) covered 2023/24 in full and provided an indication of funding for 2024/25.
- 4.46 The Comprehensive Spending Review (CSR) 21 laid out 3% per-year real-terms increases in local authority spending power over the period, including £3.6bn for social care reform. The Autumn Statement 2022 (AS22) published by the

Government on 17 November 2022 increased local authorities' core spending power. This increase all came in the form of additional funding for adult social care, though some of that "additional funding" was the result of the government delaying implementation of adult social care charging reforms until at least October 2025. There was, however, genuine new funding too which came via a mixture of additional grant funding and an increased ability for local authorities to raise council tax. In total, this means that local authority spending power is now due to rise by 3.4% in real terms per year in 2023/24 and 2024/25.

- 4.47 Even though there was additional funding announced for 2023/24, Government funding for local government as a whole has fallen substantially since 2010. Since changes were made to the Local Government Finance System in 2013/14, as shown in Table 4 above, Middlesbrough Council has suffered a significant reduction in general Government funding in the form of Revenue Support Grant (RSG) and Business Rates Top Up Grant (excluding service specific grants, such as iBCF, Social Care grant etc.), with a reduction of £37.7m (46%) from £81.2m received in 2013/14 to £43.5m in 2023/24. This does not take into account inflation, and these figures will be updated following the provisional settlement in December 2023.
- 4.48 These settlements marked a change in government approach to allocating funding. Since the CSR21, and in contrast to the first half of the 2010s, the most deprived local authorities have experienced the largest uplifts. There have also been increases in core spending power for all local authorities – driven in part by increased Covid funding and in part by more post-pandemic funding for adult social care, although neither returns them to levels seen at the beginning of last decade.
- 4.49 The Government allocated these uplifts mainly through one-off grants: the Services Grant allocated £822m of funding in 2022/23 and increased grant funding for adult social care in 2023/24. Neither settlement, however, included any longer term changes for allocating funding, reducing the likelihood of more equitable grant distribution across local authorities in future finance settlements. The Government's response to the Fair Funding Review and business rates retention has the potential to redress that longer standing issue but is not due to be implemented until at least 2025/26 as explained below.
- 4.50 Revenue Support Grant is distributed according to a standard complex formula that calculates the relative need of all local authorities. The Government committed to the 'Fair Funding Review' formally referred to as the Review of Local Authorities' Relative Needs and Resources, started in 2016 and explored changing how central grants are distributed between local authorities and with the potential for resetting the baselines for determining each local authority's need. The last time the baseline was reset was in 2013/14 and since then shifting demographics have affected local authorities in different ways and justified a re-evaluation of the method by which central grants are allocated.
- 4.51 The Government delayed implementation of the review initially due to Brexit preparations and then multiple times during Covid. Most recently, the Government used the 2023/24 local government finance settlement to claim that while it "remains committed to improving the local government finance landscape", it would

not implement the findings of the Fair Funding Review in this spending review period, meaning that there will be no change until April 2025 at the earliest.

- 4.52 The other method that central government could use to shift the source of funding from central government to local areas – increased business rate retention (from 50% to 75%), has also been delayed indefinitely as with the Fair Funding Review. In its future decisions on the Fair Funding Review and Business Rates Retention, the Government will essentially have to choose between two alternative models: on the one hand, more central grants and national standards for services; on the other, more devolved tax-raising powers and variation in local services.
- 4.53 Middlesbrough as an area of very high deprivation, would expect to benefit more from the long awaited Fair Funding Review and reform of business rates, based upon our analysis and engagement in work done nationally on the likely changes before DLUHC suspended the work due to Brexit and then Covid and which as detailed above is now delayed until after the next General Election.
- 4.54 The LGFS for 2023/24 provisionally announced in December 2022 and finalised in February 2023 that the Adult Social Care Precept, which was allowed in previous years, will apply again from 2023/24 to 2025/26 (at a maximum increase of 2% per year). This in previous years has allowed Councils with Adult Social Care responsibility to increase their Council Tax by a set amount to help pay for the increased costs of Adult Social Care.
- 4.55 The LGFS for 2023/24 also confirmed that Councils can increase Council Tax up to maximum of 3% plus 2% Adult Social Care Precept (a total of up to 5%) without the requirement for a referendum for the next 3 years from 2023/24 to 2025/26. Whilst it is not possible to confirm the decisions of a new Government post 2025, the current Government projections are for these council tax limits to continue at least to 2026/27.
- 4.56 On 22 November 2023 the Chancellor's Autumn Statement 2023 announced a number of measures which could potentially affect local government. This includes:
- confirmation that the National Living Wage (NLW) will increase to £11.44 from £10.42 per hour (a 9.8% increase) for 2024/25
 - announcement of the following business rates measures:
 - the small business multiplier will be frozen at 49.9p
 - the standard multiplier will be updated in April by September's CPI figure (6.7%), increasing the multiplier from 51.2p to 54.6p
 - the 2024/25 Retail, Hospitality and Leisure (RHL) scheme will be extended for a fifth year into 2024/25, retaining the existing scope and providing eligible properties with 75% relief, up to a cap of £110,000 per business and that local authorities will be compensated for the cost of granting these reliefs via a section 31 grant from the government
 - the local housing allowance rate is being increased to the 30th percentile of local market rent for the next financial year but will be frozen again in 2025/26.
- 4.57 DHLUC announced a Local Government Finance Policy Statement 2024/25 on 5 December 2023. Table 5 outlines the key features of the policy statement.

Table 5 – summary of Local Government Finance Policy Statement 2024/25

Local Government Finance Policy Statement 2024-25 Settlement component	2024-25
Locally retained business rates - baseline funding levels	<ul style="list-style-type: none"> Local authorities will see an increase in baseline funding levels (BFLs) and compensation grant as if both business rating multipliers had increased by Consumer Price Index of inflation
Locally retained business rates - Under indexation	<ul style="list-style-type: none"> Increase to compensate for the difference between the business rate multipliers and the consumer price index of inflation
Revenue Support Grant	<ul style="list-style-type: none"> Increase by the Consumer Price Index of inflation Roll the £115m fire pension grant into the Revenue Support Grant. This grant will maintain its existing distribution.
Council Tax	<ul style="list-style-type: none"> A core council tax referendum limit for local authorities of up to 3% A council tax referendum principle of up to 3% or £5, whichever is higher, for shire district councils An adult social care precept of 2% for all authorities responsible for adult social care services A bespoke additional council tax flexibility of up to £20 on Band D bills for the Greater London Authority A council tax referendum principle of £13 for police authorities The core council tax principle of up to 3% will apply to fire and rescue authorities No council tax referendum principles for Mayoral Combined Authorities or town and parish councils
Social Care Grant	<ul style="list-style-type: none"> Increase by £692m to £4,544m
Discharge Fund	<ul style="list-style-type: none"> Increase by £200m to £500m
Improved Better Care Fund	<ul style="list-style-type: none"> No change at £2,140m
Market Sustainability and Improvement Fund (MSIF)	<ul style="list-style-type: none"> Increasing to £845m and combining with MSIF – Workforce Fund (£205m in 24/25) increases the total value to £1,050m
Funding Guarantee	<ul style="list-style-type: none"> Ensure all authorities see a 3% core spending power increase before any decision on organisational efficiencies, use of reserves, and council tax levels
New Homes Bonus	<ul style="list-style-type: none"> Maintain the 2023-24 approach, making 2024-25 in-year payments only
Rural Services Delivery Grant	<ul style="list-style-type: none"> No change at £95m
Services Grant	<ul style="list-style-type: none"> As in 2023-24, the Services Grant will reduce and the remainder will continue to be distributed using the Settlement Funding Assessment distribution methodology

Council Tax Income

4.58 Council Tax income has increased as a proportion of total income over the last 10 years as the level of RSG has reduced. This presents a particular financial challenge for the Council given it has a particularly low Council Tax base with 50.3% of dwellings in Band A, and 17.4% in Band B. This is a higher proportion than the national Band A and B percentage and means that a greater proportion of our residents pay a Band A and B than comparable Councils. Every 1% of Council tax raises approximately £0.675m per year.

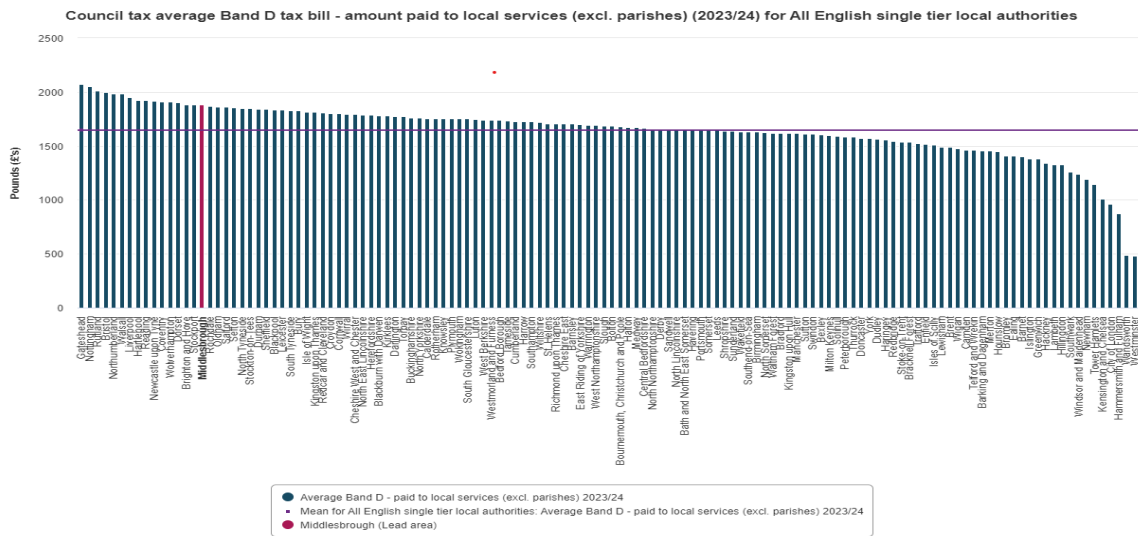
4.59 This means that a higher rate of Council Tax is needed to derive the same income yield compared with many other councils. Table 6 below shows the number of dwellings on the valuation list in each band of Council Tax as at 11th September 2023. The value of the increases in Council Tax being proposed are detailed in the Council Tax section of this report at paragraph 4.73.

Table 6 – number and percentage of dwellings by Council Tax Band as at September 2023

Number and percentage of dwellings by Council Tax Band as at September 2023									
Council Tax Band	A	B	C	D	E	F	G	H	TOTAL
Total number of dwellings on the Valuation List	33,161	11,466	11,440	5,523	2,750	1,003	592	53	65,988
% in each band	50.3%	17.4%	17.3%	8.4%	4.2%	1.5%	0.9%	0.1%	100.0%

4.60 In 2023/24, the Council had a Band D council tax of £1,882 which is higher than the mean for all single tier authorities of £1,648 as shown in figure 14 below. However, 85% of Middlesbrough households fall in Band A to C and pay less than this amount.

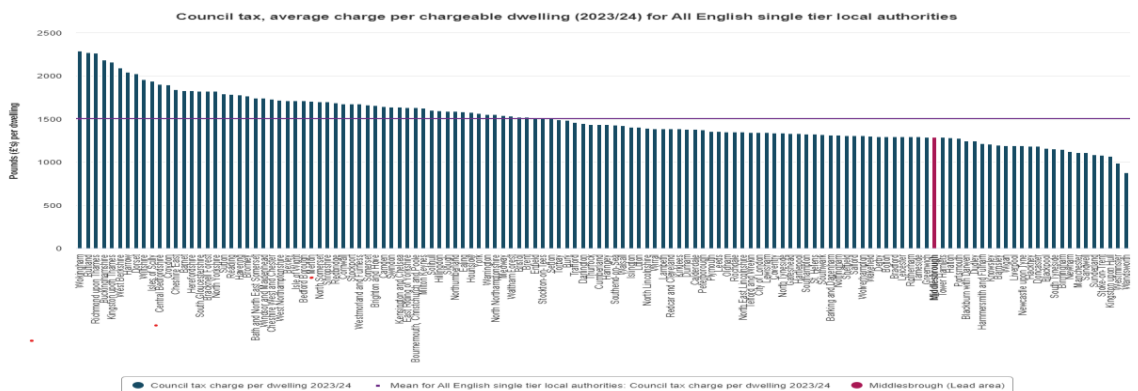
Figure 14: Average Band D Council Tax bill 2023/24



Source: Department for Levelling Up, Housing & Communities

4.61 A more accurate comparison of the level of Council Tax paid by Middlesbrough households is the Average Charge per dwelling as shown in figure 15 below and was £1,290 compared to the mean for all single tier authorities of £1,502.

Figure 15: Average Council Tax bill per Dwelling 2023/24



Source: Department for Levelling Up, Housing & Communities

4.62 Table 7 below shows the history of Council Tax increases over the period 2013/14 to 2023/24, with Table 8 showing the Band D Council Tax each year from 2013/14.

Table 7: Council Tax increases from 2013/14 to 2023/24

Council Tax increases - percentage and value of increase											
	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24
Percentage increase											
Core	1.99%	1.82%	1.85%	1.99%	1.99%	2.99%	2.99%	1.99%	1.99%	0.00%	1.99%
ASC	0.00%	0.00%	0.00%	1.99%	2.00%	2.00%	2.00%	2.00%	0.76%	2.99%	2.00%
Increase	1.99%	1.82%	1.85%	3.98%	3.99%	4.99%	4.99%	3.99%	2.75%	2.99%	3.99%

Table 8: Band D Council Tax 2013/14 to 2023/24

Band D											
	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24
Base	1,305.17	1,330.78	1,355.03	1,380.12	1,435.10	1,491.93	1,566.40	1,644.51	1,710.13	1,757.11	1,809.67
Core	25.61	24.25	25.09	27.49	28.34	44.62	46.80	32.73	34.00	0.00	36.00
ASC	0.00	0.00	0.00	27.49	28.49	29.85	31.31	32.89	12.98	52.56	36.19
Increase	25.61	24.25	25.09	54.98	56.83	74.47	78.11	65.62	46.98	52.56	72.19
Band D	1,330.78	1,355.03	1,380.12	1,435.10	1,491.93	1,566.40	1,644.51	1,710.13	1,757.11	1,809.67	1,881.86

4.63 Over the period since 2013/14, Middlesbrough Council has been required to make cumulative savings of £97m in order to balance its budget.

Table 9: Budget savings per year from 2013/14 to 2023/24

Budget savings per year 2013/14 to 2023/24												
	13/14	14/15	15/16	16/17	17/18	18/19	19/20	20/21	21/22	22/23	23/24	TOTAL
£m	12.657	14.847	14.077	13.163	7.362	6.934	9.908	6.403	2.321	0.000	9.383	97.055

Medium Term Financial Plan

4.64 The MTFP is based on a number of assumptions that are subject to change prior to final budget setting by the Council in February 2024. The report reflects announcements made in the Chancellors Autumn Statement 2023 on the 22 November 2023 and the Local Government Finance Policy Statement published by DLUHC on 5 December 2023 where possible and where full information has been provided. However, the full extent of the impact upon the Council's finances will only become clearer when the Provisional Finance Settlement for Local Government is analysed following the expected announcement, on or around 19 December 2023.

4.65 Any change in assumptions following the settlement will be reflected and updated in the MTFP for presentation to the Executive on 14 February 2024 and will inform the final budget proposals at Full Council on 28 February 2024. The revenue element of the MTFP is set out in the context of:

- a period of persistently high inflation
- a cost of living crisis impacting on citizens;
- a challenging employment market, with recruitment and retention issues internally within the Council and generally across the wider public sector;
- increased demand for services, in particular those relating to Adults Social Care and Children's Social Care, Home to School Transport, and Homelessness which is expected to continue over the life of the plan;
- the need to secure financial recovery by protecting the current level of revenue reserves and rebuilding them to strengthen the Council's financial resilience.
- continued lack of certainty over future Government funding that impacts adversely upon the Council's ability to carry out any long term financial planning.

4.66 The Council maintains a MTFP which sets the financial envelope that is available within which the aims of the Council Plan are to be achieved. The MTFP Refresh 2024/25 to 2026/26 report to Executive on 23 August 2023 provided an update on the financial situation. This has been updated and based upon the following key assumptions which are driven largely by inflation and demand pressures in service areas of statutory responsibility in adult social care, children's social care, homelessness, home to school transport and waste disposal.

Key MTFP assumptions

4.67 The following key assumptions have been used to update the MTFP:

- The MTFP has been amended to reflect any relevant announcements made in the Chancellor's Autumn Statement on 22 November 2023 and the Local Government Finance Policy Statement issued by Department for Levelling Up, Housing & Communities (DLUHC) on 5 December 2023 where sufficient detail was included. Where required, assumptions regarding government funding will be updated as part of the February 2024 MTFP Executive report; following analysis of the provisional and final LGFS.
- That there will be no increase or decrease to the current levels of RSG and Business Rates Retained and Business Rates Top up Grant in 2024/25 and future years, apart from the application of inflationary increases, which have currently been assumed to be 6.7% for 2024/25 (based on CPI for September 2023 as per the Autumn Statement announcement re. Business Rates). This will be fully considered and updated as part of the February 2024 MTFP Executive report; following analysis of the provisional LGFS.
- That currently there are no major changes to other grant assumptions outlined in the report to Executive in August 2023.
- An assumed increase in the core council tax from April 2024 of 2.99% and an additional increase of 2% in the Adult Social Care Precept to fund the pressures in Adult Social Care. The total proposed increase in Council Tax for 2024/25 to 2026/27 is therefore 4.99% p.a. The referendums limit for 2024/25 were confirmed in the Local Government Finance Policy statement 2024/25. A similar increase has been assumed for 2025/26 and 2026/27.
- A council tax base for 2024/25 of 36,137.9 assuming a council tax in year collection rate of 97.4% for 2024/25 as outlined in the separate report to this Executive. Currently similar levels of growth have been assumed for 2025/26 and 2026/27.

- Assumed pay inflation of 4% for 2024/25, 3% for 2025/26 and 2% for 2026/27.
- Assumed inflationary uplift of 4.6% for 2024/25 on discretionary fees and charges aligned to CPI inflation at October 2023 and broadly to the increase in council tax, except where otherwise subject to a specific budget proposal. 2% increase has currently been assumed for both 2025/26 and 2026/27.
- Income the Council receives from commercial developments has been amended to reflect the lost income from the sale of assets approved by Executive on 21 November 2023 as part of the Asset Review report.
- That any residual budget gap remaining after all feasible savings have been identified and assessment of the provisional LGFS, will require an application to DLUHC for Exceptional Financial Support and for this to be granted in order to avoid a s114 Notice being issued by the s151 Officer under s114(3) of the Local Government Finance Act 1988.

4.68 The cost drivers of the budget gap (mainly demand growth and inflationary pressures) reported to the Executive in August 2023 have been reviewed and based upon the above assumptions, the estimated revised budget gap is £18.098m in 2024/25 rising to £26.922m by 2026/27. Table 10 summarises the movement in the budget gap since the report to Executive in August 2023.

Table 10 – movement in budget gap since August 2023 report

Item	2024/25 £m	2025/26 £m	2026/27 £m	Cumulative £m
MTFP Refresh 2024/25 to 2026/27 Report to Executive 23/08/23	14.204	6.832	3.485	24.522
Pay model changes	(2.778)	(0.889)	(1.778)	(5.445)
Adult Social Care Living Wage changes	(0.270)	0.275	0.412	0.417
Fees & Charges changes	(0.688)	-	-	(0.688)
Grant Funding changes	0.038	-	-	0.038
Demand changes - Children's Care	3.172	-	-	3.172
Demand changes - Education (ITU)	2.543	-	-	2.543
Demand Changes - Adult Social Care	0.300	-	-	0.300
Demand Changes - Environment & Community Services (Waste Disposal)	0.768	-	-	0.768
Income Reductions due to Asset Review	1.527	0.188	-	1.715
Legal & Governance - One off use of grant in 23/24	0.133	-	-	0.133
Net Budget movements	4.745	(0.426)	(1.366)	2.953
Council Tax - changes to Housing Growth assumptions	0.168	0.176	0.184	0.528
Business Rates & Revenue Support Grant - change to inflation rate applied	(1.018)	(0.031)	(0.031)	(1.080)
Funding movements	(0.851)	0.145	0.153	(0.553)
Revised gap before new budget savings proposals	18.098	6.552	2.272	26.922

4.69 The following provides further detail of the changes made:

- Following the announcement of the local government pay award for 2023/24, and further review of future expected pay award inflation, pay inflation forecasts have been revised together with due diligence in reconciling the detailed staffing establishment with pay budget models

- Fees and Charges inflationary increase has been updated to reflect latest inflation rates
- Adult Social Care Living Wage calculations have been updated to reflect the increase in national living wage to £11.44 per hour as announced in the Government Autumn Statement
- New Homes Bonus grant calculations have been revised to reflect updated housing growth projections
- Adult Social Care and Integrated Transport Unit growth has been further refined
- Reduction in revenue income as a result of the Asset Review has now been reflected in MTFP
- Additional ongoing pressures and one-off mitigations in 2023/24 to those included in the August gap have been added in
- Council Tax housing growth assumptions have been updated following submission of the CTB1 return to government
- As indicated in the Autumn Sending Review, inflation assumptions on RSG and Business Rates have been updated

4.70 Table 11 below shows the major components of the revised budget gap before any savings proposals, with further detail being provided in the following paragraphs.

Table 11: updated MTFP 2024/25 to 2026/27 before budget savings proposals

Refreshed MTFP Summary 2024/25 to 2026/27 (incremental)				
Budget Item	2024/25	2025/26	2026/27	Detail in Para. No.
	£m	£m	£m	
Net Budget brought forward	126.354	135.298	141.510	
Pay Inflation	5.171	3.451	1.778	4.86 - 4.89
Contractual inflation	1.550	1.550	1.550	4.90
Other inflation	0.223	-	-	4.90
Fees & Charges inflation	(1.978)	(0.860)	(0.860)	4.92 - 4.93
Inflation subtotal	4.966	4.141	2.468	
Service Demand pressures	19.842	6.772	5.331	4.96 - 4.102
Service Demand pressures subtotal	19.842	6.772	5.331	
Technical adjustments	3.844	0.511	0.207	4.104 & 4.105
Risk Management	2.364	0.750	0.750	4.91
Grant Funding adjustments	(2.477)	-	-	
Commercial Income	1.491	0.590	-	4.94 & 4.95
Savings - approved in previous years	(2.987)	-	-	
Other adjustments subtotal	2.235	1.851	0.957	
Projected Net Budget	153.396	148.062	150.266	
Council Tax	(71.400)	(75.695)	(80.204)	
Business Rates	(48.766)	(50.229)	(51.735)	
Revenue Support Grant	(15.132)	(15.586)	(16.054)	
Assumed Funding	(135.298)	(141.510)	(147.994)	
Incremental Budget Gap + / Surplus ()	18.098	6.552	2.272	
Cumulative Budget Gap + / Surplus ()	18.098	24.650	26.922	

Local funding increases – Council Tax and Business Rates

- 4.71 Given the Council’s fragile financial position, the s151 Officer has advised the Mayor and Executive to adopt the current assumed maximum permissible Council Tax increase of 4.99% p.a. for 2024/25 in order to reduce the additional budget savings required to be made to balance the budget. This is also recommended for 2025/26 and 2026/27. This advice also reflects the fact that the Government assumes that local authorities will increase the Council Tax by the maximum permissible in their calculation of the Council’s Core Spending Power, which is a measure of how much the Government believes local authorities can raise from Council Tax and that they have available to spend.
- 4.72 It should be noted that each 1% increase in Council Tax produces estimated additional income to the Council of approximately £675,000 per annum.
- 4.73 The effect of the proposed total Council Tax increase is set out in Table 12 below on the Middlesbrough Council only element of the Council Tax (excluding Fire, Police and Parish precepts) for all bands and shows the average council tax per dwelling.

Table 12: effect of proposed 4.99% p.a. Council Tax increase on Middlesbrough only element

Effect of assumed 4.99% p.a. total increase in Middlesbrough element of Council Tax for the period of 2024/25 to 2026/27										
Band	% of dwellings per band*	2024/25 4.99% increase**			2025/26 4.99% increase**			2026/27 4.99% increase**		
		Council Tax £	Annual Increase £	Weekly Increase £	Council Tax £	Annual Increase £	Weekly Increase £	Council Tax £	Annual Increase £	Weekly Increase £
A	50.3%	1,317.17	62.60	1.20	1,382.90	65.73	1.26	1,451.91	69.01	1.33
B	17.4%	1,536.71	73.04	1.40	1,613.39	76.68	1.47	1,693.90	80.51	1.55
C	17.3%	1,756.23	83.47	1.61	1,843.87	87.64	1.69	1,935.88	92.01	1.77
D	8.4%	1,975.76	93.90	1.81	2,074.36	98.59	1.90	2,177.87	103.51	1.99
E	4.2%	2,414.82	114.77	2.21	2,535.32	120.50	2.32	2,661.83	126.51	2.43
F	1.5%	2,853.88	135.64	2.61	2,996.29	142.41	2.74	3,145.80	149.51	2.88
G	0.9%	3,292.94	156.51	3.01	3,457.26	164.32	3.16	3,629.77	172.52	3.32
H	0.1%	3,951.53	187.81	3.61	4,148.71	197.18	3.79	4,355.73	207.02	3.98

* Based on number of dwellings on the Valuations List as at 11/09/23

** Based on applying maximum increase without a referendum being required

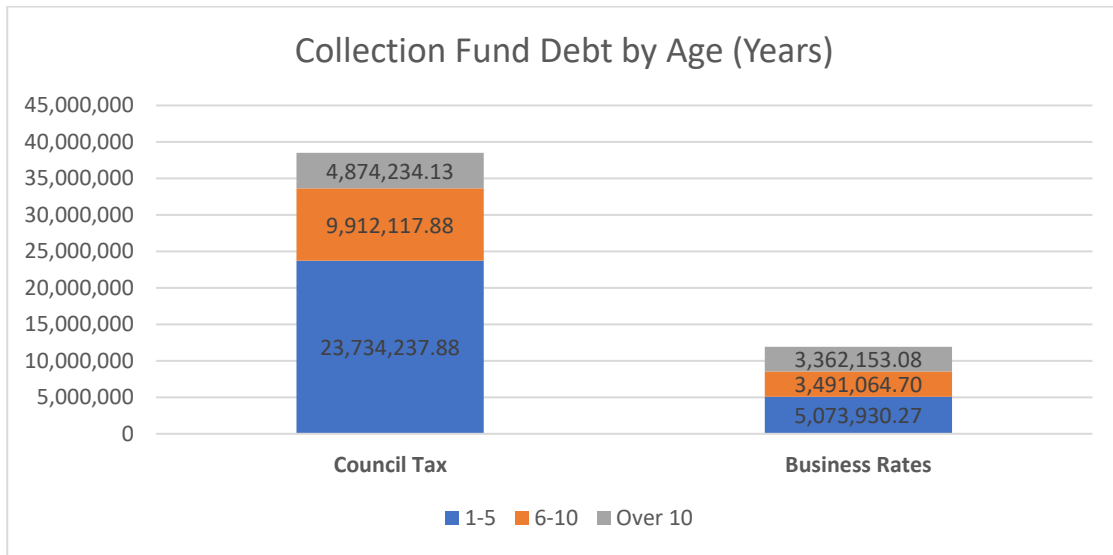
- 4.74 There is estimated to be an increase in Council Tax income of £0.732m in 2024/25 and on an ongoing basis due to a predicted increase in the Council’s Tax Base resulting from projected Housing Growth over the period. In addition, it is currently assumed that there will be an increase of a similar amount each year in 2025/26 and 2026/27. These estimates have been reviewed as part of the Council Tax Base return submitted to Government in October 2023. These estimates will continue to be reviewed on a regular basis in light of the potential effect of delays to house building, currently mainly due to nutrient neutrality issues and lack of available resources in materials and labour and will be updated as part of the budget report to Full Council in February 2024 when further information is available.

- 4.75 It is currently estimated that the Council will receive £0.432m of New Homes Bonus in 2024/25 based on the figures contained in the Council Tax Base return submitted to Government. This assumes that the method for calculating the New Homes Bonus will be unchanged from that used in 2023/24 as per the Local Government Finance Policy 2024/25 announcement. This will be reviewed as part of the February 2024 MTFP Executive report; following analysis of the provisional LGFS. In a briefing to local authorities on 7 December 2023 indications were that there will be no change in the basis of calculation and therefore it is assumed that the New Homes Bonus will continue for 2025/26 and 2026/27 at a similar rate to that for 2024/25.
- 4.76 No growth above an amount for inflation, has been assumed in the Local Share of Business Rates estimated to be received by the Council in 2024/25 to 2026/27.
- 4.77 The Executive recognises the financial challenge faced by many households due to the cost of living crisis and provides financial support in the form of reductions to Council Tax for the most financially vulnerable households in addition to grants under the Household Support Fund and its Welfare Strategy.
- 4.78 Whilst the Council takes a very firm and fair approach to collection there are a number of support solutions which are available to assist financially vulnerable households. Through the Council's Council Tax Reduction Scheme a maximum of 90% support which equates to an overall level of expenditure to support financially vulnerable households of approximately £20.1m per year is provided to 18,285 households across the town. The Council has considered increasing the scheme to 100%, which would mean around 11,000 working age households would have nothing to pay, however this would likely cost the Council around £4m extra to implement and is not considered affordable at present.
- 4.79 In addition to the Council Tax Reduction Scheme a number of other support solutions exist. The Council provides a welfare strategy which is designed to support households who may be struggling financially. The range of support is extensive and can include such things like maximising benefits, support with any shortfall in rent, as well as help with white goods, furniture, food, and energy referrals. Assistance is also provided through the Household Support Fund subject to a qualifying criterion. The Council were provided with around £3.3m of support and through a comprehensive plan, many households across the town have benefited from additional financial support made available by the Council. The Council takes a firm but fair and persistent approach to collection of debt including full benefit and welfare checks to ensure that households have access the right level of support to help them meet their council tax obligations.

Debt Recovery

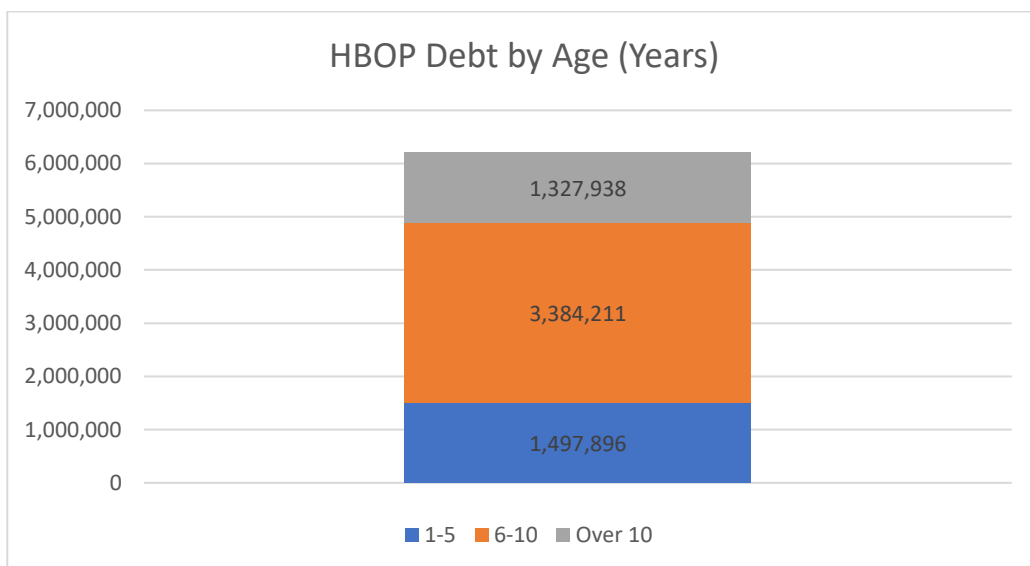
- 4.80 The Council has a level of debt relating to Council Tax (£38.5m) and Business Rates (£11.9m) (Collection Fund) and Housing Benefits Overpayments (£6.2m) as detailed below in Figures 16 and 17.

Figure 16: Collection Fund debt by age (years) at 31 March 2023



Totals: Council Tax £38,520,589.89/Business Rates £11,927,148.05

Figure 17: Housing Benefit Overpayments debt by age (years) at 31 March 2023



Total: £6,210,045.59

4.81 The Council will take a firm but fair approach to recovery of debt and this is particularly important given the increasing reliance upon local tax revenues in the wake of reducing Government financial support. In in year collection remains challenging, with collection rates from households in receipt of Council Tax Reduction (CTR) at around 78%, with overall collection in year hovering around 92.8%. However, due to the ongoing focus and commitment of resources to collect all income due to the Council, the collection rate over the long-term averages at 84% for households in receipt of CTR and 98.1% for all income due. This

performance is currently being reflected in the review of the bad debt provision referred to earlier in this report.

4.82 During and following the Covid pandemic and in response to the cost-of-living crisis, staff resources usually involved in debt collection were prioritised to support the payment of covid related grants and latterly the Household Support Fund. This has resulted in a temporary reduction in collection in recent years. Therefore, to recover this position and to further improve debt collection performance, budget proposals include assigning additional resource will be assigned to target specific areas, not only will this lead to an increase in net collectable debt, it will serve to provide further scope to reduce amounts provided for bad debt. By investing additional resource in the service will provide the following advantages.

- ensuring appropriate support to those who cannot afford to pay whilst allowing the service to take more prompt action in relation to households who won't pay
- investing additional capacity in maximising the Council's net collectable debt whilst also ensuring the integrity of discounts and exemptions for council tax and business rates. Any fraudulent claims will be acted upon promptly and diligently giving a clear message that the Council will not tolerate fraud.
- proactive recovery of income for charged for services and other general debts will improve the Council's cash flow and ensure that services provided for by the Council are paid for promptly.

Inflation

4.83 As mentioned in paragraphs 4.25 to 4.27, inflation as measured by the Consumer Prices Index (CPI) has remained persistently high during 2023/24, falling unexpectedly by 31 October 2023 to 4.6%, and is still expected to remain high during 2024/25.

4.84 It is important to note that the inflation rates incurred and forecast over the foreseeable future have resulted in unprecedented cost increases for local authorities which thus far have not attracted central government support through the Settlement. Unless the 2024/25 settlement includes some financial support to address inflationary pressures, particularly for demand led statutory services, the Council will face extremely difficult decisions in achieving a balanced budget and also face uncertainty and potential volatility arising from these.

4.85 In common with most local authorities, the combination of high inflation and cost of living crisis and high energy and food prices have significantly impacted the local and national economy and put significant pressure upon demand for Council services and the cost of providing them.

Pay Inflation

4.86 Table 13 below summarises the updated pay and pension items included in the MTFP from that provided in the August report. These form a significant driver to the increased MTFP gaps.

Table 13 – Pay and pension inflation

Pay model / pension (incremental increases to existing pay model resources)				
Item	2024/25	2025/26	2026/27	Cumulative
	£m	£m	£m	£m
2024/25 Pay award	3.556	2.667	1.778	8.001
Extra required for 2023/24 Pay Award	1.223	-	-	1.223
Pay Model	4.779	2.667	1.778	9.224
Increase in employers pension contributions following actuarial review	0.392	0.784	-	1.176
Pension	0.392	0.784	-	1.176
Pay/Pension	5.171	3.451	1.778	10.400

- 4.87 Following finalisation of the 2023/24 pay award of £1,925 p.a. plus on-costs, the cost of the 2023/24 pay award has been revised and is currently projected that £1.223m will now be required in the 2024/25 base for this (a reduction of £1m from that previously estimated in August)
- 4.88 Informed by latest inflation forecasts and other information provided by organisations such as SIGOMA the assumption of the 2024/25 pay award has been revised downwards from the previous assumption in August of 6% to 4% which is now estimated to cost £3.556m p.a. Assumptions of pay awards for 2025/26 and 2026/27 have also been revised with £2.667m p.a. (3%) now being assumed for 2025/26 and £1.778m p.a. (2%) being assumed for 2026/27. These compare with the original assumptions in the August MTFP refresh of assumed 4% p.a. in 2025/26 and 2026/27.
- 4.89 Ongoing pension reductions, based on a draft triennial pension valuation and largely due to a reduction in the pension deficit charges, were included in the February MTFP.

Non Pay Inflation

- 4.90 Contractual inflation has been provided for in the MTFP period, with £1.550m being provided for in 2024/25 in relation to specific contracts, mainly around Adult Social Care purchasing budgets and Children’s Care external residential and fostering contracts. The level of contractual inflation will be reviewed further in the budget report to Full Council in February 2024. Also £0.223m p.a. of inflation for a number of other areas, including the increased cost of external audit fees, has been provided for from 2024/25.

Risk Management

- 4.91 Inflation totalling £1.864m from 2024/25 has been provided for the effects of risk around potential additional inflation across a wide range of areas due to uncertainty around levels of inflation, including the cost of energy. This will initially be held centrally. This will be subject to review along with inflation previously provided to Directorates, with updates being provided in the budget report in February. Also an

amount of £0.500m in 2024/25 and £0.750m p.a. in 2025/26 and 2026/27 has been provided for to top up the Financial Resilience Reserve to meet unforeseen financial pressures that cannot ultimately be managed within directorate budgets.

Income Policy and Fees and Charges

- 4.92 The Council is undertaking an organisation wide review of Fees and Charges to embed a consistent approach across the organisation. As part of the review a Fees and Charges policy is being developed that recognises a range of different factors in setting a price including legislative requirements and constraints, the cost of delivering a service, benchmarking with other organisations and achieving policy objectives. The review focuses on discretionary services to residents and businesses and has initially focused on the areas with the highest level of income from Fees and Charges which are incorporated into Directorate budget proposals. A composite Fees and Charges booklet, comprising prices across the Councils services, will be produced as part of the final budget proposals to Council.
- 4.93 Under the Income Policy, the Director of Finance will determine the minimum percentage increase in fees that will apply as part of the annual budget process unless separately addressed in a specific budget proposal. The current proposed inflationary increase that will apply for 2024/25 is 4.6% in line with the rate of CPI in October 2023.

Commercial Income

- 4.94 The Council receives income from a number of Commercial developments. The February and August MTFPs outlined the assumptions made relating to these and these have not been changed at this stage but are being constantly reviewed in light of the effect of the current economic climate in particular on town centre retail. These have also been examined as part of the fees and charges review mentioned in paragraph 4.92. It should be noted that even with these potential reductions, the commercial developments have provided additional income to the Council, in excess of the cost, both in previous years and in the future.
- 4.95 Income the Council receives from commercial developments has been amended to reflect the revenue costs arising from lost income less running costs from the sale of assets approved by Executive on 21 November 2023 as part of the Asset Review report. This totals £1.527m in 2024/25 and a further £0.188m in 2025/26.

Living Wage

- 4.96 Increases in the National Living Wage will impact upon organisations – principally adult social care providers – who are contracted to carry out functions on behalf of the Council. Currently increases in the National Living Wage do not have an impact on Council employed staff as the current pay rates paid to Council staff are above the current National Living Wage rates.
- 4.97 In Spending Review 2021 (SR21) the Government announced that it remains committed to raising the National Living Wage in order so that it reaches two-thirds of median earnings. The Chancellor's Autumn Statement 2023 reiterated this commitment and confirmed that the National Living Wage (NLW) will increase to

£11.44 from £10.42 per hour (a 9.8% increase) for 2024/25. The amounts that are allocated in the MTFP to cover the increases in cost expected as a result of this have been revised in line with current available information, and an amount of £3.362m has been allocated for this within Adult Social Care in 2024/25 and £8.687m over the MTFP period.

- 4.98 As with future pay awards there is a high level of uncertainty around this and whether the Government will further change the levels of increase for future years, and therefore this will be reviewed again in the budget report to Full Council in February 2024.
- 4.99 A number of years ago, the Council made a commitment to align to the Living Wage Foundation recommended levels for pay which aim to provide a real living wage based on the cost of living. Given the Council's current financial position this commitment is considered to be financially unsustainable. It is proposed that the Council ends this commitment with effect from April 2024 and it is proposed that the Executive include this as a recommendation to Full Council in the budget report in February 2024.

Spending pressures

- 4.100 As reported in the Quarters One and Two budget monitoring reports during 2023/24 the Council has faced significant spending pressures in a number of areas and these are expected to continue in 2024/25 and future years. Table 14 summarises the budgetary pressures arising from forecast overspends in 2023/24 and ongoing pressures in these areas and these form a significant driver to the MTFP gaps.

Table 14 – Spending Pressures

Directorate	2024/25	2025/26	2026/27	Cumulative
	£m	£m	£m	
Adult Social Care Increased demand	3.559	1.100	1.100	5.759
Adult Social Care Increases in grant expenditure (offset by corresponding increased grant income)	1.702	-	-	1.702
Children's Care - demand	4.672	1.500	1.500	7.672
Education & Partnerships - Integrated Transport Unit (ITU)	3.843	-	-	3.843
Environment & Community Services - Waste Disposal	1.793	1.500	-	3.293
Increased homelessness costs	0.600	-	-	0.600
Other	0.311	0.205	-	0.516
Spending Pressures	16.480	4.305	2.600	23.385

- 4.101 Details of the spending pressures in the following key areas which are of statutory service provision are provided below :
- Children's Care - this area is experiencing increased demand for care and cost increases due to provider rates and complexity of cases and in the updated MTFP an amount of £4.672m has been included for this in 2024/25 and a further £1.5m p.a. for 2025/26 and 2026/27.

- Adult Social Care – there is an increased cost due to increased demographic demand pressures and higher care fees to providers to offset their rising costs and capacity constraints due to labour shortages. The service is also experiencing challenges in recruitment and retention of staff of which pay is a driving factor. Table 14 above shows that due to a number of potential pressures an additional £5.261m has been included in the updated MTFP for 2024/25 and further £1.1m p.a. for 2025/26 and 2026/27. This assumes no further funding from the Government above that already announced for Adult Social Care.
- Integrated Transport Unit (Home to School and Adults Transport) - the service is experiencing increased cost of transport from local suppliers and high levels of demand for service, and therefore based on the forecast overspend in 2023/24 and predicted growth in 2024/25 an amount of £3.843m has been built into the updated MTFP from 2024/25. Further work is required in order to assure the complex demand and cost modelling in this area and will be updated in the February report.
- Waste Disposal - is incurring inflationary increases on the unit cost of waste disposal and increased demand beyond budgetary provision and therefore £1.793m has been included from 2024/25. Also there will be further increased costs from 2025/26 due to the extension of the current contract for a further year until the new Energy from Waste Site is complete, which is currently expected in 2026/27, and a further £1.500m has been built into the updated MTFP from 2025/26 in order to accommodate expected increases in the price of residual waste disposal under the new contract.
- Homelessness Pressures and effect on Housing Benefit Subsidy - the Council is experiencing an increase homelessness cases and a need for temporary accommodation together with an increase in the cost of provision, especially bed and breakfast. The Local Housing Allowance (LHA) within Housing Benefit Subsidy is proving to be insufficient to meet these costs resulting cost pressure to the General Fund budget. A total of £0.600m has been built into the updated MTFP, comprising of £0.300m for the effects of this within Adult Social Care and £0.300m within Finance in relation to a shortfall in benefit subsidy. This is an emerging national issue affecting many local authorities across the country. A cross cutting review across all service areas involved in providing homelessness support is underway to understand current activities and future needs and to identify more cost effective solutions to meeting the needs of homeless households. This may lead to the amount provided in the MTFP being reviewed.

4.102 Whilst all directorates have been required to put forward budget proposals to balance the budget, fundamental review of service models in these specific service areas are necessary in order to achieve a financially sustainable budget position.

Dedicated Schools Grant

4.103 The Dedicated Schools Grant (DSG) is subject to a statutory override by central Government which instructs Councils to account for the DSG deficits and resulting negative balance in a separate reserve and not to fund it by using its General Fund resources. This was planned to end on 31 March 2023, however Government has extended the arrangement to at least 31 March 2026. This is considered to be a

potential major risk to the Council's financial resilience in the medium term if the Government were to remove the statutory override before the deficit position is resolved without providing a national funding solution. The current DSG deficit balance is £9.795m which could be required to be met from the General Fund resources. The position that Government takes will be closely followed and updates will be provided as appropriate.

Technical Adjustment - reversal of 23/24 Flexible Use of Capital Receipts

4.104 As mentioned in the August MTFP Refresh there is a technical adjustment relating to the Flexible Use of Capital Receipts in 2024/25 which is the reversal of the one year inclusion of a £3m credit to revenue within the base budget for 2023/24. The reversal of this sum has the effect of increasing the budget pressure in the MTFP.

Capital Financing

4.105 The Capital Financing Costs currently assumed will be reviewed for the budget report in February 2024 in light of the latest interest rate forecasts and also changes to the Council's Capital Programme and the recently approved Asset Review.

Measures to Balance the Budget 2024/25 to 2026/27

4.106 The Mayor, Executive Members and the Leadership Team have worked closely over the year to date in order to implement measures to implement initiatives to control 2023/24 expenditure within budget and develop proposed solutions to achieve a balanced budget in 2024/25 and over the period of the MTFP to 2026/27. A range of measures have been taken which include:

- Review of previously approved savings
- Review and refinement of demand and cost models for the areas of significant spending pressure to assure the growth projections
- Development of a combination of prioritised budget proposals which:
 - Generate income
 - Manage service demand more effectively
 - Deliver efficiency (do things differently)
 - Deliver transformation (do different things)
 - Service reduction discretionary services
 - Reduce/Realign service provision with statutory requirements

Budget Growth proposals to revise 2023/24 approved savings in 2024/25 to reflect the Elected Mayor's priorities

4.107 A number of budget savings that were approved by Council in February 2023 were met in 2023/24 by one off funding. The one off funding is not available in 2024/25 and therefore following a review the Elected Mayor and Executive have proposed that the following savings are removed from the budget in order to meet their priorities of protecting front line services as far as possible. The savings affected

are shown in the table below and the detailed reasons for the proposed removal are shown in Appendix 3.

Reversal of savings approved by Council in 2023/24 Budget Report			
Directorate	2023/24 Savings reference	Savings Description	£m
ECS	ECS06	Street Lighting; approx.1 in 2 lights turned off between midnight and 6am, in less used spaces and intermittently in other appropriate spaces where safe to do so (will not affect road junctions and major roads)	0.148
ECS	ECS12	Reduce Council expenditure on Neighbourhood Safety and seek to maximise grant funding	0.650
ECS	ECS16	Increased use of Indigenous Growth Fund (IGF) grant funding to fund Council services in the Town Centre, such as Area Care	0.142
Finance	FIN06	Council spend for Welfare Rights service to be replaced with alternative external funding	0.174
Total			1.114

Budget Growth proposals to address delayed and changes in assumptions for previously approved savings

4.108 Following the appointment of a new Director of Childrens Services, revised Children’s budget savings have been developed along with a review of the achievability and timing of savings previously approved by Council in February 2023. This has meant that the following saving for 2024/25 has been delayed and is proposed to be removed from the budget (as detailed in Appendix 4), and replaced by a revised plan relating to this with a revised profile for savings achievement as shown in Appendix 1. A further report regarding the revised approach will be submitted to Executive in January 2024.

- Children’s Services Financial Improvement Plan No. 6 - Increase the in-house residential offer to reduce expenditure on external placements (£1.061m)

4.109 In addition the following budget saving previously approved by Council in February 2023 has been found to now not be achievable due to a change in the assumption made at the time it was approved, and therefore budget growth has now been provided for this as detailed in Appendix 4:

- Delete political assistant vacancy (LGS06 -2023/24) (£0.044m)

Proposed Budget Savings

4.110 Budget proposals totalling £14.038m in 2024/25 rising to £21.088m in 2026/27 have been categorised as set out in paragraph 4.112 and are summarised by Directorate in Table 15 below.

Table 15: Summary of proposed budget savings by Directorate

Directorate	2024/25 £m	2025/26 £m	2026/27 £m	Cumulative £m
Adult Social Care	(5.677)	(1.283)	(0.750)	(7.710)
Children's Care	(4.254)	(1.400)	(0.715)	(6.369)
Education and Partnerships	(0.132)	-	-	(0.132)
Environment and Communities	(1.459)	(0.730)	(0.120)	(2.309)
Regeneration and Culture	(0.651)	(0.694)	(0.200)	(1.545)
Finance	(1.487)	(0.931)	(0.182)	(2.600)
Legal and Governance	(0.378)	(0.045)	-	(0.423)
Total	(14.038)	(5.083)	(1.967)	(21.088)

4.111 Table 16 analyses the savings by type of saving. This shows that in deriving the budget proposals the Mayor and Executive have sought to transform how front line services are delivered rather than make cuts to services.

Table 16: Summary of proposed budget savings by type

Analysis of savings by type				
Item	2024/25 £m	2025/26 £m	2026/27 £m	Cumulative £m
Income	(3.156)	(1.562)	(0.182)	(4.900)
Efficiency	(5.849)	(1.027)	(0.120)	(6.996)
Service Reduction / Stop	(0.560)	(0.129)	-	(0.689)
Transformation	(3.641)	(2.365)	(1.665)	(7.671)
Demand Management	(0.832)	-	-	(0.832)
Total	(14.038)	(5.083)	(1.967)	(21.088)

4.112 The proposals have been categorised into those that require consultation and those that do not using the same categories as previous years as summarised in table 17 below. Details are provided of the budget savings proposals in Appendices 1 and 2, including the potential numbers of staff affected and the current number of vacant posts for those proposals with staffing implications. The proposals will be discussed in detail throughout the consultation process, which will be undertaken as detailed in paragraphs 4.136 to 4.140.

Table 17: Analysis of savings by consultation requirements

Appendix		2024/25 £m	2025/26 £m	2026/27 £m	Cumulative £m
1	Budget Savings proposals that are considered to have minimal or no effect on front line service delivery levels These proposals do not have a direct impact on the services for the public and do not therefore require public consultation. Where proposals involve a reduction in staffing, a consultation with Trade Unions and Staff will be required.	(10.089)	(3.667)	(1.867)	(15.623)
2	Budget Savings proposals considered to potentially affect front line service delivery levels These proposals will form part of the 2024/25 revenue budget and requires public consultation	(3.949)	(1.416)	(0.100)	(5.465)
Total		(14.038)	(5.083)	(1.967)	(21.088)

4.113 Further due diligence will be undertaken on the budget proposals over coming weeks to provide assurance of their robustness. In addition, sensitivity analysis will be undertaken on the estimated level of savings in order to determine the requirement for contingencies and reserves in the event of estimated savings not being fully achievable.

4.114 Following consultation and due diligence, if any of the proposed budget savings are deemed to not be achievable then alternative budget savings will have to be found to replace the quantified saving.

4.115 After taking account of the budget proposals to date, a budget gap of £6.279m exists in 2024/25 rising to £8.180m in 2026/27 as summarised in table 18 below:

Table 18: Revised budget gap after budget proposals

Item	2024/25 £m	2025/26 £m	2026/27 £m	Cumulative £m
Revised gap before new budget savings proposals	18.098	6.552	2.272	26.922
New savings proposals - Appendices 1 and 2	(14.038)	(5.083)	(1.967)	(21.088)
Revised gap after new savings proposals	4.060	1.469	0.305	5.834
New growth to support transformation	0.000	0.127	0.000	0.127
Reversal of savings approved by Council in 2023/24 Budget Report - Appendix 3	1.114	-	-	1.114
Proposed unachievable and delayed previously approved savings - Appendix 4	1.105	-	-	1.105
New growth/amend previous years' savings	2.219	0.127	0.000	2.346
Refreshed Budget Gap + / Surplus ()	6.279	1.596	0.305	8.180

4.116 The revised MTFP can be categorised into the major components:

Table 19: Revised MTFP 2024/25 to 2026/27

Refreshed MTFP Summary 2024/25 to 2026/27 (incremental)			
Budget Item	2024/25 £m	2025/26 £m	2026/27 £m
Net Budget brought forward	126.354	135.298	141.510
Pay Inflation	5.171	3.451	1.778
Contractual inflation	1.550	1.550	1.550
Other inflation	0.223	-	-
Fees & Charges inflation	(1.978)	(0.860)	(0.860)
Inflation subtotal	4.966	4.141	2.468
Service Demand pressures	19.842	6.772	5.331
Service Demand pressures subtotal	19.842	6.772	5.331
Technical adjustments	3.844	0.511	0.207
Risk Management	2.364	0.750	0.750
Grant Funding adjustments	(2.477)	-	-
Commercial Income	1.491	0.590	-
Savings - approved in previous years	(2.987)	-	-
Reversal of savings approved by Council in 2023/24 Budget Report - Appendix 3	1.114	-	-
Proposed unachievable and delayed previously approved savings - Appendix 4	1.105	-	-
New Growth to support transformation	-	0.127	-
New savings proposals - Appendices 1 and 2	(14.038)	(5.083)	(1.967)
Other adjustments subtotal	(9.584)	(3.105)	(1.010)
Projected Net Budget	141.577	143.106	148.299
Council Tax	(71.400)	(75.695)	(80.204)
Business Rates	(48.766)	(50.229)	(51.735)
Revenue Support Grant	(15.132)	(15.586)	(16.054)
Assumed Funding	(135.298)	(141.510)	(147.994)
Incremental Budget Gap + / Surplus ()	6.279	1.596	0.305
Cumulative Budget Gap + / Surplus ()	6.279	7.875	8.180

Further work required to balance the budget

4.117 Further work will continue to deliver a balanced position for 2024/25 and over the period of the MTFP ahead of the final budget report that will be considered by the Executive on 14 February and by Council on 28 February 2024.

Transformation Programme

4.118 Integral to the delivery of a financially sustainable Council Plan as reflected by a balanced MTFP will be the development and implementation of an organisation wide Transformation Programme. The aim of the programme will be to modernise and redesign service delivery models, drive improved control and efficiency and implement effective service demand management measures.

4.119 These measures will enable the Council to deliver improved outcomes for the community from a significantly lower cost base that is financially sustainable over

the medium to long term. It will provide the financial stability to enable robust long term planning that will enable the Council to focus upon future investment to secure improved services and outcomes for the community within Middlesbrough.

- 4.120 The Mayor and Executive are working with Officers and recently appointed external consultants to develop the Transformation Programme. Given the scale and complexity of the Council's challenge, the planning and development stage will take time to establish a robust and adequately resourced Programme Office and suitably qualified and experienced delivery resources. It will also be necessary to ensure that individual Transformation projects have robust Strategic Outline Business Cases that are adequately assured before they are accepted for inclusion into budget proposals for consideration and approval.
- 4.121 The timeframe to achieve the required levels of assurance including consultation, are likely to extend beyond the deadlines applicable to enable them to be included for consideration and approval by Council on 28 February 2024. Consequently there will need to be subsequent consideration of further budget proposals by the Executive and approval by Council during the 2024/25 financial year to revise the 2024/25 budget and MTFP to incorporate new projects into the Council's budget and policy framework.
- 4.122 A number of themes have been identified and the discovery phase of the work in progress at the time of writing. Transformation themes will include Adult Social Care, Childrens Social Care, Homelessness, Localities and Community Engagement, Customer, Digital, alongside a management review and workforce productivity review. Further themes will emerge as work progresses.
- 4.123 It is expected that the Transformation Programme will not be sufficiently developed to close the remaining budget gap of £6.279m for 2024/25 in time for the February Executive to propose a balanced budget to Council on 28 February 2024. However, there will be an indication of the scope and scale of potential savings that will provide an initial plan of how the budget will be capable of being balanced over the Medium Term. The existence of a comprehensive and robust Transformation Programme to underpin the delivery of the Council's financial recovery, will be a key requirement to demonstrate the Council's capability and resolve to recover its financial position to support an application to DLUHC for Exceptional Financial Support.
- 4.124 A further review of the budget and MTFP position will be undertaken following consideration and analysis of the expected announcement for the Local Government Finance Settlement which is due on/around 19 December 2023.
- 4.125 If the combined effect of the Local Government Finance Settlement and any further identified and assured budget proposals are insufficient to close the remaining budget gap for 2024/25, then it will not be possible for the Council to achieve a legally balanced budget for 2024/25.

- 4.126 In these circumstances, the interim Director of Finance (s151 Officer), after appropriate consultation with the interim Chief Executive and Monitoring Officer, will be required by law to consider issuing a s114 Notice under s114 (3) of the Local Government Finance Act 1988.
- 4.127 Prior to issuing a s114 Notice the s151 Officer and Chief Executive with the support of the Mayor and Executive, will make an application to DLUHC for Exceptional Financial Support (EFS) by mid-January 2024. This will be in the form of a capitalisation direction in respect of any remaining budget shortfall in 2024/25. This application will incorporate a draft plan for financial recovery over the medium term of which the developing Transformation Programme will be a key element.
- 4.128 If DLUHC refuses the application for EFS or approves an amount less than the Council requires to balance the 2024/25 budget, then it will be necessary for the s151 Officer to issue a s114 Notice under s114 (3) of the Local Government Finance Act 1988. The implications of issuing a s114 notice are set out in paragraphs 4.132 to 4.135.

Exceptional Financial Support and the Implications of a s114 Notice

- 4.129 Since 2020 the government has agreed to provide Exceptional Financial Support to a small number of authorities that have requested assistance to manage financial pressures that they considered to be unmanageable. It is conditional upon:
- External assurance on their financial position
 - Submission and oversight of financial recovery plans
 - Other conditions specific to the local authority which may be onerous including an escalation of intervention in the running of the Council operations. At the extreme, and most likely when it has become necessary to issue a s114 notice, government intervention may result in the appointment of independent commissioners and a suspension of democratic decision making.
- 4.130 An application for Exceptional Financial Support is likely to be in the form of a 'capitalisation direction'. This is permission for the Council to treat revenue expenditure as capital and to borrow and repay this amount at a premium rate over Public Works Loans Board (PWLB) borrowing over a period of up to 20 years. It is a one off solution in order to finance the capitalisation of revenue expenditure in a particular year to provide breathing space for the Council to implement plans to recover its financial position. It is not a grant and is not free money. It is however a solution that helps to avoid the draconian measures that would accompany a s114 Notice.
- 4.131 Outcomes have varied from such applications with :
- Some authorities have not ultimately needed to draw upon the capitalisation direction and have managed to achieve financial turnaround within their own resources (LB Bexley)
 - Some authorities have drawn on the capitalisation direction and then delivered recovery (Peterborough)

- Other authorities have needed to issue s114 notice as well as drawing on the capitalisation direction (Slough)
- Varying degrees of DLUHC intervention ranging from advisory Improvement Boards, statutory Improvement boards through to Commissioners

4.132 If the Council cannot set a legally balanced budget then there is a risk of a s114 notice being issued under the provisions of the Local Government Act 1988 Section 114 (3) which states that:

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

4.133 Councillors have 21 days from the issue of a Section 114 notice to discuss the implications at a Full Council meeting.

4.134 The issue of s114 notice means that:

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

4.135 The only allowable expenditure permitted under an emergency protocol would include the following categories:

- existing staff payroll and pension costs
- expenditure on goods and services which have already been received
- expenditure required to deliver the council’s provision of statutory responsibilities at a minimum possible level
- urgent expenditure required to safeguard vulnerable citizens
- expenditure required through existing legal agreements and contracts
- expenditure funded through ring-fenced grants
- expenditure necessary to achieve value for money and / or mitigate additional in year costs

Consultation

4.136 Consultation in respect of the proposed budget savings for 2024/25 detailed in Appendix 2 and the proposed Council Tax increase for 2024/25 will commence on 21 December 2023 and conclude on 18 January 2024, with appropriate impact assessments undertaken considering responses to the consultation.

4.137 It is planned that the budget consultation will closely involve elected members in proactively engaging stakeholders. It will have a clear brand identity and be

promoted across social media and other channels, gathering both quantitative and qualitative information that will provide both real insight for the Council and real influence for respondents. The aim is to encourage more people to take part in the annual budget consultation.

4.138 It is planned that the consultation will be politically led and will include:

- a general public survey on the Council's website, with hard copies on request
- a general consultation email address
- public consultations led by the Executive at locality/community hubs
- consultation with the Council's Scrutiny Panels and Overview and Scrutiny Board
- consultation with the Council's partners and the local business sector, including a specific consultation meeting with the town's Chamber of Commerce

4.139 Due to consultation requirements for staff, and any consultation required over and above the standard budget consultation because of nature of the proposals and the groups impacted, as per previous guidance on legitimate expectation and statutory basis, some proposed budget savings may require a longer consultation than the budget consultation period and therefore there will be need to ensure that a consultation plan is developed, along with an appropriate final decision making point for these proposals.

4.140 The output of the consultation process will then be reported to Executive on 14 February 2024 and then to Full Council on 28 February 2024, which will:

- again refresh the MTFP following the Local Government Finance Settlement, set the 2024/25 budget and any required associated budget savings and targets, and set the Council Tax level for 2024/25;
- comply with the Public Sector Equality Duty and set out any impacts identified from the proposals for 2024/25 and future years.

Capital Programme

4.141 The Council's Capital Programme is reviewed each quarter via the quarterly budget monitoring reports. A comprehensive review of the capital programme, its profiling and forecast outturn including financing has been undertaken to 30 September 2023 as part of the Quarter Two 2023/24 budget monitoring report.

4.142 The Capital Programme will be further reviewed at Quarter Three, and also a full revision of the Capital Programme for the MTFP period, including 2026/27, will be included in the budget report to Full Council in February 2024 along with a Capital Strategy Report.

4.143 Provision has been made in the MTFP in respect of the capital financing costs arising from the Capital Programme

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

Not applicable.

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

6.1 *Financial (including procurement and Social Value)*

- 6.1.1 The Council is required by law to set a legally balanced budget by 11 March 2024. Failure to do so will result in the statutory requirement for the s151 Officer to issue a s114 Notice under s114(3) of the Local Government Finance Act 1988. The s151 Officer and the Chief Executive will consult with DLUHC in relation to an application for Exceptional Financial Support as required in order to avoid a s114 scenario.
- 6.1.2 Measures taken to date are not sufficient to enable the budget to be balanced and further work is required in the period up to the final proposed budget report to Executive on 14 February 2024 which will then be presented to Council for approval on 28 February 2024.
- 6.1.3 The financial implications associated with this report are set out throughout the main body of the report.

6.2 *Legal*

- 6.2.1 The Council is required under legislation to set a balanced budget for each year. The Medium Term Financial Plan and revenue and capital budgets form part of the Council's policy framework, as set out in its constitution. The approach outlined within the document will enable the Council to operate within the resources available and continue to meet its many statutory duties.
- 6.2.2 Elected members (individually and collectively) have a fiduciary duty to local taxpayers and so duty to facilitate, rather than frustrate, the setting of a lawful budget, and not to do so would bring damaging legal, financial, operational, and reputational consequences for the Council, and precepting authorities such as the police, fire service and local parish councils. It may also give rise to personal liability for individual members for misfeasance in public office, negligence, or breach of statutory duty, should they be found to be purposely failing to set a lawful budget.

6.3 *Risk*

- 6.3.1 The revision of the Council's Medium Term Financial Plan for 2024/25 to 2026/27 plays a fundamental role in ensuring that the Strategic Plan is delivered effectively.
- 6.3.2 The proposed approach will ensure a positive impact on the strategic risk that the Council fails to achieve a balanced budget. The proposed approach also aligns with legal requirements around consultation and assessing the impact of proposals. It therefore impacts positively on the risks that the Council could fail to achieve good governance or comply with the law.

6.3.3 There is a risk that the financial position of the Council will be adversely affected by any non-achievement of the proposed budget savings and other proposals for 2024/25 outlined in the report.

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

6.4.1 As stated in paragraph 4.112, savings proposals for 2024/25 and beyond have been initially assessed and categorised in Appendices 1 and 2.

6.4.2 The Council must ensure that, in line with the Public Sector Equality Duty, that any budget saving proposals, other budget proposals, or proposed Council Tax increases thought to impact on those with protected characteristics are assessed, mitigated where possible and/or justified. As such impact assessments for specific proposals and the proposed Council Tax increase will be completed prior to consideration by the appropriate decision-making body, where required. This will be either prior to the presentation of the 2024/25 budget report to Full Council in February 2024, or during 2024/25 prior to the decision to implement the proposed budget saving being taken.

6.5 *Climate Change / Environmental*

6.5.1 A number of the proposals within the proposed budget are relevant to this theme. The proposals to make changes to waste and recycling services and cessation of financial support for Environment City in particular. The impact of this will be assessed during the consultation period and set out within the report to Council in February 2024 and the supporting Impact Assessment.

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

6.6.1 A number of the proposals within the 2024/25 proposed budget are relevant to these groups. The proposals will ensure that service provision is reviewed to ensure it is fit for purpose. The proposal in relation to the Special Guardianship Order Payment review will be particularly relevant, the proposal is to review policy and practice to bring it into line with regulations, the impact of this will be assessed during the consultation period and set out within the report to Council in February 2024 and the supporting Impact Assessment.

6.7 *Data Protection / GDPR*

6.7.1 There are no concerns that the proposals within the report will impact negatively on data protection or GDPR.

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

Action	Responsible Officer	Deadline
Consultation on the proposed budget savings and Council Tax increase will commence on 21 December 2023 and conclude on 18 January 2024, with appropriate impact assessments undertaken considering responses to the consultation	Head of Financial Planning & Support	18/1/24
The output of the consultation process will be reported as part of the Revenue Budget, Council Tax, Medium Term Financial Plan, and Capital Strategy 2024/25 report to Executive on 14 February 2024 and Full Council on 28 February 2024	Head of Financial Planning & Support	28/2/24

Appendices

1	Budget savings proposals that are considered to have minimal or no effect on front line service delivery levels
2	Budget Savings proposals considered to potentially affect front line service delivery levels
3	Budget Growth proposals to revise 2023/24 approved savings in 2024/25 to reflect the Elected Mayor's priorities
4	Budget Growth proposals to address delayed and change in assumption on savings approved in 2023/24 for 2024/25

Background papers

Body	Report title	Date
Executive	Children's Service Financial Improvement Plan	14/2/23
Council	Budget 2023/24 -S25 Report of the Chief Finance Officer	27/2/23
Council	Revenue Budget, Council Tax, Medium Term Financial Plan and Capital Strategy 2023/24	27/2/23
Executive	Revenue and Capital Budget – Forecast Outturn position at Quarter One 2023/24	23/8/23
Executive	MTFP Update	23/8/23
Executive	Revenue and Capital Budget – Forecast Outturn position at Quarter Two 2023/24	21/11/23
Executive	Asset Review	21/11/23
Government (Chancellor)	Autumn Spending Review 2023	22/11/23
Department for Levelling Up, Housing & Communities (DLUHC)	Local Government Finance Policy Statement 2024/25	5/12/23
Executive	The Council Plan, 2024-27	20/12/23

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Appendix 1: Budget Savings proposals that are considered to have minimal, or no effect on front line service delivery levels

These proposals do not have a direct impact on the services for the public and do not therefore require public consultation. Where proposals involve a reduction in staffing, a consultation with Trade Unions and Staff will be required.

Ref:	Categorisation	Budget savings proposal	24/25 (£m)	25/26 (£m)	26/27 (£m)	Total (£m)	Proposed reduction in Staff posts over 2024/25 to 2025/26 FTE	Current Vacant Posts FTE
ASC02	E	Temporary Accommodation and support review Investing in better co-ordination of the way the Council provides housing to reduce the overall spend on emergency, temporary and short term accommodation for people. This will involve better modelling of need, flexible agreements with housing suppliers, and using the Council's own properties first.	(0.165)			(0.165)	-	-
ASC03	D	Introduction of Residential Care Panel This initiative will provide increased scrutiny of placement applications with particular focus on housing and accommodation.	(0.200)			(0.200)	-	-
ASC04	E	Review of domiciliary care A review of care packages for service users will be undertaken to ensure the allocation of resource is appropriate, including replacement of 2nd domiciliary care worker with assistive technology	(0.091)			(0.091)	-	-
ASC05	I	Review of Care Packages Funding This initiative will ensure there is a robust process in place to assess client eligibility for funding, reviewing care packages across the service.	(0.402)			(0.402)	-	-
ASC06	D	Expansion of reablement provision This initiative is to focus on short-term intensive support enabling service users coming out of hospital to return home with a reduced, or no, on-going care package. It will also be used to delay escalation of need in the community.	(0.632)			(0.632)	-	-
ASC08	E	Review of high cost care packages A review team will be established to focus on high cost packages to ensure consistent, appropriate care, and to ensure cost-effective use of resources.	(0.238)			(0.238)	-	-
ASC12	T	Transformation of Adult Social Care Services This initiative will involve a service wide review to introduce new ways of working and delivering services to clients. For example, further prevention initiatives, assistive technology, and wider rollout of Connect services.	(1.900)	(0.750)	(0.750)	(3.400)	-	-
ASC15	I	Review of Adult Social Care Client Income contribution for residential care A comprehensive review of client contributions to care package costs to ensure individuals are charged appropriately	(0.500)			(0.500)	1.0	-
CC01	T	Review of all Services across Children's Care. A robust review and evaluation of staffing will be undertaken across Children's Services. Research and alternative operating models of practice will also be considered within this review. The staffing levels and structure will be reviewed to ensure Children's Services are effectively responding to the needs of children and families.	(0.700)	(0.500)		(1.200)	(27.0)	114.0
CC02	E	Review of Placements (including Processes and Procedures). This will be achieved by undertaking a deep dive of placements for children to bring young people back to Middlesbrough and/or to remain local. This review is likely to reduce financial pressures as this is a high-cost area. Increased governance and management oversight will be implemented to have a stronger grip on decision making and spending.	(1.100)			(1.100)	-	-
CC03	T	Improvement of Internal Residential capacity through the purchase of suitable properties and refurbishment of existing MBC properties into Residential homes This will include consideration of properties within Middlesbrough to increase in-house placements for children.	0.000	(0.450)	(0.615)	(1.065)	-	-
CC04	E	Workforce Development - Review of recruitment and retention and marketing of job roles, in particular Social Worker related posts. This will include a robust review and evaluation of staffing across Children's Services. Due to the challenges with recruitment which are contributing to the ongoing budget pressures, we need to redesign and improve our recruitment offer and marketing strategy to attract workers to Middlesbrough.	(0.800)			(0.800)	-	-

Appendix 1: Budget Savings proposals that are considered to have minimal, or no effect on front line service delivery levels

These proposals do not have a direct impact on the services for the public and do not therefore require public consultation. Where proposals involve a reduction in staffing, a consultation with Trade Unions and Staff will be required.

Ref:	Categorisation	Budget savings proposal	24/25 (£m)	25/26 (£m)	26/27 (£m)	Total (£m)	Proposed reduction in Staff posts over 2024/25 to 2025/26 FTE	Current Vacant Posts FTE
CC05	E	Other savings - Maximising grants This will involve having a stronger oversight of the S17 (Financial Assistance) spend and using more of the grant funding the Council receives for our unaccompanied asylum seeking children. We will also be using the Adoption Support Fund through the DfE which will support our therapeutic offer to children who are subject to a Special Guardianship Order or Child Arrangement Order.	(0.454)	(0.150)	(0.100)	(0.704)	-	-
CC06	T	SHIFT Project, a multidisciplinary approach in prevention. Introduction of the SHIFT programme, alongside the robust placement review, will achieve better outcomes for our young people who are involved in criminal activity, reduce the number of children entering care, and mitigate the need for some high-cost placements.	(0.400)			(0.400)	-	-
ECS05	E	Integrate Environment Services and Supporting Community functions and create a Neighbourhood management approach. This will be based on 4 working locality focused teams to deliver front line services with savings achieved following a management restructure and a reduction in management posts.	(0.287)	(0.113)		(0.400)	(12.0)	8.0
ECS06	E	Increase in Education and Enforcement around Recycling. By encouraging people to put less waste in their residual waste bin and recycle instead, the Council will improve the amount of recycling and in turn reduce the cost of waste disposal.	(0.030)	(0.169)	(0.020)	(0.219)	-	-
ECS11	I	Review contribution to Community Hubs running costs This will be achieved by increase income from chargeable activities, room hire, and the renting of space at Community Hubs.	(0.040)			(0.040)	-	-
ECS12	I	Charge for Waste Bins on New Developments The introduction of charging for waste bins on new developments to Developers.		(0.030)		(0.030)	-	-
REG01	S	Reducing the number of staff we need to deliver regeneration activities by implementing new ways of working. This will be achieved by reducing staffing in the Regeneration Directorate by around 10 posts.	(0.263)	(0.129)		(0.392)	(10.0)	45.9
REG02	S	Changing the way the Middlesbrough News e-newsletter is produced and delivered. This will involve more localised updates being sent to subscribers	(0.008)			(0.008)	-	-
REG04	T	Improve the commercial potential of the Town Hall and Middlesbrough Theatre to maximise the potential of the buildings and provide a greater range of performances. This will involve joining up management and programming arrangements and exploring partnerships with private sector promoters.	(0.050)	(0.100)		(0.150)	-	-
REG05	I	Use grant funding to cover some of the existing economic growth activities the Council carries out. This will involve using more of the grant funding the Council receives to cover staff costs.	0.000	(0.050)		(0.050)	-	-
REG06	E	Reducing the number of staff we need to deliver the Council's marketing and communication activities by implementing new ways of working. This will be achieved by utilising different ways of marketing and communicating that will ultimately require fewer staff.	(0.050)	(0.050)		(0.100)	(2.0)	1.0
REG07	T	Investing in better co-ordination of the way the Council provides housing to reduce the overall spend on emergency, temporary, and short term accommodation for people. This will involve better modelling of need, flexible agreements with housing suppliers and using the Council's own properties first.	(0.080)	(0.220)	(0.200)	(0.500)	-	-
FIN01	I	Collection of Housing Benefit Overpayments. Invest additional staff resources to increase the recovery of old debt from overpaid Housing Benefit.	(0.105)	(0.035)		(0.140)	1.0	-
FIN02	I	Review of Single Person Discounts and Student Exemption for Council Tax. Undertake a review of all current awards, if not entitled, remove and rebill to ensure all households are paying the correct amount of Council Tax	(0.198)	(0.066)		(0.264)	3.0	-

Appendix 1: Budget Savings proposals that are considered to have minimal, or no effect on front line service delivery levels

These proposals do not have a direct impact on the services for the public and do not therefore require public consultation. Where proposals involve a reduction in staffing, a consultation with Trade Unions and Staff will be required.

Ref:	Categorisation	Budget savings proposal	24/25 (£m)	25/26 (£m)	26/27 (£m)	Total (£m)	Proposed reduction in Staff posts over 2024/25 to 2025/26 FTE	Current Vacant Posts FTE
FIN03	I	Collection of Council Tax. Invest additional staff resources to increase the recovery of old debt whilst also ensuring that Households are in receipt of the relevant DWP benefits / financial support.		(0.110)	(0.037)	(0.147)	2.0	-
FIN04	I	Collection of Council Tax. Invest additional staff resource to increase the recovery of debt through the use of charging orders. If Council Tax is owed this can be secured against the homeowner's property, upon sale or forced sale the debt will then be discharged.		(0.504)	(0.103)	(0.607)	1.0	-
FIN05	I	Collection of Business Rates Invest additional staff resource to increase the recovery of old debt.		(0.126)	(0.042)	(0.168)	1.0	-
FIN06	I	Collection of Council Debt Invest additional staff resource to increase the recovery of general debt relating to provision of Council 'paid for' services.	(0.188)	(0.070)		(0.258)	2.0	-
FIN07	E	Reduction in Contractual Spend Undertake a review to increase on-contract spend and improve contract management standards based on 2% reduction in current spend linked to supplies and services.	(0.700)			(0.700)	-	-
FIN09	E	Invoice Reconciliation To develop a system for automatic checks on delivered hours against commissioned hours within Adult Social care	(0.080)			(0.080)	2.0	-
FIN10	I	Centralisation of grants administration and maximisation of opportunities for grant income across the authority To develop a process and centralised resource for the horizon scanning of grant opportunities across the authority and to ensure central co-ordination of all grant income, this will include ensuring the costs of any support and overheads are fully met by any grants received.	(0.050)			(0.050)	1.0	-
LGS01	E	Reduce car mileage rate paid to staff from current 60p per mile for petrol/diesel/hybrid cars to HMRC rate of 45p per mile. This will involve issuing notice of the introduction of the new rate and adjusting in the Council's HR system. Staff communication will be required. Saving will be across all directorates.	(0.116)			(0.116)	-	-
LGS02	S	DBS Renewals - staff to self declare at renewal stage. This will involve the introduction of a self declaration model which can be built into appraisal/supervision meetings and recorded. The HR System will need to be adjusted to allow recording of information and services will need to keep information securely.	(0.012)			(0.012)	-	-
LGS03	E	A Cross-Council review of administrative roles and functions. This saving will be achieved through a Council-wide review of all customer-facing and administrative roles, with a view to reducing net budget by 2.5%	(0.136)			(0.136)	(6.0)	0.0
LGS04	E	Review corporate mobile telephone contract. A review of the corporate mobile phone contract and the move to a new provider, to realise savings	(0.050)			(0.050)	-	-
LGS05	E	Centralisation of Data Analytics (Cross Council) A review of resources, systems and processes in relation to the data analytics function to enable standardisation, providing data analytic services to the Council at a reduced cost base.	(0.058)			(0.058)	(1.5)	1.5
LGS06	E	Legal Services Service Review Exploration of a shared Legal Service and potential for commercialisation, improving efficiency, service delivery, and enhancing resilience		(0.045)		(0.045)	-	-
LGS07	S	Review of Subscription spend Standardise the corporate approach to professional subscriptions fees.	(0.006)			(0.006)	-	-

Appendix 1: Budget Savings proposals that are considered to have minimal, or no effect on front line service delivery levels

These proposals do not have a direct impact on the services for the public and do not therefore require public consultation. Where proposals involve a reduction in staffing, a consultation with Trade Unions and Staff will be required.

Ref:	Categorisation	Budget savings proposal	24/25 (£m)	25/26 (£m)	26/27 (£m)	Total (£m)	Proposed reduction in Staff posts over 2024/25 to 2025/26 FTE	Current Vacant Posts FTE
TOTAL			(10.089)	(3.667)	(1.867)	(15.623)	(44.5)	170.4

<p><u>CATEGORISATION KEY</u> I – Income E – efficiency (review) S – service reduction /stop (cut – saving affects service) T – transformation D – demand management G - growth</p>

Appendix 2: Budget savings proposals considered to potentially affect front line service delivery levels

These proposals will form part of the 2024/25 revenue budget and require public consultation

Ref:	Categorisation	Budget savings proposal	24/25 (£m)	25/26 (£m)	26/27 (£m)	Total (£m)
ASC01	E	Accommodation and Support review A review will be undertaken to consider an alternative source of funding which can be used to fund the support costs to a number of sheltered housing provisions. This work will identify eligible sources of funding, which will mitigate the impact to residents and the services being provided, there will be no financial impact on residents in 2024/25. Phase 2 of this work will include completing a review with the registered social provider for the larger schemes, concerning the historical funding arrangements of support into a number of sheltered housing schemes. This work will consider alternative funding opportunities, with a decision to be taken in 24/25 concerning the future funding arrangements for these schemes should alternative funding sources not be identified.	(0.072)	(0.480)		(0.552)
ASC07	I	Fairer Charging/Fair Cost of Care This will be achieved by ensuring client fees reflect cost inflation on an annual basis.	(0.100)			(0.100)
ASC09	E	Review of Independent Supported Living schemes A review of our Independent Supported Living schemes in partnership with our providers to maximise the use of digital technology to promote the independence of the tenants within these services, and to complete a full review of the costs associated with the schemes, including consideration of further opportunities for shared care.	(0.176)			(0.176)
ASC10	E / I	Expand Autism Day Care through relocation to Cumberland Resource Centre This will be achieved by Autism Day Care relocating to Cumberland Resource Centre. Current activity from Cumberland Resource Centre will relocate to North Ormesby Resource Centre resulting in staff savings (£0.080m) and a potential to generate additional income (£0.050m)	(0.130)			(0.130)
ASC11	T	Re-provision use of Levick Court This initiative is to provide alternative residential care for the current service users and seek opportunities to maximise the utilisation of the property working with partner organisations	(0.311)			(0.311)
ASC13	E	Review of Direct Payments A robust review of policy and application to ensure the facility to support service users via direct payments is fully utilised to enable independent living	(0.660)			(0.660)
ASC14	I	Court of Protection Service Charges Commence charging service users for the cost of assessment for Court of Protection applications and administration of Court of Protection cases	(0.100)	(0.053)		(0.153)
CC07	I	Special Guardianship Order Payment review. Undertake a review of policy and practice, aligning to regulatory requirements and DWP benefit entitlements	(0.800)	(0.300)		(1.100)
EDC01	E	Review of Integrated Transport Unit arrangements This will be achieved through efficiencies in services such as optimisation of routes and cost of in-house and external suppliers.	(0.132)	-		(0.132)
ECS01	E	Fortnightly Collection Residual Waste. As in line with most Councils, Middlesbrough will introduce the fortnightly collection of residual waste. This will assist in the Council's efforts to increase recycling. The impact will be a reduction in the number of full time Residual Waste Operatives from 41 to 29 and savings on fuel and equipment. This will include the offering of bigger 240 litres bins to those with families with 3 or more and moving where possible for those areas on black bags to wheeled bins. Areas that have communal bins collections will remain on weekly collection. Those who have medical needs or larger families will have their needs assessed and larger or additional bins will be offered. In order to improve the level of recycling, increased waste education and communication will take place to ensure people understand which waste should be put in which bin and encourage residents to do so.	(0.374)			(0.374)

Proposed reduction in Staff posts over 2024/25 to 2025/26 FTE	Current Vacant Posts FTE
-	-
-	-
-	-
(2.9)	4.0
-	-
-	-
-	-
1.0	-
-	-
(12.0)	6.0

Appendix 2: Budget savings proposals considered to potentially affect front line service delivery levels

These proposals will form part of the 2024/25 revenue budget and require public consultation

Ref:	Categorisation	Budget savings proposal	24/25 (£m)	25/26 (£m)	26/27 (£m)	Total (£m)
ECS02	I	Green Waste Collection Charge As with most councils, introduction of charging for Green Waste which collection service will run fortnightly from the beginning of April until the end of November. This will include the continuation of two weekly collection throughout this period rather than monthly in October and November. The annual charge will be £40 for the first bin then £20 per additional bin.	(0.406)			(0.406)
ECS03	I	Junk' Job collection will be Chargeable. Introduction of a £24.50 charge for a bulky household waste collection. In general, this will be for up to five items. This will provide a more streamlined service than the two-tier system in place now.	(0.092)			(0.092)
ECS04	I	Replacement Wheeled bins charge The introduction of charges for replacement of all wheeled bins including delivery charge. This will include wheeled bins used for recycling. 140 Litre Bin £20.45, 240 Litre Bin £23.50, 240 Litre Green Waste Bin £37.50. This is an increase of £3.70 for 140 Litre bin, currently £16.75, and introduction of charge for recycling bin and new larger sized waste bins.		(0.033)		(0.033)
ECS07	S	Cease Council financial support for Environment City	(0.105)			(0.105)
ECS08	I	Resident Parking Permits Charge Introducing a charge for residents parking permits in those areas that have a residents parking scheme. The charge will be £25 per first permit and £40 for additional permits. NHS and official careers would be charged £10 for a permit.	(0.125)	(0.125)		(0.250)
ECS09	I	Car Parking Charge at Stewart Park Introduction of a £2 daily car parking charge at Stewart Park. This will require the introduction of a resident parking scheme in nearby streets.		(0.060)		(0.060)
ECS10	T	Review of Community Facilities A review of community facilities will include potential income generation from use of facilities, or alternatives to reduce operating costs.		(0.200)	(0.100)	(0.300)
REG03	T	Concentrate the town's museum offer in the Dorman Museum (80,437 annual visitors) and withdraw from the Captain Cook Birthplace Museum (5,360 annual visitors). This will be achieved by investing in the offer at the Dorman Museum, expanding the range of exhibitions, and improving the visitor experience. The Captain Cook Birthplace Museum will either be operated by another organisation or closed and integrated into the Dorman offer, with the building used for other purposes.	(0.200)	(0.145)		(0.345)
FIN08	S	Reduction in the allocation of resource for voluntary and community sector grants from the local authority. To reduce the allocation of funding available for the voluntary and community sector grants programme. The small grants programme, of £0.127m which is for one-off grants for residents and small community groups will cease. There will be a 20% reduction in remaining funding of £0.195m to £0.156m. This will mean the available funding for Community Chest and Development Grants will significantly reduce and there will be a review undertaken regarding the allocation of core grants. Support will be offered to enable organisations to access external grant funding opportunities.	(0.166)			(0.166)
FIN11	E	Closure of Cashiers at Middlesbrough House. Alternative ways to pay such as direct debit, online, telephone or if in person at a Post Office or one of the many local paypoint outlets will be offered. Where the Council provides an 'estate' function for vulnerable residents, local town centre arrangements will be introduced to provide cash payments.		(0.020)		(0.020)
TOTAL			(3.949)	(1.416)	(0.100)	(5.465)

Proposed reduction in Staff posts over 2024/25 to 2025/26 FTE	Current Vacant Posts FTE
-	-
-	-
-	-
(2.0)	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
(15.9)	10.0

Appendix 2: Budget savings proposals considered to potentially affect front line service delivery levels

These proposals will form part of the 2024/25 revenue budget and require public consultation

Ref:	Categorisation	Budget savings proposal	24/25 (£m)	25/26 (£m)	26/27 (£m)	Total (£m)
		<u>CATEGORISATION KEY</u> I – Income E – efficiency (review) S – service reduction /stop (cut – saving affects service) T – transformation D – demand management G - growth				

Proposed reduction in Staff posts over 2024/25 to 2025/26 FTE	Current Vacant Posts FTE

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Appendix 3: Budget Growth proposals to revise 2023/24 approved savings in 2024/25 to reflect the Elected Mayor's priorities

Previous Ref:	Budget savings proposal	24/25 (£m)	25/26 (£m)	26/27 (£m)	Total (£m)
ECS12 - 23/24	Community Safety services The cost of providing Community Safety is currently being met from grant funding as a result of a planned 2023/24 saving. This funding is not available in future years. Therefore, in order to continue to provide the current level of Community Safety service (based on 10 Street Wardens plus uniforms, equipment and fuel) as well as Neighbourhood Safety Officers, growth in the expenditure budget is required.	0.650			0.650
ECS16 - 23/24	Area Care. Part of the Area Care budget is funded by grant in 2023/24 as a result of a planned 2023/24 saving and this funding is not available in future years. Therefore, in order to avoid further reduction in the current level of service including grass cutting, street cleaning and general maintenance, growth in the expenditure budget is required.	0.142			0.142
ECS06 - 23/24	Street Lighting This is a reversal of a planned saving of £0.148m per annum which also required £0.081m of capital investment in order to install the technology to enable selective reduction of street lighting overnight. The reduction of crime and anti-social behaviour is a key Mayoral priority and the maintenance of lighting levels at night supports the strategy to increase the perception of safety of residents of Middlesbrough and the reduction in crime and anti-social behaviour.	0.148			0.148
FIN06 - 23/24	Welfare Rights Service - previously activity was supported through central government grant, this funding is not available so in order to continue services Council resource is required.	0.174			0.174
TOTAL		1.114	0.000	0.000	1.114

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Appendix 4: Budget Growth proposals to address delayed and change in assumption on savings approved in 2023/24 for 2024/25

Previous Ref	Budget savings proposal	24/25 (£m)	25/26 (£m)	26/27 (£m)	Total (£m)
LGS06 - 23/24	Meet appropriate requirements for supporting Politicians Following Elections in May 2023, the requirements for supporting politicians have changed	0.044			0.044
Childrens Improvement Plan No.6 23/24	Children's In-house residential provision New plans to increase capacity in Children's in-house residential offer are now part of a wider transformation programme resulting in the requirement to remove previously set budget savings (this has been replaced by a new savings proposal CC03)	1.061			1.061
TOTAL		1.105	0.000	0.000	1.105

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MIDDLESBROUGH COUNCIL

Dental Health and the Impact of Covid-19 Final Report of the Health Scrutiny Panel

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THE AIM OF THE SCRUTINY REVIEW

1. The aim of the scrutiny review was to examine the oral health of Middlesbrough's population and the accessibility of NHS dentistry services locally, for both adults and children.

TERMS OF REFERENCE

2. The terms of reference, for the scrutiny panel's review, are as follows:

A	To identify: <ul style="list-style-type: none">• the responsibilities of the Local Authority in respect of oral health; and• the responsibilities of NHS England in respect of dentistry
B	To examine Middlesbrough's oral health outcomes and the work being undertaken to improve the oral health of the local population
C	To investigate the pressures and challenges faced by dental care services and the work being undertaken to improve access to dental care
D	To examine the local population's views and experiences of accessing and using NHS dental services
E	To identify potential solutions to improve the oral health of Middlesbrough's population and access to dental care

BACKGROUND INFORMATION

What is oral health?

3. Oral health is the state of the mouth, teeth and facial structures that enables individuals to perform essential functions such as eating, breathing and speaking, and encompasses psychosocial dimensions such as self-confidence, well-being and the ability to socialise and work without pain, discomfort and embarrassment. Oral health varies over the life course from early life to old age, is integral to general health and supports individuals in participating in society and achieving their potential.
4. Oral diseases encompass a range of diseases and conditions, such as tooth decay, gum disease, tooth loss and oral cancer.
5. Oral diseases disproportionately affect the most vulnerable and disadvantaged populations. People of low socioeconomic status carry a higher burden of oral diseases and this association remains across the life course, from early childhood to older age, and regardless of the country's overall income level.¹
6. Poor oral health is almost entirely preventable and despite good progress over the last few decades, oral health inequalities remain a significant public health problem in England. Oral health inequalities are the differences in oral health between different groups that are avoidable and deemed to be unfair, unacceptable and unjust. The impacts of poor oral health disproportionately affect vulnerable and socially disadvantaged individuals and groups in society.²
7. Children and adults in deprived communities have poorer oral health due to poorer diets and a lack of regular toothbrushing routines. The negative impact of deprivation on oral health is not dissimilar to the impact of deprivation on general health outcomes.

¹ https://www.who.int/health-topics/oral-health#tab=tab_1

² <https://www.gov.uk/government/publications/inequalities-in-oral-health-in-england/inequalities-in-oral-health-in-england-summary>

What is NHS dentistry?

8. NHS dentistry provides treatment that is clinically necessary to keep mouths, teeth and gums healthy and free of pain and includes primary, community, secondary and tertiary dental services.
9. In 2021/2022, the NHS contribution to dentistry was about £2.3 billion.
10. Primary dental services are one of the four pillars of the primary care system in England, along with general practice, primary ophthalmic services (eye health) and community pharmacy. These services use a 'contractor' model of care, which means that almost all NHS primary care services are delivered by independent providers contracted to the NHS.
11. There are around 11,000 independent dental provider practices in England, private businesses that provide a mix of both NHS and private dental care. About three-quarters of these hold contracts to provide NHS services. Dental providers who have a contract to provide NHS funded dental services can also offer private treatment to their patients. All dental practices must be registered with the Care Quality Commission.

Access to NHS dental services

12. There is no national registration system in dentistry like there is in general practice. People do not need to be registered with a dentist to receive NHS care and should be able to go to any dental practice that holds an NHS contract for treatment, without any geographical or boundary restrictions. Dental practices can choose whether they provide NHS treatment to new patients depending on whether they have capacity under the terms of their contract.³
13. On 25 March 2020 access to general dental services was paused across the UK and dental care hubs were established to deliver urgent care as part of the government's response to the Covid-19 pandemic. Personal protective equipment (PPE), infection prevention and control, and patient prioritisation guidance were issued to dental care providers as services began to reopen in England from June 2020. This guidance further changed as the nation continued to navigate the pandemic and as wider restrictions were amended.
14. Although some access to dental services was maintained throughout subsequent lockdowns and changes in restrictions, there were longer-term impacts on access to dental services. These included the time needed to clear appointment backlogs, staff availability, physical distancing and PPE requirements.⁴

SUMMARY OF EVIDENCE

Term of Reference A - To identify:

- **the responsibilities of the Local Authority in respect of oral health; and**
- **the responsibilities of NHS England in respect of dentistry**

The Local Authority's responsibilities

15. The Health and Social Care Act (2012) conferred the responsibility for health improvement, including oral health improvement, to local authorities.

³ <https://www.kingsfund.org.uk/publications/dentistry-england-explained>

⁴ <https://www.gov.uk/government/statistics/the-impact-of-covid-19-on-access-to-dental-care/the-impact-of-covid-19-on-access-to-dental-care-a-report-from-the-2021-adult-oral-health-survey>

16. Local authorities are statutorily required to provide or commission oral health promotion programmes to improve the health of the local population, to an extent that they consider appropriate in their areas. They are also required to provide or commission oral health surveys. The oral health surveys are carried out as part of the Office of Health Improvement and Disparities (OHID) dental public health intelligence programme (formerly known as the national dental epidemiology programme).⁵ Oral health surveys involve:

- assessment and monitoring of oral health needs;
- planning and evaluation of oral health promotion programmes;
- planning and evaluation of the arrangements for the provision of dental services; and
- reporting and monitoring of the effects of any local water fluoridation schemes covering their area.

17. The Health and Care Act 2022 moved the responsibilities for initiating and varying schemes for water fluoridation from local authorities to the Secretary of State. However, local authorities still have a duty to conduct public consultations in relation to such proposals.

NHS England's responsibilities

18. From 2013 to March 2023 NHS England was responsible for commissioning primary and secondary dental care in England, a process led by the primary care commissioning team. From April 2023 integrated care boards (ICBs) took over responsibility for commissioning primary, secondary and community dental services.

19. Locally, the North East and North Cumbria Integrated Care Board is responsible for commissioning dental services for Middlesbrough's population. The change from NHS England to ICBs is intended to enable the commissioning and provision of dental care that meets the particular needs of local populations and addresses inequalities in oral health and in access to care. Local commissioners use national commissioning standards and guidance to assess local needs, set a minimum standard for services and ensure outcomes and quality measures are included in service specifications and contracts. In order to provide NHS dental services, providers need to hold one of the following NHS contracts:

20. In terms of **general dental services (GDS) contracts**, these contracts are the most commonly used for NHS primary care dental services and do not usually have an end date. The GDS contract covers 'mandatory dental services', which are routine and clinically necessary urgent treatments needed to keep the mouth, teeth and gums healthy and free of pain. GDS contracts can also cover more specialist services, known as 'advanced mandatory services' and 'additional services', which include more complex extractions, home visits or sedation.

21. In addition to GDS contracts, the North East and North Cumbria ICB also commissions the following primary care and community dental services under Personal Dental Services (PDS) agreements, which are time-limited:

- **Specialist primary care dental services** - such as sedation, orthodontics and minor oral surgery. Any new contracts for mandatory dental services would be commissioned on a PDS agreement for a specified time limit.
- **Urgent dental care services** - All general dental service providers are commissioned to provide urgent dental care services as part of their general dental service contract,

⁵ <https://assets.publishing.service.gov.uk/media/5a7d6f6bed915d269ba8aa6a/CBOHMaindocumentJUNE2014.pdf>

however the number of urgent care appointments made available is determined by the individual practices. In addition, the North East and North Cumbria ICB also commissions dedicated urgent care services both in-hours and out of hours from a range of providers. Access to these services is via NHS 111 for triage and where clinically appropriate patients are offered/booked into the nearest urgent care service with appointment availability. For the area of Teesside, the North East and North Cumbria ICB has providers located in Stockton, Eaglescliffe, Normanby and Middlesbrough. In terms of out of hours urgent care services, North Ormesby Health Village provides treatment services for Teesside residents, operating between 18:00 to 23:00 Monday to Friday (on-call basis) and 09:00 to 23:00 on weekends and bank holidays.

- **Community dental services (CDS)** - Community dental services provide dental care for patients (adults and children) with more specialist needs. This might include people who need services such as general anaesthetics or sedation or adults and children with particular needs such as physical or learning disabilities, medical conditions, people who are housebound and people experiencing homelessness.
- **Secondary care dentistry provided in NHS hospitals** - Secondary care dentistry is commissioned from NHS hospitals under the standard NHS contract.

22. NHS dentistry services MUST operate in strict accordance with the nationally set Government Regulation (2006). Under the NHS dentistry national regulation, there is no 'formal registration' of patients with dental practices. Dental contracts and provision is activity and demand led, with the expectation practices deliver and manage their available commissioned activity to best meet the needs of patients presenting to the practice. As part of the NHS dentistry offer, patients can therefore approach any dental practice offering NHS care for access.

23. The contract regulations set out the contract currency for mandatory dental services, which is measured in units of dental activity (UDAs) that are attributable to a 'banded' course of treatment prescribed under the regulations.

24. North East and North Cumbria ICB do not commission private dental services, however, NHS dental regulations do not prohibit the provision of private dentistry by NHS dental practices.

Term of Reference B - To examine Middlesbrough's oral health outcomes and the work being undertaken to improve the oral health of the local population

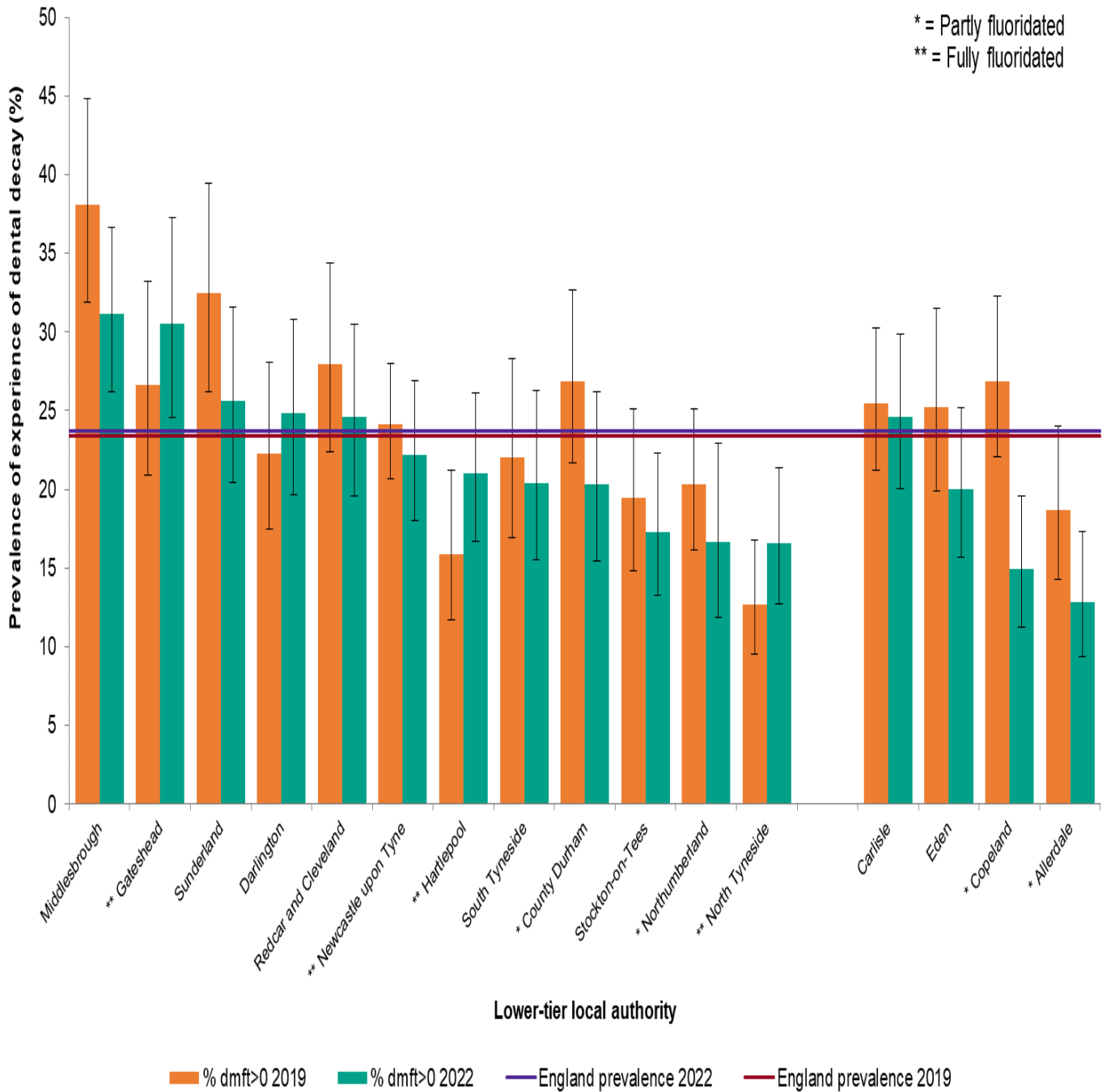
Oral health data - Middlesbrough's children

25. Across the North East and North Cumbria there has been no significant improvements in oral health for 5-year-old children between 2019-2022, except for Copeland in North Cumbria (See **Graph 1** overleaf). However, there were significant improvements in oral health between 2008-2016 in Middlesbrough.

26. **Graph 1** overleaf shows that between 2019 and 2022, Middlesbrough had significantly more dental decay than the England average. Furthermore, Middlesbrough had the highest rate of dental decay in 5-year-olds across North East and North Cumbria, in terms of lower-tier local authorities in the area. The rates are socially patterned and typically the poorer and more deprived areas experience higher rates of dental decay. However, although Hartlepool has a similar deprivation profile to Middlesbrough, the area's rates of dental decay are significantly lower, as residents have access to a naturally fluoridated water supply.

Graph 1

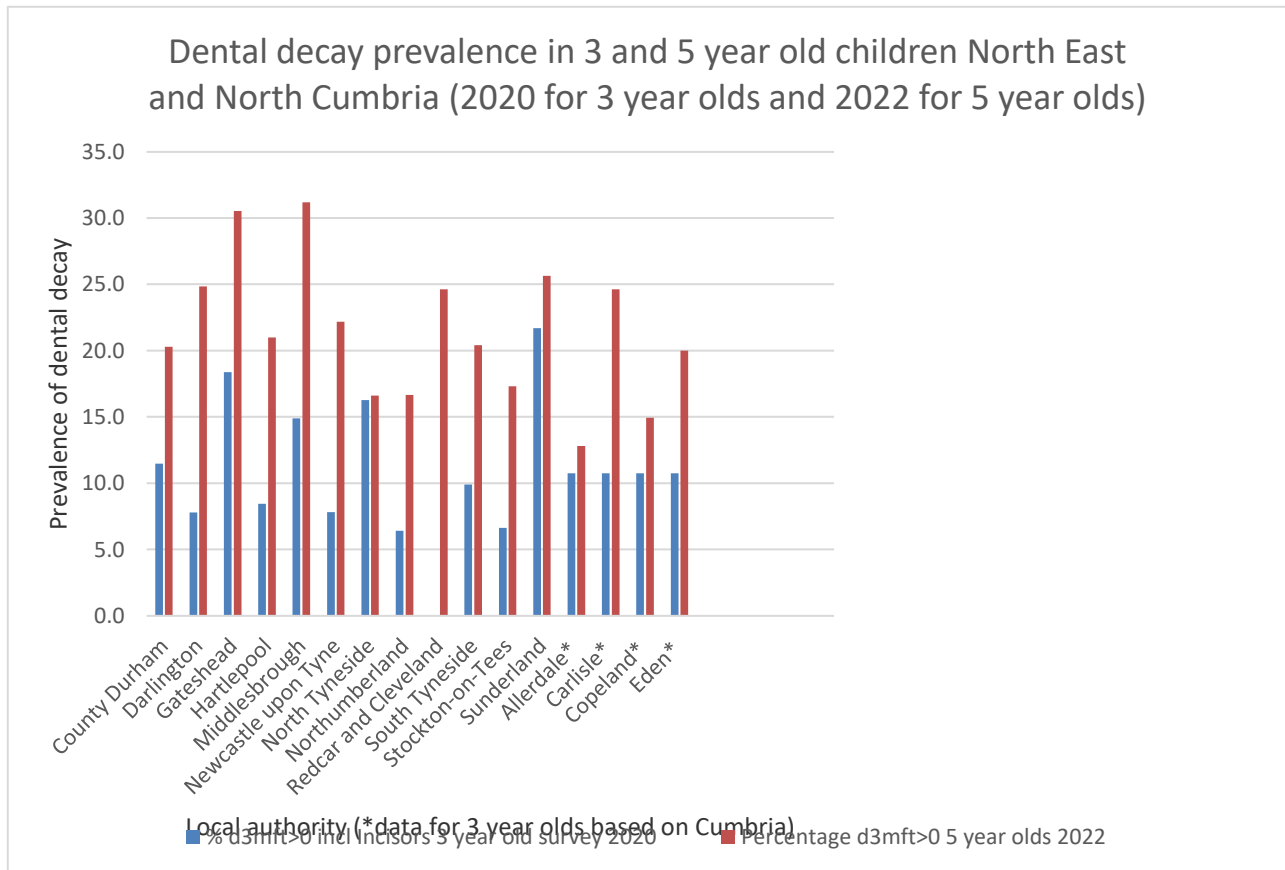
Prevalence of experience of dental decay in 5 year olds in the North East and North Cumbria by lower-tier local authorities 2019 and 2022



27. Data shown in **Graph 2** overleaf, pertaining to drilled, missing and filled teeth in 2019 and subsequently in 2022, demonstrates the consequences of tooth decay.

28. There has been a significant increase in dental decay prevalence from age 3 to 5 years old in all areas of the North East and North Cumbria. In Middlesbrough, there has been a doubling of decay in the same cohort of children from the age of 3 to 5, which is demonstrated by the most recent surveys undertaken in 2020 and 2022. The increase in rates of dental disease can be explained by the decay process i.e. it can take 18 months or more from the start of decay (enamel decay) to progress to a stage when a filling is required (dental decay).

Graph 2



Oral health data - Middlesbrough’s adults

29. The 2018 oral health survey of adults attending general practice reported 1 in 3 participants living in more deprived areas had untreated tooth decay compared to 1 in 5 in the less deprived areas.

30. **Table 1** overleaf shows that in terms of the oral health of adults, Middlesbrough’s adults (27.9%) suffer more oral health impacts than the average for the North East (22.6%) or England (17.7%). Therefore, it is evident that poor oral health in childhood, unsurprisingly continues into adulthood.

Table 1

Upper-Tier LA Name	% with active decay (DT>0)	Average number of decayed teeth (for those with active decay)	% with dentures	% with PUFA	% with any treatment need	% with an urgent treatment need	% suffering any oral health impacts fairly or very often	Local authority IMD ranking (2019)
England	26.8	2.1	15.4	5.2	70.5	4.9	17.7	
North East	27.3	2.2	18.6	5.3	75.4	3.5	22.6	
County Durham	26.8	1.8	16.9	2.8	84.5	7.2	17.6	62
Darlington	27.3	2.4	19.6	3.6	87.3	7.9	21.2	77
Gateshead	26.0	2.8	15.4	2.5	63.1	0.8	22.8	47
Hartlepool	25.9	3.0	11.8	3.2	80.0	2.4	24.5	10
Middlesbrough	28.5	2.9	20.7	10.7	75.7	3.4	27.9	5
Newcastle							11.8	41
North Tyneside								111
Northumberland	43.8	1.8	22.3	1.8	84.8	11.6	13.6	116
Redcar and Cleveland	27.4	2.3	17.9	9.2	80.4	1.7	21.8	40
South Tyneside	18.6	1.8	19.6	6.8	47.9	0.5	25.8	27
Stockton-on-Tees	29.5	1.9	17.5	6.7	87.4	0.0	25.0	73
Sunderland	24.0	2.8	20.0	4.1	64.0	1.3	24.7	35
Cumbria (No data for Eden)	29.9	2.0	17.8	5.1	66.7	4.3	19.0	No data
England	26.8	2.1	15.4	5.2	70.5	4.9	17.7	

Oral health promotion

31. For children, the following inventions have been implemented by the Local Authority and focus on prevention and oral health improvement:

- a supervised tooth brushing programme is delivered by Tees Oral Health Promotion in primary schools and early years settings;
- the Eat Well Schools and Early Years Awards aim to raise awareness of the importance of oral health, as part of a 'whole-school/settings' approach in all primary schools, secondary schools and early years settings; and
- Health Visitors distribute oral health packs (toothbrush, toothpaste and an information leaflet) to children under 1 to promote good oral health practices and also encourage attendance at a dental practice from the age of 1.

32. As of September 2023, **Table 2** below shows the take-up of the supervised tooth brushing programme, across pre-schools and primary schools in Middlesbrough:

Table 2

Settings	Number of participating settings/total settings	Number of settings declined participation	Numbers of children brushing
Pre-schools	29/37	6	1785
Primary Schools	29/41	9	3888

33. For adults, Management of Undernutrition South Tees (MUST) and Caring for Your Smile both offer oral health promotion training and support for staff in care homes. The MUST programme has been involved with Teesside University's ELDER Study, which aims to improve the oral health of older adults by using milk supplemented with fluoride and probiotics.

34. In terms of training and development, to achieve oral health improvement locally, the following is delivered:

- for the toothbrushing programmes, staff in early years settings and schools receive ongoing support and training to enable them to provide oral health advice and information;
- health visitors receive training on providing oral health advice to support parents of young children (oral health packs are distributed to parents, by health visitors, at the 8 month visit); and
- all staff members working with vulnerable groups in health and social care receive annual oral health training.

Future work of the Local Authority - improving oral health

35. In future, the Local Authority plans to undertake the following work:

- an Oral Health Strategy will be developed for Middlesbrough and the Tees Valley;
- the Dental Epidemiology Survey for 5-year-old children will be conducted in 2023/24, which will be a census survey to provide a larger sample size and enable analysis at ward-level to identify health inequalities and the impact of Covid-19;
- the delivery of oral health promotion training to all front-line practitioners will continue to ensure staff members can provide advice on the importance of oral health;
- healthy environments will be promoted to improve oral health and the Healthy Weight Declaration provides a framework to encourage drinking water, sugar free food and breastfeeding;
- oral health promotion will be incorporated in existing services for all children, young people and adults at high risk of poor oral health;
- the delivery of supervised toothbrushing programmes in early years settings and schools will continue;
- fluoride varnish programmes in areas where children are at high risk of poor oral health will be considered; and

- evidence-based interventions to improve oral health in Middlesbrough will be reviewed over the next 5 years.

Term of Reference C - To investigate the pressures and challenges faced by dental care services and the work being undertaken to improve access to dental care

Covid-19

36. The Covid-19 pandemic has had a significant impact on primary care dentistry. Routine dentistry was completely suspended for several months in 2020. In January 2022 the government announced the investment of £50 million to provide an additional 35,000 urgent dental care appointments to help to drive services back to pre-pandemic levels.⁶
37. The prolonged Covid-19 pandemic period required NHS dental practices to follow strict Infection Prevention and Control (IPC) guidance, which significantly restricted levels of access to dental care. As a result, backlog demand for dental care remains high with the urgency and increased complexity of patient clinical presentations further impacting the ability for the NHS dental care system to return back to pre-covid operational norms.
38. During the first wave of the pandemic, in the interest of patient and dental staff safety, routine dental services were paused in March 2020 and urgent dental care centres (UDCs) were established to provide access only to clinically confirmed urgent dental care.
39. Covid-19 and the need for dental practices to follow national Infection Prevention and Control (IPC) guidance had a significant impact on the number of patients that practices were able to see.
40. In July 2020 all practices gradually re-opened for limited face-to-face care in strict accordance with nationally mandated Covid-19 NHS Dentistry Standard Operating Procedures and Infection Prevention Control constraints.
41. As part of those arrangements, practices were required to prioritise patients based on clinical need and urgency into their significantly reduced safe operating capacity, creating inevitable delays and backlogs over time for patients seeking non-clinically urgent and more routine dental care at that time.
42. As part of those nationally mandated Covid-19 response arrangements, practices were provided with income protection but also mandated to operate at significantly reduced and safe levels of face-to-face access throughout the prolonged Covid-19 pandemic period as follows:

<ul style="list-style-type: none"> ○ 0% between March – July 2020 (remote triage only unless designated UDC) ○ 20% between July - December 2020 ○ 45% between January - March 2021 ○ 60% between April - September 2021 	<ul style="list-style-type: none"> ○ 65% between September - December 2021 ○ 85% between January - March 2022 ○ 95% between April 2022 – June 2022 ○ 100% from July 2022
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43. In terms of the North East and North Cumbria, **Table 3** overleaf shows that access to NHS primary dental care for children in March 2022 had not fully recovered to pre-pandemic levels. In Middlesbrough, it is lower (48.5%) than in 2020 (67.8%). The reduction in the number of children accessing dental care, since the pandemic, is not specific to

⁶ <https://www.kingsfund.org.uk/publications/dentistry-england-explained>

Middlesbrough and reductions have been experienced across the region and across the country. The impact of the pandemic on residents accessing dental care has been significant for the North East. Furthermore, the post Covid-19 recovery position is also replicated for adults (39.9% compared to 63.4%) in Middlesbrough.

Table 3

Area	Percentage of children (0-17y) accessing dental care in 12 months before:			Percentage of adults (18y+) accessing dental care in 24 months before:		
	31 March 2020	31 March 2021	31 March 2022	31 March 2020	31 March 2021	31 March 2022
England	58.3%	23.1%	45.4%	49.3%	43.1%	34.6%
North East Region	61.1%	21.6%	45.8%	56.2%	48.7%	39.1%
North ICP	63.4%	22.7%	47.4%	56.2%	48.7%	38.9%
Gateshead	64.9%	21.9%	49.2%	57.8%	50.6%	41.2%
Newcastle	65.0%	24.7%	48.6%	57.4%	48.0%	39.3%
North Tyneside	60.1%	19.2%	45.0%	55.0%	47.5%	37.3%
Northumberland	63.1%	23.5%	46.6%	54.8%	49.0%	38.3%
Central ICP	57.6%	18.2%	41.9%	55.1%	47.0%	37.6%
County Durham	54.0%	17.6%	40.7%	50.5%	42.5%	33.8%
Sunderland	61.6%	18.5%	43.0%	59.3%	51.3%	40.7%
South Tyneside	62.9%	19.8%	44.2%	63.8%	55.0%	45.5%
Tees Valley ICP	63.0%	22.8%	48.4%	57.7%	50.9%	41.3%
Darlington	64.0%	26.5%	44.6%	56.6%	49.6%	38.8%
Hartlepool	54.2%	18.6%	42.9%	51.6%	45.6%	38.6%
Middlesbrough	67.8%	20.5%	48.5%	63.4%	53.6%	39.9%
Redcar and Cleveland	61.9%	20.9%	47.0%	61.1%	53.9%	45.1%
Stockton-on-Tees	63.6%	25.9%	53.6%	54.8%	50.0%	42.3%
Cumbria	60.6%	27.0%	48.3%	46.6%	39.8%	30.6%

44. The 0-19 Healthy Child Programme in Middlesbrough has shown registrations with a dentist (for children aged 2-2.5 years old at the health visiting mandated visit) is now 60%. However, the pre-pandemic figure was approximately 85%. This data significantly differs from NHS digital data, which reports only 37.2% of 3 year old children in Middlesbrough were seen by an NHS dentist in the 12 months preceding the end of June 2022.

45. All dental practices are now able to safely provide a full range of treatments, however, demand for care remains extremely high with dental practices having to balance addressing the backlog of care with managing new patient demand.

Dental workforce recruitment and retention

46. There are a number of factors relating to workforce recruitment and retention that are affecting the ability of NHS dental practices to deliver the full level of commissioned access, these include:
- the younger generation and newly qualifying dentists more often choosing not to pursue an NHS dentistry career or where they do, they are seeking a work life balance that limits their working commitment to part-time NHS dentistry;
 - more experienced dentists and dental nurses are choosing to retire early, move into private dentistry or pursue a different career path;
 - there are general recruitment issues with attracting new dentists into NHS dentistry, from private dentistry and from overseas, due to a range of issues including but not limited to:
 - securing General Dental Council and performers list registration for overseas dentists;
 - dental student and foundation dentistry places being limited nationally; and
 - private dentists not perceiving working within the current NHS regulatory arrangements as being attractive in terms of pay, conditions, work-life balance etc.
47. Recruitment and retention issues create difficulties for NHS dental practices (both locally and nationally) to maintain and/or replace the level of clinical workforce they need in order to reliably deliver their full NHS dentistry capacity.

NHS dental contract and dental system reform

48. The number of contracts handed back in the North East and North Cumbria has increased from 3 in all of 2020 to 12 in the first 7 calendar months of 2023 (9 since the ICB took over commissioning responsibility). This means local people across the North East and North Cumbria are experiencing problems accessing NHS dentists - areas of particular challenge include North Cumbria, North Northumberland, Darlington, parts of County Durham and Sunderland.
49. Dental practices are paid in units of dental activity (UDAs). Therefore, current contract arrangements mean that dentists are paid for every patient they treat, rather than receiving a fee for every single treatment. Recent national dental contract reforms introduced in November 2022 have gone some way to start to address this, with the introduction of enhanced UDAs to support higher needs patients who require treatment on three or more teeth or more complex molar endodontic care to permanent teeth, recognising that this care can be more time consuming.
50. The current NHS dental regulation/contract was introduced in 2006. In March 2021, the Department of Health requested that NHS England lead on and develop national dental system reforms for England. In July 2022, NHS England published a national package of 'initial reforms' to the NHS dental regulatory contract. This included:
- prioritising patients with high care needs by increasing the funding that practices receive for more complex care;
 - setting a national minimum UDA value of £23, which had not existed previously;
 - greater flexibilities within national regulations to locally release funding and unused dental access locked into practices who are unable to deliver their commissioned activity, so that it can be offered to those who can deliver activity above their contracted levels;

- emphasis on recall intervals that are clinically appropriate to a patient's oral health status, with the intention being to release treatment capacity and reduce inequality of access to dental care (NICE best practice guidance - adults up to 24 month, children 12 months); and
- making it easier for practices to introduce skill mix by utilising the skills of the wider dental care professionals (dental therapists and hygienists) to work within their full scope of practice thereby freeing up capacity and dentist time to focus on more complex treatments.

51. In terms of the definitive NHS dental regulatory contract reform, there is no clear timescale for publication.

52. A framework for commissioners was published on 9 October 2023, the framework provides opportunities for flexible commissioning in primary care dentistry. A summary of the opportunities outlined in the framework include:

- additional investment into new or existing contracts to address areas of need including:
 - increased contracting of mandatory services (must be commissioned as UDAs - monitoring supported nationally);
 - commissioning additional capacity for advanced mandatory services, sedation and domiciliary services and orthodontics; and
 - commissioning additional capacity for dental public health service and/or further services (commissioner determines own remuneration approaches - requires local resource for monitoring etc).
- reallocation of existing contractual funding away from mandatory service into new priorities (must be commissioned as additional or further services);
- local negotiation of indicative rates for UDAs or units of orthodontic activity (UOAs):
 - increase can be achieved through either a reduction to contractors commissioned UDAs or an increase in the overall contract value.

53. There were key issues that required consideration, in deciding whether to make adjustments to a contract:

- the average value of UDAs commissioned in the ICB area;
- information from the contractor, such as practice income and expenses including provider drawings to compare to local and national averages;
- whether the decision is supported by local needs;
- a Value for Money (VFM) and impact assessment;
- the risk of legal challenge at a local level and potential wider regional or national implications; and
- whether a short-term change could be offered as a trial period, subject to agreement by both parties, to allow time for the impact of the change to be monitored to inform decision on whether to make a permanent change.

Work being undertaken to improve access to dental care.

54. The gap between dental care demand and available provision has been acknowledged by the North East & North Cumbria ICB and a primary care dental access recovery plan is being developed to address the issue. The ICB is working with its partners to develop the recovery plan.

55. The work being undertaken by the ICB and its partners primarily focusses on three phases:

- taking immediate actions to stabilise services that are already in place;
- in the medium-term, taking a strategic approach to workforce and service delivery to increase capacity; and
- in the longer term, developing an oral health strategy to improve oral health and reduce pressure on dentistry right across the Tees Valley.

56. The ICB is working with dentists and partners across Tees Valley to increase NHS 111 dental clinical assessment capacity, increase out of hours treatment services, create access to additional treatments and increase the number of dental appointments available for the local community. A key challenge for the ICB is to increase the number of dental practitioners working in the area, to ensure sufficient dental services can be provided for the local population.

57. To date, £3.8m non-recurrent investment has been agreed for 2023-24 to increase NHS 111 dental clinical assessment capacity, increase out of hours dental treatment services and extend access arrangements to provide, where possible, an additional 27.5k patient treatment slots between July 2023 and end of March 2024 (to supplement the circ 4.3k slots funded in Q1). A flexible commissioning arrangement has also been offered to practices to provide a training grant to support the employment of overseas dentists. Furthermore, a local commissioning process has been implemented to re-provide (where possible) activity when contracts are handed back (see **Table 4** below).

Table 4

Locality	UDAs commissioned 2023-24 (recurrent)	UDAs commissioned 2023-24 (Non-recurrent)	UDAs commissioned 2024-25 (Non-recurrent)*
Durham		14,600	20,100
North Tyneside		1,500	2,000
Stockton on Tees		4,000	11,000
Newcastle		3088	5,730
South Tyneside		4185	10,000
Darlington		4707	4,707
N Cumbria (Carlisle)		3720	3,720
N Cumbria (Eden)	7,000		
TOTAL	7,000	32,080	53,537

* Commissioned capacity to be made recurrent if providers demonstrates they can deliver this additional activity.

58. The further actions that will be undertaken by the ICB includes:

- funding will be earmarked to progress formal procurements and secure new market interest/NHS dental practices to address gaps in provision, where it has not been possible to re-commission UDAs from existing NHS practices; and
- an advert will be placed in the British Dental Journal (BDJ) to attract overseas dentists and to support them through the national dental performer list process, which is required to deliver NHS dental care.

59. In addition to the actions above, work will be undertaken with:

- key stakeholders on further local initiatives to improve workforce recruitment and retention, service delivery sustainability and improved access particularly within disadvantaged groups;
- Healthwatch to update patient and stakeholder communications;
- local system partners to progress development of an oral health strategy to improve oral health and reduce the pressure on dentistry; and
- NHS England regional and national teams to influence national dental system reform.

60. Locally, NHS England and the North East and North Cumbria ICB has undertaken the actions outlined below:

- incentives have been offered for all NHS dental practices to prioritise patients not seen in the practice within the previous (24 months) adults and 12 months (children) who require urgent dental care;
- investment has been made to create additional clinical triage capacity within the out of hours integrated NHS 111 North East and North Cumbria Dental Clinical Assessment Service;
- there had been increased investment in respect of the new Dental Out of Hours Service contract (from 01 Oct 2021) to ensure there was sustainable capacity available to treat 'clinically confirmed' urgent and emergency patients that present via NHS 111 (further short-term investment/capacity had been commissioned to provide additional resilience over the winter period until end of March 2024);
- additional funding was made available to practices in 2021-22 who were able to offer additional clinical capacity above their contracted levels, with a focus on prioritising patients with urgent dental care needs and access for nationally identified high risk groups, i.e., children;
- a new offer was made available to all practices in October 2022 with enhanced rates for additional clinical capacity on a sessional basis until end of March 2024;
- a flexible commissioning arrangement has been made available to practices with workforce challenges to incentivise them to focus their treatment capacity to patients in greatest clinical need;
- additional funding has been made available to the area's specialist oral surgery and orthodontic providers to deliver additional treatment capacity to reduce waiting times for patients;
- practices have been supported to maximise their clinical treatment capacity, i.e. encouraging them to maintain short notice cancellation lists to minimise as far as possible any clinical downtime; and
- work with local dental networks/committees and local NHS England Workforce, Training and Education colleagues will continue to explore opportunities to improve workforce recruitment and retention and to identify further measures to improve access for patients.

61. A national dental contract reform is required to enable the challenges encountered, in respect of contract arrangements, to be fully considered and addressed.

Term of Reference D - To examine the local population's views and experiences of accessing and using NHS dental services

62. Access to NHS dental care continues to be one of the main issues Healthwatch England hears about from the public. Difficulties getting support has led to many people living in pain. In some extreme cases, people take matters into their own hands, resorting to DIY dentistry.

63. Whilst some parts of England have better access, Healthwatch England reports that those from the more deprived communities struggle the most to access dental care because they cannot afford it.⁷

Experiences of dental care services across North East England (March 2020 - January 2022)

64. In February 2022 a report was published by Healthwatch entitled 'Experiences of Dental Care Services'. The report was the collation of identical surveys of the public undertaken by eight local Healthwatch in North East England from late November 2021 until early January 2022 to discover the local population's experiences of accessing and using NHS dental services. During the same period, the local Healthwatch volunteers contacted dental practices in their catchment, with a series of questions, to understand the availability of services.

65. The findings within the report conveyed:

- Whilst there were good experiences of dental care in the North East of England, general feedback indicated that staffing shortages, and historic concerns within the dental system were adversely impacting public dental health.
- Additional health and safety measures, whilst welcome and necessary, were leading to delays in treatment.
- It seemed that dental teams were doing their best to see and treat as many patients as possible, in the time allowed, and with limited resources.
- Residents were becoming increasingly frustrated about being able to find an NHS dentist willing, or able, to take them on as new patients.
- Many people who had been successful in being taken on, or who were already established with their local dental practice, felt they were waiting too long for an appointment for minor dental treatment. That was having a knock-on effect with dental problems getting worse so that it became necessary for urgent treatment rather than being nipped in the bud.
- There were some clear indicators of areas where improvements could be made including:
 - ensuring NHS Choices website contained up-to-date information, providing supportive advice to patients who were on waiting lists and often in discomfort, and improving NHS 111 advice and information; and
 - improved communication from dental practices to keep patients up-to-date with what was happening, and to provide immediate advice and support for those on waiting lists where they were experiencing pain would be welcomed by the public.
- Perhaps the most important indicator was that it was clear that there were too few NHS dentists available to service the needs of the North East population.

66. As a result of these findings, NHS England was urged to make dentistry reform a top priority otherwise there would be repercussions for the life-long health of current and future generations, particularly among the most disadvantaged communities in the region.

Experiences of dental care services across South Tees

67. The most common issue raised with Healthwatch South Tees, was residents being deregistered and removed from their regular dental practice patient list. It was reported that, as residents had not been accessing NHS dental services during Covid-19, they had been

⁷ <https://www.healthwatch.co.uk/news/2022-10-12/our-position-nhs-dentistry>

subsequently removed from patient lists. As a result of that, Healthwatch South Tees had developed a myth buster document, which aims to dispel the most common rumours relating to NHS dentistry.

68. Healthwatch South Tees has contributed to the work of Healthwatch England in lobbying the Government and calling for a recovery plan for NHS dentistry.
69. On a quarterly basis, community intelligence is gathered by Healthwatch South Tees and shared with relevant stakeholders in primary care, secondary care, social care and public health.

Experiences of dental care services (1 April 2022 - 31 March 2023)

70. For the period between 1 April 2022 and 31 March 2023, Healthwatch South Tees had received 198 contacts via a variety of different mechanisms, such as the information signposting function, general engagement and focus groups.
71. Of the 198 contacts, 57 of those related to dentistry. Local residents had contacted Healthwatch because they were unable to access NHS dental care, even though at times, they had highlighted that they were in pain.
72. During this period, the following issues had been highlighted by the local population:
 - residents had been de-registered/de-listed by their dental practices, without notice;
 - there were no NHS dental practices accepting new patients;
 - residents who were new to the area were unable to register with an NHS dental practice;
 - residents were only being offered private appointments; and
 - residents had been unable to access emergency appointments via NHS 111.
73. Healthwatch South Tees has been informed that dentists will prioritise residents 'in pain'. However, feedback received from local residents suggests this is not the case.
74. Concerns have been expressed by Healthwatch South Tees in respect of how the independent statutory body should respond to dentistry enquiries - as, locally, there are no available NHS appointments. Previously, Healthwatch had been advising local residents to contact NHS 111. However, now NHS 111 call handlers are recommending to residents that they contact their local Healthwatch.
75. It is highly important that dental practices regularly update their details on the NHS Choices website, as this enables Healthwatch to access current information on availability for local people.

Experiences of dental care services (1 April 2023 until 31 October 2023)

76. For the period of 1 April 2023 until 31 October 2023, Healthwatch South Tees had received 100 information and signposting contacts and 23 of those related to dentistry. The main issues reported by the public, during this period, referenced being removed from their regular dental practice patient list, experiencing problems when trying to arrange access to dental care for children and the lack of dental provision in care homes.
77. During this period, the following local case studies had been reported by Healthwatch South Tees:

- A woman had contacted her dental practice, after a few years, as her teeth had deteriorated and she was in pain. Despite her partner and son still being registered at the practice, she had been delisted. The woman managed to get an appointment at another practice, however, the dentist refused to treat her due to the amount of work that would have been required. The woman's poor oral health had negatively impacted on her self-esteem and had resulted in reduced social interaction.
- A man required urgent care from a dentist and was unable to find a practice that would treat him, he therefore called NHS 111 and in response, the call handler advised him to contact his local Healthwatch.
- A man had contacted every dental practice listed on the NHS website, he then called the number provided for NHS England Customer Contact Centre and the call handler recommended that he contact his local Healthwatch.
- A teenager had problems with decay and her wisdom teeth, which was causing her pain down one side of her face. She had contacted lots of dental practices and no appointments were available.

Future work

78. Regionally, Healthwatch South Tees has been working with the North East and North Cumbria Integrated Care Board (ICB). Discussions have taken place between Healthwatch and the ICB to consider the immediate actions required to stabilise services that are already in place. In addition, medium-term and longer-term approaches are being explored. As part of this process, it is planned that Healthwatch will report on data and information gathered across communities to provide an evidence-base for decision-making. It is envisaged that the longer-term solutions will primarily focus on preventative measures to reduce the pressure on dentistry.
79. Healthwatch South Tees has been requested by the ICB to develop a proposal, focussing on two main areas of NHS dental services. It is planned that one area will focus on the views and experiences of those residents requiring access to emergency dental services and the other will focus on the views and experiences of those wishing to access routine check-up appointments. Another area, that the ICB is keen to obtain views on, is communication and the information that is currently available for those wishing to access NHS dental services.

Term of Reference E - To identify potential solutions to improve the oral health of Middlesbrough's population and access to dental care

Programmes to reduce oral health inequalities

80. Public Health England (PHE) and the Institute of Health and Care Excellence (NICE) (PH55) have recommended programmes that not only improve oral health but also have encouraging impacts on reducing oral health inequalities.
81. PHE have recommended:

Targeted supervised-tooth brushing in childhood settings

82. Daily application of fluoride toothpaste to teeth reduces the incidence and severity of tooth decay in children. However, children in more deprived areas are less likely to brush their teeth at least twice daily. Targeted childhood settings such as nursery and school settings can provide a suitable supportive environment for children to take part in a supervised tooth brushing programme, teaching them to brush their teeth from a young age and encouraging support for home brushing.

83. Leicester City Council has implemented a early intervention programme from birth, to improve the oral health of preschool children, entitled 'Healthy Teeth, Happy Smiles!' (further information on the programme can be accessed here: <https://www.gov.uk/government/case-studies/healthy-teeth-happy-smiles-leicester-city-council>).
84. The Local Authority has had a supervised toothbrushing scheme in place in both pre-school and primary school settings since 2008. This is a universal offer to all the latter settings in Middlesbrough, although uptake of the offer is variable post Covid-19.

Provision of toothbrushes and paste by post

85. Targeted and timely provision of free toothbrushes and toothpaste by postal delivery can encourage parents to adopt good oral health practices and start tooth brushing as soon as the first teeth erupt. Postal delivery is likely to minimise uptake issues, making the impact on inequalities more favourable. Engaging with health visitors can help to ensure support for the programme and consistency of messages.
86. The North West of England had implemented the Smile4Life programme, which aims to reduce tooth decay in children, laying a solid foundation for their good oral health throughout life (further information on the programme can be accessed here: <https://www.gov.uk/government/case-studies/smile4life-in-north-west-england>).
87. In Middlesbrough, toothbrush and toothpaste packs are provided to all families at the 8-month health check by health visitors. Key oral health messages are given and early attendance at a dental practice is recommended.

Targeted community fluoride varnish programmes

88. A rapid review of evidence on the cost-effectiveness of interventions to improve the oral health of children aged 0 to 5 years found strong evidence of effectiveness of targeted community fluoride varnish programmes. The programmes involve the application of fluoride varnish to children's teeth, which is carried out by dental personnel outside dental practices.
89. Fluoride varnish is one of the best options for increasing the availability of topical fluoride regardless of the levels of fluoride in any water supply. The dental caries (decay) preventive effectiveness of fluoride varnish in both permanent and primary dentitions is clear. Several systematic reviews conclude that applications twice a year produce an average reduction in dental caries increment of 37% in the primary and 43% in the permanent dentition. Much of the evidence of effectiveness is derived from studies which have used sodium fluoride 22,600 ppm (2.26% NaF) varnish for application.⁸
90. Fluoride varnish programmes can have a positive impact on reducing health inequalities provided that they are targeted at high-risk populations. Successful delivery depends on:
- engaging with parents, schools and early years' settings;
 - ensuring the inclusion of wider oral health improvement messages and supportive environments;
 - good links with dental practices to ensure that dental practices are informed if their patients have received fluoride varnish; and

⁸ <https://www.gov.uk/government/publications/delivering-better-oral-health-an-evidence-based-toolkit-for-prevention/chapter-9-fluoride>

- children having at least twice yearly applications.⁹

91. The Local Authority had previously commissioned a targeted fluoride varnish programme in primary schools. During Covid-19, this programme had to be paused, and has not been resumed.

Water fluoridation programmes

92. PHE has also recommended water fluoridation as a whole population intervention as there is evidence that it reduces oral health inequalities with a greater benefit for those living in more deprived areas.

93. At a population level, water fluoridation is the most effective way of reducing inequalities, as it ensures that people in the most deprived areas receive fluoridated water. Reviews of studies conducted around the world confirm that water fluoridation is an effective and safe public health measure suitable for consideration in localities where tooth decay levels are of concern. The Oral Health Foundation believes that fluoridation is the most important single measure that the UK Government can take to bring a substantial change in the nation's oral health.

94. Currently only 11 percent of the UK population benefit from fluoridated water. The benefits of fluoridation to these communities are evidenced by their position at the top of dental health 'league tables'.

95. Initiating and varying schemes for water fluoridation is now the responsibility of the Secretary of State. However, local authorities play a key role in public consultation, which will continue to be an important part of any future water fluoridation proposals.

96. The Government has announced its support for expansion of water fluoridation across the North East. This follows the UK Chief Medical Officer's position that it is a complementary strategy to other effective ways of increasing fluoride use. Expansion of fluoridation in the North East is the current priority. It will be the first use of arrangements brought in by the Health & Care Act 2022, which transferred powers to the Secretary of State. A statutory 12-week consultation is currently being developed.

Development of an oral health strategy

97. The National Institute of Health and Care Excellence (NICE) published guidelines to improve oral health by developing and implementing a strategy to meet the needs of people in the local community. The future development of such a strategy would aim to promote and protect people's oral health by improving their diet and oral hygiene and by encouraging them to visit a dentist regularly.

98. The development of an oral health strategy should be based on an oral health needs assessment and set out how the Local Authority and its health and wellbeing commissioning partners will:

- address the oral health needs of the local population as a whole (universal approaches);
- address the oral health needs of groups at high risk of poor oral health (targeted approaches);

⁹ <https://www.gov.uk/government/publications/health-matters-child-dental-health/health-matters-child-dental-health#effective-interventions-for-improving-dental-health>

- address any oral health inequalities within the local population and between the local population and the rest of England;
- identify and work in partnership with people who are in a position to improve oral health in their communities (this includes those working in adult, children and young people's services, education and health services and community groups);
- set a good example through their own policies and the policies of organisations they commission to provide services (for example, by ensuring access to free drinking water in all workplaces and public areas and through healthy catering and food policies);
- set out the additional support that people working with groups at high risk of poor oral health will be given (including training or resources);
- get all frontline staff in health, children and adult services to use every opportunity to promote oral health and to emphasise its links with general health and wellbeing;
- ensure easy access to services to help prevent oral disease occurring in the first place and to prevent it worsening or recurring for everyone, throughout their lives;
- evaluate what works for whom, when and in what circumstances; and
- monitor and evaluate the effect of the local oral health improvement strategy as a whole.

10

Improving access to Teesside University's Student Dental Facility

99. The School of Health and Life Sciences is the largest academic unit within Teesside University and comprised over 9500 students, of which 1200 are apprentices. The university offers:

- a Cert HE in Dental Nurse Practice, 18 student places are available each year, 9 of which are commissioned by the NHS;
- a undergraduate degree in Dental Hygiene, 45 student places are available each year; and
- a postgraduate degree in Dental Therapy.

100. In 2023, the university launched its Integrated Care Academy (ICA), which is an entity that wraps around the school and functions as a buffer between the academic offer to allow the community to better access the activities that occur on campus. It is within the ICA, that the university's clinical services are based.

101. The Student Dental Facility (SDF) within Teesside University has a focus on the oral health of the region and offers a wide range of dental treatments, including oral hygiene and dietary advice, routine scale and polish, and extensive periodontal treatments. The SDF provides a variety of restorative and preventive treatments for adults and children, utilising gold standard, evidence-based clinical practice.

102. Routine dental treatments are performed, however, the SDF does not perform the more complex treatments.

103. The SDF opened in its current format in 2020 and has been approved by the Care Quality Commission (CQC). Prior to 2020, the university had its own dental service, which was ran by qualified dentists. However, when operating that model, not enough placement opportunities were being created and not enough patients had been accessing the service.

104. To access the SDF, patients need to be registered with a dentist, as treatments can only be provided under referral from an external dental practitioner. Once registered and

¹⁰ <https://www.nice.org.uk/guidance/ph55/resources/oral-health-local-authorities-and-partners-pdf-1996420085701>

referred by the dental practice, the SDF performs the treatments required. patient referrals received from dental practices diagnose problems and identify an appropriate treatment plan. The referral process is required to ensure a fully-qualified dentist effectively signs-off the routine treatments that the SDF will perform. By performing routine treatments, the SDF provides local dental practices with additional capacity/time to perform more complex treatments and activities. Dental practices operating across the region (Middlesbrough, Stockton and Darlington) refer patients to the SDF for treatment.

105. The SDF usually serves 160 patients a week at full capacity (with a maximum of 360). Currently, the SDF is only accessible during term-time. The SDF is limited in capacity, due to the restrictions imposed by professional bodies and the cap on the number of places that can be offered. However, the clinical services staffing structure is currently being reviewed, with an aim to enable the SDF to operate for 50 weeks per year.

106. Although local dental practices are referring patients to the SDF for routine treatments, those practices continue to benefit financially, as they receive the units of dental activity (UDA).

107. The following benefits of the SDF are:

- local residents are able to access dental care for free, as there is no charge for patients treated by a student dental hygienist and dental therapist;
- dental hygiene and dental therapy students are able to gain a valuable and comprehensive clinical experience; and
- local dental practices retain UDAs for those patients referred to the SDF.

108. The SDF is currently able to offer treatments for free, as part funding is received from placement tariffs and part is provided by student fees.

109. Work is being undertaken to explore the possibility of having a single facility, which operates multiple clinics across the healthcare professions, allowing the university to offer a more holistic package of care. The possibility of offering a hub and spoke model is also being explored, to enable some clinical services to be offered in the community on either a permanent or pop-up basis.

110. The university has an ambition to open a medical school within the region and the possibility of opening a dental school is currently being considered.

ADDITIONAL INFORMATION

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

Advice for patients with an urgent dental treatment need

112. If a patient develops an urgent dental issue, they are advised to telephone their regular dental practice (or any NHS practice, if they are not registered with a practice).

113. It is important that when the patient rings the practice, the nature of the dental problem is fully explained so that the urgency of the dental treatment need can be determined.

114. If the practice is unable to offer an appointment because their NHS urgent access slots have already been taken up, they will advise the patient to ring another NHS dental practice, or alternatively visit www.111.nhs or call NHS111.
115. The NHS111 health advisor will undertake a clinical triage and where the dental need is deemed to be clinically urgent, an appointment will be made at the nearest in-hours urgent dental care hub, or alternatively depending on the time of the call, into the dental out of hours treatment services.
116. If the issue is not deemed urgent, patients will be signposted to another NHS dental practice and/or given self-care advice until an appointment can be offered.
117. Patients are advised to make contact again if their situation changes/worsens.

Safeguarding

118. Poor oral health may be indicative of dental neglect and wider safeguarding issues. Dental neglect is defined as “the persistent failure to meet a child’s basic oral health needs, likely to result in the serious impairment of a child’s oral or general health or development”. Dental teams can contribute to a multi-agency approach to safeguard children and guidance is available to support this role.
119. A priority dental referral pathway has been developed for children in care and for those receiving child protection medicals who are not receiving regular dental care. The referral pathway had been signed-off by Tees Safeguarding Partnership and was launched in January 2023.

CONCLUSIONS

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

Middlesbrough’s oral health

- a) Middlesbrough has significantly more dental decay than the England average. Rates of dental decay are socially patterned and typically the poorer and more deprived areas experience higher rates of dental decay. It is highly important that a further census survey of 5-year-old children is undertaken (as currently planned for 2023/24) to enable analysis of data at a ward-level to identify health inequalities and enable the delivery of more targeted support. Middlesbrough would also benefit from the development of a locally tailored oral health strategy, which is based on an oral health needs assessment.
- b) It is acknowledged that Hartlepool has a similar deprivation profile to Middlesbrough. However, Hartlepool’s rates of dental decay are significantly lower as residents have access to a fluoridated water supply. Water fluoridation is an effective and safe public health intervention recommended by the World Health Organisation and UK Chief Medical Officers that benefits both adults and children, reduces oral health inequalities and offers a significant return on investment. It is therefore recommended that the Local Authority works with the relevant local authorities in the North East, the Office for Health Improvement and Disparities (OHID), NHS partners and the relevant water companies to support and delegate responsibility to respond to the OHID national water fluoridation public consultation (due in early 2024) to the Director of Public Health. It would be beneficial for the Health Scrutiny Panel to receive regular updates on this work and the outcome of the public consultation.

- c) Evidence-based prevention work is undertaken by the Local Authority, which aims to improve the oral health of Middlesbrough's population. The Local Authority's delivery of a universal supervised tooth brushing programme; the improvement programmes aimed at supporting better oral care in care homes; and the delivery of training for staff in early years settings, schools and the health and social care sector are all valuable interventions and are based on guidance published by the National Institution for Health and Care Excellence (NICE). However, given the poor oral health of Middlesbrough's population, the Local Authority should consider the following community-based activities and interventions:
- Although the supervised toothbrushing programme is a universal offer and can be accessed by all the early years settings and primary schools in Middlesbrough, uptake of the offer is variable post Covid-19. Therefore, it would be beneficial for targeted work to be undertaken to increase uptake of the supervised tooth brushing programme and ensure engagement of the early years settings and primary schools located in town's most deprived areas.
 - It is acknowledged that the health visitors provide toothpaste and toothbrush packs to families. However, for those families who choose not to engage with the health visiting service, the targeted and timely provision of free toothbrushes and toothpaste by postal delivery could encourage parents to adopt good oral health practices.
 - The delivery of a targeted community fluoride varnish programme, carried out by dental personnel outside of dental practices, would undoubtedly have a positive impact on reducing health inequalities.

Access to dental care services

- d) Access to NHS dentistry is a significant challenge, not only in Middlesbrough but across the country. As well as difficulties in securing an appointment, there are wide disparities in the availability of dental practices providing NHS services. In addition, the number of dentists willing to provide NHS services is falling. Middlesbrough's population is at risk of poorer dental health and worsening health inequalities.
- e) The Covid-19 pandemic has had a significant impact on primary care dentistry and this impact is being compounded by issues regarding dental workforce recruitment and retention and the current NHS dental contract and dental system, which evidence suggests is not fit for purpose. The impact of the pandemic on residents accessing dental care has been significant for Middlesbrough with only 48.5% of children and 39.9% of adults accessing dental care (March 2022). For Middlesbrough, affordability is also a major barrier to dental care. There is a need for the NHS England regional team to influence the national reform of NHS dentistry to make access to NHS dental services equal and affordable for everyone in the region.
- f) The gap between dental care demand and available provision has been acknowledged by the North East & North Cumbria Integrated Care Board (ICB) and a primary care dental access recovery plan is being developed to address the issue. The ICB has started taking positive steps to stabilise services, increase capacity and reduce pressure on dentistry right across the Tees Valley. The involvement of Healthwatch with this work will be fundamental in reporting data and information on the views and experiences of communities across the region. It is crucial that an evidence-based approach is taken by the ICB, which is based on engagement with local people. It would be beneficial for the Health Scrutiny Panel to receive regular updates on this work and information on how feedback from the local population has been utilised to formulate solutions and determine future plans.

- g) The Student Dental Facility (SDF) within Teesside University focuses on the oral health of the region and offers a wide range of dental treatments, including oral hygiene and dietary advice, routine scale and polish, and extensive periodontal treatments. The SDF provides a variety of restorative and preventive treatments for adults and children, utilising gold standard, evidence-based clinical practice. Local residents are able to access dental care for free, however, current SDF restrictions mean that treatments can only be provided under referral from an external dental practitioner. However, under the new direct access arrangements, dental care can be provided by dental care professionals (DCP) without a referral from a dental practitioner if within the scope of practice of the DCP. It would be advantageous for those residents experiencing problems with accessing NHS dental care to gain access to the routine treatments offered by the SDF. Therefore, Teesside University, the Local Authority and the ICB should work collectively to explore options to overcome and address current referral restrictions associated with the SDF, with an aim to improving accessibility for those experiencing problems with accessing NHS dental care.

RECOMMENDATIONS

121. The Health Scrutiny Panel recommends to the Executive:
- a) That a further census survey of 5-year-old children is undertaken to enable analysis of data at a ward-level to identify health inequalities and enable the delivery of more targeted support.
 - b) That a locally tailored oral health strategy is developed, which is based on an oral health needs assessment.
 - c) That the Local Authority works with the relevant local authorities in the North East, the Office for Health Improvement and Disparities (OHID), NHS partners and the relevant water companies to support and delegate responsibility to respond to the OHID national water fluoridation public consultation (due in early 2024) to the Director of Public Health.
 - d) That the Health Scrutiny Panel receives regular updates on progress made with implementing a water fluoridation scheme for the region, including the outcome of the public consultation.
 - e) That targeted work is undertaken to increase uptake of the supervised tooth brushing programme and ensure engagement of the early years settings and primary schools located in town's most deprived areas.
 - f) That, for those families who choose not to engage with the health visiting service, free toothbrushes and toothpaste are sent via postal delivery to encourage parents to adopt good oral health practices.
 - g) That a targeted community fluoride varnish programme is commissioned to reduce health inequalities across Middlesbrough's population.
 - h) That, to influence the national reform of NHS dentistry, the Chair of the Health Scrutiny Panel writes to the Secretary of State and the NHS England regional team undertake work, to make access to NHS dental services equal and affordable for everyone in the region.

- i) That an update is submitted to the Health Scrutiny Panel in 6 months' time in respect of:
 - the North East and North Cumbria Integrated Care Board's (ICB) recovery plan to improve access to NHS dental services; and
 - how feedback from the local population has been utilised to formulate solutions and determine future plans.
- j) That Teesside University, the Local Authority and the North East and North Cumbria ICB work collectively to overcome and address current referral restrictions associated with the Student Dental Facility, with an aim to improving accessibility for those experiencing problems with accessing NHS dental care.

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122. The Health Scrutiny Panel would like to thank the following individuals for their assistance with its work:

- Mark Adams, Director of Public Health, Middlesbrough Council
- Craig Blair, Director of Place Based Delivery, North East & North Cumbria Integrated Care Board
- Lisa Bosomworth, Project Lead, Healthwatch South Tees
- Pauline Fletcher, Senior Primary Care Manager and Dental Commissioning Lead for North East and North Cumbria, NHS England
- Rebecca Morgan, Project Development Manager, Healthwatch South Tees
- Tom Robson, Chair of the Local Dental Network
- Kamini Shah, Dental Public Health Consultant, NHS England
- Professor Tim Thompson, Dean - School of Health & Life Sciences, Teesside University

N.B. In respect of Term of Reference c) – each of Middlesbrough's NHS dental practices were written to and provided with the opportunity to submit views on - the current and ongoing effects of Covid-19 on the practice and dental professionals; the strategies adopted by the practice to manage the public's expectations, levels of demand and backlogs; and the help that is needed to support the full recovery of dental and oral health services in Middlesbrough - no feedback was received.

ACRONYMS

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

- ICB - Integrated Care Board
- NICE - National Institute of Health and Care Excellence
- OHID - Office for Health Improvement and Disparities
- PHE - Public Health England
- SDF - Student Dental Facility
- UDA - Units of Dental Activity

BACKGROUND PAPERS

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

- Reports to, and minutes of, the Health Scrutiny Panel meetings held on 11 October 2022, 13 December 2022, 23 October 2023 and 20 November 2023.

COUNCILLOR JACK BANKS

CHAIR OF THE HEALTH SCRUTINY PANEL

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