

## AUDIT COMMITTEE

<b>Date:</b> Thursday, 6 February 2025
<b>Time:</b> 1.30 p.m.
<b>Venue:</b> Mandela Room, Town Hall

## AGENDA

1. Welcome and Evacuation Procedure
2. Apologies for Absence
3. Declarations of Interest
4. Minutes - Audit Committee - 5 December 2024 3 - 8
5. Minutes - Audit Committee - 12 December 2024 9 - 16
6. Annual Assurance Report - Decision Making 17 - 52
7. Business Continuity Annual Assurance Report 2024 53 - 60
8. Local Code of Corporate Governance 61 - 72
9. HR Assurance Annual Presentation 73 - 90
10. Audit Progress Review - Forvis Mazars 91 - 102
11. Procurement Assurance Report 2023/24 103 - 116
12. Work Programme (Standard Item) 117 - 120
13. 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  
Wednesday, 29 January 2025

## MEMBERSHIP

Councillors J Ewan (Chair), B Hubbard (Vice-Chair), I Blades, D Branson, D Coupe, G Wilson and L Young

### **Assistance in accessing information**

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

**AUDIT COMMITTEE**

A meeting of the Audit Committee was held on Thursday, 5 December 2024.

**PRESENT:** Councillors J Ewan (Chair), B Hubbard (Vice-Chair), I Blades, D Branson, D Coupe, G Wilson and L Young.

**ALSO IN ATTENDANCE:** C Andrew (External Auditor) (Forvis Mazars)  
M Rutter (External Auditor) (Ernst Young)

S Reid (External Auditor) (Ernst Young) - Virtual Attendance.

**OFFICERS:** C Benjamin, B Carr, A Johnstone, C Lunn, D Middleton, N Orton, E Scollay and J Weston.

**APOLOGIES FOR ABSENCE:** None.

24/37 **WELCOME AND EVACUATION PROCEDURE**

The Chair welcomed all present to the meeting and read out the Building Evacuation Procedure.

24/38 **DECLARATIONS OF INTEREST**

MEMBER	TYPE OF INTEREST	ITEM/NATURE OF INTEREST
Councillor D Coupe	Non-Pecuniary	Member on Board of Directors of Border to Coast
Councillor J Ewan	Non-Pecuniary	Member of Teesside Pension Fund
Councillor B Hubbard	Non-Pecuniary	Member of Teesside Pension Fund

24/39 **MINUTES - AUDIT COMMITTEE - 3 OCTOBER 2024**

The minutes of the Audit Committee meeting held on 3 October 2024 were submitted and approved as a correct record.

24/40 **MIDDLESBROUGH COUNCIL AUDIT COMPLETION REPORT - 2021/22 AND 2022/23**

The external auditors from EY presented a report, the purpose of which was to provide the Audit Committee with a detailed completion report covering their approach and outcomes of the 2021/22 and 2022/23 audits.

The report indicated that, given that Statutory Instrument (2024) No. 907 “The Accounts and Audit (Amendment) Regulations 2024” (the SI) imposed a backstop date of 13 December 2024, by which date EY were required to issue their opinions on the financial statements, the auditors had considered whether the time constraints imposed by the backstop date meant that they could not complete all necessary procedures to obtain sufficient, appropriate audit evidence to support the opinion, and fulfil all the objectives of all relevant ISAs (UK). This decision was in line with ISA 200: Failure to Achieve an Objective 24.

If an objective in a relevant ISA (UK) could not be achieved, the auditor should have evaluated whether this prevented them from achieving their overall objectives and thereby required them, in accordance with the ISAs (UK), to modify their opinion or withdraw from the engagement (where withdrawal was possible under applicable law or regulation). Failure to achieve an objective represented a significant matter requiring documentation in accordance with ISA (UK) 230 (Revised June 2016) (Ref: Para. A77 and A78).

It was highlighted to the Committee that, taking the above into account for the years ended 31 March 2022 and 31 March 2023, the auditors had determined that they could not meet the objectives of the ISAs (UK) and therefore anticipated issuing disclaimed audit reports.

Details regarding the legislation, guidance, codes of practice and other professional requirements taken into account whilst completing the audit work were outlined to the Committee. Members' and officers' attention was drawn to the Public Sector Audit Appointment Limited's Statement of Responsibilities (paragraphs 26-28), which set out what was expected of audited bodies in preparing their financial statements.

As the Audit Committee was the Authority's body charged with governance, it had an essential role in ensuring that it had assurance over both the quality of the draft financial statements prepared by management, and the Council's wider arrangements to support the delivery of a timely and efficient audit.

EY's auditors considered and reported on the adequacy of the Council's external financial reporting arrangements, and the effectiveness of the Audit Committee in fulfilling its role in those arrangements, as part of their assessment of value for money arrangements. They also considered the use of other statutory reporting powers to draw attention to weaknesses in those arrangements, where they considered it necessary to do so.

The report was intended solely for the information and use of the Audit Committee and management and was not intended to be, and should not have been, used by anyone other than these specified parties.

The report was divided into the following sections: 1 - Executive Summary; 2 - Work Plan; 3 - Results and Findings; 4 - Value for Money; and 5 - Appendices.

During the presentation, matters regarding the following, as identified in the report, were highlighted:

- Context, both local and national, in respect of Local Government audits. Middlesbrough was not alone in terms of the timeliness of accounts and completion of audit work.
- Issues specific to Middlesbrough, which included: the valuation of infrastructure assets; the valuation of the pension liability and related balances; bad debt provisions in relation to the Collection Fund; changes to opening balances; and post pandemic timelines and the availability of resources.
- The work that had been completed, as set out in sections 1-5 of the audit report.
- Matters of interest going forward.
- Presumed levels of risk, which were identified on every audit undertaken.
- Results and findings: differences in financial statements between 2021/22 closing balance and 2022/23 opening balance; further details were provided on page 21 of the report.
- No objections had been received in relation to the Council's Statement of Accounts for 2021/22. One objection had been received in respect of 2022/23, which related to the Council's joint application to the Levelling-Up Fund with Redcar and Cleveland Borough Council for funding to improve accessibility in South Middlesbrough, and whether the application for funding had been approved within the Council in accordance with the Council's Financial Procedure Rules. This objection had not been accepted; further details were provided on page 22 of the report.
- Reference was made to page 23 of the report and instances of potential non-compliance. It was explained that these were not significant to the review; matters were being brought to the Committee's attention for information only.

The auditor advised that the information contained in the report had been finalised and would be issued as presented, although some final wording was currently being drafted to ensure consistency between value for money factors.

The Chair thanked the auditors for the information provided and invited the Committee to ask any questions.

In response to a query regarding the objection raised around the joint application to the Levelling-Up Fund, the auditor explained that this did not feature in the respective financial statements. The objection had not been accepted and was therefore not pursued.

A Member referred to government intervention in relation to the value for money report. It was queried whether government departments were looking more closely at Middlesbrough's finances as a consequence of the report. In response, it was commented that the government had issued a best value notice; no further information could be provided.

A discussion ensued in relation to the issues that had been encountered nationally in terms of completing audit reviews, which had been driven by a statutory reset. It was indicated that, nationally, up to 1000 opinions were being disclaimed. A Member commented on the impact of this upon public perception and the potential knock-on effect for the next couple of years. In response, the auditor advised that the purpose of the reset was to drive reviews back onto a timely track; the government was keen to emphasise that Councils should not have been disadvantaged because of the reset, and the number of disclaimers being made. The national issues that contributed to the audit completion delay were outlined in the report; in essence, the resources required to complete were not available. The Head of Finance and Investment and the Director of Finance advised that the accounts had been prepared professionally with the best intentions based on the information and resources available. Although the audit had not been completed, significant effort had been made towards the 2021/22 and 2022/23 financial years. The information had been prepared for the Committee to make judgement on, and for Forvis Mazars to utilise/ consider when concluding on future years. The Section 151 Officer had a professional responsibility to sign off the accounts with a fair and accurate view, and work had been carried out accordingly to ensure that this had been upheld.

A Member referred to internal audit work undertaken in respect of the Teesside Pension Fund and queried whether any administrative costs for that work were charged back to the Fund. In response, the Director of Finance explained that resource allocation to the team responsible for this work had recently been increased, and that work undertaken would be charged back to the Teesside Pension Fund.

A Member commented upon public perception in relation to signing off the accounts. It was felt unfortunate that the current position may not have been seen favourably by the public, though it was accepted that this could not be avoided.

A Member queried whether there was anything further that the Council could have done to have changed the outcome of the audit report. In response, reference was made to resource limitations and the impact that this had in terms of commencing the audit work, together with wider contextual issues, including the change in backstop date.

A Member thanked the auditors and officers for the work undertaken. It was commented that although lessons learned were important, there had to be a greater accountability over those findings identified.

The Chair thanked the auditors and officers for their reports and contributions to the meeting.

## **NOTED**

**\*\*At this point in the meeting, the Monitoring Officer clarified that the interests declared at the start of the meeting were non-pecuniary.\*\***

24/41

## **TEESSIDE PENSION FUND AUDIT COMPLETION REPORT - 2021/22**

**\*\*Owing to overlap in the reports for agenda items 6 and 7, the Committee agreed to consider those items simultaneously.\*\***

The Auditor from EY noted several points, which included the following:

- It was anticipated that the signed accounts would be received tomorrow, 6 December 2024.
- The Teesside Pension Fund did not have up-to-date information for all its Members, though non-compliance was not always the fault of the Fund's administrators. For example, Members could have changed address and failed to notify of this.

- The investment in the local start-up bank of £26.5m in 2021/22 showed a reduction value of £30m in the 2022/23 accounts. This reflected a value overstatement made in 2021/22.
- There was a red rating around control values.
- Reference was made to 2021/22 classifications; pool investment vehicles and associated risk was highlighted.
- Commercial assets were more difficult to value.
- Reference was made to dividends, in-year movement and market forces in relation to figure derivation.
- Reference was made to disclosures; geographical location of investments and how these were held. Mention was made of underlying investments and associated share prices.

The Head of Finance and Investment referred to page 27-29 of the agenda pack and the red ratings. It was indicated that the Audit Committee would receive progress reports accordingly. Reference was made to value for money and the costs associated with undertaking audit work. A Member queried whether a recharge amount, noted on page 35 of the agenda pack, had been received. In response, it was explained that this would be pursued as recharges were made as required.

A Member referred to the investment made in the local start-up bank and queried the value of the investment versus the amount of money invested. In response, the Head of Pensions, Governance and Investments explained that exact financial data was considered exempt information, however, the bank had shown profitability for the first month last month, which was a positive sign. The valuation was made on a book basis, which considered assets, liabilities and the difference, though it was felt it would be worth more due to its potential. More investors were expected shortly, which would provide a better indication of value based on price. The bank had a business plan in place and progress was being tracked against it. It was anticipated that within the next three-to-four years, a profit will have been made.

#### **NOTED**

#### **24/42 TEESSIDE PENSION FUND AUDIT COMPLETION REPORT - 2022/23**

As per Minute Number 24/41.

#### **24/43 MIDDLESBROUGH COUNCIL LETTERS OF REPRESENTATION - 2021/22 AND 2022/23**

**\*\*Owing to similarities in the reports for agenda items 8 and 9, the Committee agreed to consider those items simultaneously.\*\***

The Head of Finance and Investment noted several points, which included the following:

- As part of the process for closing audits down, management views/ Letters of Representation needed to be provided to the external auditors.
- Various matters had to be considered as part of submitting views/ representations, which included: the accuracy of records, including ensuring that all liabilities had been disclosed; professional standards and the work of specialists, such as considering the auditors' work and their compliance with codes of practice; ensuring that all information had been passed to auditors; the appropriateness of the systems in place for dealing with matters such as fraud, risk and misstatements; and the availability of all information.
- Audit opinions were still being worked on; minor tweaks to the draft Teesside Pension Fund letters accompanying the agenda pack may have been required. It was indicated that, at the point of finalisation, the Chair of the Audit Committee and the Director of Finance would provide signatures and the representations forwarded to EY.

A Member referred to the issues experienced in audit years 2021/22 and 2022/23 and queried the current position in terms of the 2023/24 audit. In response, the Committee heard that work was taking place with Forvis Mazars as the new auditors in terms of preparing for the 2023/24 audit. The next backstop date, in respect of the 2023/24 audit, was 28 February 2025.

**NOTED**

24/44 **TEESSIDE PENSION FUND LETTERS OF REPRESENTATION - 2021/22 AND 2022/23**

As per Minute Number 24/43.

24/45 **APPROVAL OF THE STATEMENT OF ACCOUNTS FOR 2021/22 AND 2022/23**

The Head of Finance and Investment presented a report, the purpose of which was to seek approval from the Committee for the Statement of Accounts for the Council for the 2021/22 and 2022/23 financial years, prior to the statutory date of 13 December 2024, following external audit.

Members were also asked to note the disclaimed audit opinions given by EY on those two sets of financial statements for Middlesbrough, as well as the work of EY in relation to the value for money commentary and the completion of the audit of the Teesside Pension Fund accounts for those two years. In particular, the audit opinion on the pension fund accounts for both years was unqualified, and the accounts provided a true and fair view of the financial position.

The latest versions of the audited Statement of Accounts for the financial years 2021/22 and 2022/23 were attached at Appendices 1 and 2 of the submitted report.

Subject to the Committee's approval, details regarding the next steps in terms of the sign off process were outlined.

**AGREED** that:

1. The Statement of Accounts for the financial years 2021/22 and 2022/23 set out at Appendices 1 and 2, taking into the external auditor's report on the audit process and management representations on the financial statements presented, were approved.
2. It was noted that this was the end of the accounting and financial processes for these two financial years and these accounts were now closed. The latest open audit would now be on the 2023/24 accounts for the Council; progress on this audit had already been discussed with Members. The back stop date for this audit was 28 February 2025.

24/46 **WORK PROGRAMME (STANDARD ITEM)**

A copy of the current work programme for the Audit Committee had been circulated for information. This was a live document that was updated after each meeting.

**NOTED**

24/47 **ANY OTHER URGENT ITEMS WHICH IN THE OPINION OF THE CHAIR, MAY BE CONSIDERED.**

None.

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**AUDIT COMMITTEE**

A meeting of the Audit Committee was held on Thursday, 12 December 2024.

**PRESENT:** Councillors J Ewan (Chair), B Hubbard (Vice-Chair), I Blades, D Branson, D Coupe, G Wilson and L Young.

**ALSO IN ATTENDANCE:** C Andrew (External Auditor) (Forvis Mazars)  
 J Dodsworth (Internal Auditor) (Veritau)  
 P Jeffrey (Internal Auditor) (Veritau)  
 M Kirkham (External Auditor) (Forvis Mazars).

**OFFICERS:** A Johnstone, C Lunn, D Middleton, E Scollay and J Weston.

**APOLOGIES FOR ABSENCE:** None.

24/48 **WELCOME AND EVACUATION PROCEDURE**

The Chair welcomed all present to the meeting and read out the Building Evacuation Procedure.

24/49 **DECLARATIONS OF INTEREST**

MEMBER	TYPE OF INTEREST	ITEM/NATURE OF INTEREST
Councillor J Ewan	Non-Pecuniary	Member of Teesside Pension Fund
Councillor B Hubbard	Non-Pecuniary	Member of Teesside Pension Fund

24/50 **FORVIS MAZARS AUDITORS ANNUAL REPORT 2023/24**

The Head of Finance and Investment had produced a covering report to assist Members with the context and understanding of the annual audit work, and the report that had been submitted by the External Auditors. Auditors from Forvis Mazars were in attendance to present their annual report.

It was explained that assessment work in relation to the Council's systems and arrangements for securing value for money on the use of resources within the organisation had been concluded. This covered the period from 1 April 2023 to 31 March 2024. The annual report presented the main findings on the audit work undertaken to date; the findings of the report provided an updated assessment of the Council's Value for Money arrangements.

The report noted that the previous external auditor, Ernst & Young LLP (EY), had issued statutory s24 recommendations for the 2022/22 and 2022/23 financial years in relation to the Council's Value for Money arrangements in August 2023. These were reported to Council in September 2023 and addressed through a Corporate Governance and Improvement Plan (CGIP) and s24 Action Plan. Progress against these plans had been regularly reported to Council and the Audit Committee.

Due to the change in the appointed external auditor, with effect from 1 April 2023, EY did not undertake a follow-up audit of the Council's response to its s24 recommendations, and therefore there would be no specific report made to close down those recommendations by EY. The Forvis Mazars report for 2023/24 therefore superseded the 2021/22 and 2022/23 report produced by EY in relation to the assessment of the Council's VFM arrangements.

The Forvis Mazars audit work had assessed the Council's arrangements in place during 2023/24 and, where appropriate, considered the progress made up to the date of issuing the

report. Forvis Mazars had audited the Council's VFM arrangements and identified weaknesses (qualifications) in relation to all three elements of the audit assessment: financial sustainability; governance and improving economy; and efficiency and effectiveness. Recommendations were made to the Council in respect of these weaknesses. However, no statutory s24 recommendations had been issued as part of the report. Given the significance of the report, it would also be reported to the next Council meeting on 15 January 2025.

A management response to the recommendations set out the progress made during 2023/24 and to date in delivering improvement in the VFM arrangements.

The report also covered other matters that the external auditor felt appropriate to report to the Committee as part of their work related to the financial year 2023/24; this covered the opinion on the financial statements. For the Council, this was expected to be disclaimed in line with the accounts for 2021/22 and 2022/23. For the Teesside Pension Fund, work was progressing well and was expected to be completed by the statutory backstop date of 28 February 2025. The report also gave information around significant risks, the control environment, and audit fees for the financial year.

During discussion, several points were raised, as follows:

- A Member referred to governance arrangements and queried whether there was sufficient capacity to deliver the 2024/25 audit on time. In response, it was explained that interim agency staff were currently being retained to support the permanent team. The interim staff would remain in post beyond March 2025 to enable the accounts to be audited by the backstop date. It was indicated that a draft departmental structure and related reinvestment bid had been produced, though permanent recruitment could not take place until the Council budget had been considered. However, work had already commenced in respect of the 2024/25 accounts. It was noted that there would be challenge for the finance team to support the 2024/25 audit; additional resources would be required. It was highlighted that the interim Director of Finance would be leaving the authority shortly; the post would be advertised on a permanent basis. A short discussion ensued in relation to the high number of interim roles and the hopeful transference of these into permanent positions in the future.
- A Member referred to the Council's Transformation Programme and queried how this was progressing. In response, the Committee heard that significant progress had been made within the last year, where enormous financial challenge had needed to be met with the greatest of urgency. It was acknowledged, however, that there was still significantly more work to do. The importance of ensuring that Elected Members were fully informed and involved in the Transformation Programme was highlighted; a training programme to assist with this would be devised. The Director of Finance advised that the draft 2025/26 budget report considered by Executive on 4 December 2024 presented a balanced budget; the final financial settlement amount was currently awaited. It was felt that the savings identified were achievable and would meet the Medium Term Financial Plan (MTFP). The Committee discussed exceptional financial support; income management; and use of reserve funds.
- A Member referred to the Q2 monitoring report and some savings that had yet to be realised; transformation in Children's Services and Adult Social Care was highlighted. A query was raised in relation to home to school transport and the costs around that. In response, it was indicated that £3m had been allocated to the SEND budget for 2024/25 for this. A short discussion ensued in relation to children in care and the management of complex cases.
- In response to a query regarding Council Tax, additional housing and income generation, Members heard that this was included in MTFP modelling / forecasting.

The Chair thanked the auditors and officers for their reports and contributions to the meeting.

**NOTED**

24/51

**PARTNERSHIP GOVERNANCE - ANNUAL ASSURANCE REPORT**

The Head of Policy, Governance and Information presented a report, the purpose of which was to outline the results of the annual assessment of the key partnerships that Middlesbrough Council was a member of, against the Council's Partnership Governance Policy and supporting minimum standard.

The following points were noted:

- The overall outcome was positive.
- The Partnership Governance Policy would be considered by The Mayor at an Individual Executive Member meeting during week commencing 16 December 2024.
- The report outlined the actions taken over the last year.
- The Health and Wellbeing Strategy had been refreshed.
- Performance management was being improved.
- Reference was made to page four of the report and the positive overall assessment in reflection of the outputs of the Teesworks review.
- The report aligned with the Tees Valley Combined Authority's (TVCA) report, which was available on their website.
- There was a lot of positive action being undertaken to develop and improve partnership working.

In response to a query from a Member regarding the 28 recommendations contained in the report, it was explained that these would be picked back up in January 2025.

In response to a comment from a Member regarding the effectiveness of Tees Valley joint scrutiny, it was explained that the report was a reflection of 2023/24; positive work was being undertaken with the TVCA. Responding to a subsequent query from another Member regarding the red rating on TVCA and any associated pressures on the Council, it was explained that this rating reflected that work was being undertaken with TVCA and relevant risks had been identified. A short discussion ensued in relation to funding and financial agreements with TVCA.

**NOTED**

24/52

**DIRECT PAYMENTS AUDIT REPORT**

The Director of Adult Social Care and Health Integration presented a report, the purpose of which was to set out the findings of a recently finalised investigation by the Council's Internal Audit service, Veritau, into the arrangements for Direct Payments, and to describe the management action plan in response to the audit recommendations.

By way of background, it was explained that Direct Payments were local health and social care payments for people who had been assessed as requiring support from social services, and who would prefer to arrange and pay for their own care and support rather than to receive services directly from the Local Authority. The aim of direct payments was to allow the service user greater choice and control through the flexibility of being able to purchase their own care package. The Care Act (2014) mandated direct payments for the first time in April 2015.

The Council's Direct Payments guidance defined Direct Payments and under what conditions Direct Payments could be made. In the year 2023/24, £9,690,242.40 was paid to adults and carers and £318,735.83 was paid to children. At the start of the audit, there were 832 active customers currently in receipt of Direct Payments; 555 adults on a managed account, and 217 adults who had their Direct Payment made directly into their account. There were also 59 children who received Direct Payments.

The audit activity focused on the period December 2022 to December 2023, which was undertaken following a request by management within Adult Social Care for Internal Audit to assess arrangements for Direct Payments.

The Committee heard that although the audit determined that there were effective processes in place for some elements of the process, there were four findings that required early resolve by management as collectively they had produced a finding of Limited Assurance. These four findings, together with actions that would be taken to deliver the recommendations, were outlined as follows:

- Recommendation One: Annual review of direct payment provision by Social Care staff.  
Action: Plans were in place to utilise temporary staff, funded by Flexible Use of Capital Receipts, with the intention of eradicating the backlog. A further plan had been agreed in the actions to facilitate future compliance with timescales along with further dip sampling to provide assurance of compliance for management. It was anticipated that full implementation would be achieved by the end of May 2025.
- Recommendation Two: Monitoring of direct payment spend by the Adult Social Care Finance Team.  
Action: Recommendation had been fully implemented and signed off as complete by Veritau on 5 December 2024.
- Recommendation Three: The Council did not record the prevalence of family members employed as personal assistants.  
Action: Implemented - pending audit sign off.
- Recommendation Four: Direct Payment applicants were not informed of the legal requirements relating to misspending Direct Payment funds.  
Action: Implemented - pending audit sign off.

During discussion, several points were raised, as follows:

- A Member referred to recommendation one and queried the reasons as to why reviews were not being carried out already, and what financial implications the employment of additional staff would have on the existing budget. In response, it was explained that the combination of high demand and staff vacancies had resulted in delays in reviewing, which was a common issue for Local Authorities. The audit review had identified this, and resources would be targeted accordingly. There was an urgency to complete this work; monies would be derived from capital funding.
- A Member queried whether there was a minimum number of hours required for the appointment of personal assistants. In response, it was confirmed that there was no minimum, but it may have been difficult to appoint an assistant for a lower number of hours.
- In response to a query regarding national benchmarking around this issue, it was explained that further consideration would need to be given as to how this could be best achieved. It was possible that some regional data could be acquired, but there was no public benchmark. The Council's position was not unusual, and the Director was comfortable with how teams currently operated within the department. It was acknowledged that a plan was needed to ensure that progress was sustained once temporary staff had left the authority.
- A Member referred to family members employed as personal assistants. Consideration was given to possible changes in circumstances that could arise, and the legal implications of this. In response, it was explained that a Direct Payment policy could not be set-up for two living in the same household, though it was acknowledged that financial abuse could happen. It was highlighted that, from the perspective of officers in the Local Authority, an empathetic but legally compliant approach was always taken when providing support. A short discussion ensued in relation to informal carers and the vital support that they provided to their family members and friends. Consideration was given to the rights of carers in providing this support.

**NOTED**

**TREASURY MANAGEMENT MID-YEAR REVIEW 2024/5**

The Director of Finance submitted a report, the purpose of which was to:

- Provide an update to the Audit Committee on performance in relation to the Council's borrowing, investments, and cash-flow for the 2024/25 financial year to meet the requirements of the CIPFA Treasury Management Code of Practice and the Local Government Act 2003. It was to be read in conjunction with the Council's Revenue and Capital Quarter Two Budget Monitoring Report for 2024/25 to understand the full financial position of the Council.
- Provide the mid-year Prudential Indicators results for 2024/25 in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Capital Finance, which was best practice in terms of governance in this area.
- Provide information on the treasury management strategy, position on capital financing and prudential indicators, and whether these were contributing to the effective management of the Capital Programme and the resources allocated to pay for these, as part of the revenue budget process.

The Head of Finance and Investment explained that this was a complex report and subject matter; a brief introduction to treasury management was provided. As the role of the Audit Committee would be developed to look at treasury management and review prudential indicators to consider issues, it was explained that training would be provided to Members.

During discussion, several points were raised, as follows:

- Reference was made to the Council's Capital Programme and the importance of establishing this as both robust and deliverable. There was a requirement that any included schemes were to be monitored and reported on to the Executive. Reference was made to delivery of the programme across the year; the sale of assets for transformation and to finance capital programmes; the current capital budget and associated thresholds; the establishment of prudential indicators; and government grant funding.
- The importance of Value for Money and affordability.
- In response to a query regarding the projection of interest rates, it was explained that these were a combination of principal and interest. An external advisor was appointed to assist with budget calculation as they monitored the wider economy and forecasted base and borrowing rates; rates were influenced by varying factors. Assumptions and estimates were made, with consideration given to commitment and sustainability. It was important that cash was protected, and plans put in place to help ensure that appropriate decisions were being made when utilising public funds.
- Transparency and public accountability was key. Reference was made to issues experienced by other Local Authorities across the country where this had failed to be adhered to.
- In response to an enquiry, it was confirmed that a dedicated Grants Officer had been appointed and was now included in the departmental structure.
- A Member referred to the refinancing of loans and queried whether rates were ever negotiated upon. In response, it was indicated that, yes, negotiation was undertaken, when possible, i.e. when loan refinance opportunities were presented. Debt refinancing was considered regularly with financial professionals.

**NOTED****INTERNAL AUDIT CONSULTATION REPORT 2025/26**

The Head of Internal Audit, Veritau, submitted a report, the purpose of which was to provide Members with information on the arrangements for developing the 2025/26 internal audit work programme. The report also sought the views of the Committee on areas that should be considered a priority for audit in 2025/26.

Internal audit provided independent and objective assurance and advice on the Council's operations. It helped the organisation to achieve overall objectives by bringing a systematic, disciplined approach to the evaluation and improvement of the effectiveness of risk management, control and governance processes.

The work of internal audit was governed by the Accounts and Audit Regulations 2015 and relevant professional standards. These included: the Public Sector Internal Audit Standards (PSIAS); CIPFA guidance on the application of those standards in Local Government; and the CIPFA Statement on the role of the Head of Internal Audit.

The PSIAS set out requirements for the development of internal audit work programmes. These included the need to seek the views of the Committee on audit work to be undertaken.

The consultation report was shown at Appendix One. It contained information on the approach taken in creating the work programme, together with background on the internal audit opinion framework. It also asked the Committee to suggest any areas it believed should be considered for inclusion in the work programme.

Members were directed to page 106 of the agenda pack, which posed several questions for consideration.

During discussion, several points were raised, as follows:

- A Member referred to the Council's cyber security and queried resilience around this issue. In response, it was indicated that succession planning was key. A subsequent query relating to governance was raised; in response it was indicated that MBC governance applied.
- A Member commented on the potential impact of flooding and the requirement to look at the Council's resilience if it was a known risk.
- A Member referred to a previous suggestion made in relation to officers' declarations of interest. The Head of Internal Audit advised that this was currently being looked into.
- A Member referred to the Middlesbrough Municipal Golf Centre and queried its future. The Mayor explained that there were several potential options available in respect of this, i.e. it could be sold, leased out, or operated by a third party. In terms of the latter, it was a separate arrangement from Everyone Active, and there had been expressions of interest from possible operators. The Head of Policy, Governance and Information advised that a written response would be obtained, for the Committee, from the Director of Regeneration.
- A Member referred to an item agreed last year that referred to control over items that were not intrinsically valuable and queried when these would be looked into. In response, Members heard that matters related to information security, which would be looked at during 2025/26.
- A Member suggested that one area for the internal audit work programme could be Revenue and Benefits, specifically collection of Housing Benefit overpayments and Council Tax debt. Consideration was given to the split by landlords versus tenants/homeowners. The Chair of the Overview and Scrutiny Board (OSB), also a Member of the Audit Committee, indicated that matters such as debt recovery, Houses of Multiple Occupation (HMOs), and Selective Landlord Licensing (SLL) could potentially be looked at by OSB. The Head of Internal Audit indicated that an audit of Council Tax was on the list.

**AGREED that:**

- 1. A response to the query raised regarding the Middlesbrough Municipal Golf Centre would be obtained from the Director of Regeneration.**
- 2. The information, as presented, was noted.**

**INTERNAL AUDIT AND COUNTER FRAUD PROGRESS REPORTS**

The Head of Internal Audit, Veritau, submitted a report, the purpose of which was to provide Members with an update on the delivery of internal audit and counter fraud work, and on reports issued and other work completed since the last update to the Audit Committee. The Council's internal audit and counter fraud work programmes were approved by Audit Committee in July 2024.

The Head of Internal Audit, Veritau, and the Assistant Director of Corporate Fraud, Veritau, were in attendance at the meeting to present the report.

It was explained that internal audit provided independent and objective assurance and advice on the Council's operations. It helped the organisation to achieve overall objectives by bringing a systematic, disciplined approach to the evaluation and improvement of the effectiveness of risk management, control, and governance processes. The work of internal audit was governed by the Accounts and Audit Regulations 2015 and relevant professional standards.

Fraud was a significant risk to the public sector. Annual losses were estimated as being as high as £59 billion in the United Kingdom. Veritau was engaged to deliver a counter fraud service for Middlesbrough Council, which helped the Council to mitigate fraud risks and to take appropriate action where fraud was suspected.

The internal audit progress report was shown at Appendix One. Members were guided through the annexes, which incorporated a summary of current work in progress; internal audit priorities for the year; completed work; and follow-up of previously agreed audit actions.

The counter fraud progress report was shown at Appendix Two. A range of work was detailed including activity to promote awareness of fraud; work with external agencies; and the result of investigative work undertaken for the Council. Reference was made to work carried out in October during cyber security month, together with work currently being undertaken with the Department for Work and Pensions (DWP).

During discussion, several points were raised, as follows:

- A Member referred to other work undertaken in 2024/25 and queried when a report would be provided for this. In response, it was indicated that such reports were not produced.
- A Member referred to grant funding and queried audit practice around this. In response, it was explained that there were no standard, formal reports submitted to the Audit Committee. Certification forms were completed in instances where grant funding conditions had been met and there was satisfaction that funds had been utilised correctly.
- A Member referred to management issues and considered subcontractors, for example in respect of SEND. It was queried whether the report would benefit a scrutiny investigation. In response, it was indicated that the Audit Committee would not determine this as its remit was to look at governance arrangements. The Member advised that the Place Scrutiny Panel was currently looking at home to school transport. The auditor advised that a SEND review had been completed but had not delivered an assurance rating.
- A Member made reference to the TVCA and commented that a scrutiny investigation regarding adult education was being carried out. It was felt that it would be useful if joint projects could be undertaken to avoid duplication of effort, where possible.
- The auditor indicated that a follow-up piece of work in relation to 'no opinion' outcomes would be carried out. Several challenges were considered, which included: complex issues; obtaining the information required; and leadership changes.
- A Member referred to IT and suggested that software updates could be considered as a potential area for review. In response, the Committee heard that compliance with data standards fell within the scope of ICT audits, SILO reports, etc.

**NOTED**

24/56 **WORK PROGRAMME (STANDARD ITEM)**

A copy of the current work programme for the Audit Committee had been circulated for information. This was a live document that was updated after each meeting.

An additional Audit Committee meeting had been scheduled for 20 February 2025.

**NOTED**

24/57 **ANY OTHER URGENT ITEMS WHICH IN THE OPINION OF THE CHAIR, MAY BE CONSIDERED.**

**DIRECTOR OF FINANCE (S.151 OFFICER)**

The Committee expressed their thanks to the outgoing Director of Finance and wished her well for the future.

**NOTED**



<b>MIDDLESBROUGH COUNCIL</b>	
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<b>Report of:</b>	Director of Legal and Governance Services
<b>Submitted to:</b>	Audit Committee
<b>Date:</b>	6 February 2025
<b>Title:</b>	Annual Assurance Report – Decision Making
<b>Report for:</b>	Information
<b>Status:</b>	Public
<b>Council Plan priority:</b>	Delivering Best Value
<b>Key decision:</b>	No
<b>Why:</b>	Not applicable
<b>Subject to call in?:</b>	No
<b>Why:</b>	Not Applicable

<b>Proposed decision(s)</b>
That the Audit Committee notes information provided with regard to the Council's decision-making process.

<b>Executive summary</b>
The report provides an update in respect of the Council's decision-making process. It also highlights information in relation to any awareness/training that has been carried out in relation to the decision-making process.

## 1. Purpose

- 1.1 To provide Members with an update in relation to the Council's decision-making process.

## 2. Recommendations

- 2.1 That the Audit Committee  
notes the report for information.

### **3. Background and relevant information**

3.1 Members should be regularly updated in respect of the decision-making process and assured the appropriate decision-making processes are in place.

3.2 The report provides information in relation to:

- Details of current policies/guidance in place in respect of the decision-making process.
- Information on the number of Executive Member delegated decisions taken and whether key or non-key.
- Information on the number of Officer delegated decisions taken.
- Information on the activities of the governance team (communications, training/ awareness raising).

#### Council Constitution

3.3 The Council's Constitution sets out how the Council operates, how decisions are made and the procedures which are followed to ensure that these are efficient, transparent and accountable to local people. Some of these processes are required by the law, while others are a matter of choice for the Council.

3.4 The Constitution is currently being reviewed. The revised Constitution will be submitted to Constitution and Members' Development Committee prior to being submitted to full Council for approval in 2025.

#### Current policies/guidance in place in respect of the Decision-Making Process

3.5 Section 13 of the Constitution identifies the decision-making principles of the Council and provides information in relation to what is a key decision and what is a non-key decision.

3.6 Council Procedure Rules identify procedures for Elected Members in conducting meetings.

3.7 Executive Procedure Rules identify functions which are the responsibility of the Executive and that may be exercised by the Elected Mayor. The Elected Mayor may also delegate authority to exercise those functions to the extent they wish.

3.8 The Forward Work plan is the vehicle for ensuring openness and transparency when key decisions are to be taken and for advising Members, and the public, of decisions to be made by the Executive.

3.9 Implementation of decisions taken by Executive is tracked through the Leadership and Management Team (LMT) monthly performance cycle and reported quarterly through the Performance Outturn Report.

3.10 Overview and Scrutiny Procedure Rules set out the functions of the Overview and Scrutiny Board and act as the vehicle for hearing called-in decisions.

- 3.12 The Scheme of Delegations identifies powers delegated to officers. This is currently being updated.
- 3.13 Guidance for recording Officer Delegated decisions is available on The Bridge and details of all such decisions taken are published on Modern.Gov and available to view on the Council Website: [Middlesbrough Council | Officer Delegated Decisions](#) An email is sent to all Elected Members when an Officer Delegated Decision is published.
- 3.14 Financial Procedure Rules. The financial policies and procedures of the Council are set out in the Constitution. They apply to the Mayor, every Member and Officer of the Council and other person who acts on the Council's behalf.
- 3.15 The Financial Regulations apply to all Council Services. However, local authorities are required to publish schemes for financing schools, setting out the financial relationship between them and the schools they maintain. The Financial Regulations of a school should not be contrary to these Financial Regulations and any exceptions should be reported to the Chief Finance Officer.
- 3.15 The Council has an Asset Disposal Policy which provides rules and guidance on the disposal of Council assets.

### **Training**

- 3.16 Staff – Online materials are available on the intranet and the Middlesbrough Learns e-learning training portal. Members are also required to complete the mandatory General Data Protection Regulation (GDPR) training on the Middlesbrough Learns e-learning portal.
- 3.17 A list of training and briefing sessions held during the period 1 January 2024 and 31 December 2024 is attached at Appendix C.
- 3.18 Work is ongoing with the Local Government Association (LGA) to continue to improve Member/Officer relations. Leadership training has been undertaken using the Insights Model, Leadership Effective Workshops and Insights Profile to enable participants to increase awareness of themselves and each other and improve connectivity of the Leadership team. These shared development sessions will continue in 2025.
- 3.19 The Modern.Gov App provides the opportunity for Members to view, annotate and download meeting papers. Members are also able to identify the committees that they are interested in and receive automatic updates when new information is published.

### Officer Delegated Decisions

- 3.20 When an Officer Delegated decision is submitted via the Modern Gov Committee Management system, Democratic Services check the information entered on to the system to make sure that it has been entered correctly, the appropriate delegation is in place, there are no issues regarding confidentiality/release of exempt

information and that a copy of the decision form is attached, prior to publishing the form.

Decisions

- 3.21 A report containing details of Officer Delegated Decisions taken during the period 1 January 2024 - 31 December 2024 is attached at Appendix A.
- 3.22 A report containing details of Executive decisions taken during the period 1 January 2024 - 31 December 2024 is attached at Appendix B.

Scrutiny and challenge

- 3.23 From 1 January 2024 – 31 December 2024 there have been 59 Executive decisions.

In the corresponding period, the Council received 2 requests for call-in. One request was referred back to Executive for further consideration.

**Assurance**

- 3.24 The report is designed to provide assurance for Members in relation to the decision-making processes.

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

- 4.1 Do Nothing: Audit Committee would not have any evidence to demonstrate that appropriate decision-making processes are in place.

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

<b>Topic</b>	<b>Impact</b>
Financial (including procurement and Social Value)	There are no financial implications or impact on any budgets or the Medium-Term Financial Plan (MTFP) arising from the content of this report.
Legal	The 2000 Local Government Act requires all local councils to have a constitution. The constitution provides a basis and framework for the councillors and officers to work within to ensure lawful decision making.
Risk	By providing evidence of the decisions taken and the training that has been undertaken, then Council is demonstrating that good governance is in place.
Human Rights, Public Sector Equality Duty and Community Cohesion	The subject of this report is not a policy, strategy, function or service that is new or being revised. It is considered that an equality impact assessment is not required.

Climate Change / Environmental	No impact.
Children and Young People Cared for by the Authority and Care Leavers	No impact.
Data Protection	No impact.

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

Action	Responsible Officer	Deadline

**Appendices**

1	Appendix A – Officer Delegated Decisions – 1 January 2024 – 31 December 2024
2	Appendix B – Executive Decisions between 1 January 2024 and 31 December 2024
3	Appendix C – Member Development Committee 2024/25

**Background papers**

Body	Report title	Date

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

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**OFFICER DELEGATED DECISIONS**  
**1 JANUARY 2024 – 31 DECEMBER 2024**

<b>DATE OF DECISION</b>	<b>DATE OF ISSUE</b>	<b>SUBJECT OF DECISION</b>
02/01/2024	02/01/2024	Revenues and Benefits - closure of phone lines to public one day per week
12/01/2024	15/01/2024	Various licence applications/permissions/consents
08/01/2024	10/01/2024	Various licence applications/permissions/consents
26/01/2024	29/01/2024	Various licence applications/permissions/consents
02/02/2024	05/02/2024	Various licence applications/permissions/consents
09/02/2024	13/02/2024	Various licence applications/permissions/consents
23/02/2024	26/02/2024	Various licence applications/permissions/consents
26/02/2024	05/03/2024	Various licence applications/permissions/consents
22/03/2024	26/02/2024	Various licence applications/permissions/consents
25/03/2024	08/04/2024	Appointment of CIPFA to undertake an independent review of financial management within the authority based on good practice standards
29/03/2024	02/04/2024	Various licence applications/permissions/consents
02/04/2024	08/04/2024	Various licence applications/permissions/consents
05/04/2024	15/04/2024	Various licence applications/permissions/consents
10/04/2024	17/04/2024	Appointment of an additional member to the Independent Improvement Advisory Board Extension of continued appointment of the current four members on an extended timeline of up to March 2025. Amendment of the meeting cycle going forward.
15/04/2024	22/04/2024	Various licence applications/permissions/consents
03/05/2024	07/05/2024	Various licence applications/permissions/consents
07/05/2024	13/05/2024	Various licence applications/permissions/consents
13/05/2024	20/05/2024	Various licence applications/permissions/consents
20/05/2024	28/05/2024	Various licence applications/permissions/consents
03/06/2024	10/06/2024	Various licence applications/permissions/consents
10/06/2024	17/06/2024	Various licence applications/permissions/consents
17/06/2024	24/06/2024	Various licence applications/permissions/consents
24/06/2024	01/07/2024	Various licence applications/permissions/consents

12/07/2024	22/07/2024	Various licence applications/permissions/consents
19/07/2024	02/09/2024	Various licence applications/permissions/consents
22/07/2024	27/08/2024	Various licence applications/permissions/consents
27/07/2024	02/09/2024	Various licence applications/permissions/consents
02/09/2024	16/09/2024	Various licence applications/permissions/consents
16/09/2024	06/10/2024	Various licence applications/permissions/consents
07/10/2024	21/10/2024	Various licence applications/permissions/consents
28/10/2024	04/11/2024	Various licence applications/permissions/consents
04/11/2024	11/11/2024	Various licence applications/permissions/consents
18/11/2024	25/11/2024	Various licence applications/permissions/consents
25/11/2024	02/12/2024	Various licence applications/permissions/consents
02/12/2024	16/12/2024	Various licence applications/permissions/consents



## Executive Decisions between 1 January 2024 and 31 December 2024

No.	Committee	Date	Agenda item title	Agenda item text
1	Executive	17-Jan-24	2024-25 Budget and MTFP – Application for Exceptional Financial Support	<p><b>ORDERED that:</b></p> <ol style="list-style-type: none"> <li><b>1. Executive approve that an application for Exceptional Financial Support (EFS) be made by the Chief Executive and Director of Finance (s151 Officer) to the Department for Levelling Up Housing and Communities (DLUHC) in order to finance forecast budget deficits and enable a balanced budget to be set for 2024/25 as required by statute.</b></li> <li><b>2. Executive delegate authority to the Chief Executive and Director of Finance to negotiate the quantum and terms of the application in consultation with the Elected Mayor and Executive Member for Finance and Governance</b></li> </ol>
2	Executive	17-Jan-24	Tree Policy	<b>ORDERED that Executive approve Middlesbrough Council’s revised Tree Policy (amended November 2023).</b>
3	Executive	17-Jan-24	CTR Scheme 2024-25	<b>AGREED that Executive endorse the Council Tax Reduction (CTR) scheme for 2024/25 and refers it to Council for approval.</b>
4	Executive	17-Jan-24	Draft Local Plan	<b>AGREED that Executive endorses the Draft Local Plan for the purpose of public consultation.</b>
5	Executive	14-Feb-24	Corporate Performance Review: Quarter Three 2023/2024	<p><b>ORDERED that Executive:</b></p> <ol style="list-style-type: none"> <li><b>1. Approves the proposed amendments to Executive actions at Quarter Three 2023/24 detailed in Appendix.</b></li> <li><b>2. Notes progress of delivery of the Strategic Plan 2022-24 at Quarter Three 2023/24, detailed in Appendix 2.</b></li> <li><b>3. Approves the proposed amendments to Strategic Plan workplan at Quarter Three 2023/24, detailed in Appendix 3.</b></li> </ol>

No.	Committee	Date	Agenda item title	Agenda item text
6 Page 26	Executive	14-Feb-24	Revenue and Capital Budget - Forecast Outturn position at Quarter Three 2023/24	<p><b>ORDERED</b></p> <p>1. In respect of the General Fund Revenue Budget that Executive approve the proposed revenue budget virements over £250,000 as detailed in Appendix 4. These were technical adjustments.</p> <p>2. In respect of the Capital Programme and Treasury Management that Executive approve the inclusion of additions to the Capital Programme for 2023/24 totalling £0.297m (summarised in Table 9) which were externally funded or funded from within existing Council resources for the 2023/24 Capital Programme as approved by Council in February 2023. These had increased the 2023/24 Capital Programme budget to £67.631m from the £67.334m revised Capital Programme budget for 2023/24 approved at Quarter Two.</p> <p><b>AGREED</b></p> <p>In respect of the General Fund Revenue Budget that Executive:</p> <p>1. Note the forecast 2023/24 net revenue budget year-end outturn as at Quarter Three of £131.898m against an approved budget of £126.354m, a forecast year-end overspend of £5.544m (4.4%). This represented an improvement of £3.012m from that forecast at Quarter Two.</p> <p>2. Note that the forecast year-end overspend of £5.544m related primarily to a combination of forecast demand and inflationary pressures as detailed in the table on page 39 of the agenda pack.</p> <p>3. Note and endorse the management actions taken in consultation with Executive Members over the year to date to control expenditure within the approved budget and to develop more financially sustainable solutions for future years as set out in paragraphs 4.6 to 4.13 of the report.</p> <p>4. Note that work would continue to try to mitigate further the forecast year-end overspend before the end of 2023/24 and the final position would be reported as part of the final 2023/24 outturn report to Executive in June 2024.</p> <p>In respect of the Council’s Reserves and Provisions Executive:</p> <p>1. Note that the s151 Officer had undertaken a review of the balance sheet which had resulted in the release of £0.757m from the Revenue Grants Received Unapplied account that has been transferred to the Change Fund and the balance had been re-stated as at 31 March 2023 from £0.730m to £1.487m.</p> <p>2. Note that the s151 Officer had determined that the 2023/24 Change Fund Reserve of £1.487m, should be</p>

## Executive Decisions between 1 January 2024 and 31 December 2024

No.	Committee	Date	Agenda item title	Agenda item text
7	Executive	14-Feb-24	Levelling Up Partnership	<p><b>ORDERED that Executive:</b></p> <ol style="list-style-type: none"> <li><b>1. Approves the Levelling Up Partnership Programme as set out in appendix A;</b></li> <li><b>2. Approves the acceptance of funding and Council status as accountable body for the funds – on the basis that the formal grant offer letter was in the form of an un-ringfenced S31 Capital grant and funding conditions being achievable; and, formally approved by the Director of Finance (S151); and,</b></li> <li><b>3. Approves that the submission of any programme amendments / change control processes with DLUHC be delegated to the Director of Regeneration and Culture, and Director of Finance (S151), subject to consultation with the relevant Executive members.</b></li> </ol>
8 Page 27	Executive	14-Feb-24	Newham Hall - Disposal Option Update	<p><b>ORDERED that Executive:</b></p> <ol style="list-style-type: none"> <li><b>1. Approve the approach of Middlesbrough Council acting as the master developer for the Newham Hall site - being financially responsible for bringing the site forward for phased disposal and marketing without external intervention or support from Homes England;</b></li> <li><b>2. Approve the use of the awarded Levelling Up Fund 2 and Towns Fund grants, Strategic Highways Section 106 Funding, other developer contributions and existing Council capital funding of £4.129m dedicated to Housing Growth or other projects already contained within the current capital programme to unlock and de-risk the Newham Hall housing site;</b></li> <li><b>3. Approve Delegated Authority for the Director of Regeneration in respect of Public Open Space and Land Appropriation process and;</b></li> <li><b>4. Approve Delegated Authority for the Director of Regeneration and Director of Finance for further amendments to the proposed disposal route.</b></li> </ol>
9	Executive	28-Feb-24	The Council Plan 2024-27	<p><b>ORDERED that Executive endorses the final Council Plan 2024-27 and associated strategic priorities and outcomes prior to full Council approval of the final Council Plan 2024-27 and to enable development of detailed, supporting delivery plans.</b></p>

No.	Committee	Date	Agenda item title	Agenda item text
10 Page 28	Executive	28-Feb-24	2024/25 Revenue Budget, Medium Term Financial Plan, and Council Tax setting	<p><b>ORDERED</b> that the amended Appendix 5 of the report be approved.</p> <p><b>AGREED</b> that:</p> <p>In terms of the robustness of the Medium-Term Financial Plan, Executive note the statutory s25 report of the Council’s Section 151 Officer in respect of the robustness of the estimates within the budget and the adequacy of reserves.</p> <p>In terms of the Revenue Medium Term Financial Plan 2024/25 to 2026/27 Executive:</p> <p>1) Note the updated financial planning assumptions following the Final Local Government Finance Settlement, together with confirmed government income sources, expenditure plans and local income budgets.</p> <p>2) Recommend to Council budget proposals for savings and income generation of £13.910m in 2024/25 rising to £21.028m in 2026/27, which incorporated the revisions to savings in light of the consultation response as set out in Appendix 3.</p> <p>3) Recommend to Council an increase in Council Tax of 4.99% resulting in a Council Tax level (Band D) of £1,975.76 excluding parish, Fire, and Police precepts (detailed in Appendix 7).</p> <p>4) Note that after all available measures had been taken in relation to budget proposals, a budget gap of £4.7m existed representing a shortfall of annual income compared to net expenditure plans. Therefore, the Council was dependent upon approval by DLUHC to capitalise this expenditure and finance it from Council borrowing under the provisions of Exceptional Financial Support (EFS) in order to set a balanced budget for 2024/25.</p> <p>5) Recommend to Council the approval of the proposed General Fund revenue budget for 2024/25 with a net budget requirement of £143.190m after adjusting for the capitalisation of £4.7m of revenue expenditure relating to EFS;</p> <p>6) Note whilst the budget gap for 2024/25 has been addressed by the EFS, there would still be a budget gap of £7.474m in 2025/26 and £0.491m in 2026/27 resulting in a cumulative budget gap over the MTFP period of £7.965m. Further savings proposals arising from the Transformation Programme would be required as a minimum to meet these budget gaps.</p> <p>7) Note that in assessing the adequacy of reserves in the context of financial risks within the Council’s</p>
11	Executive	28-Feb-24	Increased Residential and Supported Accommodation for Children in Care and Care Leavers	<p><b>ORDERED</b> that Executive approve the revised approach which is built into the proposed 2024/25 budget and MTFP 2024/25 to 2026/27.</p> <p><b>AGREED</b> that Executive:</p> <p>1. Note the reasons why the original plan could not be delivered and its removal from the MTFP.</p> <p>2. Note further savings that will be incorporated into future MTFP periods.</p>

## Executive Decisions between 1 January 2024 and 31 December 2024

No.	Committee	Date	Agenda item title	Agenda item text
12	Executive	28-Feb-24	Treasury Management Strategy 2024/25	<p><b>ORDERD T hat Executive review, endorse and recommend for approval and adoption at the Council meeting on the budget on 8 March 2024:</b></p> <p><b>1) Approve the Prudential Indicators and limits for 2024/25 to 2026/27 relating to capital expenditure and treasury management activity set out in tables 1 to 10 of Appendix 1.</b></p> <p><b>2) Approve the Treasury Management Strategy for 2024/25, which included the Annual Investment Strategy for 2024/25 at Appendix 1 of the report.</b></p> <p><b>3) Approve the Minimum Revenue Provision (MRP) Policy for 2024/25 at Appendix 1 of the report.</b></p> <p><b>4) Approve an Authorised Limit for External Debt of £372m for the 2024/25 financial year.</b></p>
13	Executive	13-Mar-24	Final Report of the Health Scrutiny Panel - Dental Health and the Impact of Covid- 19 - Service Response	<p><b>ORDERED</b></p> <p><b>That the content of the Health Scrutiny Panel’s final report on entitled Dental Health and the Impact of Covid-19 (Appendix 1) be noted; and</b></p> <p><b>The action plan (Appendix 2), developed in response to the Scrutiny Panel’s recommendations, be approved.</b></p>
14	Executive	13-Mar-24	Transformation Governance Arrangements	<p><b>ORDERED that Executive</b></p> <p><b>1. Endorses the proposed governance arrangements for delivery and oversight of the Transformation Portfolio;</b></p> <p><b>2. Notes that to ensure transparency of project resourcing costs within the transformation portfolio and its agreed project financial profiling, any decision to appoint project expense on an interim basis to ensure specialist input with a focus on return on investment, will be taken by the Chief Executive as Transformation Portfolio Senior Responsible Officer, in consultation with the Mayor; and</b></p> <p><b>3. Approves the delegated decision-making powers relating to approval of proposed change controls to enable projects to be brought back within tolerances relating to time, scope, cost and benefit and as set out in the Programme and Project Management Framework (PPMF), except where this would be a key decision and Executive approval would be sought through the governance arrangements outlines in this report or via an additional Executive report where a more urgent decision is required.</b></p>

No.	Committee	Date	Agenda item title	Agenda item text
15	Executive	13-Mar-24	Adult Social Care Non Residential Charging Policy (Fairer Charging Policy)	<p><b>ORDERED that Executive:</b></p> <ol style="list-style-type: none"> <li><b>1. That Executive approve delegated authority to the Director of Finance to make future minor revisions/modifications to the policy to provide clarity and reflect alterations in legislation during the period to the next 3 year review.</b></li> <li><b>2. Consider the proposals as set out below and approve the updated Non-Residential Charging Policy:</b></li> <li><b>3. Approves an update to the appeals processes which provided further clarity.</b></li> <li><b>4. Approves an insertion around the lower hourly contracted rate of care and signposted service users to the council's web site.</b></li> <li><b>5. Approved the introduction of average response rate for processing assessments.</b></li> <li><b>6. Approved the removal of a home visit offering where online solutions could be provided effectively.</b></li> <li><b>7. Approved an update of the language to ensure that the policy met the current statutory and legal requirements as set out in the Care and Support (charging and assessment of resources) Regulations 2014.</b></li> </ol>

No.	Committee	Date	Agenda item title	Agenda item text
16	Executive	13-Mar-24	Discretionary Rates Relief	<p><b>ORDERED that Executive:</b></p> <ol style="list-style-type: none"> <li><b>1. Approve the proposals as set out in the report approve the updated Discretionary Rates Relief policy.</b></li> <li><b>2. Approve that delegated authority to approve any future minor revisions/modifications required for clarification or legislative requirements to the policy be provided to the Director of Finance.</b></li> <li><b>3. That Executive note that the policy brings together three existing schemes, against which discretionary rate relief could be awarded, to be replaced by one policy which provided clarity and consistency for those organisations wishing to apply for the relevant relief.</b></li> <li><b>4. The proposed key changes to the policy included:</b> <ol style="list-style-type: none"> <li><b>i. Clearly defined criteria, decision making panel and e-form to improve the user experience of the application and governance process.</b></li> <li><b>ii. A cap of 50% for Hardship relief applications in year one, with an option for an enhanced rate of 100% relief in year one if applicants can evidence greater impact to the local economy, as outlined in the policy. In addition, an introduction of tapered reductions in consecutive hardship relief awards up to a maximum of three years subject to appropriate supporting evidence.</b></li> <li><b>iii. For organisations that were not registered as charities or Community Amateur Sports Clubs (CASC), a 20% discretionary relief award will be applied (subject to scheme eligibility). This is a reduction from the existing scheme where non-registered organisations have been eligible for up to 100%.</b></li> <li><b>iv. For Partly Occupied Hereditaments, applicants would need to demonstrate inward investment in order to qualify e.g., businesses relocating into Middlesbrough (as opposed to businesses relocating away from the town)</b></li> </ol> </li> </ol>
17	Executive	13-Mar-24	Phase One Asset Sales	<p><b>ORDERED that Executive approve:</b></p> <ol style="list-style-type: none"> <li><b>1. That the proposed amendment to include an Overage Agreement and timescale of 2-5 years for completion be accepted.</b></li> <li><b>2. The sale of the House of Fraser Building (37 Linthorpe Road) to (Ref A Buyer Name - Confidential Appendix I) for (Ref B HoF Valuation - Confidential Appendix I);</b></li> <li><b>3. The sale of Zetland Car Park to (Ref A Buyer Name - Confidential Appendix I) for (Ref C Zetland Valuation - Confidential Appendix I); and,</b></li> <li><b>4. Delegates responsibility to the Director of Finance and the Director of Regeneration for the negotiation of the final sales value of each property.</b></li> </ol>

## Executive Decisions between 1 January 2024 and 31 December 2024

No.	Committee	Date	Agenda item title	Agenda item text
18	Executive	10-Apr-24	Tender Pipeline 2024/2025	<p><b>ORDERED that Executive:</b></p> <ol style="list-style-type: none"> <li><b>1. Approves the tender pipeline for 2024/25.</b></li> <li><b>2. Approve delegation of award to the relevant Director in consultation with their Executive Member.</b></li> </ol>
19	Executive	10-Apr-24	Middlesbrough Development Company Update	<p><b>ORDERED that Executive:</b></p> <ol style="list-style-type: none"> <li><b>1. Notes the progress made towards closure of the Middlesbrough Development Company, the commencement of the Members Voluntary Liquidation, and the distribution of key assets and liabilities to the Council.</b></li> <li><b>2. As the shareholder, formally endorses the director’s decision to close the company.</b></li> </ol>
20	Executive	10-Apr-24	Selective Landlord Licensing: Responses to the Consultation and Approval to Designate the Newport 1 Area	<p><b>ORDERED</b></p> <p><b>That Executive approve the designation of Selective Landlord Licensing in the Newport 1 area.</b></p>
21	Executive	10-Apr-24	Social Value Charter	<p><b>ORDERED</b></p> <p><b>That the Executive:</b></p> <ol style="list-style-type: none"> <li><b>1. Approve the Social Value Charter, attached to this report at Appendix One and that Council practices are amended to align with its requirements.</b></li> <li><b>2. Approve the guidance document that will be put in place to support implementation. The implementation plans set out within this report would ensure consideration of social value be embedded within all of the Council’s practices, in particular procurement and decision-making practices.</b></li> </ol>
22	Executive	10-Apr-24	The Council Plan, 2024-2027: Approach to Delivery	<p><b>ORDERED that Executive:</b></p> <ol style="list-style-type: none"> <li><b>1. Approve the Council Plan workplan and associated outcomes, to assure achievement of the Council’s priorities for the 2024-27 period; and</b></li> <li><b>2. Agrees the delegation of approval for minor amendments to in-quarter timescales to the Chief Executive, through the corporate performance management framework and policy arrangements, with any significant variation to approach or deliverables, reported to and seeking approval via the quarterly corporate performance reports to Executive.</b></li> </ol>



## Executive Decisions between 1 January 2024 and 31 December 2024

No.	Committee	Date	Agenda item title	Agenda item text
23	Executive	10-Apr-24	Schools Capital Programme 2024/2025	<p><b>ORDERD that Executive:</b></p> <ol style="list-style-type: none"> <li><b>1. Approve the amendment to paragraph 6.1.4 of the report as detailed above;</b></li> <li><b>2. Approve the new schemes included in Appendix 1;</b></li> <li><b>3. The reallocation of £0.599 grant funding sitting within the capital programme, approved by Council on 8 March 2024, from the Block Budget School Condition Allocation to Schemes in Maintained Primary Schools and Schemes in Special Schools as detailed within the report; and</b></li> <li><b>4. An additional £0.106m of external school funding to be added to the capital programme in order to fully fund £0.705m of anticipated costs for condition works to schools.</b></li> </ol>
24	Executive	10-Apr-24	2024/2025 Transport and Infrastructure Capital Programme	<p><b>ORDERED that Executive:</b></p> <ol style="list-style-type: none"> <li><b>1. Approve the removal of the words “and virements” from recommendation three of the report.</b></li> <li><b>2. Approve the allocation of £4.015m of approved LTP grant funding to develop and deliver infrastructure improvements as outlined within the report.</b></li> <li><b>3. Approve the programme package as set out in Appendix 2.</b></li> <li><b>4. Should it be required to change the phasing of these programmes to delegate any programme amendments to new or prioritised projects and where such activity is permissible within the funding criteria, to the Director of Environment and Community Services and the Executive Member for Environment where appropriate.</b></li> </ol>
25	Executive	10-Apr-24	Price Increase for Traded Cleaning and Caretaking Services with Schools	<p><b>ORDERED that Executive:</b></p> <ol style="list-style-type: none"> <li><b>1. Approve the proposal to increase the price of Building Cleaning and Caretaking Services by Middlesbrough Council to contracted Middlesbrough Schools by 13%.</b></li> <li><b>2. Approve the transfer of remaining Core Council Cleaning Services for Council Buildings from the Environment and Community Services Directorate to Regeneration Directorate to report under Property Services when appropriate to do so.</b></li> </ol>
26	Executive	10-Apr-24	Corporate Procurement Strategy 2023-2025	<p><b>ORDERED that Executive approve the Corporate Procurement Strategy 2024-2026.</b></p>

No.	Committee	Date	Agenda item title	Agenda item text
27	Executive	01-May-24	Garden Waste Subscription Service - Additional Bin Purchase	<p><b>ORDERED</b></p> <p><b>That Executive approve:</b></p> <ol style="list-style-type: none"> <li><b>1. The purchase of an additional 12,000 brown garden waste bins in accordance with the procurement arrangements set out at paragraph 6.6 of the submitted report.</b></li> <li><b>2. The virement of capital resource from the Traffic Signals scheme to fund the purchase and delivery of the additional bins.</b></li> <li><b>3. That delegated authority was provided to the Director of Environment and Community Services for the purchase of additional waste bins, in line with service demand.</b></li> </ol>
28	Executive	01-May-24	Household Support Fund 2024	<p><b>ORDERED</b></p> <p><b>That Executive approve:</b></p> <ol style="list-style-type: none"> <li><b>1. The Household Support Fund delivery plan for 2024, which will be delivered between 1 April 2024 and 30 September 2024 and as set out in Table 1 (para 18) to target four main groups:</b> <ul style="list-style-type: none"> <li><b>· Families with children and in receipt of benefits.</b></li> <li><b>· Pensioners in receipt of Council Tax Reduction (CTR) and in receipt of Pension Credit Guarantee Credit (PCGC)</b></li> <li><b>· Singles/Couples in receipt of benefits.</b></li> <li><b>· Application-based awards for residents not in receipt of CTR or other benefits.</b></li> </ul> </li> <li><b>2. That any remaining funds following implementation of the delivery plan (and administrative costs) are allocated to Council Tax accounts, with a then current award of Council Tax Reduction (CTR) and where an outstanding balance remains following the issue of a summons in 2024/25 financial year. This may also be widened to incorporate accounts not in receipt of CTR.</b></li> <li><b>3. That delegated authority is provided to the Director of Finance and the Executive member for Finance to make any minor revisions/modifications to the scheme and make decisions in respect of any remaining funds (as outlined in para 4) to ensure the scheme is distributed in line with the guidance and within the defined timescales.</b></li> </ol>

## Executive Decisions between 1 January 2024 and 31 December 2024

No.	Committee	Date	Agenda item title	Agenda item text
29	Executive	22-May-24	2025/26 Budget and MTFP Approach and Timetable	<p><b>ORDERED</b></p> <p><b>That Executive approves the proposed budget development approach and the timetable for the 2025/26 budget setting and MTFP for the period 2025/26 to 2028/29 as summarised in Table 1 and detailed in Appendix 1.</b></p>
30	Executive	22-May-24	Developing a New Nunthorpe Community Facility	<p><b>ORDERED</b></p> <p><b>That Executive approve progress to the next stage of the project, which included:</b></p> <ol style="list-style-type: none"> <li><b>1. the design process and site surveys for a planning application submission;</b></li> <li><b>2. a tender process to identify a preferred developer partner;</b></li> <li><b>3. securing planning approval; and,</b></li> <li><b>4. continuing discussions with preferred operational management organisation and to develop 25-year lease agreement.</b></li> </ol>
31	Executive	22-May-24	Sale of TeesAmp	<p><b>ORDERED That Executive:</b></p> <ol style="list-style-type: none"> <li><b>1. Approves the sale of TeesAMP (1 &amp; 2) to the buyer detailed in the exempt Appendix (1) of the report for the sum detailed in the exempt Appendix (1) of the report.</b></li> <li><b>2. Delegates the agreement of any final revisions to the price to the Director of Finance.</b></li> </ol>
32	Executive	26-Jun-24	Corporate Performance: Quarter Four 2023/2024 - Year End	<p><b>ORDERED that Executive approve the proposed action to the finalise reporting of the Strategic Plan 2022-24 at Quarter Four and Year End 2023/24, as detailed in Appendix 2 of the report.</b></p> <p><b>AGREED that Executive Note:</b></p> <ol style="list-style-type: none"> <li><b>1. The delivery status of the Strategic Plan workplan (2022-24) at Quarter Four and 2023/24 Year End, as detailed in Appendix 1 and;</b></li> <li><b>2. The Strategic Risk Register, at Appendix 3.</b></li> </ol>

No.	Committee	Date	Agenda item title	Agenda item text
33	Executive	26-Jun-24	2023/24 Revenue and Capital Outturn and Development of MTFP	<p><b>ORDERED</b> that, in respect of the Capital Programme, Executive approve the inclusion of additional expenditure budgets to the Capital Programme for 2023/24 totalling £5.012m (summarised in Table 8) which were externally funded. These adjustments had increased the approved 2023/24 Capital Programme budget to £72.643m.</p> <p><b>AGREED</b> that:</p> <p>In respect of the General Fund Revenue Budget, Executive:</p> <ol style="list-style-type: none"> <li>1. Note the 2023/24 net revenue budget year-end outturn as of £129.948m against an approved budget of £126.354m, a final overspend of £3.594m (2.8%) as analysed in Table 1 in paragraph 4.12 of the report.</li> <li>2. Note that an analysis of one-off vs ongoing variances, in 2023/24 had been undertaken as set out in paragraph 4.15 and Appendix 1, and this would be used to review and assess the 2024/25 budget allocation of growth and any revisions will be reported in Quarter One 2024/25 monitoring.</li> <li>3. Note that £2.399m of qualifying revenue expenditure had been funded from Flexible Use of Capital Receipts (FUOCR) in accordance with the FUOCR strategy approved by Council on 17 January 2024 (Table 9 and Appendix 5 of the report).</li> <li>4. Note a bid of £0.199m had been made by the Director of Children’s Services to DfE for an additional improvement grant for 2024/25. If successful, this would be incorporated into the relevant budget in order to support the funding of transformation and savings delivery for 2025/26 onwards as well as support practise improvements in progressing young people to permanence (paragraph 4.13).</li> </ol> <p>In respect of the Council’s Reserves and Provisions, Executive:</p> <ol style="list-style-type: none"> <li>1. Note the General Fund Balance of £10.986m and unrestricted usable earmarked reserves of £1.069m at 31 March 2024</li> <li>2. Note the cumulative usable Collection Fund surplus of £8.325m at 31 March 2024 and the s151 Officer’s action to apply this sum at budget setting 2024/25 in order to replenish the General Fund Balance to the recommended minimum level of £11.1m and unrestricted usable earmarked reserves at £9.280m at 1 April 2024 in accordance with Council approvals on 8 March 2024.</li> <li>3. Note that the combined total of unrestricted usable reserves at 1 April 2024 stand at £20.380m (14.2% of the 2024/25 Net Revenue Budget of £143.190m) and that this level remained very low compared nationally to all unitary councils as illustrated in comparisons set out in the Reserves Policy approved by Council on 8 March 2024.</li> </ol>
34	Executive	26-Jun-24	Auto-enrolment of Free School Meals and Maximising Pupil Premium Funding Across Middlesbrough	<p><b>ORDERED</b> that Executive approve progression of a pilot initiative with schools, between officers across Revenues and Benefits Service and Public Health, to support the implementation of auto-enrolment of Free School Meals, with the aim of increasing the number of children registered for Free School Meals and Pupil Premium, subject to the agreement of Middlesbrough schools.</p>

## Executive Decisions between 1 January 2024 and 31 December 2024

No.	Committee	Date	Agenda item title	Agenda item text
35	Executive	24-Jul-24	The Disposal of Land at Hemlington Grange West	<p><b>ORDERED That Executive:</b></p> <ol style="list-style-type: none"> <li><b>1. Approve the de-risking, marketing and disposal of the Hemlington Grange West housing site;</b></li> <li><b>2. Provides Delegated Authority for the Director of Regeneration and the Director of Finance, following consultation with the respective Executive Members, to approve the Public Open Space (POS) and Land Appropriation process.</b></li> <li><b>3. Confirms it considered all the relevant information in reaching its decision.</b></li> </ol>
36	Executive	24-Jul-24	South Tees Clean Air Strategy	<p><b>ORDERED that Executive approves the South Tees Clean Air Strategy.</b></p>
37	Executive	24-Jul-24	Community Safety Partnership Plan	<p><b>ORDERED That:</b></p> <ol style="list-style-type: none"> <li><b>1. Executive approve the proposed priorities and contents of the Community Safety Plan 2024-2026.</b></li> <li><b>2. An update on the Neighbourhood Safety Fund be provided to Executive.</b></li> </ol>
38	Executive	24-Jul-24	Final Report of the Regeneration Scrutiny Panel - Planning Capacity	<p><b>ORDERED That:</b></p> <ol style="list-style-type: none"> <li><b>1. The content of the Regeneration Scrutiny Panel’s final report on Planning capacity (Appendix one) be noted; and</b></li> <li><b>2. The action plan (Appendix two), developed in response to the Scrutiny Panel’s recommendations, be approved.</b></li> </ol>
39	Executive	04-Sep-24	Corporate Performance: Quarter One 2024/2025	<p><b>ORDERED That Executive:</b></p> <ol style="list-style-type: none"> <li><b>1. Approve the proposed changes to the Executive actions, detailed at Appendix 1</b></li> <li><b>2. Approve the proposed changes to the Council Plan workplan actions, detailed at Appendix 3</b></li> <li><b>3. Approve the proposed changes to the Council Plan workplan actions, detailed at Appendix 3</b></li> </ol> <p><b>AGREED That Executive:</b></p> <ol style="list-style-type: none"> <li><b>1. Note the progress and position of the corporate performance disciplines, including the Transformation Portfolio</b></li> <li><b>2. Note delivery status of the Council Plan 2024-27 supporting workplan at Quarter One, detailed at Appendix 2</b></li> <li><b>3. Note the Strategic Risk Register, at Appendix 4</b></li> </ol>

## Executive Decisions between 1 January 2024 and 31 December 2024

No.	Committee	Date	Agenda item title	Agenda item text
40	Executive	04-Sep-24	Review of Licensing fees for Houses in Multiple Occupation	<p><b>ORDERED That Executive approve:</b></p> <ol style="list-style-type: none"> <li><b>1. The fee structure set out in paragraph 4.10 of the report and in Appendix 1, and</b></li> <li><b>2. The review of the HMO licensing process.</b></li> </ol>
41	Executive	04-Sep-24	Integrated Transport Strategy	<p><b>ORDERED That Executive approve the updated Integrated Transport Strategy.</b></p>

No.	Committee	Date	Agenda item title	Agenda item text
42	Executive	04-Sep-24	Revenue and Capital Budget - Forecast Outturn position at Quarter One 2024/25	<p><b>ORDERED That Executive:</b></p> <ol style="list-style-type: none"> <li>1. Approve the amendment to Appendix 3 of the report.</li> <li>2. Approve the proposed revenue budget virements over £250,000 as detailed in paragraph 4.13 and Appendix 3 of the report.</li> <li>3. Approve the inclusion of additional expenditure budgets to the Capital Programme totalling £8.973m for 2024/25 which were externally funded (detailed in Appendix 9). Subject to approval this would increase the approved 2024/25 Capital Programme budget to £106.188m.</li> <li>4. Approve proposed virements over £250,000 between schemes in the 2024/25 Capital Programme approved by Council in March 2024 which were funded from within existing Council resources (detailed in Appendix 9 and paragraph 4.37).</li> </ol> <p><b>AGREED That Executive:</b></p> <ol style="list-style-type: none"> <li>1. Note the forecast 2024/25 revenue outturn as at Quarter One of £146.932m against an approved budget of £143.190m, a forecast year-end overspend of £3.742m (2.6%) summarised below and detailed in Table 1 of the report,</li> <li>2. Note the progress on savings delivery set out in Tables 2 and 3 and Appendix 4 of the report.</li> <li>3. Note that the Council was dependent upon Exceptional Financial Support (EFS) in 2024/25, approved in principle by the Ministry of Housing, Communities &amp; Local Government (MHCLG) of up to £13.4m of one-off borrowing, the costs which were factored into the MTFP. Of this sum £4.7m had been utilised to achieve a balanced budget in 2024/25 (paragraph 4.5) of the report.</li> <li>4. Note that it was essential that all available measures were taken by management to control revenue expenditure within the approved budget, given that the Quarter One forecast overspend, if realised would require further £2.498m of EFS borrowing to fund slippage in savings delivery and £1.244m call upon revenue reserves. Both EFS and reserves could only be used once, and the financial pressure would remain in 2025/26 to be addressed.</li> <li>5. Note that based upon the Quarter One forecast outturn, the forecast revenue balances at 31 March 2025 would be lower than recommended in the approved Reserves Policy at £17.670m: <ul style="list-style-type: none"> <li>- General Fund Reserve of £11.1m (minimum recommended)</li> <li>- Council's unrestricted usable earmarked reserves of £6.570m</li> </ul> </li> </ol>

No.	Committee	Date	Agenda item title	Agenda item text
43	Executive	04-Sep-24	Vulnerability Policy	<p><b>ORDERED</b></p> <p>That Executive approves the refresh of the policy to address inconsistencies, updates and presentational issues that require minor amendments. The amendments were:</p> <ul style="list-style-type: none"> <li>- Update the policy to reflect the way in which assistance was provided to those who were hard of hearing / deaf. This would be achieved through the use of British Sign Language interpreters and utilised for the resident via their agreed method of communication e.g. face to face, online etc;</li> <li>- Reference to the Council’s welfare strategy as this strategy was not formally in place when the previous Vulnerability policy was agreed;</li> <li>- Confirmation that vulnerable residents would be signposted to the Benefits or</li> <li>- Welfare Rights services to ensure that their income was fully maximised to support the repayment of any outstanding debts</li> </ul>
44	Executive	02-Oct-24	Adult Social Care Residential Charging Policy	<p>1. Executive approve the Residential Charging Policy to take effect from 7 October 2024.</p> <p>2. Delegated authority to approve any future minor revisions/modifications is provided to the Director of Finance and the Director of Adult Social Care and Health Integration, and the Executive Member for Finance and Governance and the Executive Member of Adult Social Care and Public Health to maintain effective service delivery and reflect revisions brought about by regulatory and/or statutory guidance changes.</p>
45	Executive	28-Oct-24	Health and Wellbeing Strategy	<p><b>ORDERED</b> that the proposed amendment to paragraph 2.1 be approved.</p> <p><b>AGREED</b> that Executive noted the Health and Wellbeing Strategy that was approved by the Health and Wellbeing Board on the 12 September 2024.</p>



No.	Committee	Date	Agenda item title	Agenda item text
46	Executive	28-Oct-24	Household Support Fund 2024/2025	<p><b>ORDERED that Executive:</b></p> <p><b>1. Approves the HSF delivery plan for 2024/25, which would be delivered between 1 October 2024 and 31 March 2025 and was set out in Table 1 of the report to target the main groups below where each has a Council Tax or rental liability for their home:</b></p> <ul style="list-style-type: none"> <li>- Families with children in receipt of benefits. Pensioners in receipt of Council Tax Reduction but not eligible for the Winter Fuel Payment.</li> <li>- Pensioners who are not in receipt of Council Tax Reduction subject to the qualifying criteria (listed in table 1, para 4.7).</li> <li>- Singles/Couples which includes those of pensionable age in receipt of benefits.</li> <li>- Application-based awards for residents not in receipt of CTR or other benefits</li> </ul> <p><b>2. Approves that any remaining funds following implementation of the delivery plan were allocated to Council Tax accounts, with a then current award of CTR and where an outstanding balance remained following the issue of a summons in the 2024/25 financial year. The Council also reserved the right to widen the group to include those accounts not in receipt of CTR. Priority would be given to taxpayers who did not receive HSF from the allocation that remained in September 2024, with the intention that the balances for those in each group would be reduced by the same extent across both schemes so far as is possible.</b></p> <p><b>3. Approves that delegated authority is provided to the Director of Finance to make any modifications or minor revisions to the scheme and make decisions in respect of any remaining funds to ensure they were distributed in line with the guidance and within the defined timescales. Any revisions or modifications would be made in consultation with the Executive Member for Finance and Governance.</b></p>
47	Executive	13-Nov-24	Middlesbrough Council: Target Operating Model	<p><b>ORDERED that Executive:</b></p> <p><b>1. Approve in principle the emerging target operating model;</b></p> <p><b>2. Approve the continued development and refinement of the proposed target operating model and its intended direction of travel.</b></p> <p><b>AGREED that Executive notes the next steps required to implement the target operating model and develop supporting operational strategies.</b></p>

## Executive Decisions between 1 January 2024 and 31 December 2024

No.	Committee	Date	Agenda item title	Agenda item text
48	Executive	13-Nov-24	Capital Programme Governance Improvement	<b>ORDERED</b> that Executive approve the proposed arrangements for improving the effectiveness of capital programme governance, monitoring and reporting including the terms of reference for the Strategic Capital Board and Corporate Capital Board.
49	Executive	13-Nov-24	Corporate Asset Management Plan 2024/ - 2027/28	<b>ORDERED</b> that Executive approve the Corporate Asset Management Plan 2024-25 to 2027-28.
50	Executive	13-Nov-24	Review of Alternative Operating Models for the Captain Cook Birthplace Museum	<p><b>ORDERED</b> that Executive:</p> <ol style="list-style-type: none"> <li>1. Approve the exploration of a new museum with external partners that could replace the CCBM within Stewart Park in the longer term;</li> <li>2. Approve the continued operation of the CCBM in 2024/25 on the basis that the required saving of £0.100m for 2024/25 had been met by a permanent reduction in staffing and that this saving was ongoing;</li> <li>3. Approve the continued operation of the CCBM in 2025/26 and 2026/27 subject to securing external revenue support of £0.150m per annum. Failure to secure this funding would result in closure of the CCBM and the transfer of some or all of the collection to the Dorman Museum; and</li> <li>4. Approves a reduction in the required saving from the CCBM from £0.345m to £0.303m in 2025/26 and 2026/27 on condition that the remainder of the saving £0.042m will be found within the Regeneration budget via a senior management review.</li> </ol>
51	Executive	13-Nov-24	Southlands Community Facility and Sporting Hub	<p><b>AGREED</b> that Executive note the information in the public report:</p> <ol style="list-style-type: none"> <li>1. Notes the principles of the lease agreement set out within the agreed Heads of Terms for the Southlands Community Facility and Sporting Hub, between the Council and Middlesbrough FC Foundation;</li> <li>2. Notes the delegated authority for the Director of Regeneration and the Director of Finance, to approve or amend the lease agreement, in line with the Heads of Terms insofar that such approval or amendments protects the Council's position or enhances the sustainability of the Southlands scheme</li> <li>3. Notes the business case that outlines how Middlesbrough FC Foundation will manage and finance the site;</li> <li>4. Notes the passporting of liabilities to the partner organisation and how these will be managed through the lease agreement;</li> <li>5. Notes the long-term risks and liabilities that could arise, in the event that the partnering organisation ceases to exist.</li> </ol> <p><b>AGREED</b> That the decision be taken once all the exempt information had been considered.</p>

## Executive Decisions between 1 January 2024 and 31 December 2024

No.	Committee	Date	Agenda item title	Agenda item text
52	Executive	04-Dec-24	Highway Infrastructure Delivery Plan	<p><b>ORDERED that:</b></p> <ol style="list-style-type: none"> <li>1. That the Highway Infrastructure Delivery Plan be amended to include references to motorcycles where appropriate.</li> <li>2. Executive approve the updated Highway Infrastructure Delivery Plan and endorses seeking funding to expedite the requirements.</li> </ol>
53	Executive	04-Dec-24	Linthorpe Road Phase One Cycleway Design	<p><b>ORDERED that:</b></p> <ol style="list-style-type: none"> <li>1. Executive accept the proposed design submitted by Tees Valley Combined Authority (TVCA) for the Linthorpe Road Cycle Lane detailed at appendix one in the report.</li> <li>2. Executive will receive a further report following a final funded proposal from TVCA.</li> </ol>
54	Executive	04-Dec-24	Corporate Performance: Quarter Two 2024/25	<p><b>ORDERED that Executive:</b></p> <ol style="list-style-type: none"> <li>1. Approve the proposed changes to the Executive actions, detailed at Appendix One of the report .</li> <li>2. Agree the additional metrics to assess incremental impact of Council Plan outcomes, at Appendix Four of the report.</li> </ol> <p><b>AGREED that Executive:</b></p> <ol style="list-style-type: none"> <li>1. Note the progress and position of the corporate performance disciplines, including the Transformation Portfolio.</li> <li>2. Note delivery status of the Council Plan 2024-27 supporting workplan at Quarter Two, detailed at Appendix Two of the report.</li> <li>3. Note the Strategic Risk Register, at Appendix Three of the report.</li> </ol>

## Executive Decisions between 1 January 2024 and 31 December 2024

No.	Committee	Date	Agenda item title	Agenda item text
55	Executive	04-Dec-24	Housing Supply	<p><b>ORDERED that Executive:</b></p> <ol style="list-style-type: none"> <li><b>1. Approve the business case set out in Appendix one of the report aimed at delivering the savings identified within the Council's Transformation Programme as REG07;</b></li> <li><b>2. Approve the use of approved capital resources from the Towns Fund (£4m) and Levelling Up Partnership (£2.141m), as set out in the Business Case included, as Appendix one of the report , to acquire and refurbish properties to increase the supply of housing in order to reduce expenditure on temporary accommodation.</b></li> <li><b>3. Delegate authority to the Director of Regeneration, following consultation with the Executive Member for Development, to utilise the three delivery proposals set out in paragraphs 4.11 to 4.13 of this report, within the approved funding envelope of £6.141m, to maximise potential cost reductions.</b></li> </ol>
58	Executive	04-Dec-24	Empty Properties Strategy - Domestic	<p><b>ORDERED that Executive:</b></p> <ol style="list-style-type: none"> <li><b>1. Approve the Empty Property Strategy – Domestic.</b></li> <li><b>2. Delegate any future minor revisions/modifications to the Director of Finance and the Director of Regeneration following consultation with the Executive Member for Finance and the Executive Member for Development. The purpose of which was to maintain effective service delivery and reflect revisions brought about by regulatory and/or statutory guidance changes.</b></li> </ol>

No.	Committee	Date	Agenda item title	Agenda item text
57	Executive	04-Dec-24	2024/25 Quarter Two Revenue and Capital Monitoring and Forecast Outturn	<p><b>ORDERED that Executive:</b></p> <ol style="list-style-type: none"> <li>1. Approve the proposed revenue budget virements over £250,000 as detailed in Appendix three of the report.</li> <li>2. Approve the inclusion of additional expenditure budgets to the Capital Programme totalling £0.523m for 2024/25 which were externally funded and detailed in Appendix Eight of the report. Subject to approval, this would increase the approved 2024/25 Capital Programme budget to £106.711m.</li> <li>3. Approve the proposed virements over £250,000 between schemes in the 2024/25 Capital Programme approved by Council in March 2024 which were funded from within existing Council resources which was detailed in Appendix Eight of the report.</li> </ol> <p><b>AGREED that Executive:</b></p> <ol style="list-style-type: none"> <li>1. Note the forecast 2024/25 revenue outturn as at Quarter Two of £144.572m against an approved budget of £143.190m. This was an overspend of £1.382m (0.97%) as summarised below and detailed in Table one in the report. This was an improvement of £2.360m from the £3.742m forecast year-end overspend reported at Quarter One.</li> <li>2. Note the progress on savings delivery set out in Tables three and four and Appendix four of the report.</li> <li>3. Note that the Council was dependent upon Exceptional Financial Support (EFS) in 2024/25 approved in principle by the Ministry of Housing, Communities &amp; Local Government (MHCLG) of up to £13.4m of one-off borrowing, the costs which were factored into the MTFP. Of this sum £4.7m had been utilised to achieve a balanced budget in 2024/25. The forecast use of EFS had been reduced to up to £8.2m, detailed in paragraph 4.5 of the report.</li> <li>4. Note that it was essential that all available measures were taken by management to control revenue expenditure within the approved budget, given that the Quarter Two forecast overspend, if realised, would potentially require further £1.382m of EFS borrowing to fund slippage in savings delivery. If the overspend increased in the remainder of 2024/25 this would require further use of EFS or reserves. Both EFS and reserves could only be used once, and the financial pressure would remain in 2025/26 to be addressed.</li> <li>5. Note that based upon the Quarter Two forecast outturn, the forecast revenue balances at 31 March 2025 would be at £18.914m which was in line with that recommended in the approved Reserves Policy: <ul style="list-style-type: none"> <li>- General Fund Reserve of £11.1m (minimum recommended)</li> <li>- Council's unrestricted usable earmarked reserves of £7.814m</li> </ul> </li> </ol>

No.	Committee	Date	Agenda item title	Agenda item text
58	Executive	04-Dec-24	Calculation of Council Tax Base for 2025/26	<p><b>ORDERED that Executive:</b></p> <ol style="list-style-type: none"> <li><b>1. Approve the council tax base for 2025/26 as 36,513.9.</b></li> <li><b>2. Approve 2,447.3 and 1,504.8 as council tax bases for the parishes of Nunthorpe and Stainton &amp; Thornton respectively for 2025/26.</b></li> <li><b>3. Approve to notify the Police and Crime Commissioner, the Cleveland Fire Authority, and the Parish Councils of the 2025/26 council tax base.</b></li> </ol> <p><b>AGREED that Executive note the content of the report.</b></p>

No.	Committee	Date	Agenda item title	Agenda item text
59	Executive	04-Dec-24	2025/26 Draft Budget and Medium Term Financial Plan 2025/26 and 2028/29	<p><b>AGREED that Executive:</b></p> <ol style="list-style-type: none"> <li>1. Note the update on the key budget assumptions upon which the 2025/26 budget and MTFP to 2028/29 was calculated and were detailed in paragraphs 4.62 to 4.67 in the report.</li> <li>2. Note the proposed draft budgets for 2025/26 and 2026/27 were balanced, with a gap of £2.686m in 2027/28 and rising to £5.150m in 2028/29 and were detailed in paragraphs 4.124 and 4.125 in the report.</li> <li>3. Note that further work was required to fully assess the Council’s financial position once the detail of the Provisional Local Government Finance Settlement was published.</li> <li>4. Note that Transformation Programme business cases must be robust, and adequately assured to enable their inclusion in the proposed 2025/26 budget and MTFP. Work was continuing to develop detailed business cases within the Recover, Reset, Deliver Transformation Programme in relation to the cross-cutting Programmes: Target Operating Model including Customer Services, Neighbourhoods, IT and Digital. These programmes would fundamentally modernise and redesign the Council’s service delivery models to achieve improved outcomes for the community from a lower cost base. It was intended that these would be brought forward to the 5 February 2025 Executive for incorporation into the overall budget to be considered by Council on 19 February 2025.</li> </ol> <p><b>AGREED that Executive:</b></p> <ol style="list-style-type: none"> <li>1. Endorse total proposals for savings and income growth of £7.036m in 2025/26 rising to £8.686m in 2028/29, of which £0.249m were deemed to involve policy change and/or impact service delivery levels and would be subject to public consultation and were detailed in Appendices one and two in the report.</li> <li>2. Endorse total budget growth for re-investment in services aligned to the Recover, Reset, Deliver plan of £2.361m in 2025/26 rising to £2.558m in 2028/29 detailed in Appendix three of the report.</li> <li>3. Endorse the proposed total Council Tax increase of 4.99% for 2025/26 comprising: <ul style="list-style-type: none"> <li>- 2.99% increase in general Council Tax and</li> <li>- 2% Adult Social Care Precept.</li> </ul> </li> <li>4. Endorse the proposed arrangements to make financial provision against the risk of delivering the 2025/26 budget and MTFP which would enable the Council to set a robust budget without an application for reliance upon Exceptional Financial Support (EFS) from Government as detailed in paragraph 4.65 of the report.</li> <li>5. Endorse that, where applicable, budget consultation would commence, on 5 December 2024 conclude on 8</li> </ol>

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**MEMBER DEVELOPMENT PROGRAMME 2024/25 – LIVE DOCUMENT**

Member Development and Training opportunities are generally open to all Members to attend. ‘Required’ events are run on an annual basis aimed specifically at Committee Members (and Substitutes), to ensure any regulatory requirements are adhered to, although other relevant optional modules may occur throughout the year. Ad hoc 1-1 training will be delivered as required, when Committee membership changes throughout the Municipal Year.

**REQUIRED TRAINING**

<b>TOPIC</b>	<b>Link Skills Framework</b>	<b>REASON</b>	<b>Attendees</b>	<b>Notes</b>	<b>Number of Attendees</b>
Audit Committee	Regulating and Monitoring. Scrutiny and challenge Political Understanding.	Required Training	All Audit Committee Members and all other Members	COMPLETED 24 July 2024	10
Licensing Committee – Taxis	Regulating and Monitoring	Required Training	All Licensing Committee Members and all other Members	COMPLETED 15 August 2024	14
Planning & Development Committee	Regulating and Monitoring	Required Training	All Planning and Development Committee Members and all other Members	COMPLETED 3 June 2024	13
Standards – Code of Conduct	Regulating and Monitoring.	Required Training	All Members	Training has not been held	
Staff Appeals Training	Regulatory and Monitoring	Required Training	All Staff Appeals Committee Members and all other Members	COMPLETED 25 June 2024	9

<b>TOPIC</b>	<b>Link Skills Framework</b>	<b>REASON</b>	<b>Attendees</b>	<b>Notes</b>	<b>Number of Attendees</b>
Licensing Act Training	Regulatory and Monitoring	Required Training	Open to Licensing Committee Members	COMPLETED 12 June 2024	12
Teesside Pension Fund Committee	Regulatory and Monitoring	Required Training	All Teesside Pension Fund Members and all other Members	COMPLETED 28 May & 3 June 2024	13
Licensing Committee - Gambling Act 2005	Regulatory and Monitoring	Required Training	Open to Licensing Committee Members	COMPLETED 13 June 2024	10
Chief Officer Appointments Committee	Regulatory and Monitoring	Required Training	Open to Chief Officer Appointments Committee Members	COMPLETED 4 June 2024	9
Audit Committee Training – Statement of Accounts	Regulatory and Monitoring	Required Training	Audit Committee & Executive Members	COMPLETED 3 October 2024	7

### SENIOR MEMBER TRAINING

<b>TOPIC</b>	<b>Link Skills Framework</b>	<b>REASON</b>	<b>Attendees</b>	<b>Notes</b>	<b>Number of Attendees</b>
LGA Leadership Essentials	Regulatory and Monitoring	Required Training	David Coupe	COMPLETED 30/10/24	1
LGA Masterclass Cohesion & Counter Terrorism	Regulatory and Monitoring	Required Training	Cllr David Branson Cllr Jill Ewan Cllr Peter Gavigan	11 Dec 2024 5 Feb 2025	1 to date
LGIU Flood Defences	Regulatory and Monitoring	Required Training	Cllr David Branson	COMPLETED 12 Dec 2024	1

**SCRUTINY TRAINING**

<b>TOPIC</b>	<b>Link Skills Framework</b>	<b>REASON</b>	<b>Attendees</b>	<b>Notes</b>	<b>Number of Attendees</b>

**GENERAL MEMBER TRAINING**

<b>TOPIC</b>	<b>Link Skills Framework</b>	<b>REASON</b>	<b>Attendees</b>	<b>Notes</b>	<b>Number of Attendees</b>
Member Briefing: Transformation & Flexible Use of Capital	Regulatory and Monitoring	Skills Framework	All Members	COMPLETED - 15 April 24	17
Personal Safety	Regulatory and Monitoring	Skills Framework	All Members	COMPLETED 17/18/25 April 24	8
Councillor Gateway System	Regulatory and Monitoring	Skills Framework	All Members	COMPLETED 20 June 2024	14
Councillor Gateway System	Regulatory and Monitoring	Skills Framework	All Members	COMPLETED 21 June 2024	3
Councillor Gateway System	Regulatory and Monitoring	Skills Framework	All Members	COMPLETED 25 June 2024	20
Councillor Gateway System	Regulatory and Monitoring	Skills Framework	All Members	COMPLETED 26 June 2024	6
Member Briefing – CIPFA Financial Management Review	Regulatory and Monitoring	Skills Framework	All Members	COMPLETED 14 JULY 2024	14
Member Briefing – HDRC South Tees	Regulatory and Monitoring	Skills Framework	All Members	COMPLETED 23 July 2024	11
Member Briefing – Waste	Regulatory and Monitoring	Skills Framework	All Members	COMPLETED 26 July 2024	14
Councillor Gateway Training	Regulatory and Monitoring	Skills Framework	All Members	21/08/2024 COMPLETED	9

<b>TOPIC</b>	<b>Link Skills Framework</b>	<b>REASON</b>	<b>Attendees</b>	<b>Notes</b>	<b>Number of Attendees</b>
Member Briefing: Gambling Policy	Regulatory and Monitoring	Skills Framework	All Members	02/09/2024 CANCELLED	0
Member Briefing – Transformation Update	Regulatory and Monitoring	Skills Framework	All Members	COMPLETED 17/09/2024	Attendance not recorded
Member Briefing – Budget	Regulatory and Monitoring	Skills Framework	All Members	COMPLETED 21/11/2024	18
Member Briefing – HDRC	Regulatory and Monitoring	Skills Framework	All Members	COMPLETED 27/11/2024	5
GDPR Training delivered by LGA	Regulatory and Monitoring	Skills Framework	All Members	COMPLETED 03/12/2024	7
Leading Good Governance and Assurance Webinar	Regulatory and Monitoring	Skills Framework	Cllr Graham Wilson	COMPLETED 03/12/2024	1
Reading for Speed & Retention	Regulatory and Monitoring	Skills Framework	All Members	23/01/2025	
Questioning & Listening Skills	Regulatory and Monitoring	Skills Framework	All Members	06/03/2025	
Social Media training provided by LGA	Regulatory and Monitoring	Skills Framework	All Members	TBC	

<p><b>MIDDLESBROUGH COUNCIL</b></p>	
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<b>Report of:</b>	Director of Legal and Governance Services (Monitoring Officer)
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<b>Submitted to:</b>	Audit Committee
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<b>Date:</b>	6 February 2025
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<b>Title:</b>	Business Continuity Annual Assurance Report 2024
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<b>Report for:</b>	Information
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<b>Status:</b>	Public
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<b>Council Plan priority:</b>	Delivering Best Value
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<b>Executive summary</b>	
<p>This report sets out the arrangements in place to ensure the Council meets its legal obligations in relation to Business Continuity. The report sets out the Business Continuity governance framework, actions delivered during 2024 and planned actions for 2025.</p>	

## **Purpose**

1. The purpose of this report is to outline the Council's approach to business continuity management, summarise activity in the past year and planned activity for 2025, to provide the Committee with assurance that the Council has robust arrangements in place, as required by the Civil Contingencies Act 2004.

## **Recommendations**

2. That the Committee considered whether it has been provided with sufficient information to be assured that the arrangements in place to manage business continuity within the Council are sufficient to ensure compliance with legal requirements and the Local Code of Corporate Governance.

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

3. To support the Committee to discharge its responsibility to maintain an overview of arrangements in place to ensure good governance.

## **Background and relevant information**

4. The Council has a duty under the Civil Contingencies Act 2004 to develop and maintain business continuity plans to enable continued delivery of 'business critical functions' during a 'business interruption' event.
5. Business continuity planning is separate to emergency planning, which sets out how the Council responds to emergency incidents that impact on residents and businesses, though there will be times where the two disciplines interrelate.

## **The Council's approach**

6. The Council's Corporate Business Continuity Plan defines critical functions as those which, if interrupted could result in:
  - risk of serious injury;
  - risk of death;
  - massive financial losses; or
  - significant damage to the Council's reputation.
7. The Council will consider activating its business continuity plans if there is a business interruption event that:
  - is likely to last for more than half a working day;
  - affects a vulnerable group of service users;
  - impacts on the delivery of key critical activities;
  - restricts access to one of the key council buildings;
  - could generate significant damage to the Council's reputation; or
  - is highly likely to escalate into one of the above categories.
8. The Council has the following plans in place to respond to the variety of events that could occur:

- the Corporate Business Continuity plan;
  - supporting Departmental Business Continuity plans;
  - Relocation Plan;
  - ICT Disaster Recovery Plan.
  - Fuel Plan;
  - Pandemic Plan.
9. The Council does not publish its business continuity plans as they outline sensitive information around its critical functions and their recovery that could be misused and contain personal information relating to employees that have agreed to share personal contact details to enable the Council to get in touch with them quickly in the event of an incident. Therefore, the paragraphs below outline the content of the Council's plans only in broad terms.
10. The **Corporate Business Continuity Plan** is the overarching plan for the organisation. It sets out the structure used to identify and prioritise critical functions; mechanisms for enacting the plan; how all plans are maintained, tested and reviewed; and policies and procedures in place to support effective business continuity planning.
11. Supporting **Departmental Business Continuity Plans** set out detailed recovery arrangements for each critical function or activity, by Directorate of the Council, outlining information on buildings used to deliver the function or activity, staff information, key equipment and supplies, key records, ICT systems and other key contacts.
12. The **Relocation Plan** sets out how critical functions / activity would be relocated to other buildings within the Council's estate or employees sent home to work using agile working solutions, if one or more buildings became inaccessible.
13. The Council's approach is, in the main, not to write numerous plans for risks to critical functions. The ICT Disaster Recovery Plan, Fuel Plan and Pandemic Plan are exceptions to this rule, created in response to specific risks that have faced local authorities and the scale of the interruption that such events have and could cause.
14. The **ICT Disaster Recovery** Plan focuses on maintaining ICT for business critical functions, highlighting those applications which are hosted externally, and any services supported by the Council's key partners.
15. The **Fuel Plan** outlines how the Council would respond to a fuel shortage to ensure business critical staff are able to continue to do their work.
16. The **Pandemic Plan** was created in 2022 by merging two previously separate plans in relation to flu and Covid-19. The refresh reflected learning from COVID-19 pandemic and previous pandemics including but not limited to influenza and SARS.
17. During 2024, the Council also put in place a Business Continuity Policy, which articulates the Council's approach to Business Continuity. This was formally agreed by the Mayor in December 2024.

### **Plan testing**

18. The Council aims to test its plans at least once every 12 months, or produces a lessons learned report if a live incident has occurred during the past year. During 2024/5 the

Local Government Association (LGA) facilitated an Incident Response (IR) Exercise for Middlesbrough Council. This exercise focuses specifically on challenging the IT team's response to a cyber incident, offering an opportunity to review their plans, rehearse individuals, and to learn how, and whether it could be improved. Recognising the growing cyber threat facing all institutions, including local government, Middlesbrough Council requested LGA support them in defining and conducting a suitably challenging incident response exercise for the IT team, using a plausible threat scenario, to validate response capabilities and enhance processes, procedures and documentation.

### **Review schedule**

19. In a normal planning cycle, business continuity plans are updated every six months, and reviewed on an annual basis (May and November) with the scale of the review dependent on the level of organisational change that has occurred in the intervening period. In some years this means that only minor updates (e.g. contact details) are required, in others fundamental reviews will be required to reflect changes to the Council's structure or other significant developments e.g. where services have been outsourced, or brought back in house.
20. During the 2024/5 annual review of plans, there was an increased focus on the impact of the loss of ICT and how it could have an impact on critical activities to ensure services planned effectively for this event.

### **Activity in 2023/4**

21. The following actions were delivered during 2024/5 to ensure good governance in relation to business continuity.

#### *Testing*

22. Generator failover tests were carried out at both of the Council's data centres during the summer and winter of 2024 which involved testing the resilience of the generators, Uninterrupted Power Supply (UPS) systems and also environmental (e.g. fire suppression) systems. This test ensured that in the event of a major power outage within the town or the loss of one of the data centres entirely, the other data centre will continue to support the Council's business critical applications, with no changes required.
23. LGA facilitated an Incident Response (IR) Exercise for Middlesbrough Council ICT to validate response capabilities and enhance processes, procedures and documentation.
24. In November 2024, Middlesbrough Council were subject to several distributed denial-of-service (DDoS) attacks. This is a malicious attempt to disrupt the normal traffic of a targeted server, service or network by overwhelming the target or its surrounding infrastructure with a flood of Internet traffic.

#### *Documentation*

25. All Corporate Business Continuity Plans were updated in November 2024, refreshing the content, updating the formatting, contacts and aligning processes with best practice.



26. An update and full review of Directorate Business Continuity plans has been undertaken within the year to reflect changes in the service, location, employee details and to reflect the additional measures that would be required to ensure resilience to any loss of electricity and ICT services.
27. An offsite location has been developed to hold all business continuity plans and critical function plans to further strengthen access to plans should an business continuity event occur.

#### *Communication*

28. To further strengthen Middlesbrough Council's Business Continuity processes, a detailed Business Continuity Policy has been written (as set out in the plans and policies section) and approved by Single Executive in December 2024. The policy will:
  - Set out how the Council will to anticipate risks, mitigate where possible to reduce the likelihood of its services being interrupted.
  - The plans it will put in place to manage service interruptions; and
  - The maintenance and testing of those plans to ensure they remain fit for purpose.

#### **Business Continuity activities for 2025/26**

29. During 2024/25, further work will be undertaken to build on progress made in 2024/25 part of the Council's commitment to continual improvement in business continuity planning.

#### *Training*

- Officers plan to undertake a combined EMRT and BC exercise to test the effectiveness of the relocation plan.
- Further develop critical function plans and test on a key system to ensure that the ICT Disaster Recovery Plan is exercised to test its effectiveness.
- Deliver training for senior officers pertaining to decision making, media and communications and roles and responsibilities.

#### *Documentation*

- Undertake the annual full review and update of all business continuity plans to ensure they remain fit for purpose.
- Battleboxes to be updated by business-critical services to enable service delivery to be maintained in the event of a cyber-attack or power cut with a focus on locations of battleboxes.
- Revision of plans to reflect occupation of new structures and offices this year.
- Improve processes within the Corporate Business Continuity room in Fountain Court and refresh plans for the relocation site to ensure both are fully equipped to respond to a business interruption and provide quick response guides and terms of reference for all Business Continuity Leads.

*Communication*

- Communications Plan for Business Continuity to be enhanced to cover communications in the absence of ICT system.
- Delivery of a hierarchical priority system requirement for ICT to be signed off by the Head of Paid Service.

**Rationale for the recommended decision**

30. To support the Committee to discharge its responsibility to maintain an overview of corporate governance within the Council, which includes business continuity management.

**Other potential decisions and why these have not been recommended**

31. Not applicable.

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

Topic	Impact
Financial (including procurement and Social Value)	There are no new direct financial considerations in relation to business continuity management as a result of this report. By having robust plans in place, the Council will be better placed to mitigate financial impacts from any interruption event.
Legal	Business continuity is a part of corporate governance, and the Council has a legal duty to ensure arrangements comply with the requirements of the Civil Contingencies Act 2004.
Risk	<p>Business Continuity impacts positively on the following risks managed within the Legal and Governance Services Directorate Risk Register:</p> <ul style="list-style-type: none"> <li>• O8-037 - If <b>business continuity plans</b> are not fit for purpose then in the event a business interruption the Council would potentially be unable to provide critical services which could result in harm to service users and a breach of law namely the Civil Contingencies Act 2004.</li> <li>• O8-052 - <b>Risk of disruption to service delivery</b>, Due to: Lack of adequately tested Business Continuity / Disaster Recovery Plans which fail to effectively manage a critical incident (e.g. relating to access to critical systems / data) and further extend the period of system unavailability. Resulting In: extended or permanent loss of systems/data, poor communication and the inability to identify and inform key officers about incident /implications. Failure to reinstate services/systems within an appropriate timescale, dissatisfaction/loss of confidence with the</li> </ul>

	Council's customers.
Human Rights, Public Sector Equality Duty and Community Cohesion	There are no direct implications from this report on human rights, equality and diversity.
Climate Change / Environmental	Not applicable.
Children and Young People Cared for by the Authority and Care Leavers	Good business continuity management and Disaster Recovery within Children's Services and Adult Social Care and Health Integration directorates will ensure that the correct level of support is given during a business continuity event to Children, Young People and Care Leavers.
Data Protection	Business Continuity and Disaster Recovery arrangements are a critical control in order to ensure compliance with data protection legislation in particular the availability of personal data to avoid personal data breaches.

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

Action	Responsible Officer	Deadline
Implement the actions laid out in the plan for 2025/26	Gary Welch	31/03/2026

### Appendices

None.

### Background papers

Body	Report title	Date
Audit Committee	Business Continuity – Annual Assurance Report	30 June 2024
Audit Committee	Business Continuity – Annual Assurance Report	31 March 2023
Corporate Affairs and Audit Committee	Business Continuity – Annual Assurance Report	31 March 2022
Corporate Affairs and Audit Committee	Business Continuity – Annual Assurance Report	4 February 2021
Corporate Affairs and Audit Committee	Business Continuity – Annual Assurance Report	19 December 2019
Corporate Affairs and Audit Committee	Business Continuity – Annual Assurance Report	6 December 2018

**Contact:** Gary Welch, Strategic Risk and Health and Safety Manager  
**Email:** [gary\\_welch@middlesbrough.gov.uk](mailto:gary_welch@middlesbrough.gov.uk)

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<b>MIDDLESBROUGH COUNCIL</b>	
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<b>Report of:</b>	Director of Legal and Governance Services (Monitoring Officer)
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<b>Submitted to:</b>	Audit Committee
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<b>Date:</b>	6 February 2025
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<b>Title:</b>	Local Code of Corporate Governance
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<b>Report for:</b>	Information
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<b>Status:</b>	Public
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<b>Council Plan priority:</b>	All
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<b>Executive summary</b>
<p>The Local Code of Corporate Governance provides a framework that enables the Council to assess its governance arrangements against sectoral best practice.</p> <p>The LCCG should be reviewed annually to ensure it aligns with best practice. this report confirms that the LCCG continues to align with the CIPFA code of practice on delivering good governance in local government which remains unchanged. The Council’s Annual Governance Statement then assesses how well the Council is complying with the Annual Governance Statement.</p>

**1. Purpose**

1.1 To report the outcome of the annual review of the Council's Local Code of Corporate Governance (LCCG).

**2 Recommendations**

2.1 That the Audit Committee notes that there have been no changes in the past year to the CIPFA / SOLACE guidance document 'Delivering Good Governance' and, as such, notes that no changes are proposed to the current Council's Local Code of Corporate Governance.

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

3.1 This decision is being recommended because the current LCCG already reflects recognised sectoral best practice.

**4 Background and relevant information**

4.1 Regular reviews of the LCCG are necessary to ensure that the Council is assessing its governance arrangements against sectoral best practice.

4.2 The current LCCG (at Appendix 1) is modelled on the CIPFA / SOLACE guidance 'Delivering Good Governance' (2016). An annual review schedule was put in place to ensure that changes to this guidance were reflected within the LCCG. There have been no changes to the guidance since the current LCCG was adopted by Council in 2017. As such, no changes to LCCG are proposed from this year's review.

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

5.1 The other potential option would be to review the LCCG against another best practice standard, or create a new local standard. This option is not recommended as the CIPFA / SOLACE guidance is recognised as sectoral best practice and provides an appropriate framework to ensure that the Council has good governance practices in place.

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

Topic	Impact
Financial (including procurement and Social Value)	There are no financial implications arising as a result of this report
Legal	Elected members are collectively responsible for the governance of the Council and approval of the LCCG as advised by this Committee.

Risk	<p>The existence of the LCCG contributes toward the positive management of the following strategic risks:</p> <ul style="list-style-type: none"> <li>▪ Failure to achieve good governance</li> <li>▪ Failure to comply with the law</li> <li>▪ Failure to achieve strategic and directorate priorities</li> <li>▪ Failure of partnerships</li> </ul>
Human Rights, Public Sector Equality Duty and Community Cohesion	<p>There are no concerns that the proposals could result in policies and practices that could impact differently on individuals or groups because they hold one or more protected characteristics. The LCCG sets out expected standards for policies and services to ensure that people are treated fairly. These policies are separately impact assessed as part of their development. the LCCG assesses compliance with best practice in relation to information governance within its framework.</p>
Climate Change / Environmental	<p>There are no concerns that continued adoption of this code could impact negatively on this area.</p>
Children and Young People Cared for by the Authority and Care Leavers	<p>There are no concerns that continued adoption of this code could impact negatively on this area.</p>
Data Protection	<p>The LCCG sets out expected standards for policies and services to ensure compliance with information governance policies, frameworks and legislative requirements.</p>

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

Not applicable

### **Appendices**

1	<b>2025-26 Local Code of Corporate Governance</b>
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### **Background papers**

Body	Report title	Date
Corporate Affairs and Audit Committee	Local Code of Corporate Governance	17 March 2017
Council	Local Code of Corporate Governance	29 March 2017
Corporate Affairs and Audit Committee	Local Code of Corporate Governance	8 February 2018

Corporate Affairs and Audit Committee	Local Code of Corporate Governance	7 March 2019
Corporate Affairs and Audit Committee	Local Code of Corporate Governance	6 February 2020
Corporate Affairs and Audit Committee	Local Code of Corporate Governance	4 February 2021
Corporate Affairs and Audit Committee	Local Code of Corporate Governance	31 March 2022
Audit Committee	Local Code of Corporate Governance	16 March 2024

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## **Local Code of Corporate Governance**

**Live: February 2025**  
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<b>Title</b>	Local Code of Corporate Governance		
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	Approved by	Audit Committee	
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**Document Control**

Version	Date	Revision History	Reviser
4.0	February 2020	Annual review – no changes	A Johnstone
5.0	February 2021	Annual review – no changes	A Johnstone
6.0	February 2022	Annual review – no changes	A Johnstone
7.0	January 2023	Annual review – no changes	A Johnstone
8.0	January 2024	Annual review – no changes	A Johnstone
9.0	February 2025	Annual review – no changes	A Johnstone

**Distribution List**

Version	Date	Name/Service area	Action
4.0	February 2020	Corporate Affairs and Audit Committee	Endorse
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7.0	February 2023	Corporate Affairs and Audit Committee	Endorse
8.0	February 2024	Audit Committee	Endorse
9.0	February 2025	Audit Committee	Endorse

## **INTRODUCTION**

1. Corporate governance is about the systems, processes and values by which local authorities operate and by which they engage with, and are held accountable to, their communities and stakeholders.
2. The Council is committed to achieving effective corporate governance, and has adopted this Local Code of Corporate Governance, which establishes how good governance will be achieved within the organisation.

## **GOOD GOVERNANCE**

3. The Council's code follows principles of good governance set out in guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) (*Delivering Good Governance in Local Government* (2016)). These are:
  - behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law;
  - ensuring openness and comprehensive stakeholder engagement;
  - defining outcomes in terms of sustainable economic, social and environmental benefits;
  - determining the interventions necessary to optimise the achievement of the intended outcomes;
  - developing the entity's capacity, including the capability of its leadership and the individuals within it;
  - managing risks and performance through robust internal control and strong public financial management; and
  - implementing good practices in transparency, reporting, and audit to deliver effective accountability.

## **BENEFITS OF GOOD GOVERNANCE**

4. Good governance leads to good management, good performance, good stewardship of public money, good public engagement and ultimately good outcomes for those who live, work in or visit Middlesbrough.
5. It enables the Council to effectively pursue delivery of the strategic priorities of the Mayor of Middlesbrough, as well as underpinning plans for delivery with mechanisms for the control and management of risk.

## **IMPLEMENTING GOOD GOVERNANCE**

6. The Council has a robust governance framework in place. The table below sets out in high level terms the steps the Council takes to ensure its processes, policies, systems and practices align with the principles of good governance.
7. The framework comprises of a wide range of policies and procedures, which embed the core principles of the CIPFA/SOLACE framework into all aspects of the Council's conduct and operation.

CIPFA / SOLACE principle / supporting principles	To meet these requirements, the Council will:
<p><b>Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rules of law</b></p> <ul style="list-style-type: none"> <li>• <i>Behaving with integrity</i></li> <li>• <i>Demonstrating strong commitment to ethical values</i></li> <li>• <i>Respecting the rule of law</i></li> </ul>	<ul style="list-style-type: none"> <li>• Work diligently and with integrity to achieve the strategic priorities of the Mayor of Middlesbrough.</li> <li>• Clearly document expected behaviours, and decision-making processes, for members and officers, and regularly review these.</li> <li>• Effectively communicate expected behaviours to members and officers, and provide appropriate training on ethical behaviour.</li> <li>• Ensure members, statutory officers, other key postholders are able and supported to fulfil their duties and meet their responsibilities.</li> <li>• Ensure compliance by maintaining effective audit committee, internal audit and scrutiny functions, and standards and disciplinary processes.</li> </ul>
<p><b>Ensuring openness and comprehensive stakeholder engagement</b></p> <ul style="list-style-type: none"> <li>▪ <i>Openness</i></li> <li>▪ <i>Engaging comprehensively with institutional stakeholders</i></li> <li>▪ <i>Engaging with individual citizens and service users effectively</i></li> </ul>	<ul style="list-style-type: none"> <li>• Document and operate a culture of openness and transparency within the organisation.</li> <li>• Maintain a culture of accountability, so that members and officers understand for what they are accountable and to who.</li> <li>• Consult appropriately with stakeholders on the development of its budget, key plans and service development.</li> <li>• Maintain effective decision making processes, ensuring that reports to decision makers clearly set out stakeholder views where relevant.</li> <li>• Publish all Executive and Committee reports and decision papers, unless there is a legitimate need to preserve confidentiality on the basis of the statutory tests.</li> <li>• Publish on its website information on the Council's strategies, plans and finances as well as on outcomes, achievements and challenges.</li> </ul>
<p><b>Defining outcomes in terms of sustainable economic, social and environmental benefits</b></p> <ul style="list-style-type: none"> <li>• <i>Defining outcomes</i></li> <li>• <i>Sustainable economic, social and environmental benefits</i></li> </ul>	<ul style="list-style-type: none"> <li>• Clearly set out its contribution to delivery of the Strategic Priorities of the Mayor of Middlesbrough, and use this as the basis for its overall strategy, planning and other decisions.</li> <li>• Define outcomes through robust consideration of appropriate evidence bases, such as the Joint Strategic Needs Assessment.</li> <li>• Ensure that it delivers defined outcomes on a sustainable basis within available resources.</li> <li>• Effectively identify and manage risks to the achievement of targeted outcomes.</li> <li>• Manage customer expectations effectively when determining priorities to make best use of resources, and ensure fair access to services.</li> </ul>

CIPFA / SOLACE principle / supporting principles	To meet these requirements, the Council will:
<p><b>Determining the interventions necessary to optimise the achievement of the intended outcomes</b></p> <ul style="list-style-type: none"> <li>• <i>Determining interventions</i></li> <li>• <i>Planning interventions</i></li> <li>• <i>Optimising achievement of intended outcomes</i></li> </ul>	<ul style="list-style-type: none"> <li>• Ensure reports to decision makers on services are fair, balanced, and analyse options and the risks associated with those options, to ensure Best Value is achieved.</li> <li>• Ensure that external and internal stakeholders are engaged with when the Council is determining how services should be planned and delivered, and the outcome of consultations is considered when decisions are made.</li> <li>• Ensure achievement of social value through service planning and commissioning.</li> <li>• Ensure that it has clear and robust planning and control cycles for its strategic and operational plans, priorities and targets.</li> <li>• Determine appropriate KPIs to demonstrate service and project performance, and provide members and senior managers with timely updates on these.</li> <li>• Ensure medium and long term resource planning is realistic, sustainable and inclusive.</li> <li>• Prepare budgets that are aligned to the strategic objectives of the organisation and its MTFP.</li> </ul>
<p><b>Developing the Council’s capacity, including the capability of its leadership and the individuals within it</b></p> <ul style="list-style-type: none"> <li>• <i>Developing the Council’s capacity</i></li> <li>• <i>Developing the capability of the Council’s leadership and other individuals</i></li> </ul>	<ul style="list-style-type: none"> <li>• Regularly review operations to ensure that it is continuing to deliver services that are effective, including the use of benchmarking and sectoral research.</li> <li>• Work collaboratively and in partnerships where added value can be achieved.</li> <li>• Maintain an effective approach to organisational development to ensure continued capacity and capability to deliver.</li> <li>• Clearly define roles, responsibilities and terms of engagement for members and employees.</li> <li>• Maintain and regularly review its schemes of delegations that outline the types of decisions that are delegated and those that are reserved for collective decision-making.</li> <li>• Develop the capabilities of members and senior management to achieve effective shared leadership.</li> <li>• Ensure there are appropriate structures in place to encourage public participation.</li> <li>• Ensure that systems are in place to ensure that members and staff can be both held to account for performance, and supported as appropriate.</li> </ul>

CIPFA / SOLACE principle / supporting principles	To meet these requirements, the Council will:
<p><b>Managing risks and performance through robust internal control and strong public financial management</b></p> <ul style="list-style-type: none"> <li>• <i>Managing risk</i></li> <li>• <i>Managing performance</i></li> <li>• <i>Robust internal control</i></li> <li>• <i>Managing data</i></li> <li>• <i>Strong public financial management</i></li> </ul>	<ul style="list-style-type: none"> <li>• Embed effective risk management within all activities, ensure that progress is reviewed regularly and that risk is considered as part of decision making.</li> <li>• Ensure effective performance management of service delivery, and provide members and senior managers with timely updates on service performance and progress towards outcomes.</li> <li>• Ensure reports to decision makers on services are fair, balanced, and analyse options and the risks associated with those options, to ensure Best Value is achieved.</li> <li>• Ensure effective, member-led scrutiny is in place that provides constructive challenge and debate on objectives and policies before, during and after decisions are taken.</li> <li>• Ensure an effective, risk-led Internal Audit service is in place to provide assurance on the overall adequacy and effectiveness of the Council's governance arrangements.</li> <li>• Ensure effective counter fraud and anti-corruption policies and arrangements are in place.</li> <li>• Ensure effective internal control arrangements exist for sound financial management.</li> <li>• Maintain an effective audit committee function.</li> <li>• Ensure effective arrangements are in place to collect, store, use and share data, including processes to safeguard personal data,</li> <li>• Put in place arrangements to ensure that data used to support decision-making is accurate and clear.</li> <li>• Ensure financial management arrangements support both long term outcome delivery and day-to-day operations.</li> </ul>
<p><b>Implementing good practices in transparency, reporting, and audit to deliver effective accountability</b></p> <ul style="list-style-type: none"> <li>• <i>Implementing good practice in transparency</i></li> <li>• <i>Implementing good practices in reporting</i></li> <li>• <i>Assurance and effective accountability</i></li> </ul>	<ul style="list-style-type: none"> <li>• Provide reports in plain English wherever possible, ensuring that they are easy to access and interrogate and balancing transparency requirements with clarity.</li> <li>• Report regularly on performance, delivery of value for money and stewardship of resources.</li> <li>• Report on compliance with good governance principles within its Annual Governance Statement, including an action plan for continued improvement.</li> <li>• Ensure compliance with good governance principles extends to its partnership arrangements.</li> <li>• Ensure that recommendations made by external audit are addressed</li> <li>• Ensure that the internal audit service has direct access to members to enable it to provide assurance with regard to governance arrangements.</li> <li>• Welcome and positively engage with peer challenges, reviews and inspections of its services.</li> </ul>

## MONITORING AND REVIEW

8. The policies and procedures that underpin the Council's governance framework are reviewed regularly, with revisions presented to Audit Committee for agreement.

9. The Council's alignment with the CIPFA / SOLACE principles will be reviewed each year within the Annual Governance Statement (AGS) document, which is part of the Council's Statement of Accounts. The AGS will assess the Council's compliance, and outline any improvement actions to be taken as a result of this assessment.

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# HR Annual Assurance Presentation

## Audit Committee

6<sup>th</sup> February 2025

# 2024 in review



- Occupational Flu Vaccine scheme
  - purchased 250 vaccines working in partnership with Public Health
  - 3 clinics provided at Fountains Court, made use of the first aid room. Excellent attendance with only 12 vaccines not being used

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- Procured face-to-face counselling service. It has give support to 69 employees with over 360 sessions provided. These sessions help prevent/ shorten periods of sickness absence related to mental wellbeing.
- Launched Period Positive Workplace.





- This year we launched an inclusive language guide. This was to support staff and managers to have positive conversations using the correct terminology. Sometimes managers can be reluctant to address any staff wellbeing conversations in fear of saying the wrong thing, this supports the conversation.

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Introduction of a workplace adjustments passport, we did a 'soft launch' with a group of people to trial the passport with great success, this will be rolled out further in 2025. The introduction of the adjustments passport again supports the conversation with the manager and employee on how to support individual needs to help them get the best out of the workplace and their role.





- Neurodiversity training – 3 sessions ran in 2024 with more scheduled for 2025. This is aimed at both staff and managers supporting understanding, awareness and support for employees who are neurodivergent.
- 10 Staff have been trained in grief first aid, using the mental health first aid arrangements these staff are committed to being a key contact to employees experiencing grief.
- 6 sessions of mental health first aid full or refresher courses delivered continuing our commitment to provide this service to employees. There are a range of employees from across the whole organisation.

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*Cruse*  
Bereavement  
Support



# Recruitment Workshops

We are committed to be a leading employer and aim to reflect the communities we serve. The aim of the workshops was to engage with our communities, understand any barriers to employment and offer support and options.

- 9 workshops across Middlesbrough utilising Community Hubs and the Community Learning Service.
- 1-2-1 support provided to around 70 residents.
- Provided information on current vacancies, the 50 futures scheme and apprenticeships as well as access to the Employment Hub for anyone needing additional support.

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# Staff Networks

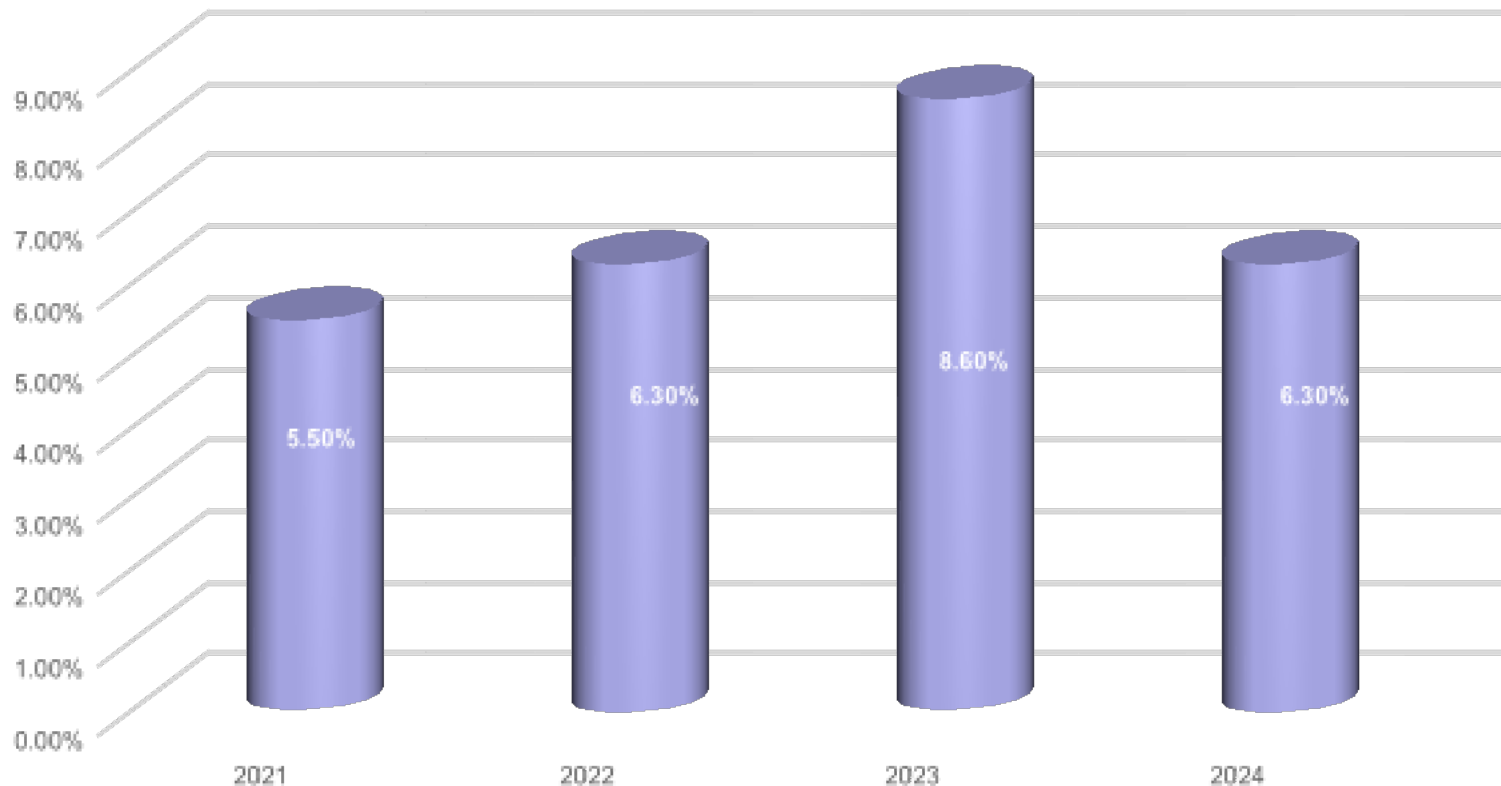
Staff networks have been further embedded this year with a focus on putting support in place to plan better as a group. The feedback around inclusion in the staff survey was extremely positive and in 2025 we will see the introduction of two new groups. This will be a group focused on neurodiversity and one on family to support foster carers, grandparents, new parents etc. There is also ongoing work around supporting men and early suggestions of a men's health group are being explored.

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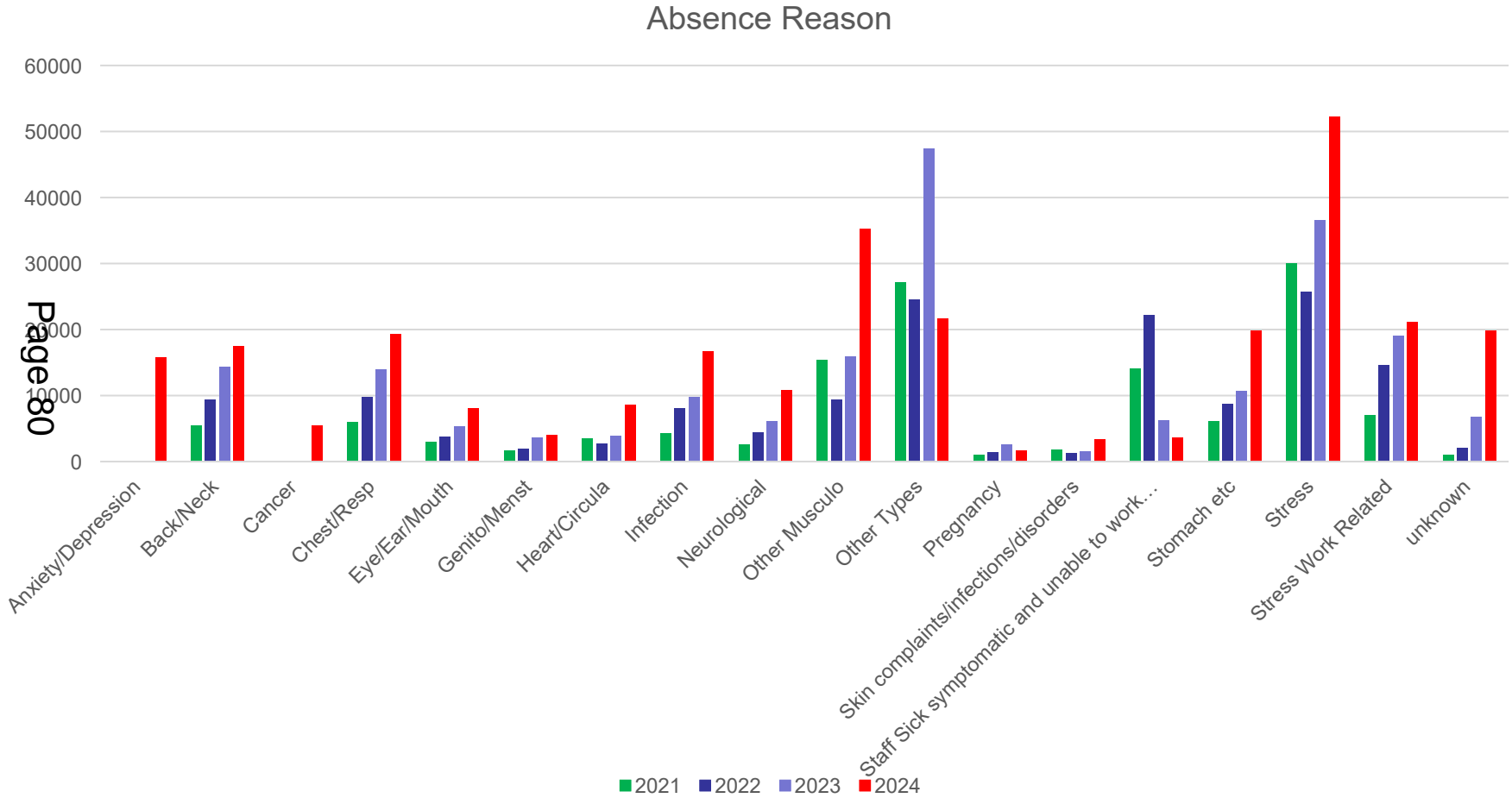
# Absence Management

Absence Rate



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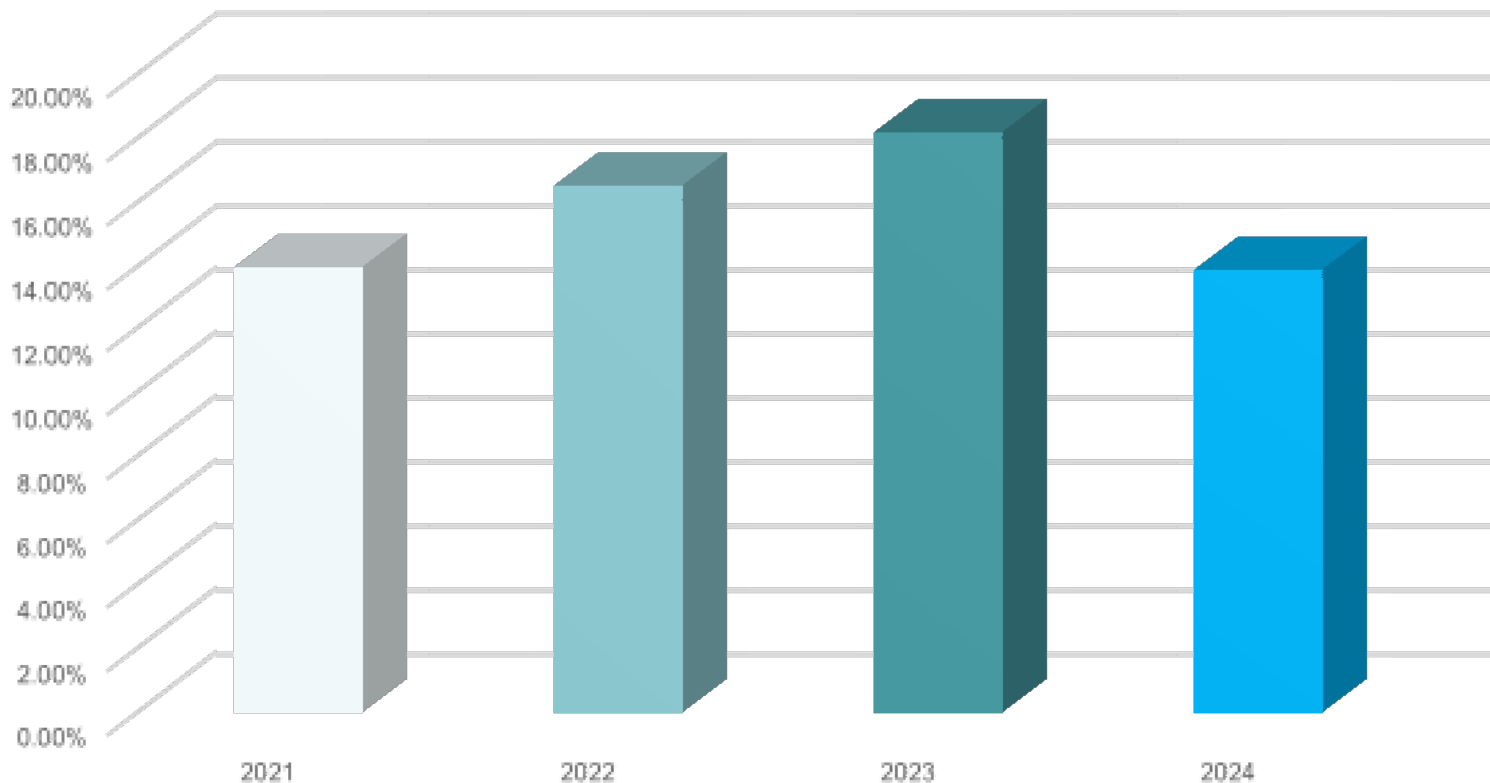
# Top Absence Reasons





# Turnover by year

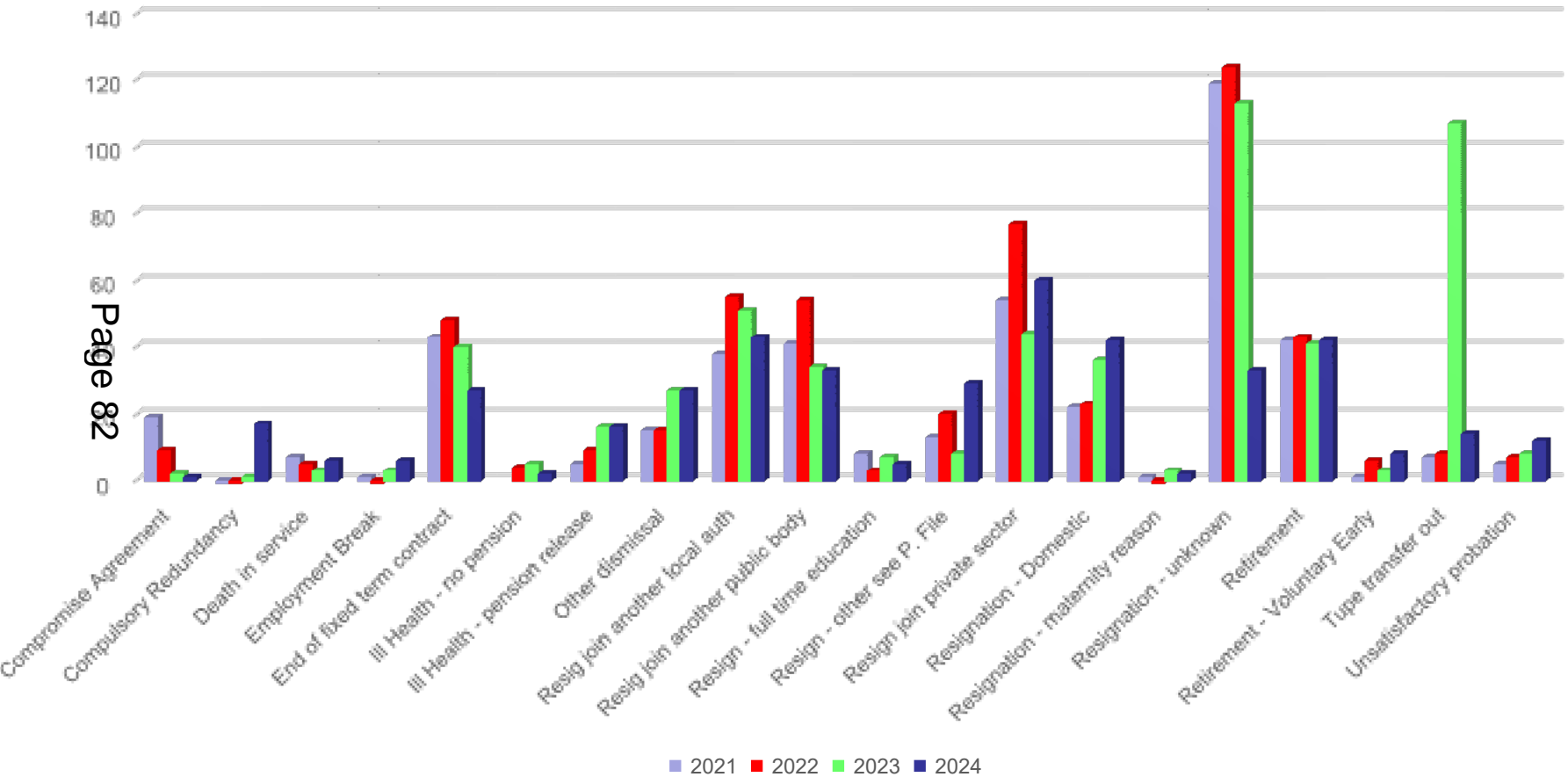
Turnover Rate



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# Reasons for Leaving

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# Organisational Development

- After many years with very limited OD resource, we have now been able to expand the OD Team with the appointment of 3 new OD staff members enabling us to develop and deliver the People Strategy action plan with our HR colleagues and Service partners.

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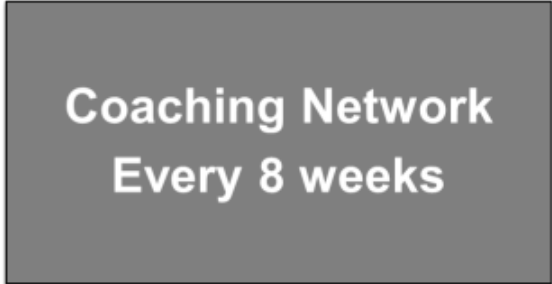
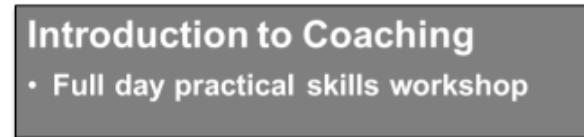
Over the past 9 months we have designed and developed a more robust OD offer for staff at all levels of the council and will continue to build on this over the next 24 months.

- Key programmes have been developed to support the People Strategy.

# Coaching

- We have reinvigorated and reinvented our approach to coaching in the Council. I have just launched our new coaching offer. As we move through our Transformation journey, we believe coaching will really help us to unlock valuable potential and maximise the performance of individuals and teams.
- We have developed a robust Programme with a structured communication plan to encourage staff at all levels to engage, we have received a fantastic response with the pilot workshops fully booked

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# Mentoring Programme

- Mentoring is a fantastic way to utilise the vast range of knowledge and skills of staff at every level of the Council, to support the development of self and others, enabling a culture of mutual support and growth
- The previous scheme was positively received with great engagement and feedback but stalled in recent years as limited OD resource meant we could not promote and support this fully

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A full review and refresh of the previous programme was completed, and we have just relaunched the Mentoring Programme as part of our People Strategy action plan



# Induction Programme



We have reviewed and refreshed our staff induction programme using feedback from a staff survey of new starters from the previous 6-month period, the elements of the programme are –

- Welcome Event hosted by the OD Manager and Chief Executive has been refreshed to enable greater collaboration and engagement, will be delivered 8 weekly to all new starters from January 25
- Online Induction programme updated to reduce amount of mandatory eLearning, ensure content is more engaging, and meet criteria necessary so staff work safely and compliantly
- New addition of Directorate specific induction events to be hosted by Directors and their Heads of Service for all new starters in their service, this will include –
  - Introduction to Leadership
  - Service purposes and objectives
  - What's coming up
  - Group activity
  - Q & A session

**'Welcome on board...the journey starts here'**

# Work Experience Programme 2025



- Fantastic opportunity for us to engage with Middlesbrough schools to enable students to get the Middlesbrough Council experience and consider us as a future employer
- One-week interactive Pilot Programme designed for up to 10 students to run in June 2025, with a view to expand each year

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## Next Steps

- Currently connecting with departments to identify who can offer student placements and design placement week activity
- Expressions of interest to go out to schools in February, these will be targeted at harder to reach young people
- Applications will be completed by April 2025 and information packs will then be shared prior to start date





# Insights programme

- **Insights** is a psychometric tool based on the psychology of Carl Jung, Insights Discovery is built to help people understand themselves, understand others, and make the most of the relationships that affect them in the workplace.
- Insights Leadership Development programme delivered to LMT and Executive Members to support greater awareness and connectivity of the joint leadership team as part of our ongoing cultural transformation programme
  - 3 workshops delivered in addition to follow up 1-1 Insights Profile coaching sessions, positive engagement in all sessions and excellent feedback received
  - Future Senior Leadership development programme planned from February onwards to continue to the work above with both LMT and Executive
- With additional OD staff being trained to use the Insights tool we have increased delivery of programmes across multiple directorates supporting staff at all levels in communication, collaboration, team cohesiveness, leadership and living our values



# Coming Next

- Annual review of the People Strategy
- Introduction of a quarterly HR Newsletter
- Manager HR Briefings / Clinics
- Launch of Equality, Diversity and Inclusion Strategy
- Launch of Health and Wellbeing Strategy

# Questions?

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# Audit Progress Report

## Middlesbrough Council and Teesside Pension Fund

January 2025

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# 01

Audit progress

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# Audit progress

## Middlesbrough Council 2023/24

### Accounts

The Council published draft Accounts on 24 September 2024, updated versions have since been uploaded on the website.

As previously reported, we are applying the national backlog arrangement in respect of local authority financial reporting and local audit.

The backstop date for the financial year 2023/24 is 28 February 2025.

We have partially completed the work required to apply the backstop. The main areas of work which are currently outstanding are:

- Responses to requests for information from management and those charged with governance;
- accounts closure processes.

We are holding fortnightly meetings with key finance staff to focus on ensuring responses are timely and we hope to complete detailed testing by the middle of February 2025.

### Value for money (VFM) arrangements

We have completed most of our work and drafted and presented our VFM commentary.

At this stage there are no additional matters we wish to raise with Members.

# Audit progress

## Teesside Pension Fund 2023/24

The Council published draft accounts on 24 September 2024. The predecessor auditor was still completing audit work on the 2021/22 and 2022/23 accounts up to December 2024 so these could be signed in line with the audit backstop dates. The 2022/23 audited accounts were approved by the Audit Committee in December 2024. The audited 2022/23 accounts contained changes to figures for 2022/23 so management have been required to produce a revised set of 2023/24 accounts which reflect these changes. The revised 2023/24 draft accounts were received by external audit on 10 January 2025. As a result, we have limited time available to obtain sufficient appropriate audit evidence before the backstop date in February.

We are currently working on completing work for the 2023/24 accounts. We are aiming to issue an unmodified audit opinion (unless otherwise required) in line with the backstop date of 28 February 2025 but this will require officers and third parties to respond to our information requests thoroughly and quickly. Below is a summary of outstanding areas on the 2023/24 audit engagement:

### Review of predecessor auditor file

Review delayed due to 2022/23 sign-off of accounts by predecessor auditor in December 2024. Dates have been agreed with the predecessor auditor to complete this procedure.



### Agreement of Opening Balances and Trial Balance to the restated 2023/24 accounts

We currently have copies of the reports from management to facilitate this and are working with management to resolve any outstanding issues.



### Journals

We have obtained a copy of the journals listing and have raised queries to support our testing of journals.



Status

### Management and TCWG Responses in relation to fraud

We are currently awaiting responses from management and Those Charged with Governance regarding instances of suspected, alleged or actual frauds experienced in the year and the Pension Fund's approach to identifying and mitigating against fraud.



Likely to result in a material adjustment or a significant change to disclosures in the financial statements.

### Contributions Receivable

Substantive analytical review procedures and sample testing. One response required for sample testing.



Potential to result in a material adjustment or a significant change to disclosures in the financial statements.

### Benefits Payable

Lump sums and retirements testing and substantive analytical procedures.



Not considered likely to result in a material adjustment or a change to disclosures in the financial statements.

### Payments to and on account of leavers

Sample testing to be performed. Currently awaiting responses to sample items selected.



# Audit progress

## Investment Purchases and Sales

Samples have been selected for investment purchases and sales. We are currently working with management for sufficient, appropriate supporting evidence.



## Investment Income

Samples have been selected for investment purchases and sales. We are currently working with management for sufficient, appropriate supporting evidence.



## Investment assets

- Sample testing of Level 1 and Level 2 investments currently being discussed with management.
- Sample testing of Level 3 investments being discussed with a combination of external fund managers and management.
- Cash deposits: we are currently liaising with counterparties to receive information on any cash deposits held by the Fund.
- Directly Held Property: we are currently discussing the information required for the audit of directly held property investments with Cushman & Wakefield (Property expert) and CBRE (Fund manager).



## Financial Instruments

Agreement of disclosures for financial instruments to underlying working papers.



## Current assets

We are working with management to obtain a copy of the bank letter as at 31 March 2024 to support our testing of the year-end bank reconciliation.



## IAS19 assurance work

Work ongoing to agree information provided to the actuary for IAS19 purposes to underlying working papers.



## Audit review and quality control procedures

Completion of manager and engagement lead review procedures is ongoing.



## Completion procedures

Audit completion procedures such as review of the final set of financial statements, receipt of the signed letter of representation, review of post balance sheet events and other completion steps depend on progress in the areas highlighted earlier.



## Status



Likely to result in a material adjustment or a significant change to disclosures in the financial statements.



Potential to result in a material adjustment or a significant change to disclosures in the financial statements.



Not considered likely to result in a material adjustment or a change to disclosures in the financial statements.



# 02

Publications and other updates

# National publications

	Publication/update	Key points
<b>National Audit Office (NAO)</b>		
1	NAO Insight: Achieving environmental improvement and responding to climate change	The NAO has published Achieving environmental improvement and responding to climate change which draws out learning from past NAO reports to identify enablers that are seen as important for tackling the challenges government faces in its environment and climate change work.
2	NAO report: Dangerous cladding: the government's remediation portfolio	The NAO has published its report Dangerous cladding: the government's remediation portfolio which assesses whether the Ministry of Housing, Communities & Local Government's (MHCLG) remediation portfolio in England is completing timely remediation of unsafe cladding at a reasonable cost to the taxpayer.
3	NAO report: The impact of fraud and error on public funds 2023-24	The NAO has published its report The impact of fraud and error on public funds 2023-24 which provides an introduction to the impact of fraud and error on public funds, how public bodies can tackle fraud and error, and the NAO's examination of the topic.
<b>Other</b>		
4	Financial Reporting Council (FRC) – quality of major local audits	Report on the quality of major local audits

# National publications and other updates

## 1. NAO Insight: Achieving environmental improvement and responding to climate change

The NAO has published Achieving environmental improvement and responding to climate change which draws out learning from past NAO reports to identify enablers that are seen as important for tackling the challenges government faces in its environment and climate change work.

### Scope of the report

In 2020, the NAO carried out two broad reviews of how the government is organised to achieve net zero and its wider environmental goals, including its goal to adapt to a changing climate. Since then, the NAO has examined many of the interventions that it has established to help meet these goals. This has covered individual projects and programmes, for example, on energy efficiency grants and tree-planting, as well as broader portfolios of government's work such as those to decarbonise home heating or improve air quality.

### Concluding remarks

Achieving the government's legislative climate change and environmental targets requires sustained and coherent action over successive parliaments, and substantial progress over the next five years. This means that the leadership role of the centre of government and lead departments – the Department for Environment, Food & Rural Affairs (Defra) and the Department for Energy Security & Net Zero (DESNZ) – is critical.

Strong leadership will ensure that the government develops a coherent set of interventions that together succeed in putting the UK on track to achieve its overall targets. Strong leadership also creates the conditions for securing most value from the public and private investment involved.

The scale and complexity of improving the natural environment and responding to climate change means that the government's approach to leadership on these issues needs continued focus and attention. Our work shows that this should include building its approach to culture, strategic direction and integration.

<https://www.nao.org.uk/insights/achieving-environmental-improvement-and-responding-to-climate-change/>

# National publications and other updates

## 2. NAO report: Dangerous cladding: the government's remediation portfolio

The NAO has published its report Dangerous cladding: the government's remediation portfolio which assesses whether the Ministry of Housing, Communities & Local Government's (MHCLG) remediation portfolio in England is completing timely remediation of unsafe cladding at a reasonable cost to the taxpayer. The report examines:

- how well MHCLG has designed its portfolio to maximise the identification and remediation of unsafe buildings;
- whether remediation is progressing as expected; and
- how well MHCLG is managing taxpayers' exposure to remediation costs across the lifetime of the portfolio.

The report concludes that as MHCLG's aluminium composite material (ACM) programme draws to a close, remediation works on most tower blocks over 18 metres with the most dangerous form of cladding are now complete or nearing completion.

However, the scale of the cladding crisis has proved much bigger than the government initially understood, and its interventions have expanded as a result. For the many thousands of residents who have been living in fear of fire, facing costly remediation bills, struggling to access mortgage finance or affordable insurance, or unable to move, leaseholder protections and the promise of a way forward for all buildings over 11 metres are welcome.

The principle of 'polluter pays', where the costs of remediation works are met by those responsible, was established to relieve pressure on the public purse, improve public value and protect leaseholders from paying to fix a problem that is not of their making. However, there is a long way to go before all affected buildings are made safe, and there are risks MHCLG must address if its approach is to succeed.

Of the 9,000 to 12,000 buildings over 11 metres that MHCLG estimates will need remediating, 4,771 buildings have been identified and included in its portfolio, leaving up to 60% of affected buildings still to be identified. Of those identified, remediation work has yet to start on half and has completed on around a third. Of all the buildings that may be in scope, work has completed on only 12–16%. The pace of remediation works is behind where MHCLG expected it to be. Putting the onus on developers to pay and introducing a more proportionate approach to remediation should help to protect taxpayers' money.

However, this approach also created grounds for lengthy disputes between developers and freeholders over the scope of works required and these disputes are causing delays. To stick to its £5.1 billion cap in the long run, MHCLG needs to ensure that it can recoup any funds it spends above this through successful implementation of the proposed Building Safety Levy. MHCLG has been slow to address fraud risks and must ensure its incentivisation and enforcement activities encourage reluctant freeholders to engage and ensure the industry is not stalling.

Seven years on from the Grenfell Tower fire, there has been progress, but there also remains considerable uncertainty about the number of buildings needing remediation, the cost of remediating them, and how long it will take to fix them and to recoup spending in the long run.

<https://www.nao.org.uk/reports/dangerous-cladding-the-governments-remediation-portfolio-3/>

# National publications and other updates

## 3. NAO report: The impact of fraud and error on public funds 2023-24

The NAO has published its report The impact of fraud and error on public funds 2023-24 which provides an introduction to the impact of fraud and error on public funds, how public bodies can tackle fraud and error, and the NAO's examination of the topic.

This overview summarises the key information and insights from the NAO's work. It includes:

- what we mean by fraud and error, and how government is structured to tackle it
- the fraud and error risk management cycle
- fraud and error against government, including in benefits, taxes and COVID-19 fraud
- emerging threats and opportunities
- what to look out for when thinking about fraud and error

<https://www.nao.org.uk/overviews/the-impact-of-fraud-and-error-on-public-funds-2023-24/>

## 4. Financial Reporting Council (FRC) - FRC report on quality of major local audits

The FRC has published its report Quality of major local audits which contains the following sections:

- Explains the changes the FRC has made in its inspection programme to ensure its approach supports the Government's measures to address the backlog in local government. This includes extending the FRC's commitment not to perform routine inspections in local government up to and including the financial year ended 31 March 2024, unless there is a clear case in the public interest to do so.
- Reports the findings of the FRC's most recent cycle of audit quality inspections which included 8 NHS and 2 local government audits. This is at a sector wide and not individual firm level.

[https://www.frc.org.uk/documents/7808/Major\\_Local\\_Audits\\_-\\_Audit\\_Quality\\_Inspection\\_2024.pdf](https://www.frc.org.uk/documents/7808/Major_Local_Audits_-_Audit_Quality_Inspection_2024.pdf)

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<b>MIDDLESBROUGH COUNCIL</b>	
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<b>Report of:</b>	Director of Finance and Transformation
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<b>Submitted to:</b>	Audit Committee
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<b>Date:</b>	6 February 2025
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<b>Title:</b>	Procurement Assurance Report 2023/24
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<b>Report for:</b>	Information
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<b>Status:</b>	Public
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<b>Council Plan priority:</b>	Delivering Best Value
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#### Executive summary

This report provides the Audit Committee with an overview of procurement activity undertaken for financial year 2023/24.

The report includes information pertaining to:

- Procurement Activity
- Purchase Card utilisation
- Supplier Incentive Programme
- North East Procurement Organisation (NEPO)
- Local Spend

## 1. Purpose

1.1 To provide a summary of the Council's procurement activity over the last financial year including compliance with Contract Procedure Rules, practice changes and contracts awards.

## 2. Recommendations

2.1 That the Audit Committee

- Note the content of this report.

## 3. Background and relevant information

### 3.1 PROCUREMENT ACTIVITY

3.1.1 The tables below show the financial thresholds as of 1st April 2023 to 31st March 2024, which all procurement activity within that time frame was required to adhere to:

#### April 23 – December 23

WORKS	GOODS/ SERVICES/ CONSULTANTS	LIGHT TOUCH REGIME	TENDERING PROCEDURE
Up to £10,000	Up to £10,000	Up to £10,000	Neither written quotations nor tenders need to be invited. Ensure value for money is achieved using local suppliers where possible.
£10,001 - £1,000,000	£10,001 - £213,477 (inclusive of VAT) £177,897.50 (exclusive of VAT)	£10,001 - £633,540 (inclusive of VAT) £552,950 (exclusive of VAT)	At least 3 written quotations. The quotation system must be used for quotations. Use local suppliers where possible. Tenders can be sought but this is optional.
£1,000,001 - £5,336,937 (inclusive of VAT) £4,447,447.50 (exclusive of VAT)	N/A	N/A	At least 4 tenders must be sought. The Tender advert(s) must be placed on Contracts Finder. The NEPO portal must be used.
Above £5,336,937 (inclusive of VAT) £4,447,447.50 (exclusive of VAT)	Above £213,477 (inclusive of VAT) £177,897.50 (exclusive of VAT)	Above £633,540 (inclusive of VAT) £552,950 (exclusive of VAT)	EU Procedure - OJEU Notice. At least 5 tenders must be sought, ensuring that the tender process complies with the EU Directives. The NEPO portal must be used.



**January 24 – March 24 – (Bi-annual uplift excluding Light Touch Regime)**

<b>WORKS</b>	<b>GOODS/ SERVICES/ CONSULTANTS</b>	<b>LIGHT TOUCH REGIME</b>	<b>TENDERING PROCEDURE</b>
Up to £10,000	Up to £10,000	Up to £10,000	Neither written quotations nor tenders need to be invited. Ensure value for money is achieved using local suppliers where possible.
£10,001 - £1,000,000	£10,001 - £214,904 (inclusive of VAT) £179,086.67 (exclusive of VAT)	£10,001 - £633,540 (inclusive of VAT) £552,950 (exclusive of VAT)	At least 3 written quotations. The quotation system must be used for quotations. Use local suppliers where possible. Tenders can be sought but this is optional.
£1,000,001 - £5,372,609 (inclusive of VAT) £4,477,174.17 (exclusive of VAT)	N/A	N/A	At least 4 tenders must be sought. The Tender advert(s) must be placed on Contracts Finder. The NEPO portal must be used.
Above £5,372,609 (inclusive of VAT) £4,477,174.17 (exclusive of VAT)	Above £214,904 (inclusive of VAT) £179,086.67 (exclusive of VAT)	Above £633,540 (inclusive of VAT) £552,950 (exclusive of VAT)	EU Procedure - OJEU Notice. At least 5 tenders must be sought, ensuring that the tender process complies with the EU Directives. The NEPO portal must be used.

3.1.2 During 1st April 2023 to 31st March 2024 the Procurement & Commissioning Team have been involved and supported service areas with **325** procurement activities that equate to approximately **£29,028,719** worth of contracts being awarded in the year. Please note the £29m is not the annual contract spend in the financial year, it is the total contract value of all contracts awarded in that period.

3.1.3 This activity is broken down into the procurement routes as follows:

- 76 – Quotations
- 10 – Tenders
- 79 – Exemptions
- 60 - Dynamic Purchasing System (DPS) further competitions –
- 98 – Direct Awards/Further Competitions via Framework Agreements
- 2 – Provider Selection Regime (PSR)

3.1.4 Quotations are the procurement route used for low value contracts and as they do not require open advert it offers us the flexibility to target local suppliers where available. There is no reason a quotation could not be formally advertised where it was believed to be in the best interest, or where the work is specialist and national providers need to be engaged, however quotes primarily allow us to direct opportunities to local suppliers.

3.1.5 Tenders and Dynamic Purchasing Systems (DPS) are formal procurement processes that must adhere to the Public Contract Regulations (PCR) 2015 which is procurement law which prescribes the process to be followed from advert all the way

through to contract award. The DPS route is used for Integrated Transport Unit who utilise the system to post mini competitions for home to school transport routes.

- 3.1.6 Exemptions allow us to direct award where the contract is below the Public Contract Regulations threshold, and it meets the criteria of Section 5 of the Council's Standing Orders. The council has a clear process for approval of exemptions.
- 3.1.7 Direct Awards/Further Competitions via Framework Agreements are again compliant with PCR as the Framework Agreement will have been formally procured and the Framework Agreement will set our process for call off either via Direct Award or a further competition.
- 3.1.8 The Provider Selection Regime (PSR) came into force on 1<sup>st</sup> January 2024 and is a set of rules for procuring health care services. The PSR does not apply to procurement of goods or non-health care services (unless as part of a mixed procurement). These new rules will mainly apply to Public Health but on occasion we anticipate that Adult or Children's service may need to follow these rules as well.
- 3.1.9 There are currently over 500 active contracts recorded on our contract register, which is available to the public.
- 3.1.10 The new Procurement Act 2023 was due to go live at the end of October 2024, but was then delayed until 24<sup>th</sup> February 2025. The new act will bring significant change which we are now preparing for and have been involved in a range of training and workshops that the Government has been holding.
- 3.1.11 The Specialist Commissioning & Procurement Manager is our lead and attends various regional and national groups and is working closely with our legal services on preparing the Council for the changes. It will be interesting to see what the new Act brings us in relation to opportunities in next years report when we will have been working in line with it for almost a year.

## **3.2 NORTH EAST PROCUREMENT ORGANISATION (NEPO)**

- 3.2.1 NEPO is an established public sector procurement organisation that works in partnership with all 12 North East Councils and the wider public sector to procure goods, services and works of high value and strategic importance. The 12 authorities collectively oversee the governance framework for NEPO.
- 3.2.2 The Specialist Commissioning & Procurement Manager represents Middlesbrough Council by attending the Collaboration North East (CNE) monthly meetings together with the other 11 North East Local Authorities Heads of Procurement, discussion centre around the business of the Procurement Organisation and the procurement requirements of the public sector.
- 3.2.3 As a full member to NEPO Middlesbrough Council pay a small member fee, the annual fee is £46,000 however in return we receive a rebate of approximately £140,000k per annum due to our use of the flexible procurement solutions available through membership of the organisation.

### 3.2.4 The benefits of being a full member of NEPO are:

- Provision of flexible procurement solutions for the local authority to utilise.
- Use of the above solutions minimise time delay for the authority in its procurement practices.
- Specialist procurement leads within NEPO have worked with sectors such as energy, fleet, construction etc to set up cost effective solutions for local authorities to utilise – utilising the collective buying power of the 12 north east authorities.
- Any concerns with large scale providers can be addressed by NEPO contract support.

3.2.5 In 2023/24, about 25% of our procurements utilised a NEPO framework, without this investment we would require additional resource in the procurement team to meet the demands of the procurement activity of the local authority. Middlesbrough Council has annual conversations with NEPO to review the available frameworks and discuss opportunities for future commissioning plans.

3.2.6 OPEN our new tendering portal went live in October 2024 and was developed and is fully maintained directly by the NEPO team. This new portal has been in development for a considerable period and the benefits of the system will develop as the system matures and we work to understand how it can best meet our needs. We have managed to publish our first quotation via the system and in next year's report we will be able to provide more detail on how the system is working and has developed over time.

3.2.6 NEPO continue to work on the North East Environmental, Social and Governance (ESG) model which is being developed and will deliver the North East's priorities. The Model will clarify and provide a common understanding of what social value is and how it is included in public procurement. It will move away from complex formulas and focus on what can be delivered by buyers and suppliers. As the region moves into an exciting new phase of devolution, we need to ensure that social value remains at the heart of what we do, and the Council is keen to understand how this new model can help us drive our own Social Value achievements through our procurements.

## 3.3 PURCHASING CARDS

3.3.1 Since the last report the following actions have been completed:

- Directorate review of all purchasing card holders which identified staff to continue to have card, those where card should be cancelled and identified new cardholders.
- Mandatory training provided for all purchasing card holders.
- Purchasing Card Policy updated.
- Intranet content review and guidance documents updated.
- Processes introduced for fraudulent spend review by the procurement team.
- Data dashboards rolled out to all Directors and Heads of Service.
- Data dashboards are updated weekly each Monday.
- Mandatory fields updated in Jan 24 in RBS, which include VAT Amount Rate, Expense Description, Additional Information, Receipt held, Receipt Scanned

- 3.3.2 The number of active cards has reduced and there are currently **194** active cards and of those **179** are for Council staff and **15** are for maintained School staff.
- 3.3.3 The data dashboards were initially only rolled out to Directors, but it then became clear that it would be more beneficial if all Heads of Service had access as well. The data team and procurement team worked together to roll out the data dashboards including training to all directorates. The dashboards are updated weekly on a Monday to ensure that services areas have the most up to date spend detail.
- 3.3.4 During 2023/24 there were 14,262 transactions which totalled £5,120,307 in spend and the directorate breakdown was:

Directorate	Spend 23/24
Adults	£3,006,805
Environment & Community Services (ECS)	£970,905
Children	£549,826
Regeneration	£448,433
Public Health	£71,028
Legal	£60,754
Finance	£12,556

- 3.3.5 The majority of spends continues to be for low value with 13,380 (94%) being under £999 and Appendix 1 provides a breakdown of purchasing card spend for 23/24 as well as comparison of spend from 1<sup>st</sup> April to 31<sup>st</sup> December 2023 and 1<sup>st</sup> April to 31<sup>st</sup> December 2024, which shows a **decrease** in transactions and spend.
- 3.3.6 Rebates for the cards are paid annually each year and are based on spend activity between 1st December to 30th November, anticipated rebate to be received is £20,528.53, which is significantly lower than last year of £62,032.91. This shows the reduction in spend through the cards going from over £8million in the rebate period for 22/23 to just over £4m for 23/24, this unfortunately also means that we have reduced in the rebate % bracket going from 0.7198% to 0.5009%.
- 3.3.7 In line with the purchasing card policy staff are responsible for reviewing all spend on their card by the 28th of each month which includes providing the receipt, detail of expenditure, cost centre and GL codes. Processes are in place whereby staff who fail to follow due process on three occasions or more will have their cards removed.
- 3.3.8 Managers with staff who have cards are also responsible for monitoring spend and the team continue to share monthly reporting and management of cardholders in line with the Council's policies.

3.3.9 The Specialist Commissioning & Procurement Manager is going to work with the service areas to agree the purchasing card remit they wish to implement, which will result in an update of the purchasing card policy that will clearly specify categories of spends for staff. This will strengthen our governance of the purchasing cards and spend. It is anticipated that this work will be completed, and the updated policy will be published in April 2025.

### **3.4 SUPPLIER INCENTIVE PROGRAMME (SIP)**

3.4.1 SIP with Oxygen Finance is our early payment programme which gives suppliers the opportunity to be paid earlier than standard practice. The programme gives suppliers the option to be paid as soon as the invoice is authorised. The aim is to complete this within 10 days, normally payment term is 30 days. Suppliers pay a small pre-agreed rebate which is applied as the invoice is paid. The rebate is proportionate to the number of days the authority accelerates the payment by. The rebate is only applied if the invoice is paid earlier than 30 days. The SIP programme has been operational since May 2022 with savings of over £40k up to 31<sup>st</sup> March 2023 being achieved.

3.4.2 Suppliers are onboarded to the programme via two main methods (sourcing via procurement and direct engagement with suppliers). During the tender process, suppliers can onboard all their spend with the Council, maximising their cash flow and delivering additional rebate back to the council.

3.4.3 We continue to target all suppliers working in partnership with Oxygen and promoting as much as possible, we want to maximise efficiencies of the programme through additional and targeted engagement.

3.4.4 As part of SIP, we have Free Pay which allows the Council to identify and pay early without rebate our local suppliers who we classify as being an SME (small & medium sized enterprises).

3.4.5 Appendix 2 is a summary of Free Pay performance in the current year and shows how the Council has paid £6m within 3 working days which is a really proactive approach by the Council in supporting our local suppliers.

3.4.6 SME suppliers do not know they are benefiting from SIP but as a Council we know how beneficial this is to the SME market in these times of financial constraints. The list of Free Pay suppliers is reviewed regularly to ensure only eligible suppliers are included.

### **3.5 LOCAL SPEND**

3.5.1 Middlesbrough Council has a strategic direction for ensuring spend remains local and this is monitored quarterly. The quotation process allows for more targeting spend to local suppliers and practice linked to quotations is encouraged to ensure suppliers that are local and offer value for money are requested to quote.

3.5.2 We have procured Insights System via the NEPO521 Framework which provides us with full analysis all of our published spend data. This not only allow us to easily view

accurate spend by category but more importantly can quickly show us our local spend achievement at the click of a button.

3.5.3 A summary of the percentage performance of local spend on a quarterly basis is shown below:

<b>PERIOD</b>	<b>TARGET</b>	<b>ACHIEVED</b>	<b>SPEND</b>
April – June 2023	40%	49%	£17m
July – September 2023	40%	48%	£15m
October – December 2023	40%	50%	£30m
January – March 2024	40%	51%	£29m

3.5.4 The overall performance for 2023/24 was 50% which is in excess of our target of 40%.

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

4.1 Not applicable for this report.

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

<b>Topic</b>	<b>Impact</b>
Financial (including procurement and Social Value)	Within Middlesbrough Council's constitution, the regulations pertaining to contracts are outlined within the Contract Procedure Rules. Staff are required to adhere to the contract procedures pertaining to any procurement activity, and flow charts and threshold tables are provided on the staff intranet as easy reference guides. Any activity linked to grant income is exempt from procurement processes if detailed within the grant conditions attached to the funding.
Legal	All contracts are required to be approved and signed by legal services.
Risk	The effectiveness of purchasing card governance has significantly increased with the introduction of data dashboards to all Directors and Heads of Service and is updated weekly. We have seen significant reductions in spend and reliance on purchasing cards which is helping reduce the risk to the Council.
Human Rights, Public Sector Equality Duty and Community Cohesion	There are no human rights, equality or data protection issues arising as a result of the recommendations in this report.
Climate Change / Environmental	There are no climate change/environmental issues arising as a result of the recommendations in this report.

Children and Young People Cared for by the Authority and Care Leavers	There are no issues relating to Children and Young People cared for by the authority and care leavers arising as a result of the recommendations in this report
Data Protection	There are clear processes linked to data protection and GDPR within procurement guidelines and practices.

**Appendices**

1	Appendix 1 – Purchasing Card Data
2	Appendix 2 – Free Pay Performance
3	

**Background papers**

Body	Report title	Date

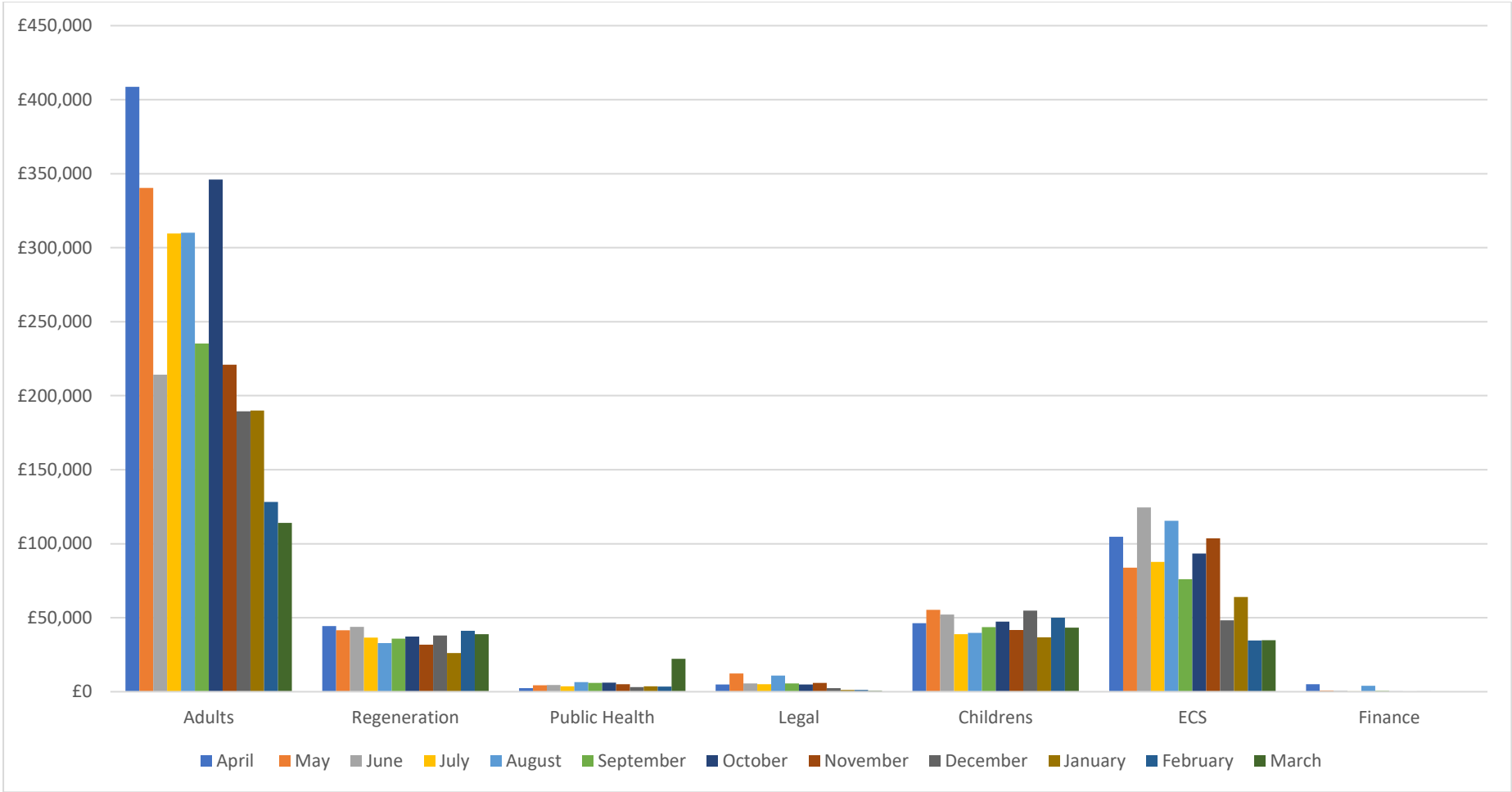
**Contact:** Claire Walker, Specialist Commissioning & Procurement Manager  
**Email:** [claire\\_walker@middlesbrough.gov.uk](mailto:claire_walker@middlesbrough.gov.uk)

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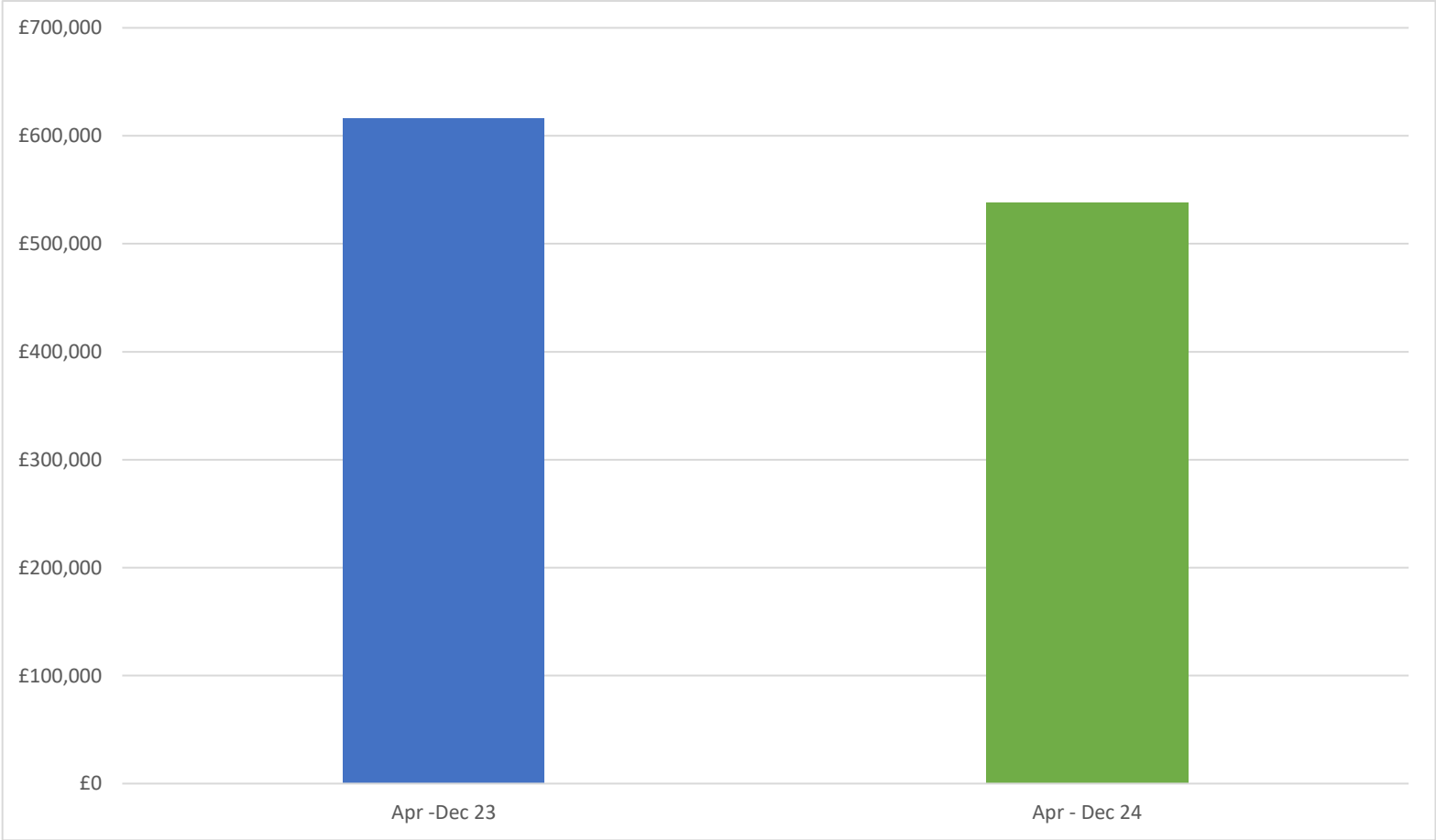
Purchase Card Data 2023/2024

Spend by Directorate for each month:

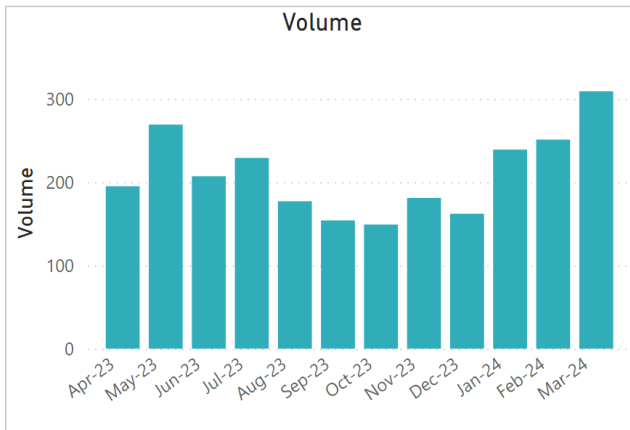


Total spend **£5,120,307**

**Purchasing Card Spend Comparison**  
**April – December 2023 vs April – December 2024**

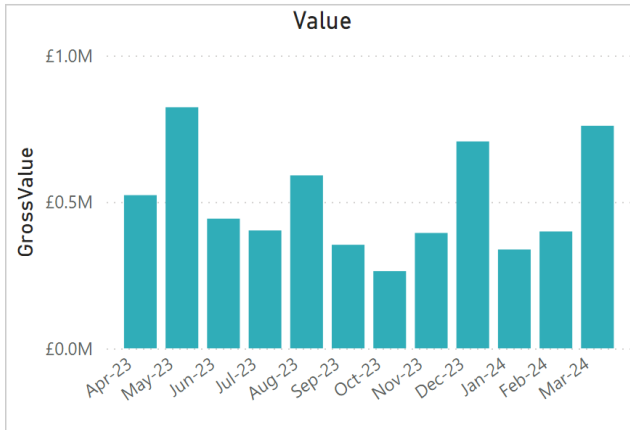
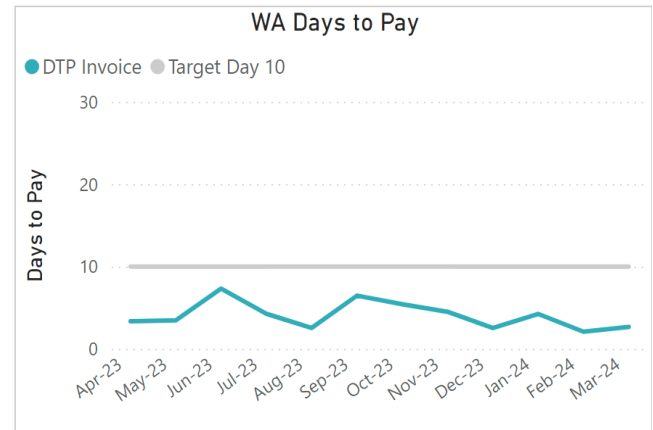


Summary of Free Pay Performance



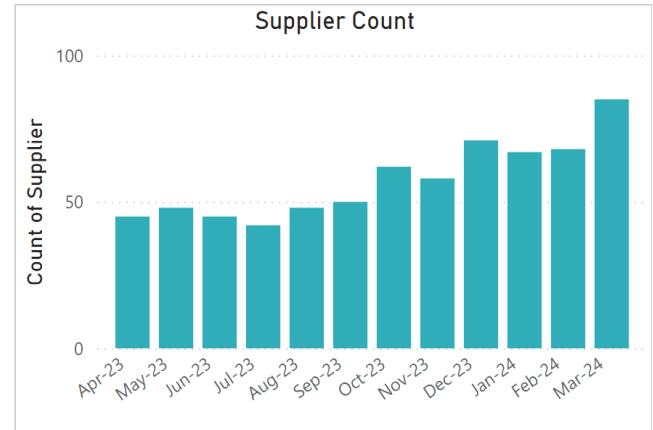
Total Volume  
**2522**

WA Days to Pay  
**3.78**



Total Value  
**£6.00M**

Total Unique Supplier Count  
**169**



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**Audit Committee Work Programme 24/25**

Committee date	Report title / subject	Lead / author
25 July 2024	This audit programme	A Johnstone
	Veritau internal audit and counter fraud work programme 2024/25	P Jeffrey
	Risk annual assurance report	A Johnstone
	Health and Safety Annual Assurance report	A Johnstone
	SIRO annual report	A Johnstone
	Progress against the Corporate Governance improvement plan and the Section 24 report	A Johnstone
	Council VfM 2021/22 and 2022/23	M Rutter
	Audit Strategy Memorandum for the Council	Cath Andrew (Mazars)
	Audit Strategy Memorandum for Teesside Pension Fund	Cath Andrew (Mazars)
22 August 2024	Complaints annual assurance report 2023/4	A Johnstone
	2023/4 Statement of accounts including AGS	J Weston / A Johnstone
	Verbal status update on Reset of Local Government Audits	M Rutter
	Progress report – Mazars	Cath Andrew (Mazars)
	Head of Internal Audit annual report	P Jeffrey
	Draft Statement of Accounts including Annual Governance Statement 2023/24	J Weston / A Johnstone
	HOLDING – possible update on BV notice status	A Johnstone
	Progress against the Corporate Governance improvement plan and the Section 24 report	A Johnstone
	Progress report – Mazars	Cath Andrew (Mazars)
3 October 2024	Progress against the Corporate Governance improvement plan and the Section 24 report	A Johnstone
	Internal Audit and Counter Fraud progress reports	P Jeffrey
	Progress against the Corporate Governance improvement plan and the Section 24 report	A Johnstone

	Annual assurance report on procurement	L Grabham
	Internal Audit and Counter Fraud progress reports	P Jeffrey
	Progress report – Mazars	Cath Andrew (Mazars)
	Pension Fund Audit Results Reports for both the 2021/22 and 2022/23 audits	Richard Tebbs (EY)
	BV Notice update	A Johnstone
5 December 2024	EY Audit Completion Report	M Rutter
	Letter of Representation on the Accounts from the Director of Finance	M Rutter
	Approval of the Statement of Accounts for 2021/22 and 2022/23	D Middleton
12 December 2024	Forvis Mazars Auditors Annual Report 2023/24 – title may change if it only covers VfM	Cath Andrew (Forvis Mazars)
	Annual Assurance Report on Partnership Governance	A Johnstone
	Direct Payments Audit report	E Scollay
	Treasury Management Mid-Year Review 2024/5	J Weston
	25/26 Internal Audit Consultation Report	P Jeffrey
	Internal Audit and Counter Fraud Progress Reports	P Jeffrey
6 February 2025	Annual Assurance Report on Decision Making	C Benjamin / A Wilson
	Annual Assurance Report on Business Continuity	A Johnstone
	Local Code of Corporate Governance	A Johnstone
	Annual Assurance Report HR	N Finnegan
	Progress Report – Forvis Mazars	Cath Andrew (Forvis Mazars)
	Annual Procurement Report 23/24	C Walker
20 February 2025 (additional meeting)	Forvis Mazars – Audit Completion Report 2023/24	C Andrew
	Mid-year Risk Update	A Johnstone
	Final Statement of Accounts	J Weston
13 March 2025	Progress against the Corporate Governance improvement plan and the Section 24 report	A Johnstone
	Performance Management	G Cooper
	PPMF assurance report	A Johnstone

	Internal Audit and Counter Fraud Progress Report	P Jeffrey
	Veritau internal audit and counter fraud work programme 2025/26	P Jeffrey
	Self assessment of the effectiveness of the Audit Committee	A Johnstone / Justin Weston
	Progress Report – Forvis Mazars	Cath Andrew (Forvis Mazars)
	Counter Fraud Framework and refresh of the Counter Fraud Strategy	J Dodsworth (Veritau)
	Future FWP for 2025/26	A Johnstone
	Treasury Management Overview	Justin Weston
17 April 2025 (additional meeting)	TBC	

**Items to note**

Change the standard wording on assurance reports to ask the committee if the information is sufficient to give them assurance that appropriate governance arrangements are in place

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