

OVERVIEW AND SCRUTINY BOARD

Date: Wednesday 25th September, 2024
Time: 4.30 pm
Venue: Mandela Room (Municipal Buildings)

AGENDA

1. Apologies for Absence
2. Declarations of Interest
3. Minutes - Overview and Scrutiny Board - 31 July 2024 3 - 12
4. Corporate Performance Update - Quarter One 2024/25 13 - 58

The attached reports were approved at Executive on 4 September 2024 and are submitted to OSB for its consideration.
5. Revenue & Capital Budget Projected Outturn position - Quarter One 2024-25 59 - 136

The attached reports were approved at Executive on 4 September 2024 and are submitted to OSB for its consideration.
6. Executive Member Update - Regeneration
7. Community Cohesion - Discussion 137 - 158

The Chair has requested that OSB discuss a potential Scrutiny topic of Community Cohesion. A previous Scrutiny Review was undertaken in 2021 into this matter and is attached to this agenda.
8. Executive Forward Work Programme 159 - 170
9. Scrutiny Chairs Update

People Scrutiny Panel

Chair -Cllr Edward Clynch

Vice Chair – Cllr Jack Banks

Place Scrutiny Panel

Chair – Cllr David Branson
Vice Chair – Cllr Jack Banks

10. Any other urgent items which, in the opinion of the Chair, may be considered.

Charlotte Benjamin
Director of Legal and Governance Services

Town Hall
Middlesbrough
Tuesday 17 September 2024

MEMBERSHIP

Councillors I Blades (Chair), J Kabuye (Vice-Chair), J Banks, D Branson, E Clynch, D Coupe, J Ewan, B Hubbard, L Lewis, M McClintock, I Morrish, M Saunders, M Smiles and G Wilson

Assistance in accessing information

Should you have any queries on accessing the Agenda and associated information please contact Scott Bonner/ Joanne Dixon, 01642 729708/ 01642 729713, scott_bonner@middlesbrough.gov.uk/ joanne_dixon@middlesbrough.gov.uk

OVERVIEW AND SCRUTINY BOARD

A meeting of the Overview and Scrutiny Board was held on 31 July 2024.

PRESENT: Councillors: Blades (Chair), Kabuye (Vice Chair), Branson, Coupe, Ewan, Hubbard, McClintock, Morrish, Saunders and Wilson.

OFFICERS: S Bonner, J Dixon, E Scollay and A Wilson.

PRESENT AS OBSERVERS: S Lightwing – Democratic Services
M Davies – MVDA
S Sullivan – Member of the public

PRESENT BY INVITATION: C Cooke – Elected Mayor of Middlesbrough and Executive Member for Adult Social Care and Public Health.

APOLOGIES FOR ABSENCE were submitted on behalf of Councillors Banks, Clynch, Lewis, Smiles and J Walker.

**** DECLARATIONS OF MEMBERS' INTERESTS**

There were no Declarations of Interest made by Members at this point in the meeting.

WELCOME AND EVACUATION PROCEDURE

The Chair welcomed those present and advised that as there were no scheduled tests, should the fire alarm sound, attendees should evacuate the building via the nearest fire exit and assemble at the Bottle of Notes opposite MIMA.

MINUTES OF THE PREVIOUS MEETING OF THE OVERVIEW AND SCRUTINY BOARD HELD ON 26 JUNE 2024

The Minutes of the previous meeting of the Overview and Scrutiny Board held on 26 June 2024 were submitted and approved as a correct record.

EXECUTIVE FORWARD WORK PROGRAMME

The Chair introduced the item for the Board's consideration. A copy of the Work Programme was attached at Appendix A and Members were asked to raise any issues they had in relation to any of the items listed.

Reference was made to the previous meeting of the Overview and Scrutiny Board when a discussion had taken place around how it could best have input into issues prior to a decision being made by the Executive and it was queried whether this had been fed back to the Executive and whether any comments had been received. It was confirmed that this would be followed up as soon as possible.

A discussion took place in relation to the items contained on the Executive Forward Work Programme and further information was requested, as follows:-

- Page 8 – “Management and Maintenance of Development Land/Nutrient Neutrality Mitigation. The report seeks Executive approval of the resources required to maintain land held prior to disposal/development and the management of land held fallow as part of the Nutrient Neutrality mitigation measures. Report seeks management resources to be capitalised as an abnormal cost to disposal receipts”.

Update requested in relation to the above together with further details around what the report to Executive in November would entail. The Democratic Services Officer agreed to contact the

relevant Service Area to request further information around: what the decision concerned; why the decision was being sought and whether the decision was driven by government policy.

- Page 5 “Community Safety Enforcement Powers for the Executive Member to approve proposals to withdraw Neighbourhood Warden Police Accreditation Powers”.

Members were keen to understand more about the decision being sought and the reasons why. The Mayor was able to provide a brief summary regarding the issue, in that the current accreditation scheme had been outsourced which was having a detrimental impact on recruitment. The Democratic Services Officer agreed to seek further information from the Service Area.

AGREED that further information be obtained from the relevant service areas in relation to the two items identified above from the Executive Forward Work Programme and circulated to Members of Overview and Scrutiny Board.

EXECUTIVE MEMBER UPDATE – EXECUTIVE MEMBER FOR ADULT SOCIAL CARE AND PUBLIC HEALTH

The Mayor was in attendance at the meeting to provide the Board with an update regarding his portfolio in relation to Adult Social Care and Public Health.

The Mayor provided a detailed presentation covering the following areas of responsibility within his current portfolio, which he anticipated to be of most interest to the Board due to their scope and capacity:-

- Connect Service
- Sensory Drop In
- Levick Court
- Homelessness
- Health on the High Street
- Relationship between health and wealth in Middlesbrough
- Three conversations approach

The Mayor advised the Board that a new Executive Member would be appointed in the near future to take over this particular portfolio due to the Mayor’s extensive range of commitments.

Connect Service

The Board was advised that the Connect Service in Middlesbrough currently supported 3,600 people to live independently by providing on-call emergency assistance twenty-four hours a day, seven days a week, via a personal alarm.

The Service was available to anyone in Middlesbrough over the age of 18 who might feel vulnerable or unsafe at home; have a disability or medical condition.

Between April 2023 and March 2024, the Service had answered 98,148 calls and had responded to 2,432 emergency calls (1,505 of which were falls).

The Connect Service used a range of technology to support individuals, including fall sensors, GPS trackers and property exit sensors, epilepsy sensors and activity monitoring systems. This technology was a key factor in enabling people to remain living independently in their own homes. The Mayor hoped that in the future technology would evolve further to a point where the Service would be commercially viable to offer support to others within the Tees Valley.

Members were provided with an example case study outlining how an Assistive Technology Assessor, Social Worker and Occupational Therapist had worked collaboratively to assess a service user for their support needs. Technology, including a voice-activated alarm, had resulted in

the number of overnight calls from the service user being reduced – restoring their dignity. The Occupational Therapist had supported the service user with single-handed care, reducing the need for carers for a significant amount of the day and this had resulted in a £100,000 a year saving.

Sensory Drop-In

The Sensory Support Service provided advice and support to Middlesbrough residents with hearing or sight loss or dual sensory loss. The Mayor stated that many areas no longer offered such support and considered it to be a vital service in Middlesbrough.

The Service would move from the Livewell Centre located in Dundas Arcade to the new facility in the Cleveland Centre once it was completed.

A monthly drop-in service was launched in 2021, with 30 drop-ins held so far. Around 289 individuals attended each month which provided a sense of community and social outlet whilst supporting individuals to access sensory assessments, equipment, health and wellbeing activities and digital inclusion. Again, the services provided helped to promote independent living.

Levick Court

The Mayor advised that Levick Court was a 16-bed facility, currently operating at half capacity, which was a valuable provision to the Adult Social Care assessment service.

Due to operating at low capacity and the financial pressures that the Council was under, work had been ongoing with relevant partners to explore the re-provisioning of Levick Court in order to fully utilise the building.

Staff consultation was ongoing regarding two potential options to re-purpose the unit via working with the NHS and a viable operating model was close to being identified.

Homelessness

Sadly, there had been a rise in homelessness in Middlesbrough and the Mayor provided information regarding several initiatives within the Homelessness Service that provided support.

- Single Homelessness Accommodation Programme (SHAP)

This was a Government-led scheme providing capital and revenue funding aiming to supply good quality accommodation to address gaps in homelessness pathway provision. SHAP targeted two groups – those with long histories of rough sleeping or complex needs, to help them recover from rough sleeping; and vulnerable young people (aged 18-24) at risk of, or experiencing, rough sleeping. The focus was to provide longer-term accommodation.

In Middlesbrough, joint bids with three local housing providers and Middlesbrough Council had been made to secure funding to purchase and renovate a number of properties for this purpose.

- New Temporary Accommodation

It was recognised that more family homes/family-focussed units were needed to avoid reliance on hotels and hostels, particularly as Newport and Penrith Road hostels tended to continually be at full capacity. There would be a focus on bringing as many empty properties as possible back into use.

- Front Door, Community Interventions and Housing Solutions Teams

The Housing Solutions Team provided help and support to those who were homeless. Amongst the range of support available, the service would help to find accommodation

through the Tees Valley Home Finder, (shortly to be joined by Thirteen Housing bringing all providers together in one place) and drop-in sessions were available.

- Open Door

This was a twice-weekly drop-in session undertaking preventative work with those that had 'leave to remain' status.

- Pathways

This service offered support to care experienced young people leaving care. It provided, amongst other things, support in long term planning for independent living.

- Tees Valley Home Finder Common Allocation Policy

This Policy was to be reviewed with a briefing for Members and consultation due to commence in late summer. Changes to the policy would aim to address unfairness in housing allocation as there was currently no priority for rough sleepers over housed individuals.

- Rough Sleepers Action

Attendance from multiple agencies had grown in strength to address rough sleeping.

Health on the High Street

The Mayor updated the Board in relation to the Health on the High Street Initiative.

There had been a decline in traditional retail in Middlesbrough town centre and a decision was taken to relocate the Live Well Centre from the Dundas Arcade into empty units within the Cleveland Centre. Existing services would be moved across once refurbishment was complete as well as other services including NHS Services, pop-up hubs by Teesside University and dedicated youth and family space. It was anticipated that the health offering would include dentistry which would relocate from the currently under-utilised service at the University.

The benefits of relocating the existing and new services to the Cleveland Centre included:-

- Revitalising the High Street – through increased footfall, diversification and a community hub. There would also be a significant cost saving to the Council as it owned the Cleveland Centre.
- Improving public health and addressing social detriments of health– increased accessibility, greater prevention and early intervention, promoting healthy lifestyles.

In terms of the relationship between health and wealth in Middlesbrough, the Board heard that breaking the cycle of health inequalities in Middlesbrough to reduce the impact of poor health was crucial.

Three Conversation Approach

As part of Middlesbrough Council's Transformation Programme – Recover, Reset and Deliver - Adult Social Care would adopt the Three Conversations model which was a 'strengths based' person-centred approach.

The model had been used in other local authorities including Blackpool who, after a thirteen-week period, reported staff feeling less frustrated with the inflexibility of previous processes and more empowered to make decisions as well as service users responding well to being listened to differently.

This approach worked by:-

- 1) Listening to the individual and understanding what really mattered to them then connecting them to resources and supports that would help them to get on with their chosen daily lives independently.
- 2) Working intensively with people in crisis, putting together an emergency plan with colleagues to help individuals regain control of their lives by making urgent changes.
- 3) Building a good life – finding out what a ‘good life’ looked like for the individual and identifying what resources, connections and support would enable them to live their chosen life.

In order to deliver the Three Conversations model, two teams would work as they wished, using the approach, from innovation sites created for a 13-week period. One team would work with existing cases and the other would work with new cases.

Going forward, in terms of practice improvement to ensure better outcomes and savings, prediction into prevention would be developed using AI. For example prediction of frailty and knowing at what point intervention was required to prevent detrimental impacts on individuals. Prediction work was used by GPs and this could be integrated with Adult Social Care to prevent escalation. The software used would match against care plans and health records.

During the course of discussion, the following issues were raised:-

- In response to how to access the dentistry service at Teesside University, it was explained that patients generally needed to be registered with an NHS dentist and referred, however, there was scope to take some allocation without a referral.
- A Panel Member raised the issue of housing allocations and the current banding system which appeared to be unfair. The Mayor stated that the banding system was being reviewed and that currently not a high enough priority was given to those who were sleeping on the streets.
- A Member asked what impact Government proposals to abolish Section 21 ‘no fault’ evictions might have. Section 21, or ‘no fault’ evictions, allowed a landlord to evict a tenant by giving them two months’ notice without a reason. The Mayor responded that Section 21 notices were difficult for local authorities to deal with and blanket bans were not the way to deal with problem tenants. Even if Section 21 was abolished immediately it would not solve the housing waiting list problems.
- Reference was made to the Connect Service and it was queried whether there was a direct charge to the resident. It was confirmed that this was the case and that the cost started from £6.40 per week for the alarm and 24/7 response package. Packages could be tailored to suit each individual’s needs and those in receipt of certain benefits may be eligible for help towards the cost.
- A Board Member asked whether there was any update in relation to Adult Social Care spending. Members had previously been advised that approximately 83% of the Council’s total budget was spent on Adult and Children’s Social Care. The Director of Adult Social Care and Health Integration responded that last year’s Adult Social Care revenue budget was £50,000 but the figure for the current year was not yet available. The Service’s total gross spend (including salaries, communications etc) was £109,000. Last year, there had been a slight underspend on one of the budgets. The Association of Directors of Adult Social Care had stated that in 2023/24, 72% of Councils had overspent. Part of the spring survey on Adult Social Care showed that the national figure for Adult Social Care spending was 37.2% of a Council’s total spend. This had risen from 36% the previous year. Middlesbrough had spent up to 2.8% more on adult social care than the national average, however, Middlesbrough’s health profile and demographics needed to be taken into account.
- In relation to the Three Conversations model, the Director explained that this particular model

was being used by 50 local authorities and would transform the way in which adult social care services were delivered. It would introduce a framework to ensure Social Workers had a consistent approach and could build up good relationships with individuals by finding out what their priorities were and what help they needed, rather than referring them to providers for services and care that they did not want. It would also enable Social Workers to work with more people, all of which would result in cost reductions. It was hoped that this approach would encourage better working within communities and with community organisations, such as MVDA. The Chair highlighted that the Chief Executive of MVDA was in attendance to observe the meeting and would attend a future meeting of OSB to provide an overview of the organisation.

- A Member referred to comments made by the new Government Health Secretary that the CQC was not fit for purpose and it was queried whether the Director accepted those comments. The Director responded that there were several things happening at the moment with the CQC. One, it continued to provide a framework to carry out assessments of care providers which was a 'well-oiled' process with regulatory visits. The Council had worked to improve its relationship with the CQC. Two, it had undertaken a rapid review of NHS mental health services but had struggled to deliver this. Considerable pressure had been put on the CQC to accelerate this. The Director stated he had no opinion as yet regarding the Health Secretary's comments.
- In response to a query regarding the Reablement Team, it was confirmed that they were employed by the Council with some funding provided by the NHS.
- Reference was made to elderly care and the increased use of technology which led to less face-to-face contact and it was queried how loneliness was being approached. The Mayor responded that part of the Cleveland Centre remodel provided social spaces for people to meet. In addition, some technology could positively help with social isolation and this was part of a menu of options available.

The Chair thanked the Mayor and the Director for their attendance and the information provided.

AGREED that the presentation provided be noted.

ELECTORAL REVIEW

A Wilson, Head of Legal Services (People), was in attendance to provide Members with an update in relation to the current Electoral Review.

The Local Government Boundary Commission for England (LGBCE) was currently carrying out a review of electoral arrangements in Middlesbrough. This considered:-

- Phase One – Number of Councillors
- Phase Two – Warding Patterns
- Phase Three – Consultation on Draft Recommendations

The Review was now in Phase Three, with draft recommendations published on 9 July 2024. The draft recommendations included a proposal that 46 Councillors should be elected to Middlesbrough and also proposed new ward boundaries.

The LGBCE confirmed it had considered all representations it had received from local people and organisations, including the joint response submitted by Middlesbrough Council during the initial consultation.

Comments on the draft recommendations were now invited by the LGBCE prior to finalising the new electoral arrangements for Middlesbrough. Each response received during the consultation period would be weighted against the statutory criteria.

Draft recommendations could be viewed at: [Middlesbrough | LGBCE](#). The link also provided

access to detailed ward maps and provided the opportunity to make comments.

Comments to the proposals could be made via the website (through the above link), by email at reviews@lgbce.org.uk or by post at The Review Officer (Middlesbrough), LGBCE, PO Box 133, Blyth, Newcastle upon Tyne, NE24 9EF.

Submissions needed to be balanced across the three statutory criteria: Electoral equality for voters; Community identities and interests; Effective and convenient local government.

Consultation on the draft proposals would run from 9 July to 16 September 2024 and the final recommendations would be published in February 2025. The Order would be made by Summer 2025 and elected upon in 2027.

Members of the Overview and Scrutiny Board were asked whether they wished to make a joint submission in response to the proposals or whether they would prefer to respond at individual or group level.

A discussion took place and Members considered it would be difficult for OSB to agree a joint response due to differing views around ward boundaries and concerns expressed around proposed additional housing developments in some areas which did not appear to have been taken into account by the LGBCE when proposing changes to ward boundaries.

The Board felt that it should be up to the groups and individuals to submit their own responses as there were also independent Members who were not members of a group.

The Head of Legal Services confirmed that an email had been sent to all Members of the Council on 9 July in relation to the draft proposals and this contained the associated links for people to submit comments. The Head of Service confirmed that she would re-circulate the email again as a reminder and would also include the original joint submission from OSB.

A vote was taken and Members agreed unanimously that individual or group responses should be submitted to the LGBCE, as a collective response could not be agreed upon.

AGREED as follows:-

1. That individual and/or group responses to the LGBCE proposals be submitted by no later than 16 September 2024.
2. That the Head of Legal Services (People) re-circulate the LGBCE proposals to all Members, reminding them of the deadline for submissions, together with relevant links/contact details for the LGBCE, and the previous joint submission from OSB.
3. That the Communications Team be asked to add this to the Council's website.

SCRUTINY WORK PROGRAMME 2024/25

Place Scrutiny Panel

The Democratic Services Officer submitted a report seeking the Board's approval for the Place Scrutiny Panel's Work Programme 2024/25.

The Place Scrutiny Panel met on 29 July and agreed to include the following topics in its work programme (set out at paragraph 4 of the report):-

In-depth reviews

- Empty Properties.
- Barriers to Regeneration.

- Home to School Transport.

Potential Short Reviews/ Updates

- Bereavement Services (in relation to diminishing cemetery space)
- Provision for Migrants

Updates

- Flood Risk Management.
- Toxic Chemicals in the River Tees/Crustacean Working Group.
- RIPA (Regulation of Investigatory Powers) – annual update.
- Prevent and Channel – annual update.
- Community Safety Partnership – annual update.
- Medium Term Financial Plan Refresh for Regeneration and Environment and Community Services Directorates

The Place Scrutiny Panel also agreed that a Task and Finish Group would review progress on actions from some previous investigations including: Green Strategy, Waste Recycling and Town Centre Regeneration post-Covid.

Throughout the last municipal year, the Environment Scrutiny Panel undertook an investigation into Waste Management. It was agreed that a Draft Final Report on Waste Management should be presented to the Place Scrutiny Panel for consideration at the earliest opportunity.

People Scrutiny Panel

The People Scrutiny Panel met on 16 July 2024 and agreed to defer finalising its Work Programme until its September meeting.

AGREED that the Work Programme 2024/25 for the Place Scrutiny Panel, as set out above, be approved.

SCRUTINY CHAIRS' UPDATES

Place Scrutiny Panel

The Chair of Place Scrutiny Panel, Councillor Branson, updated the Board that the Panel met on 29 July. The Director of Regeneration and Head of Neighbourhoods had provided a presentation to the Panel which had assisted in the Panel determining its Work Programme for the coming year. The Panel had also agreed a schedule of meeting dates.

The next meeting was scheduled for 2 September when it would commence work on its new scrutiny topic. Arrangements would also be made for the Draft Final Report in relation to Waste Management (undertaken by the Environment Scrutiny Panel) to be considered in the near future and Members of the previous Environment Scrutiny Panel would be invited to attend.

People Scrutiny Panel

The Chair and Vice Chair of the Panel were both unable to attend, therefore, an update would be provided to the next meeting of OSB.

AGREED that the information provided be noted.

ANY OTHER BUSINESS

Value for Money Interim Report

With the permission of the Chair, a Member of the Board wished to raise the issue of the Council's Value for Money Interim Report and requested that OSB examine the report.

Clarification was sought as to which elements of the report the Board would wish to examine as the report was examined by Audit Committee at each meeting and it was suggested that advice be sought as to whether it was within the remit of OSB to examine those issues once they had been identified.

The Board Member also queried whether there was a current legal claim against the Council by Sub Zero.

Following discussion, the Head of Legal Services (People) agreed to look at the Terms of Reference for OSB and Audit Committee and would circulate a response to Members of the Board. The Head of Service would also respond, via email, to the query regarding the current legal position regarding Sub Zero.

AGREED that the Head of Legal Services (People) would provide a response to the Board regarding whether it was within the Board's remit to examine specific areas of the Value for Money Interim Report and a response to the query regarding the current legal position in relation to Sub Zero.

Request for Internal Audit to investigate scrutiny

The Chair informed Members that he had requested that the Council's Internal Auditor investigate scrutiny in terms of whether there were sufficient resources available and whether two scrutiny panels were sufficient to undertake scrutiny in Middlesbrough. The Auditors had confirmed this would be added to their work programme.

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MIDDLESBROUGH COUNCIL	
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Report of:	Chief Executive
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Relevant Executive Member:	The Mayor and Executive Member for Adult Social Care and Public Health
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Submitted to:	Executive
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Date:	4 September 2024
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Title:	Corporate Performance: Quarter One 2024/2025
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Report for:	Decision
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Status:	Public
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Council Plan priority:	All
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Key decision:	No
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Why:	Decision does not reach the threshold to be a key decision
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Subject to call in:	No
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Why:	Not urgent
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Proposed decision(s)	
That at Quarter One of 2024-27, the Executive:	
<ul style="list-style-type: none"> • notes the progress and position of the corporate performance disciplines, including the Transformation Portfolio • approves the proposed changes to the Executive actions, detailed at Appendix 1 • notes delivery status of the Council Plan 2024-27 supporting workplan at Quarter One, detailed at Appendix 2 • approves the proposed changes to the Council Plan workplan actions, detailed at Appendix 3 • notes the Strategic Risk Register, at Appendix 4 	

Executive summary

This report advises the Executive of progress against corporate performance at Quarter One 2024-27, providing the necessary information to enable the Executive to discharge its performance management responsibilities against the following performance disciplines

- Actions pertaining to decisions approved via Executive reports;
- Delivery of the Council Plan 2024-27 and associated outcome measures;
- Strategic Risk Register performance;
- Programme and Project management performance;
- Transformation progress and performance; and
- Other matters of compliance.

Where appropriate, this report seeks approval of any changes or amendments, where these lie within the authority of the Executive.

Purpose

1. This report advises the Executive of corporate performance at the end of Quarter One 2024/2025, and where appropriate seeks approval of any changes, where these lie within the authority of the Executive.

Recommendations

2. That the Executive:
 - notes the progress and position of the corporate performance disciplines, including the Transformation Portfolio
 - approves the proposed changes to the Executive actions, detailed at Appendix 1
 - notes delivery status of the Council Plan 2024-27 supporting workplan at Quarter One, detailed at Appendix 2
 - approves the proposed changes to the Council Plan workplan actions, detailed at Appendix 3
 - notes the Strategic Risk Register, at Appendix 4

Rationale for the recommended decision(s)

3. To enable the effective management of performance and risk in line with the Council's Local Code of Corporate Governance.

Background and relevant information

4. The Council's Scheme of Delegation gives the Executive collective responsibility for corporate strategic performance, together with associated action.
5. This report provides the necessary information to enable the Executive to discharge its performance management responsibilities, setting out progress against priority performance disciplines and other key associated items, together with actions to be taken to address any issued identified.
6. The projected financial outturn at Quarter One and 2024/2025, is presented separately to this meeting of the Executive, and so not repeated here.

7. As part of continuous improvement in performance and risk management, the Council's Leadership Management Team (LMT) has implemented monthly reviews of corporate performance utilising a Directorate Performance dashboard, drawing data from a range of performance feeder systems.
8. The output from these sessions is reflected through quarterly updates to the Executive and covering in addition, progress in delivering actions agreed by the Executive, key Directorate performance issues and other performance-related matters.

Overall progress at Quarter One 2024/25

9. The Council's performance overall at the end of Quarter One 2024/25 saw with progress towards expected performance standards, as set out in the Council's risk appetite, achieved in three of the five corporate performance disciplines.

Performance discipline	Q1 2024/25	Expected standard	Standard achieved	Trend
Executive actions	68% (30/44)	90%	No	n/a
Council Plan outcomes	13% (5/39)	90%	No	n/a
Council Plan workplan	98% (55/56)	90%	Yes	n/a
Strategic Risk Register	94%	90%	Yes	n/a
Programme and Project Management	100% (18/18)	90%	Yes	n/a

10. It should be noted that performance against Council Plan outcomes for Quarter One 2024/25 is measured by tracking progress against baseline key performance indicators, as outlined in the Council Plan 2024-27 and its associated workplan. It is expected that over time, 90% of the outcome measures will be achieved.

Progress in delivering Executive actions

11. Actions agreed by the Executive to deliver approved decisions are tracked by LMT, each month. If following Executive approval, any action is found to be no longer feasible, appropriate, or cannot be delivered within the approved timescales, this report will be used to advise the Executive as such, and to seek approval of alternative actions or amended timescales.
12. At Quarter One 2024/25, 30 of 44 live actions (68%) were reported as on target to be delivered by the agreed timescales; a significant improvement from the 48% reported at Quarter Four 2023/24 Year End, though continuing to remain below the 90% expected standard of achievement of actions, with reasons detailed below:
 - 11 (25%) actions were delayed due to external factors beyond Middlesbrough Council control
 - 3 (7%) actions were delayed due to internal capacity to complete within approved timescales
13. There are seven proposed amendments to Executive actions presented for approval at Quarter One as detailed in Appendix One. It is assumed that the remainder of Executive actions will be achieved within originally approved timescales and a further update on progress against plans, will be provided at Quarter Two 2024/25.

Progress in delivering the Council Plan 2024-25

14. The Council Plan, formerly known as the Strategic Plan, is the Council's overarching business plan for the medium-term, can refreshed on an annual basis, and sets out the priorities of the Elected Mayor of Middlesbrough and the ambitions for our communities and the ways in which we seek to achieve them.
15. The Leadership Team worked collaboratively with the Mayor and the Executive to develop and shape the Mayor's priorities for the town, to inform the Council Plan 2024-27.
16. The Council Plan articulates the 4 priorities of the Mayor and outlines the approach that will be taken to addressing those priorities:

Mayor's Priority	Description
A successful and ambitious town	Maximising economic growth, employment, and prosperity, in an inclusive and environmentally sustainable way.
A healthy place	Helping our residents to live longer and healthier lives, improving life chances and opportunities to thrive.
Safe and resilient communities	Creating a safer environment, where residents can live more independent lives.
Delivering best value	Changing how we operate, to deliver the best outcomes for residents and businesses.

17. Supporting initiatives and workplans to support delivery of the Council Plan 2024-27 ambitions and measures of success and the proposed performance and governance arrangements were approved at a meeting of the Executive on 10 April 2024, to demonstrate a robust approach to the delivery of key priority activities across Council services.

Council Plan 2024-27: outcomes

18. Progress of delivery of the Council Plan 2024-27, is monitored via detailed milestone plans which support each initiative under the four priorities and will include the success measures determining the impact upon:
 - the types of businesses being established in Middlesbrough, to ensure that we attract those which will give residents access to well-paid and rewarding careers,
 - healthy life expectancy of residents of Middlesbrough, who currently experience ill-health much earlier than wealthy areas across the UK,
 - community safety, as part of our plans to reduce crime and make residents and communities feel safer
 - progress against the Council's governance improvement journey, to provide assurance to members of the public and our partners, that the services we are providing are value for money
19. Performance management and monitoring of the Council Plan adheres to the corporate programme and project management framework where applicable and is reported to all senior managers and Members as part of this quarterly corporate performance results report, presented to Executive for noting and decision, where applicable.

20. Performance overall against the Council Plan 2024-27 outcome measures at Quarter One 2024/25, is reported as 5 of 39 (13%) improving or static, against the 90% performance standard. The starting position for reporting outcome measures will always be 0%, with the expectation that over time and the duration of the Council Plan, 90% of the outcome measures will be achieved, as these are outcome measures predicted over the period of the Council Plan, 2024-27.

Outcome Status	Q1 2024/25	Previous reported position	Expected standard	Standard achieved	Trend
Number (%age) GREEN	4 / 39 (10%)	n/a	90%	No	n/a
Number (%age) AMBER	1 / 39 (3%)	n/a	n/a	n/a	n/a
Number (%age) RED	34 / 39 (87%)	n/a	n/a	n/a	n/a

21. In the meantime, and to be able to demonstrate more tangible progress to the Executive, a commitment has been made to develop a set of proxy measures, which will be presented and included in the Q2 2024/25 corporate performance report.

Council Plan 2024-27: workplan

22. At Quarter One 2024/25, performance against the Council Plan workplan is above the corporate standard of 90%, with 98% of all initiatives on target to be achieved in full within approved timescales.

Status	Q1 2023/24 position	Expected standard	Standard achieved	Trend
COMPLETED	2% (1 / 56)	90%	No	N/A
GREEN	96% (55 / 56)			
AMBER	0% (0 / 56)	N/A	N/A	N/A
RED	2% (0 / 56)	N/A	N/A	N/A

23. One Council Plan initiative is reporting as off-track, regarding the refresh of the Information Strategy which has linked dependencies with the development of the organisational Target Operating Model (TOM). Further detail is provided at Appendix 2 and 3.

Strategic Risk Register (SRR)

24. The Strategic Risk Register (SRR) sets out the key risks, which if they occurred, could stop the Council achieving its objectives, as set out in the Council Plan.
25. The Register also sets out control measures in place to reduce the impact and / or likelihood of a risk occurring, as well as further planned actions to manage the risk. Risks in the SRR are identified and managed by the Council's Leadership Management Team in line with the Risk and Opportunity Management Policy, agreed by Executive in 2023. Progress in managing these risks is reported to the Leadership Management Team on a monthly basis, with a full review of the SRR conducted on a quarterly basis. It is the role of the Executive to ensure that this occurs.

26. The more volatile the risk, the more closely it must be monitored and managed. Managers are responsible for identifying and recording the countermeasures / actions required to address risks and opportunities and maintaining those details within the Council's risk management solution. Countermeasures to risk will include actions to terminate, transfer, treat or tolerate the risk. Actions in relation to opportunity will include exploitation (fully or partially) or avoidance.

27. The Strategic Risk Register contained 14 risks at Quarter One 2024/25, following review of the SRR against the Council Plan's objectives, which is an increase of two additional risks, as set out below:

- **SR-13, Failure to deliver transformation successfully:** If the Council fails to transform its service delivery model to a model that can deliver outcomes for residents at a reduced cost base, then the Council's financial position will become untenable and may result in the issuing of a S114 notice.
- **SR-14, Failure to ensure effective governance of the Middlesbrough Development Corporation:** If the Middlesbrough Development Corporation fails to reflect the relevant findings from the review of [Tees Valley governance](#) in its structures (where relevant), then there is a risk that it could fail to ensure value for money or good governance in its decision making, which will have an adverse impact on the economic vitality of the Town Centre.

28. In addition, there were some changes to existing risks, summarised below:

Risk	New actions added to manage the risk	Justification
SR-01, Failure to Maintain a balanced budget and MTFP.	SR-01c, Failure of the Recover, Reset, Deliver Transformation Portfolio.	To ensure that the Council delivers on the approved savings of £13.910m in 2024/4 and raising to £21.028m in 2026/7.
	SR-01d, Failure of the Recover, Reset, Deliver Transformation Portfolio to identify further savings.	To identify further savings of at least £7.474m in 2025/26 raising to 7.965m in 2025/27.
SR-07, Unable to recruit and retain key staff	SR-07e, Recruitment of Chief Executive and S151 Officer.	To determine the plan to recruit to CEX and S151 officer posts by March 2025 to ensure stability for the local authority.
	SR-07f, Track delivery of first quarterly report to LMT on delivery against improvement plan.	To ensure that the local authority are doing as requested by the improvement board.

29. Risks within the SRR are scored three times, using the following table: the first score assesses the likelihood and impact of the risk occurring without any control measures in place; the second assesses the impact of the control measures currently in place; and the third sets a target for the management of the risk.

Likelihood (Probability)	Almost Certain >80%	5	Low (5)	Medium (10)	High (15)	High (25)	High (35)
	Likely 51% - 80%	4	Low (4)	Medium (8)	High (12)	High (20)	High (28)
	Possible 21% - 50%	3	Low (3)	Medium (6)	Medium (9)	High (15)	High (21)
	Unlikely 6- 20%	2	Low (2)	Low (4)	Medium (6)	Medium (10)	High (14)
	Rare <6%	1	Low (1)	Low (2)	Low (3)	Low (5)	Medium (7)
			1	2	3	5	7
			Insignificant	Minor	Moderate	Major	Extreme
			Impact				

Progress in delivering Programmes and Projects

30. The Council maintains a portfolio of programmes and projects in support of achievement of the Council's strategic priorities. At Quarter One 2024/25, 100% (21 of 21) of the programmes / projects within the portfolio, remained on-track to deliver against project time, cost, scope and benefits, remaining above the expected combined standard of 90%.

Status	Q1 2024/25 position	Expected standard	Standard achieved	Trend
GREEN	100% (21 / 21)	90%	Yes	↑
AMBER	0% (0 / 21)			
RED	0% (0 / 21)	N/A	N/A	↑

Transformation progress and performance

31. The Council has established Transformation Programme; *Recover, Reset, Deliver*, which is designed to align with the vision and ambitions of the Council Plan, and aims to deliver tangible outcomes that benefit the people of Middlesbrough whilst delivering value for money and a financially sustainable organisation.

32. The 'Approach to Transformation of Middlesbrough Council' report to full Council on 27 March 2024 outlined the contents of the Transformation Portfolio, which is structured around six themed programmes. These programmes encompass a range of activities, key business changes, and complex projects aimed at addressing the emerging challenges and opportunities.
33. The scope of the Transformation Programme and its associated investment provides assurance on and aims to secure the delivery of all the savings of £21.028m approved by Council at its budget meeting on 8 March 2024. Investment in the resource required to physically deliver, such as programme management, finance expertise and subject matter experts, will support the Council in delivering all approved savings.
34. To ensure the success of the now established governance framework and board structure, key roles and responsibilities have designated at each layer, with the Executive being the ultimate accountable body for successful delivery of the transformation portfolio, in its entirety.
35. This Executive-approved governance structure ensures that projects and programmes are scrutinised in a uniform way, with exceptions escalated to senior responsible officers to ensure action is taken to bring the portfolio, programmes and projects back on-track, where required and / or necessary.
36. At Quarter One 2024/25, the position of savings within the transformation portfolio were reported to the Leadership Team and through the Transformation Portfolio governance and performance management reporting cycle arrangements, and split by RAG rating, as follows:

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

RAG	Savings	24/25 (£m)	25/26 (£m)	26/27 (£m)	Total (£m)	Total (%)
Approved Budget		(15.302)	(5.151)	(1.967)	(22.420)	-
Blue	Benefits and / or saving(s) realised, with evidence provided.	(0.257)	0.000	0.000	(0.257)	1%
Green	Benefits and / or saving delivery on-track, with assured plans in place.	(10.251)	(2.965)	(0.160)	(13.376)	60%
Amber	Medium-risk to benefits and / or saving(s) delivery. Mitigation in-play, or in development.	(3.460)	(1.391)	(1.057)	(5.908)	26%
Red	High-risk to benefits and / or saving(s) delivery. Limited scope for mitigation.	(1.334)	(0.795)	(0.750)	(2.879)	13%
Purple	Benefits and / or saving(s) are undeliverable. Alternative plan / saving required, for Exec approval.	0.000	0.000	0.000	0.000	0%
Total Savings		(15.302)	(5.151)	(1.967)	(22.420)	100%

37. Alternatively, they can be presented via Thematic Programme for Quarter One, 2024-27:

Directorate	Benefits and / or saving(s) realised, with evidence provided.		Benefits and / or saving delivery on-track, with assured plans in place.		Medium-risk to benefits and / or saving(s) delivery. Mitigation in-play, or in development.		High-risk to benefits and / or saving(s) delivery. Limited scope for mitigation.		Benefits / saving(s) undeliverable. Alternative required for Exec approval.		Total No. Of Projects 2024/25	
	Blue	Green	Amber	Red	Purple	TOTAL (No.)	TOTAL (%)					
Adults	2	13%	12	75%	1	6%	1	6%	0	0%	16	22%
Children's	0	0%	8	53%	6	40%	1	7%	0	0%	15	21%
Property	0	0%	1	50%	1	50%	0	0%	0	0%	2	3%
Customer	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Place Based Services	1	5%	15	75%	3	15%	1	5%	0	0%	20	27%
Target Operating Model	0	0%	16	80%	0	0%	4	20%	0	0%	20	27%
TOTAL	3	4%	52	71%	11	15%	7	10%	0	0%	73	100%

38. Delegated decision-making powers relating to any required approvals for proposed changes to time, scope, cost and benefit of individual projects programmes, enabling them to be brought back within agreed tolerances are as set out in the Programme and Project Management Framework (PPMF). This is with the exception where such changes are a key or urgent decisions and would require Executive approval through an additional report.

39. During Quarter One 2024/25 a number of project gateways were approved. Gateway approvals are required project lifecycle stages, which ensure appropriate and robust assurance and challenge has been applied to the scoping, planning and development of the necessary project documentation and delivery plans, which are then monitored through the transformation governance arrangements. The gateway approvals for Quarter One 2024/27 are summarised below:

Thematic Programme	Project	Gateway approval type
Adult Social Care	ASC02: Temporary Accommodation and Support Review Business Case	Business Case
Adult Social Care	ASC09: Review of Supported Living Schemes	Business Case
Adult Social Care	ASC11: Levick Court	Business Case (Part I)
Adult Social Care	ASC13: Review of Direct Payments	Business Case
Adult Social Care	ASC12: Transformation of ASC	Programme Definition Document
Adult Social Care	ASC12: Assistive Technology and Digital Solutions	Proof of concept
Adult Social Care	ASC12: Transforming Practice and Decision Making	Project Brief and Business Case
Children's Services	CC03: Internal Residential	Business Case
Children's Services	CC01: Establishment Review	Business Case
Property	n/a	Programme Definition Document
Place-Based Services	ECS03: Junk Job collection will be chargeable	Change control
Place-Based Services	ECS01: Fortnightly Residual Waste Collection	Change control

Progress in other corporate performance matters

40. In addition to the above performance and risk issues, the Leadership and Management Team review a range of other performance measures on a monthly basis, including compliance with agreed actions from internal audits, responsiveness to statutory information requests, information security incidents and complaints.

Status	Q1 2024/25 position	Expected standard	Standard achieved	Trend
P 1 / 2 audit actions in time	73% *	90%	No	↓
FOI / EIR responded to <20 days	58%	90%	No	↓
% live SARs open and in time	63%	90%	No	↓
Information security incidents	26	N/A	N/A	↓
Incidents reported to the ICO	0	N/A	N/A	↔
% complaints closed in time	87%	90%	No	↑

* Pre2024/25 as there are no actions yet for 2024/25

41. At the end of Quarter One 2024/25, the key points of note in matters of compliance, are:

- No new Priority 1 or 2 audit actions were identified during the Quarter. Of those older actions, 73% were closed in time.

- A further dip in Freedom of Information Requests (FOIs) and Environment Information Requests (EIRs) responded to within statutory timescales was recorded as a result of reduced capacity within the team and supporting Members Enquiries. Action will be taken and reported in Quarter Two, to address this.
- Compliance with the legal timescales in relation to Subject Access Requests (SARs) relates to a very small number of SARs and is as a result of an increase in volume as well as a small number of complex SARs. The number overdue was three.

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

42. Not applicable.

Impact(s) of the recommended decision(s)

Financial (including procurement and Social Value)

43. There are no direct financial implications rising from the recommendations set out in this report.

Legal

44. The proposed recommendations are consistent with and will promote the achievement of the Council's legal duty to achieve Best Value.

Risk

45. The proposed recommendations are key to and consistent with supporting deliver of the Council's strategic priorities and risks, as set out in the Council Plan.

Human Rights, Public Sector Equality Duty and Community Cohesion

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

Climate Change / Environmental

47. Not applicable.

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

48. Not applicable.

Data Protection / GDPR

49. Not Applicable.

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

Action	Responsible Officer	Deadline
Performance management feeder systems to be updated according to approval from Executive.	J Chapman	30/09/24

Appendices

1	Executive Actions: proposed amendments at Quarter One 2024/25
2	Council Plan Workplan: progress at Quarter One 2024/25
3	Council Plan Workplan: proposed amendments at Quarter One 2024/25
4	Strategic Risk Register

Background papers

Body	Report title	Date
Council	Strategic Plan 2021-24	24/02/21
Council	Approach to Transformation of Middlesbrough Council	27/03/24
Council	Transformation of Middlesbrough Council	24/04/24

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

Appendix 1: Executive Actions: proposed amendments at Quarter One 2024/25

Executive of	Report	Action	Owner	Agreed Due Date	Proposed Revised Due Date
19/07/2023	Breast Feeding Boroughs Declaration	Implementation of the Breast-Feeding Boroughs Declaration by Infant Feeding Steering group over next 12mths, leading to a full Breast-Feeding Boroughs status by April 2024.	PH	30/04/2024	31/03/2025
19/07/2023	Breast Feeding Boroughs Declaration	Executive agrees for South Tees to be Breast Feeding Borough status.	PH	30/04/2024	31/03/2025
13/03/2024	Dental Health and the impact of COVID-19	Update to be submitted to Health Scrutiny Panel in 6mths, in respect of Northeast and North Cumbria.	PH	29/02/2024	30/06/2024
20/12/2023	Middlesbrough Development Company Update	Deliver the remaining actions in the Action Plan set out in the body of the report	REG	31/03/2024	30/09/2024
20/12/2023	Middlesbrough Development Company Update	Deliver the remaining actions in the Action Plan set out in Appendix 1.	REG	31/03/2024	30/09/2024
31/05/2024	The Disposal of Land at Nunthorpe Grange for Housing, Part A	Market Site	REG	31/05/2024	30/09/2024
31/05/2024	The Disposal of Land at Nunthorpe Grange for Housing, Part A	Site Investigation Work	REG	31/05/2024	30/09/2024

Appendix 2: Council Plan workplan; progress at Quarter One 2024/25

We will attract and grow businesses to increase employment opportunities	Q1 2024/25 position
Implementation of an Economic Growth Strategy and Masterplan for the town, articulating both the aspirations of the Council and key partners and the key future investment priorities.	G
Expand the towns cultural offer through creation of a Cultural Masterplan, alongside exploration of external investment to ensure long term sustainability.	G
Increase the local economic impact of new job creation in key sectors.	G
Improve the range of health and employment related services offered to the public through successful delivery of the Levelling Up Partnership funds.	G

We will improve attainment in education and skills	Q1 2024/25 position
Transform Middlesbrough's approach to delivery of learning through implementation of the Council's Education and Skills Strategy.	G
Improve outcomes through delivery of the Priority Education Area action plan at key stages 1, 2 and 4.	G
Increase parental understanding of the importance of literacy for under 5's through a programme of learning	G
Improve life chances by increasing children's and young people's access to high quality education through delivery of the Learning and Education Strategy.	G
Develop and deliver a programme of qualifications and learning to support people into / back into employment through Middlesbrough Community Learning.	G

We will ensure housing provision meets local demands	Q1 2024/25 position
Develop and progress a new Local Plan for Middlesbrough which balances growth aspirations with the longer-term needs of the Middlesbrough community.	G
Continue to grow housing sites and opportunities in Middlesbrough, to enable the development of 450 units of new housing per year.	G
Establish a strategic leadership role for the provision of housing to ensure that the provision aligns with needs.	G
Increase pathways offer for homeless households that embody choice; safety and dignity and provide routes into sustainable, long-term accommodation.	G

We will improve life chances of our residents by responding to health inequalities	Q1 2024/25 position
Boost recruitment and retention of practitioners through delivery of the childcare expansion in Early Years	G
Roll-out the extended childcare entitlement to increased number of children from 9months+, who have access to Early Years provision	G
Increase outcomes for under 5's through successful delivery of the Best Start Pathway.	G
Develop research architecture and attract funding, to support development of our local understanding of key issues affecting health inequalities.	G

Reduce health inequalities caused by excess weight, through implementation of the core Healthy Weight Declaration commitments.	G
Improve wellbeing in Middlesbrough through embedding a 'health in all' policies approach in all planning and transport decision-making.	G
Improve health literacy through delivery of a Healthy Start pilot model for prevention of ill-health in schools.	G
Reduce inequalities through improvements to cancer screening programmes uptake	G
Improve prevention services delivered in primary and secondary care to increase uptake	G

We will protect and improve our environment	Q1 2024/25 position
Increase the levels of recycling in Middlesbrough from 30% to 38%.	G
Protect and improve our parks and open spaces through retention of Green Flag Status	G
Improve environmental standards of the town, through increased levels of environmental enforcement.	G

We will promote inclusivity for all	Q1 2024/25 position
Strengthen our approach to supporting dementia friendly communities programme through increasing voluntary and community sector capacity	G
Prevent and / or delay the need for formal service provision through improved access to reliable and timely advice and information, to support independent and healthy living	C
Develop and implement a pilot approach to housing and support, for inclusion health groups ensure this is reflected in the Supported Housing Strategy	C

We will reduce poverty	Q1 2024/25 position
Relaunch Welfare Strategy to support Middlesbrough's vulnerable residents who need financial assistance, advice and support	G

We will provide support for adults to be independent for longer	Q1 2024/25 position
Increase the effectiveness of prevention through the development of more signposting and a consistent strengths-based approach to the promotion of independence at the "front door" of Adult Social Care	G
Increase the amount of reablement provided to reduce the need for on-going care	G
Develop an enhanced range of accommodation and support options for adults with a learning disability to promote independence and reduce the reliance on residential care provision	G
Reduce the need for on-going care through the expanded use of the Connect Service, assistive technology and digital solutions	G
Re-locate and expand our specialist autism Day Care service	G
Develop a Community Capacity Building Strategy with focus on social capital and community wealth building	G

We will Improve transport and digital connectivity	Q1 2024/25 position
Implementation of a transformed customer model to achieve improved customer access, outcomes and savings	G
Improve public highways and infrastructure to support connectivity across Middlesbrough and the Tees Valley	G

We will promote new ideas and community initiatives	Q1 2024/25 position
Introduce a neighbourhood working model to ensure Council services are more closely aligned to community needs	G

We will reduce crime and antisocial behaviour	Q1 2024/25 position
Reduce Crime and Anti-Social behaviours across Middlesbrough through the continued working with the Community Safety Partnership	G
Improve the safety and health of the public and the environments in which they live and work through review of public protection policies and interventions	G
Implement a multidisciplinary approach (SHIFT) to increase prevention opportunities through early intervention	G
Work with partners to ensure safe and effective systems and processes are in place for the protection of victims of domestic abuse and their children	G
Revise and implement an Empty Homes strategy to support the Councils wider approach to tackling crime and ASB	G

We will ensure robust and effective corporate governance	Q1 2024/25 position
Implement and embed a Member Development Strategy and Programme to extend learning and development opportunities	G
Develop and implement approach to achieve organisational change through implementation of transformation portfolio of programme and projects and associated governance structure	C
Refresh the Information Strategy to ensure legal compliance in regard to information governance	A

We will set a balanced revenue budget and Medium-Term Financial Plan to restore financial resilience and sustainability	Q1 2024/25 position
Increase internal residential capacity through the purchase of suitable properties	G
Improve recruitment and retention of social worker related posts through more targeted and effective marketing	G
Maximise grant opportunities to support service delivery	G
Implementation of a People Strategy to underpin the Council's cultural transformation ambitions and financial stability	G

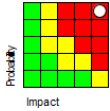
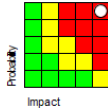
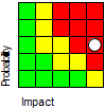
Increase sales and maximise rental income of the Council's asset portfolio to ensure financial sustainability and promote economic growth	G
Remodel the Council's Planning Service to reflect increasing demand and complexity, address recruitment and retention difficulties, and deliver improved customer service	G
Complete new delivery model for Procurement and Contract Management across Council services	G
Increase level of grant income to support development of new service delivery initiatives	G
Retender pensions administration service, to ensure value for money for fund and scheme members	G
Implementation and review effectiveness of demand and cost modelling forecast, for high-spend areas to feed in to MTFP assumptions	G
Review of Children's and Young People placements, including processes and procedures to ensure robust decision-making and allocation	G
Increase internal residential capacity through the purchase of suitable properties	G

Key:	
C	Complete
G	On-track
A	Some slippage
R	High risk of deliverability
U	Undeliverable

Appendix 3: Council Plan Workplan; proposed amendments at Quarter One 2024/25

Initiative	Owner	Agreed Due Date	Reason for (R) / Impact (I) of delay	Proposed Due Date
LGS-03: Refresh the Information Strategy to ensure legal compliance in regard to information governance.	LGS	30/06/2024	(R): delay due to dependency on the development of organisation Target Operating Model (TOM) (I): None	30/09/2024

Appendix 4: Strategic Risk register at the end of Quarter One 2024/25

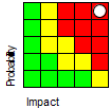
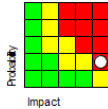
Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score		
SR-01	Failure to Maintain a balanced budget and MTFP	Director of Finance		<ul style="list-style-type: none"> • Responsibility and Accountability for Financial Management reinforced by Accountability Agreements for all Directors • Monthly budget monitoring, forecasting, and tracking of savings delivery by Directors with accountability to the Interim CEO through LMT and development and delivery of financial recovery plans to control within approved budget • Monthly budget challenge sessions chaired by Director of Finance for all Directorates to enable development of insight, understanding and wider collaboration of colleagues in order to address significant financial risks. • Timely briefing of Mayor and Executive Members on significant financial challenges with agreement for action. • Quarterly budget challenge sessions chaired by the Executive Member for Finance & Governance to engage Executive Members. • Monthly monitoring of income budgets, council tax and business 		35	Development of balanced 2024/25 Budget and MTFP to 2026/27		21
							Refresh of the 2025-26 MTFPS process		
							Failure of the Recover, Reset, Deliver Transformation Portfolio		
							Failure of the Recover, Reset, Deliver Transformation Portfolio to identify further savings		
							Monthly budget monitoring to be put in place		
Monthly budget monitoring to be put in place									

Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
				<p>rates collection rates and debt levels.</p> <ul style="list-style-type: none"> • Update MTFP ahead of Council Planning and budget setting process for 2024/25. • Implementation of budget management Power BI dashboard over Business World financial management system in order to improve accessibility of financial information for Directors, Heads of Service and Budget Manager. • Implementation and expansion of purchase to pay compliance dashboards for use by Directors, Heads of Service and Budget Managers to drive increase in compliant procurement in relation to retrospective ordering, on vs off contract spend and use of purchase cards 			
Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
SR-02	Volatility in the demand, complexity and cost of children's social care.	Director of Children's Services		<p>Children's input</p> <ul style="list-style-type: none"> • Weekly activity data through Chat reports/ data 	 <p>28</p>	<p>Weekly placements panel to be put place for high cost placements</p> <hr/> <p>Review Placements Manager post</p>	 <p>21</p>

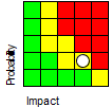
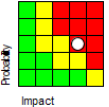
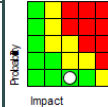
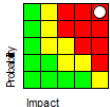
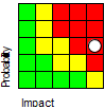
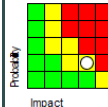
Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score	
				<ul style="list-style-type: none"> Moving to monthly financial monitoring Development of demand model 		Monthly budget monitoring to be put in place		
Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score	
SR-03	Volatility in the demand and cost of adult's social care	Director of Adult Social Care and Health Integration		Local Government settlement Budget Management process Contract management processes Savings programme in place Demand model in place Monthly demand reported to DMT - activity not just finance		15 Monthly budget monitoring to be put in place Develop a demand model, that monitors performance across activity demand and unit costing, to understand 'current state'. Develop a forecast model, that uses the 'current state' model, to predict activity demand and financials across Adults Social Care in the next 1/2/5 years.		9
Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score	
SR-04	Unlawful decision by the Council	Ann-Marie Johnstone		Council constitution and supporting policy framework Corporate policies and procedures		10 Refresh the committee report format Review the report development process		6

Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
				<p>Compliance checks across key areas including HSE, Risk etc, covering the corporate governance framework</p> <p>Standard report formats</p> <p>Statutory officer posts to oversee governance</p> <p>Annual Governance Statement assessment process</p> <p>Internal and external audit processes</p> <p>Refreshed whistleblowing policy</p> <p>Legal and finance report clearance process</p>		<p>Complete delivery of the Corporate Governance Improvement Plan</p> <p>Complete delivery of the Section 24 Action plan</p> <p>Progress report on improvement against the Best Value Notice by the independent Board considered by Council</p> <p>Progress report on improvement against BV notice considered by Executive</p>	
Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
SR-05	Serious accident or death occurred as a result of failure to comply with Health and safety legislation and regulations	Ann-Marie Johnstone		<p>Comprehensive suite of Health and Safety policies and procedures.</p> <p>Mandatory and complimentary Health and safety training for all Council staff.</p> <p>Dedicated HSE Advisor team</p> <p>Incident investigation system (My Compliance) to learn from incidents.</p>	 <p>15</p>	<p>Fire Safety Management Policy Statement</p> <p>CEO to produce H&S Statement of Intent for the Council.</p> <p>Risk from reinforced autoclaved aerated concrete (RAAC) collapsing in maintained schools or other Council assets</p>	 <p>10</p>

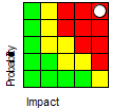
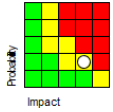
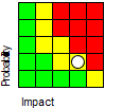
Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
				HSE intranet page with important HSE information Audit schedule HSE steering group Fire Management System implemented across Council premises.		Implementation of service area audits by the health and safety unit to give further assurance of sound HSMS within directorates.	
Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
SR-06	Understand and implement the requirements of the social care reform	Director of Adult Social Care and Health Integration		<ul style="list-style-type: none"> Project in place with two dedicated staff Governance documentation in place etc 	10		10
Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
SR-07	Unable to recruit and retain key staff	Nicola Finnegan		Benchmarking salaries against other local authorities and similar roles in other disciplines to remain competitive.	9	Benchmark grades and salaries against NE local authorities	3
				Work/life balance system such as agile working, 9 day fortnight, collaboration areas etc..		Review recruitment process	
				Advertising roles on multiple platforms such as LinkedIn and		Create new people and cultural transformation strategy	

Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
				other social networking sites with the aim of reaching target audience.		review the people strategy after the first year of implementation	
						Recruitment of Chief Executive and S151 Officer	
						Track delivery of first quarterly report to LMT on delivery against improvement plan	
Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
SR-08	Fail to ensure a sound approach to cyber security	Gemma Cooper		<ul style="list-style-type: none"> * Annual ICT healthchecks (Internal and external penetration testing). * Compliance with PSN and PCI standards. * Internal scanning as new systems go live. * Robust defence systems including firewalls, content filtering and endpoint protection. * Robust 60 day patching and maintenance cycle. * Test complete and continue to test. * Healthcheck recommendations reviewed and implemented. 	 14	<ul style="list-style-type: none"> Review Cyber Security Training Strategy Benchmark against Cyber Assessment Framework Complete LGA Test and Exercise 	 10

Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
				<ul style="list-style-type: none"> * Membership of North East WARP and CiSP. * Use of Protective DNS. * Robust backup regime, including off-line tape backups to ensure recovery. 			
Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
SR-09	Corporate Governance arrangement not fit for purpose	Ann-Marie Johnstone		External reports commissioned on Corporate governance and findings reflected within a Corporate Governance Improvement Plan		Complete delivery of the Section 24 Action plan	
				Improvement Board in place		Refreshed approach to corporate governance agreed by council	
				Detailed improvement plan in place that has delivered a range of changes to corporate governance processes		Corporate peer review held to assess process	
				Annual Governance Statement process and supporting action plan. Draft AGSs in place for both 2021/22 and 2022/23		Develop the detailed delivery plan	
				Regular reports to Audit Committee on aspects of corporate governance to provide assurance		Progress report from MIIAB to Council by end March 2024	
						Progress report from MIIAB to Executive by end July 2024	
Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score

Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score	
SR-10	Negative Impact of Mayoral Development Corporation			Council representation on the board of the MDC		Heads of Terms agreed on individual asset transfers		
				Pushing for no detriment clauses in the MDC constitution		15		Delivery of planning functions until robust alternative is in place
				Engagement with TVCA on the development of future MDC projects				Agree robust business rates protocols
Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score	
SR-11	Failed Partnerships			Partnership governance register in place.		Refresh of the Partnership Governance register		
				Partnership governance annual assurance report and supporting register in place to assess the health of key partnerships.		21		Community Cohesion
				<p>Children's Controls</p> <p>All partnerships contain TOR - Partners contribute.</p> <p>External scrutiny of partnerships.</p> <p>New Mayor to chair Corporate Parenting Board.</p> <p>Formal reporting process in place - record of discussion and decision making.</p> <p>Adults Controls</p>				

Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score		
				Victim support for those within ASC who require it. Additional resources as required,					
Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score		
SR-12	Fail to deliver quality practice within children's safeguarding services			<p>Delivered Children's services improvement plan</p> <p>Improvement board in place</p> <p>External oversight of progress from DFE</p> <p>Monthly performance monitoring reports</p>		28	Implementation of post ILACS improvement plan		10
							Creation and recruitment to the head of Quality Principal Social Work Learning and Review		
							Review progress in delivery of the ILACS improvement plan to assess progress and impact of actions		
							Complete delivery of the ILACS improvement		
Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score		
SR-13	Failure to deliver transformation successfully	Director of Legal and Governance		<ul style="list-style-type: none"> - PPMF in place - Transformation governance arrangements and reporting cycle agreed 		10	Failure of the Recover, Reset, Deliver Transformation Portfolio		5
							Failure of the Recover, Reset, Deliver Transformation		

Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
				- Funding of £4.827m agreed by Council to fund transformation work		Portfolio to identify further savings	
						Agree the content and approach of the transformation portfolio	
						First cycle of Transformation governance arrangements scheduled	
						Develop specification for transformation resourcing	
Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
SR-14	Failure to ensure effective governance of the Middlesbrough Development Corporation	Paul Clarke		<ul style="list-style-type: none"> - Teesworks report and commitment from TVCA to reflect findings in the governance arrangements of the MDC - Council representatives on the MDC Board 		Refresh the Local Plan	

Appendix 1: Executive Actions: proposed amendments at Quarter One 2024/25

Executive of	Report	Action	Owner	Agreed Due Date	Proposed Revised Due Date
19/07/2023	Breast Feeding Boroughs Declaration	Implementation of the Breast-Feeding Boroughs Declaration by Infant Feeding Steering group over next 12mths, leading to a full Breast-Feeding Boroughs status by April 2024.	PH	30/04/2024	31/03/2025
19/07/2023	Breast Feeding Boroughs Declaration	Executive agrees for South Tees to be Breast Feeding Borough status.	PH	30/04/2024	31/03/2025
13/03/2024	Dental Health and the impact of COVID-19	Update to be submitted to Health Scrutiny Panel in 6mths, in respect of Northeast and North Cumbria.	PH	29/02/2024	30/06/2024
20/12/2023	Middlesbrough Development Company Update	Deliver the remaining actions in the Action Plan set out in the body of the report	REG	31/03/2024	30/09/2024
20/12/2023	Middlesbrough Development Company Update	Deliver the remaining actions in the Action Plan set out in Appendix 1.	REG	31/03/2024	30/09/2024
31/05/2024	The Disposal of Land at Nunthorpe Grange for Housing, Part A	Market Site	REG	31/05/2024	30/09/2024
31/05/2024	The Disposal of Land at Nunthorpe Grange for Housing, Part A	Site Investigation Work	REG	31/05/2024	30/09/2024

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Appendix 2: Council Plan workplan; progress at Quarter One 2024/25

We will attract and grow businesses to increase employment opportunities	Q1 2024/25 position
Implementation of an Economic Growth Strategy and Masterplan for the town, articulating both the aspirations of the Council and key partners and the key future investment priorities.	G
Expand the towns cultural offer through creation of a Cultural Masterplan, alongside exploration of external investment to ensure long term sustainability.	G
Increase the local economic impact of new job creation in key sectors.	G
Improve the range of health and employment related services offered to the public through successful delivery of the Levelling Up Partnership funds.	G

We will improve attainment in education and skills	Q1 2024/25 position
Transform Middlesbrough's approach to delivery of learning through implementation of the Council's Education and Skills Strategy.	G
Improve outcomes through delivery of the Priority Education Area action plan at key stages 1, 2 and 4.	G
Increase parental understanding of the importance of literacy for under 5's through a programme of learning	G
Improve life chances by increasing children's and young people's access to high quality education through delivery of the Learning and Education Strategy.	G
Develop and deliver a programme of qualifications and learning to support people into / back into employment through Middlesbrough Community Learning.	G

We will ensure housing provision meets local demands	Q1 2024/25 position
Develop and progress a new Local Plan for Middlesbrough which balances growth aspirations with the longer-term needs of the Middlesbrough community.	G
Continue to grow housing sites and opportunities in Middlesbrough, to enable the development of 450 units of new housing per year.	G
Establish a strategic leadership role for the provision of housing to ensure that the provision aligns with needs.	G
Increase pathways offer for homeless households that embody choice; safety and dignity and provide routes into sustainable, long-term accommodation.	G

We will improve life chances of our residents by responding to health inequalities	Q1 2024/25 position
Boost recruitment and retention of practitioners through delivery of the childcare expansion in Early Years	G
Roll-out the extended childcare entitlement to increased number of children from 9months+, who have access to Early Years provision	G
Increase outcomes for under 5's through successful delivery of the Best Start Pathway.	G
Develop research architecture and attract funding, to support development of our local understanding of key issues affecting health inequalities.	G

Reduce health inequalities caused by excess weight, through implementation of the core Healthy Weight Declaration commitments.	G
Improve wellbeing in Middlesbrough through embedding a 'health in all' policies approach in all planning and transport decision-making.	G
Improve health literacy through delivery of a Healthy Start pilot model for prevention of ill-health in schools.	G
Reduce inequalities through improvements to cancer screening programmes uptake	G
Improve prevention services delivered in primary and secondary care to increase uptake	G

We will protect and improve our environment	Q1 2024/25 position
Increase the levels of recycling in Middlesbrough from 30% to 38%.	G
Protect and improve our parks and open spaces through retention of Green Flag Status	G
Improve environmental standards of the town, through increased levels of environmental enforcement.	G

We will promote inclusivity for all	Q1 2024/25 position
Strengthen our approach to supporting dementia friendly communities programme through increasing voluntary and community sector capacity	G
Prevent and / or delay the need for formal service provision through improved access to reliable and timely advice and information, to support independent and healthy living	C
Develop and implement a pilot approach to housing and support, for inclusion health groups ensure this is reflected in the Supported Housing Strategy	C

We will reduce poverty	Q1 2024/25 position
Relaunch Welfare Strategy to support Middlesbrough's vulnerable residents who need financial assistance, advice and support	G

We will provide support for adults to be independent for longer	Q1 2024/25 position
Increase the effectiveness of prevention through the development of more signposting and a consistent strengths-based approach to the promotion of independence at the "front door" of Adult Social Care	G
Increase the amount of reablement provided to reduce the need for on-going care	G
Develop an enhanced range of accommodation and support options for adults with a learning disability to promote independence and reduce the reliance on residential care provision	G
Reduce the need for on-going care through the expanded use of the Connect Service, assistive technology and digital solutions	G
Re-locate and expand our specialist autism Day Care service	G
Develop a Community Capacity Building Strategy with focus on social capital and community wealth building	G

We will Improve transport and digital connectivity	Q1 2024/25 position
Implementation of a transformed customer model to achieve improved customer access, outcomes and savings	G
Improve public highways and infrastructure to support connectivity across Middlesbrough and the Tees Valley	G

We will promote new ideas and community initiatives	Q1 2024/25 position
Introduce a neighbourhood working model to ensure Council services are more closely aligned to community needs	G

We will reduce crime and antisocial behaviour	Q1 2024/25 position
Reduce Crime and Anti-Social behaviours across Middlesbrough through the continued working with the Community Safety Partnership	G
Improve the safety and health of the public and the environments in which they live and work through review of public protection policies and interventions	G
Implement a multidisciplinary approach (SHIFT) to increase prevention opportunities through early intervention	G
Work with partners to ensure safe and effective systems and processes are in place for the protection of victims of domestic abuse and their children	G
Revise and implement an Empty Homes strategy to support the Councils wider approach to tackling crime and ASB	G

We will ensure robust and effective corporate governance	Q1 2024/25 position
Implement and embed a Member Development Strategy and Programme to extend learning and development opportunities	G
Develop and implement approach to achieve organisational change through implementation of transformation portfolio of programme and projects and associated governance structure	C
Refresh the Information Strategy to ensure legal compliance in regard to information governance	A

We will set a balanced revenue budget and Medium-Term Financial Plan to restore financial resilience and sustainability	Q1 2024/25 position
Increase internal residential capacity through the purchase of suitable properties	G
Improve recruitment and retention of social worker related posts through more targeted and effective marketing	G
Maximise grant opportunities to support service delivery	G
Implementation of a People Strategy to underpin the Council's cultural transformation ambitions and financial stability	G

Increase sales and maximise rental income of the Council's asset portfolio to ensure financial sustainability and promote economic growth	G
Remodel the Council's Planning Service to reflect increasing demand and complexity, address recruitment and retention difficulties, and deliver improved customer service	G
Complete new delivery model for Procurement and Contract Management across Council services	G
Increase level of grant income to support development of new service delivery initiatives	G
Retender pensions administration service, to ensure value for money for fund and scheme members	G
Implementation and review effectiveness of demand and cost modelling forecast, for high-spend areas to feed in to MTFP assumptions	G
Review of Children's and Young People placements, including processes and procedures to ensure robust decision-making and allocation	G
Increase internal residential capacity through the purchase of suitable properties	G

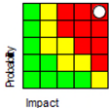
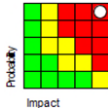
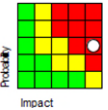
Key:	
C	Complete
G	On-track
A	Some slippage
R	High risk of deliverability
U	Undeliverable

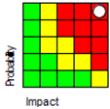
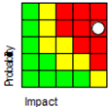
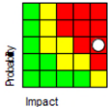
Appendix 3: Council Plan Workplan; proposed amendments at Quarter One 2024/25

Initiative	Owner	Agreed Due Date	Reason for (R) / Impact (I) of delay	Proposed Due Date
LGS-03: Refresh the Information Strategy to ensure legal compliance in regard to information governance.	LGS	30/06/2024	(R): delay due to dependency on the development of organisation Target Operating Model (TOM) (I): None	30/09/2024

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Appendix 4: Strategic Risk register at the end of Quarter One 2024/25

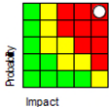
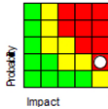
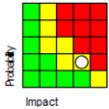
Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score		
SR-01	Failure to Maintain a balanced budget and MTFP	Director of Finance		<ul style="list-style-type: none"> • Responsibility and Accountability for Financial Management reinforced by Accountability Agreements for all Directors • Monthly budget monitoring, forecasting, and tracking of savings delivery by Directors with accountability to the Interim CEO through LMT and development and delivery of financial recovery plans to control within approved budget • Monthly budget challenge sessions chaired by Director of Finance for all Directorates to enable development of insight, understanding and wider collaboration of colleagues in order to address significant financial risks. • Timely briefing of Mayor and Executive Members on significant financial challenges with agreement for action. • Quarterly budget challenge sessions chaired by the Executive Member for Finance & Governance to engage Executive Members. • Monthly monitoring of income budgets, council tax and business 		35	Development of balanced 2024/25 Budget and MTFP to 2026/27		21
							Refresh of the 2025-26 MTFP process		
							Failure of the Recover, Reset, Deliver Transformation Portfolio		
							Failure of the Recover, Reset, Deliver Transformation Portfolio to identify further savings		
							Monthly budget monitoring to be put in place		
Monthly budget monitoring to be put in place									

Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
				<p>rates collection rates and debt levels.</p> <ul style="list-style-type: none"> • Update MTFP ahead of Council Planning and budget setting process for 2024/25. • Implementation of budget management Power BI dashboard over Business World financial management system in order to improve accessibility of financial information for Directors, Heads of Service and Budget Manager. • Implementation and expansion of purchase to pay compliance dashboards for use by Directors, Heads of Service and Budget Managers to drive increase in compliant procurement in relation to retrospective ordering, on vs off contract spend and use of purchase cards 			
Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
SR-02	Volatility in the demand, complexity and cost of children's social care.	Director of Children's Services		<p>Children's input</p> <ul style="list-style-type: none"> • Weekly activity data through Chat reports/ data 	 <p>28</p>	<p>Weekly placements panel to be put place for high cost placements</p> <hr/> <p>Review Placements Manager post</p>	 <p>21</p>

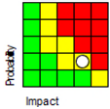
Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
				<ul style="list-style-type: none"> Moving to monthly financial monitoring Development of demand model 		Monthly budget monitoring to be put in place	
Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
SR-03	Volatility in the demand and cost of adult's social care	Director of Adult Social Care and Health Integration		Local Government settlement Budget Management process Contract management processes Savings programme in place Demand model in place Monthly demand reported to DMT - activity not just finance		Monthly budget monitoring to be put in place Develop a demand model, that monitors performance across activity demand and unit costing, to understand 'current state'. Develop a forecast model, that uses the 'current state' model, to predict activity demand and financials across Adults Social Care in the next 1/2/5 years.	
Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
SR-04	Unlawful decision by the Council	Ann-Marie Johnstone		Council constitution and supporting policy framework Corporate policies and procedures		Refresh the committee report format Review the report development process	

Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
				<p>Compliance checks across key areas including HSE, Risk etc, covering the corporate governance framework</p> <p>Standard report formats</p> <p>Statutory officer posts to oversee governance</p> <p>Annual Governance Statement assessment process</p> <p>Internal and external audit processes</p> <p>Refreshed whistleblowing policy</p> <p>Legal and finance report clearance process</p>		<p>Complete delivery of the Corporate Governance Improvement Plan</p> <p>Complete delivery of the Section 24 Action plan</p> <p>Progress report on improvement against the Best Value Notice by the independent Board considered by Council</p> <p>Progress report on improvement against BV notice considered by Executive</p>	
Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
SR-05	Serious accident or death occurred as a result of failure to comply with Health and safety legislation and regulations	Ann-Marie Johnstone		<p>Comprehensive suite of Health and Safety policies and procedures.</p> <p>Mandatory and complimentary Health and safety training for all Council staff.</p> <p>Dedicated HSE Advisor team</p> <p>Incident investigation system (My Compliance) to learn from incidents.</p>	<p>15</p>	<p>Fire Safety Management Policy Statement</p> <p>CEO to produce H&S Statement of Intent for the Council.</p> <p>Risk from reinforced autoclaved aerated concrete (RAAC) collapsing in maintained schools or other Council assets</p>	<p>10</p>

Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
				HSE intranet page with important HSE information Audit schedule HSE steering group Fire Management System implemented across Council premises.		Implementation of service area audits by the health and safety unit to give further assurance of sound HSMS within directorates.	
Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
SR-06	Understand and implement the requirements of the social care reform	Director of Adult Social Care and Health Integration		<ul style="list-style-type: none"> Project in place with two dedicated staff Governance documentation in place etc 	 10		 10
Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
SR-07	Unable to recruit and retain key staff	Nicola Finnegan		Benchmarking salaries against other local authorities and similar roles in other disciplines to remain competitive.	 9	Benchmark grades and salaries against NE local authorities	 3
				Work/life balance system such as agile working, 9 day fortnight, collaboration areas etc..		Review recruitment process	
				Advertising roles on multiple platforms such as LinkedIn and		Create new people and cultural transformation strategy	

Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
				other social networking sites with the aim of reaching target audience.		review the people strategy after the first year of implementation	
						Recruitment of Chief Executive and S151 Officer	
						Track delivery of first quarterly report to LMT on delivery against improvement plan	
Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
SR-08	Fail to ensure a sound approach to cyber security	Gemma Cooper		<ul style="list-style-type: none"> * Annual ICT healthchecks (Internal and external penetration testing). * Compliance with PSN and PCI standards. * Internal scanning as new systems go live. * Robust defence systems including firewalls, content filtering and endpoint protection. * Robust 60 day patching and maintenance cycle. * Test complete and continue to test. * Healthcheck recommendations reviewed and implemented. 	 14	<ul style="list-style-type: none"> Review Cyber Security Training Strategy Benchmark against Cyber Assessment Framework Complete LGA Test and Exercise 	 10

Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
				<ul style="list-style-type: none"> * Membership of North East WARP and CiSP. * Use of Protective DNS. * Robust backup regime, including off-line tape backups to ensure recovery. 			
Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
SR-09	Corporate Governance arrangement not fit for purpose	Ann-Marie Johnstone		<p>External reports commissioned on Corporate governance and findings reflected within a Corporate Governance Improvement Plan</p> <p>Improvement Board in place</p> <p>Detailed improvement plan in place that has delivered a range of changes to corporate governance processes</p> <p>Annual Governance Statement process and supporting action plan. Draft AGSs in place for both 2021/22 and 2022/23</p> <p>Regular reports to Audit Committee on aspects of corporate governance to provide assurance</p>	 <p>28</p>	<p>Complete delivery of the Section 24 Action plan</p> <p>Refreshed approach to corporate governance agreed by council</p> <p>Corporate peer review held to assess process</p> <p>Develop the detailed delivery plan</p> <p>Progress report from MIIAB to Council by end March 2024</p> <p>Progress report from MIIAB to Executive by end July 2024</p>	 <p>9</p>
Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score

Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score	
SR-10	Negative Impact of Mayoral Development Corporation			Council representation on the board of the MDC		Heads of Terms agreed on individual asset transfers		
				Pushing for no detriment clauses in the MDC constitution		15		Delivery of planning functions until robust alternative is in place
				Engagement with TVCA on the development of future MDC projects				Agree robust business rates protocols
Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score	
SR-11	Failed Partnerships			Partnership governance register in place.		Refresh of the Partnership Governance register		
				Partnership governance annual assurance report and supporting register in place to assess the health of key partnerships.		21		Community Cohesion
				<p>Children's Controls</p> <p>All partnerships contain TOR - Partners contribute.</p> <p>External scrutiny of partnerships.</p> <p>New Mayor to chair Corporate Parenting Board.</p> <p>Formal reporting process in place - record of discussion and decision making.</p> <p>Adults Controls</p>				

Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
				Victim support for those within ASC who require it. Additional resources as required,			
Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
SR-12	Fail to deliver quality practice within children's safeguarding services			Delivered Children's services improvement plan		Implementation of post ILACs improvement plan	
				Improvement board in place		Creation and recruitment to the head of Quality Principal Social Work Learning and Review	
				External oversight of progress from DFE		Review progress in delivery of the ILACS improvement plan to assess progress and impact of actions	
				Monthly performance monitoring reports		Complete delivery of the ILACs improvement	
					28		10
Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
SR-13	Failure to deliver transformation successfully	Director of Legal and Governance		- PPMF in place		Failure of the Recover, Reset, Deliver Transformation Portfolio	
				- Transformation governance arrangements and reporting cycle agreed		Failure of the Recover, Reset, Deliver Transformation	
					10		5

Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score	
				- Funding of £4.827m agreed by Council to fund transformation work		Portfolio to identify further savings		
						Agree the content and approach of the transformation portfolio		
						First cycle of Transformation governance arrangements scheduled		
						Develop specification for transformation resourcing		
Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score	
SR-14	Failure to ensure effective governance of the Middlesbrough Development Corporation	Paul Clarke		<ul style="list-style-type: none"> - Teesworks report and commitment from TVCA to reflect findings in the governance arrangements of the MDC - Council representatives on the MDC Board 		10 Refresh the Local Plan		10

MIDDLESBROUGH COUNCIL	
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Report of:	Director of Finance (s151 Officer)
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Relevant Executive Member:	Executive Member for Finance and Governance
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Submitted to:	Executive
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Date:	4 September 2024
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Title:	Revenue and Capital Budget – Forecast Year-end Outturn position at Quarter One 2024/25
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Report for:	Decision
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Status:	Public
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Strategic priority:	All
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Key decision:	Yes
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Why:	Decision(s) will incur expenditure or savings above £250,000 and have a significant impact in two or more wards
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Subject to call in :	Yes
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Why:	
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Proposed decision(s)
<p>That the Executive notes the Council’s forecast year-end financial outturn as at Quarter One 2024/25 and measures being taken to control expenditure within approved budgets.</p> <p>That the Executive approves budget virements within the revenue budget (Appendix 3), and revisions to the capital programme in relation to activity in Quarter One (Appendix 9 and paragraph 4.37).</p>

Executive summary

This report advises the Executive of the Council's forecast year-end financial outturn as at Quarter One 2024/25, and seeks approval of budget virements within the revenue budget and revisions to the capital programme in relation to activity in Quarter One.

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

- General Fund Revenue Budget forecast outturn at Quarter One;
- Statement of the Council's reserves and provisions at Quarter One;
- Capital Programme forecast outturn at Quarter One;
- statement of the Council's borrowing and prudential indicators;
- statement to monitor the level of debt owed to and to be recovered by the Council;
- actions that the Council has taken and plans to take in order address the issues identified.

The main highlights of the report are :

- the forecast 2024/25 revenue outturn as at Quarter One is a year-end overspend of £3.742m (2.6%), and there is a need to take management action in consultation with Executive Members to control expenditure within the approved budget of £143.190m
- Financial Recovery Plan savings of £1.877m have currently been identified which if fully assured and delivered could potentially reduce the forecast year-end overspend to £1.865m
- the forecast outturn of £3.742m at Quarter One currently includes £2.498m of net savings where there is a high risk that they will not be deliverable in 2024/25. If these remain unachievable at year end the £3.5m Exceptional Financial Support (EFS) agreed in-principle for this would need to be utilised, and as this is borrowing there would be costs of borrowing associated with this which are factored into the MTFP.
- the remaining element of the forecast overspend not linked to savings delivery (£1.244m) would need to be funded from reserves .
- Based upon the Quarter One forecast, this would mean that the General Fund Balance would be £11.100m whilst the balance on usable unrestricted reserves would reduce to £6.570m at 31 March 2025. This would be lower than that recommended by the Director of Finance in the Reserves Policy approved by Council on 8 March 2024.
- the 2024/25 Capital Programme forecast year-end outturn of £99.698m at Quarter One, which is a reduction of £6.490m from the revised £106.188m budget for 2024/25 and work is taking place to establish improved programme management and control arrangements to achieve more effective management and forecasting of the capital programme going forward.

1. Purpose

- 1.1 This report is to discharge the responsibilities of the Executive to manage and control the revenue budget, capital programme and overall reserves position of the Council.

2. Recommendations

2.1 The Executive is requested to:

- **Approve** the proposed revenue budget virements over £250,000 as detailed in paragraph 4.13 and Appendix 3.
- **Approve** the inclusion of additional expenditure budgets to the Capital Programme totalling £8.973m for 2024/25 which are externally funded (detailed in Appendix 9). Subject to approval this will increase the approved 2024/25 Capital Programme budget to £106.188m.
- **Approve** proposed virements over £250,000 between schemes in the 2024/25 Capital Programme approved by Council in March 2024 which are funded from within existing Council resources (detailed in Appendix 9 and paragraph 4.37).
- 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 as follows and detailed in Table 1:

	£m
Adult Social Care – unachieved savings	0.817
Adult Social Care – other - mainly by maximising a one-off grant	(0.387)
Children’s Social Care – increased numbers and complexity of external residential placements	2.424
Children’s Social Care –unachieved savings	1.330
Other variances (ECS, Education & Partnerships, Regeneration, Legal and Governance, Finance, and Central)	(0.442)
Total	3.742

- Note the progress on savings delivery set out in Tables 2 and 3 and Appendix 4.
- Note that the Council is dependent upon Exceptional Financial Support (EFS) in 2024/25 approved in principle by the Ministry of Housing, Communities & Local Government (MHCLG) of up to £13.4m of one-off borrowing, the costs which are factored into the MTFP. Of this sum £4.7m has been utilised to achieve a balanced budget in 2024/25. (paragraph 4.5)
- Note that it is essential that all available measures are taken by management to control revenue expenditure within the approved budget, given that the Quarter One forecast overspend, if realised will require further £2.498m of EFS borrowing to fund slippage in savings delivery and £1.244m call upon revenue reserves. Both EFS and reserves can only be used once, and the financial pressure will remain in 2025/26 to be addressed.

- 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:
 - General Fund Reserve of £11.1m (minimum recommended)
 - Council's unrestricted usable earmarked reserves of £6.570m
- Note the 2024/25 Capital Programme forecast year end outturn of £99.698m at Quarter One, which is a reduction of £6.490m (6.1%) from the revised £106.188m budget for 2024/25 comprising:
 - An underspend on projects of £3.223m
 - Slippage on projects of £3.267m into 2025/26 and 2026/27
- Note that a full review and reprofiling of the Capital Programme will be undertaken during Quarter Two including the establishment of a Capital Programme Board to provide improved management of the Council's Capital Programme and its financing.
- Note the Treasury Management forecast outturn position with respect to the Council's prudential indicators as set out in paragraphs 4.46 to 4.54.
- Note the current forecast deficit of £5.501m for 2024/25 relating to the High Needs Block with the Dedicated Schools Grant which increases the forecast cumulative deficit to £19.794m at 31 March 2025. Note the recovery actions and risks to the Council's financial resilience set out in paragraph 4.30 to 4.33 and Appendix 8.
- Note the level of Collection Fund and General Fund Debtors at 30 June 2024 as follows (paragraph 4.57 to 4.59):
 - Council Tax £35.790m
 - Business Rates £6.731m
 - Sundry Debt £11.565m
 - Housing Benefit Overpayments £6.427m

3. Rational for the recommended decision (s)

- 3.1 To enable the effective management of finances, in line with the Council's Local Code of Corporate Governance, the Scheme of Delegation and the Council's financial regulations.

4. Background and relevant information

- 4.1 The Council's Scheme of Delegation gives the Executive collective responsibility for corporate strategic performance and financial management / monitoring, together with associated actions. Standing Orders and Financial Procedures require the Executive's approval for major virements between revenue budgets, and in-year changes to the Council's Capital Programme within approved Council resources.
- 4.2 This report enables the Executive to discharge its financial management responsibilities by setting out the:

- General Fund Revenue Budget forecast outturn at Quarter One;
- Statement of the Council's projected reserves and provisions at Quarter One
- Capital Programme forecast outturn at Quarter One;
- statement of the Council's borrowing and prudential indicators;
- statement to monitor the level of debt owed to and to be recovered by the Council;
- actions that the Council has taken and plans to take in order address the issues identified.

4.3 Financial Procedure Rule 1.37 requires the Executive's approval of the proposed revenue budget virements as set out in Appendix 3.

Revenue Budget

4.4 Section 25 of the Local Government Act 2003 requires the Chief Finance officer to report on the robustness of the budget estimates and the adequacy of the financial reserves to Council in agreeing its annual budget and precept for the forthcoming financial year. The Chief Finance Officer is as defined in S151 of the Local Government Act 1972 and is fulfilled by the Director of Finance.

4.5 The Director of Finance (S151 Officer) presented her Section 25 Report to the Executive as part of the 2024/25 Revenue Budget, Medium Term Financial Plan, and Council Tax setting report to Executive on 28 February 2024 which was then approved by Council on 8 March 2024. The report set out the basis upon which the revenue budget was considered to be robust and the basis upon which reserves were considered adequate, being dependent upon the approval of Exceptional Financial Support (EFS) by the Ministry of Housing, Communities and Local Government (MHCLG) (formerly DLUHC) as summarised below:

Exceptional Financial Support 2024/25

Directorate	2024/25 £m
Required to balance 2024/25 budget	4.700
Contingency for non-delivery of budgeted 2024/25 savings risk	3.500
Contingency for capital receipts delivery risk	4.600
General contingency	0.600
TOTAL	13.400

4.6 The Council's financial position remains critical and its ability to control expenditure within the approved 2024/25 budget whilst developing further savings and income generating opportunities through the Recover, Reset, Deliver Transformation Portfolio in order to balance the MTFP will be crucial to stabilising the Council's financial position and rebuilding its financial resilience. This requires the delivery of all approved £13.9m of 2024/25 savings plans in full.

4.7 The Council has achieved significant improvement in its financial position from that which existed at the start of the 2023/24 financial year. However, it continues to spend above its available income sources as reflected by the forecast year end overspend of £3.742m for 2024/25, after using £4.7m of EFS to balance the budget. The further challenges of delivering a balanced budget in 2025/26 to 2028/29 are set out in the Medium-Term Financial Plan (MTFP) report elsewhere on this Executive agenda with a projected budget gap currently of £7.864m in 2025/26 rising to £8.749m in 2028/29.

Both reports should be read together to fully understand the context within which the Council is operating and the challenges it faces.

- 4.8 The 2024/25 forecast year end outturn at 30 June 2024 (Quarter One) is an overspend of £3.742m (2.6%) against the approved budget of £143.190m and is summarised by Directorate in Table 1. A summary of the key issues and variances is included in Appendix 1a with details of Directorate variances in Appendix 1b. Table 1 includes any potential non-delivery of required budget savings as detailed in paragraphs 4.16 to 4.21 and Appendix 4.

Table 1 - Summary of Revenue Budget Forecast Outturn 2024/25 at Quarter One

All Directorates	Original Budget Full Year	Current Budget Full Year	Forecast Outturn	Forecast Variance	Financial Recovery Plan	Forecast Outturn Variance (If Financial Recovery Plan Assured)	MEMO FORECAST VARIANCE SPLIT	
							Savings Delivery Variance	Other variances
							£m	£m
				Adv/(Fav)	Adv/(Fav)	Adv/(Fav)	Adv/(Fav)	
Adult Social Care	52.075	52.075	52.505	0.430	(0.650)	(0.220)	0.817	(0.387)
Public Health	0.006	0.006	0.006	0.000	0.000	0.000	0.000	0.000
Children's Care	54.038	54.038	57.792	3.754	(0.877)	2.877	1.330	2.424
Education & Partnerships	7.992	7.992	7.260	(0.732)	0.000	(0.732)	0.000	(0.732)
Regeneration	2.023	2.023	1.742	(0.281)	(0.350)	(0.631)	0.080	(0.361)
Environment & Communities	20.176	20.176	20.259	0.083	0.000	0.083	(0.319)	0.402
Legal & Governance	10.387	10.387	10.631	0.244	0.000	0.244	0.148	0.096
Finance	3.121	3.121	3.121	0.000	0.000	0.000	0.198	(0.198)
Chief Executive	0.242	0.242	0.242	0.000	0.000	0.000	0.000	0.000
Total Directorates	150.060	150.060	153.558	3.498	(1.877)	1.621	2.254	1.244
Central Budgets	(6.870)	(6.870)	(6.626)	0.244	0.000	0.244	0.244	0.000
Total Budget	143.190	143.190	146.932	3.742	(1.877)	1.865	2.498	1.244

NOTE – Environment & Communities includes an overachievement of £0.444m against the savings for the implementation of Green Waste charging. This reduces the savings delivery variance from £2.942m to £2.498m.

- 4.9 The forecast overspend of £3.742m comprises potential overspends due to delayed or undeliverable savings of £2.498m and other variances of £1.244m. Further analysis of progress on savings delivery that is being managed through the Transformation Portfolio is set out at Tables 2 and 3 and Appendix 4.
- 4.10 Directorates have identified £1.877m of Financial Recovery Plans (see Appendix 2). These will require further Director and Finance assurance to confirm deliverability together with the identification of further mitigations to deliver the financial outturn within the approved budget by the year end. Subject to satisfactory assurance the recovery plans will be factored into the year-end forecast.
- 4.11 Containing expenditure within the approved budget remains a critical priority for the Leadership Management Team and the Executive for the remainder of the financial

year in order to protect critically low reserves and provide an opportunity to start to rebuild them over the period of the MTFP as set out in the approved Reserves Policy.

- 4.12 £20.764m of budgetary growth was provided in setting the 2024/25 budget to Directorates presenting forecast demand pressures primarily in Adults, Children's Integrated Transport Unit, and Waste Disposal. Upon reviewing the 2023/24 financial outturn and performance in Quarter One, the requirement for this growth has been reviewed.
- 4.13 The Director of Finance proposes that where it is determined that the allocated growth is not required in full (and underspending within Directorates is arising directly from a surplus of budgetary growth provided) that the surplus budget is transferred (vired) from Directorates in 2024/25 to be held centrally. The Director of Finance will then assess how this budgetary provision can be applied to best effect in order to offset the financial pressures arising elsewhere in the Council to meet forecast pressures. The review will be undertaken quarterly throughout the year as refinements to demand and cost modelling are progressed. The budget adjustments proposed in Quarter One are summarised below and are set out in more detail in Appendices 1a and 1b and include the following:
- Concessionary Fares £0.414m
 - Waste Disposal £0.673m
 - Integrated Transport Unit £0.732m

The above will be actioned for 2024/25 only with any ongoing adjustments being included in the 2025/26 MTFP report to this Executive.

- 4.14 Financial Procedure Rule 1.37 requires the Executive's approval of the proposed revenue budget virements set out in Appendix 3. The above adjustments are included as virements, and the current Directorate budgets will be revised in the Quarter Two monitoring report subject to approval of the recommendations in this report.
- 4.15 As part of the approved 2024/25 budget a budget of £1.550m was provided to cover the effects of contractual inflation on a number of services. A review of the requirements against this budget is currently being undertaken and technical adjustments will be made and reported in the Quarter Two report. Contractual inflation will only be provided where there is a contractual commitment for inflation and will not be provided for general inflation relating to supplies and services.

Budget savings delivery

- 4.16 The approved revenue budget includes savings totalling £15.302m in 2024/25, a further £5.151m in 2025/26 and a further £1.967m in 2026/27 arising from the 2023/24 and 2024/25 approved budgets. The savings tracker included in Table 2 summarises performance in 2024/25 and the impact upon delivery for 2024/25, categorising the current expected achievability of the savings. Table 3 shows performance for each Directorate against the 2024/25 approved savings. Savings delivery plans are monitored via the Thematic and Corporate Transformation Boards.
- 4.17 The forecast year-end overspend shown in Table 1 includes £2.942m (19%) of savings for 2024/25 categorised as "Red" within the savings tracker. There are currently no savings categorised as "Purple" within the savings tracker which have

been deemed unachievable and require alternative savings. Those categorised as “Amber” £1.749m (11%) are not factored into the forecast overspend. They have mitigation in play, or in development and are being monitored through the Programme Management Office to get delivery back on track (“Green”).

- 4.18 Those categorised as “Green” £9.466m (62%) and considered to be on track are being further tested and challenged to gain further assurance. £1.145m (8%) have been delivered and classed as ‘Blue’. There is also an over achievement of £0.444m from the implementation of charging for Green Waste Collection. Currently whilst this is shown in Table 1 above the savings tracker in Tables 2 and 3 do not account for overachievement of savings as they are focused on highlighting non-delivery of savings. This will be addressed at Quarter Two, so both the financial and savings tracker are aligned.
- 4.19 If the £2.942m of savings rated “Red”, where there is currently a high risk that they will not be deliverable in 2024/25, remain unachievable up to £3.5m EFS agreed in-principle for this would need to be utilised in order to contain expenditure within the approved budget and protect critically low revenue reserves. There is a long-term cost of borrowing associated with use of EFS which is factored into the MTFP.
- 4.20 Directors are required to develop mitigation plans for those savings which are categorised as “Red” where there is significant risk to delivery, and “Amber” where there is medium risk to delivery. Also, there is a need to ensure full achievement of savings categorised as “Green”.

Table 2 – Savings Programme Assurance Summary

RAG	Savings	24/25 (£m)	25/26 (£m)	26/27 (£m)	Total (£m)	Total (%)
	Approved Budget	(15.302)	(5.151)	(1.967)	(22.420)	
Blue	Benefits and / or saving(s) realised, with evidence provided.	(1.145)	0.000	0.000	(1.145)	5%
Green	Benefits and / or saving delivery on-track, with assured plans in place.	(9.466)	(3.165)	(0.260)	(12.891)	58%
Amber	Medium-risk to benefits and / or saving(s) delivery. Mitigation in-play, or in development.	(1.749)	(0.971)	(0.757)	(3.477)	16%
Red	High-risk to benefits and / or saving(s) delivery. Limited scope for mitigation.	(2.942)	(1.015)	(0.950)	(4.907)	22%
Purple	Benefits and / or saving(s) are undeliverable. Alternative plan / saving required, for Executive approval.	0.000	0.000	0.000	0.000	0%
	Total Savings	(15.302)	(5.151)	(1.967)	(22.420)	100%

Table 3 – Savings Programme Assurance for 2024/25 by Directorate

		Benefits and / or saving(s) realised, with evidence provided.	Benefits and / or saving delivery on-track, with assured plans in place.	Medium-risk to benefits and / or saving(s) delivery. Mitigation in-play, or in development.	High-risk to benefits and / or saving(s) delivery. Limited scope for mitigation.	Benefits and / or saving(s) are undeliverable. Alternative plan / saving required, for Executive approval.	
Directorate	Approved Budget	Blue	Green	Amber	Red	Purple	24/25 (£m)
Adult Social Care and Health Integration	(5.757)	(0.902)	(3.047)	(0.991)	(0.817)	0.000	(5.757)
Children's Care	(5.080)	0.000	(3.220)	(0.530)	(1.330)	0.000	(5.080)
Education and Partnerships	(0.285)	0.000	(0.153)	(0.132)	0.000	0.000	(0.285)
Environment and Community Services	(1.522)	(0.105)	(1.196)	(0.096)	(0.125)	0.000	(1.522)
Regeneration	(0.607)	0.000	(0.527)	0.000	(0.080)	0.000	(0.607)
Finance	(1.379)	(0.138)	(1.043)	0.000	(0.198)	0.000	(1.379)
Legal and Governance	(0.672)	0.000	(0.280)	0.000	(0.392)	0.000	(0.672)
TOTAL (£m)	(15.302)	(1.145)	(9.466)	(1.749)	(2.942)	0.000	(15.302)
Overall Percentages		7%	62%	11%	19%	0%	

4.21 A detailed savings tracker of savings categorised as “Red” by Directorate is attached at Appendix 4. “Red” savings are factored into the forecast year-end overspend for the year together with any in year mitigations to offset the resultant overspend.

Budgetary Control Measures required in 2024/25

4.22 Further measures are required during 2024/25 and over the medium term to strengthen the grip upon the management of the Council’s financial recovery which include in summary but are not restricted to:

- Modernising and transforming service delivery through the Recover, Reset, Deliver Transformation Portfolio, to deliver improved service outcomes from a financially sustainable cost base.
- Delivering all approved savings included within the Transformation Portfolio
- Develop a pipeline of new transformation projects that deliver savings to meet the forecast budget gap over the period of the MTFP
- Exercising more robust budgetary control underpinned by standard budget management procedures and consistent system driven reporting
- Directors and their management teams becoming more engaged in the operational management of their budgets
- Directors continuing to exercise stringent financial control of budgets and restraint on non-essential spending during 2024/25 together with full delivery of approved savings.

Further detail on measures to be adopted is set out in Appendix 5

Quarter One Budget challenge agreed actions

4.23 During Budget Challenge Sessions held at Quarter One it was agreed that a number of fundamental service reviews be required in order to develop plans to address forecast financial pressures and control expenditure within the approved budget.

- Children's Social Care (see para 4.24)
- Adult's Social Care – Develop and assure financial recovery plan
- Crematorium - Reduced income due to falling demand for service, to consider options for reducing operational costs to align to reduced activity and to assess the business case for replacement cremators which are approaching the end of their useful life.
- Waste Services - zero based budget to be prepared reflecting the change in service operations following implementation of fortnightly collection
- Fleet Services - review of strategic options for sustainable service delivery arising from operation due to recruitment and retention issues and other financial pressures.
- Integrated Transport Unit / Special Educational Needs & Disabilities (SEND) transport – baseline budget and development of MTFP forecast to assess demand and unit cost modelled using Special Educational Needs (SEN) data

4.24 As a result of Children's Budget Challenge meetings it was noted that whilst care placement panels were resulting in children being stepped down from external residential care into more appropriate and lower cost placements, additional measures in social care practice are required to manage and reduce the demand into external residential by using more appropriate categories of care wherever possible. As increased demand is flowing into this category of care. Whilst step down measures to date have helped to avoid further overspending, the planned savings delivery is at risk due to more children being placed in external residential care. A number of measures were agreed to help improve the financial position within Children's Care as follows and the financial effects of these and the financial recovery plan will be included in future quarterly budget monitoring reports when financially assured :

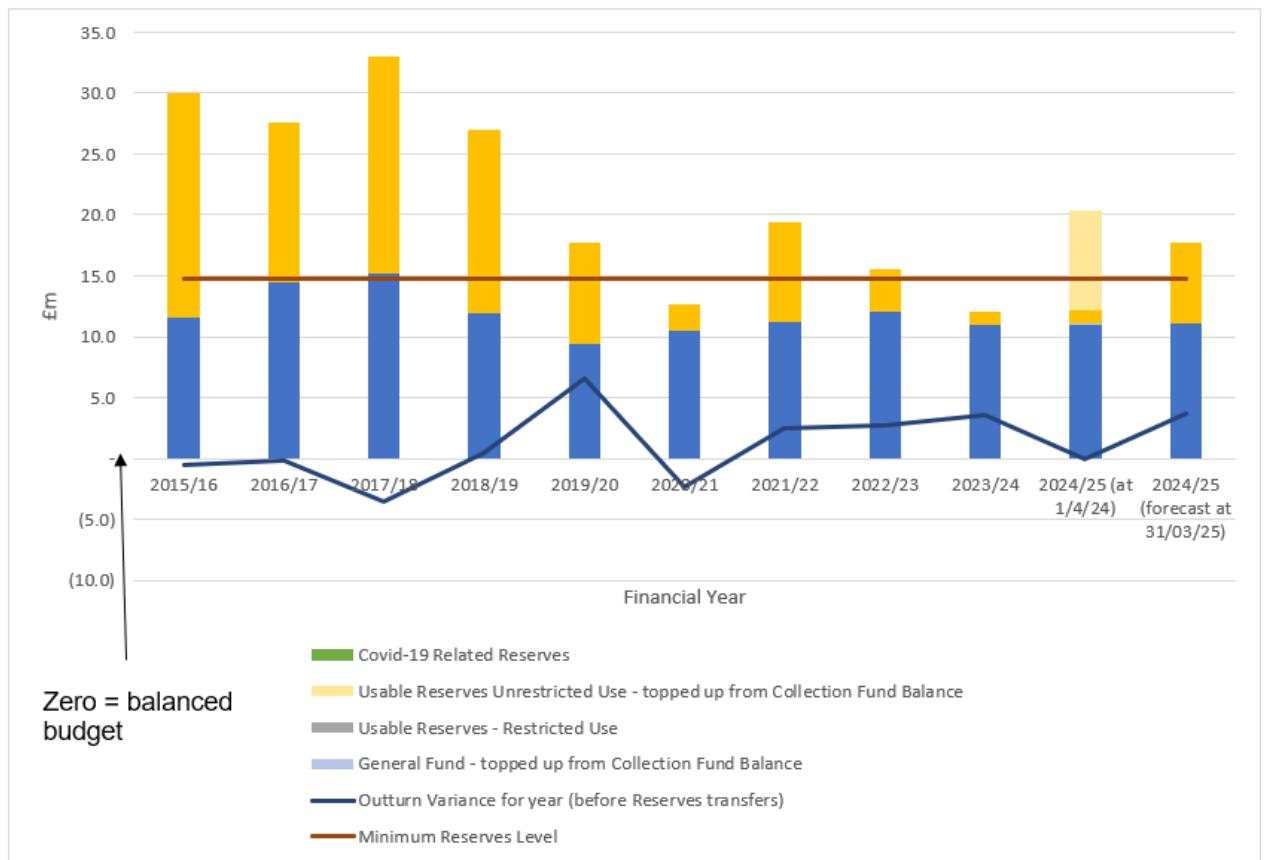
- Further permanent recruitment of staff to replace agency staff by using specialist recruiting agencies
- Review of plans for internal residential provision
- Research into why Middlesbrough is in a worse position financially than its neighbours (both local and statistical neighbours)
- Review of Edge of Care provision
- Continuation of Reunification project (initially funded by DfE grant)
- Further review of the Children's Service structure
- Potential expansion of SHIFT project
- Review of locations occupied by services within Children's Services to ensure they are fit for transformed services provided
- Options appraisal within Fostering to increase recruitment of foster carers employed by the Council and increase internal capacity, including specialist provision. This will include redesigning the website to make more attractive and provide greater clarity of benefits to potential fosterers.

The above agreed actions will be incorporated into the Transformation Portfolio as required.

Council Reserves and Provisions

- 4.25 It is critical that expenditure is contained in 2024/25 as far as possible within the approved budget of £143.190m and that there is no unplanned drawdown on critically low revenue reserves to meet overspending. It is essential that the Council's financial position is stabilised and reserves are rebuilt from the current critically low level.
- 4.26 As a result of a detailed balance sheet review undertaken during 2023/24, the s151 officer revised the methodology to calculate the Collection Fund Bad Debt provision in 2021/22 financial statements in order to comply with International Accounting Standard 37 (IAS37) which has adopted a long-term data driven methodology to forecast debt write offs, based upon actual collection performance. This, combined with collection performance during 2022/23 resulted in a usable cumulative collection fund surplus of £8.325m at 31 March 2024. This surplus was applied to replenish the General Fund Balance to the recommended minimum level of £11.1m and unrestricted usable reserves at £9.280m at 1 April 2024 in accordance with Council approvals on 8 March 2024.
- 4.27 As detailed in paragraph 4.19 the £2.498m of net unachieved savings contained within the £3.742m forecast overspend at Quarter One would be funded on a one off basis from EFS if they remain unachievable and cannot be substituted in year. The remaining element of the forecast overspend not linked to savings delivery (£1.244m) would need to be funded from reserves and this would mean that the General Fund Balance would be £11.100m whilst the balance on usable unrestricted reserves would reduce to £6.570m at 31 March 2025. This would mean that the total unrestricted usable revenue reserves would be forecast to be £17.670m at 31 March 2025. This would be lower than the level recommended by the Director of Finance in the Reserves Policy approved by Council on 8 March 2024. Appendix 6 provides an analysis of restricted and unrestricted reserves together with General Fund Provisions
- 4.28 Usable reserves remain at a very low level compared nationally to other unitary authorities. Further measures will be required over the period of the MTFP to maintain and increase revenue reserves and rebuild financial resilience. Figure 1 below shows the trajectory of Middlesbrough's unrestricted usable Reserves from 2015/16 through to 2024/25 forecast closing balance against both the recommended minimum reserves level and the reported outturn position.

Figure 1 - Middlesbrough Council - Unrestricted Reserves Balances from closing balance 2015/16 through to forecast closing balance 2024/25 and reported outturn variance per year



Contingency Budget and Change Fund

4.29 Table 4 summarises the 2024/25 budget and commitments against the central budgets controlled under the delegated powers of the s151 Officer (and deputy s151 Officers) in relation to the Contingency Budget and the Change Fund Reserve at 30 June 2024. A summary of the expenditure approved for utilisation of these budgets is set out at Appendix 7.

Table 4 – Summary of 2024/25 budget and commitments against central budgets

	Corporate Contingency £m	Change Fund Reserve £m
Starting Budget 2024/25	1.422	1.053
Budgeted contribution 2024/25	-	0.730
Additional contributions in year	-	1.000
Permanent adjustment to Regeneration budget (New Homes Bonus grant adjustment)	(0.081)	-
Permanent adjustment to LGS budget (previous years savings adjustment)	(0.014)	-
Available for use	1.327	2.783
Allocated/Committed to date	(0.441)	(0.017)
BALANCE REMAINING UNCOMMITTED	0.886	2.766

Dedicated Schools Grant (DSG)

4.30 Local authorities receive a ring-fenced grant from central government each year, which can only be used to fund education. The DSG grant budget is accounted for separately to the main Revenue Budget. The Council's allocation in July 2024 is to receive £197.453m (before deductions and recoupmnt) of Dedicated Schools Grant (DSG) for 2024/25. The funding comprises of a number of blocks:

- Schools Block
- Central School Services Block
- High Needs Block
- Early Years Block

A large proportion of the Schools Block is passported directly to academies (known as recoupmnt). Alongside this, agreed place funding for academies and FE colleges is also deducted from the High Needs block for specialist places. Currently after deductions and recoupmnt the Council will receive DSG of £63.776m in 2024/25 including an agreed disapplication of £0.699m transfer from Schools block to High Needs block.

4.31 The forecast expenditure of £69.277m is a year-end overspend of £5.501m on DSG within 2024/25 as summarised in Table 5.

Table 5 - Dedicated Schools Grant (DSG) after recoupmnt and deductions

	2024/25 Forecast Income	2024/25 Forecast Expenditure	2024/25 Forecast Year-end Overspend	Balance as at 31/03/2024	Forecast Cumulative DSG Deficit as at 31/03/2025
	£m	£m	£m	£m	£m
Early years	17.692	17.692	(0.000)	(0.467)	(0.467)
Schools Block	14.387	14.387	(0.000)	(0.298)	(0.298)
High Needs	30.651	36.152	5.501	15.079	20.580
Central school services block	1.046	1.046	0.000	(0.021)	(0.021)
TOTAL	63.776	69.277	5.501	14.293	19.794

*(**July 2024 issued allocations for 2024-25 –note these figures can change post these allocations)*

4.32 There was a £14.293m total cumulative deficit on the DSG grant at the end of 2023/24, which included £15.079m attributed to the High Needs Block. The DSG deficit is forecast to increase during 2024/25 and there is a forecast cumulative DSG deficit of £19.794m at 31 March 2025. This includes £20.580m relating to the High Needs Block which is partly offset by £0.786m of surpluses across the other blocks.

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

Government remove the statutory override before the deficit position is resolved – the forecast balance at 31 March 2025 is £19.794m which would be required to be met from the General Fund resources if the statutory override was removed by Government without providing a funding solution. The position that Government takes on this national issue which presents significant financial risks for many local authorities, will be closely followed and updates will be provided as appropriate. Further information relating to DSG and the work being undertaken by the Council with the DfE is set out in Appendix 8.

2024/25 Capital Programme Forecast Outturn as at Quarter One

- 4.34 The Council on 8 March 2024 approved a capital programme for 2024/25 of £88.549m (the original 2024/25 capital budget). This was revised to £97.215m as approved by Executive within the 2023/24 Revenue and Capital Outturn and Development of MTFP report of 26 June 2024 to take account of 2023/24 programme slippage and some new externally funded schemes.
- 4.35 The budget has been further revised at Quarter One by the addition of a total of £8.973m in 2024/25 in order to add new externally funded schemes / additional external funding to existing schemes (detailed in Appendix 9). Subject to Executive approval of incorporating these within the Capital Programme, the revised budget for 2024/25 is £106.188m as summarised in Table 6.
- 4.36 There are also some virements requested for approval by Executive between schemes in the 2024/25 Capital Programme approved by Council in March 2024 which are funded from within existing Council resources and where there is no increase in planned expenditure above that approved by Council for funding by capital receipts and borrowing (details are provided in Appendix 9).
- 4.37 The capital programme currently includes £2.589m budget assigned to Middlesbrough Development Company. This is funded by £2.014m of Council funding and £0.575m of Towns Fund grant funding. There is an outstanding dispute with the main contractor at the Boho Bright Ideas project. When this dispute is settled approval is requested from Executive that any balance remaining against the £2.589m budget will be vired to the Housing Growth and De-Risking Sites budgets to replenish this budget for use in future Housing Growth schemes, in order to maximise the value of future land disposals.
- 4.38 The 2024/25 projected outturn on capital expenditure is £99.698m at Quarter One, the revised projection includes new and additions to existing schemes, reductions in existing schemes and programme slippage.
- 4.39 The £99.698m of planned expenditure is expected to be funded by:
- £47.919m (48%) grants and external funding
 - £19.700m (20%) capital receipts
 - £32.079m (32%) borrowing
- 4.40 Table 6 summarises the capital programme approved budget, outturn, and variance for 2024/25.

Table 6 - Summary of capital programme approved budget, outturn, and variance for 2024/25

Directorate	2024/25	2024/25	2024/25	2024/25	2024/25	2024/25	MEMO		MEMO
	Capital Programme Budget (as approved by Council 8/3/24)	Revised Capital Programme Budget (as per Executive report 26/6/24)	Revised Capital Programme Budget (as at Quarter One)	Forecast Outturn	Forecast Outturn Variance	Forecast Outturn Variance % Against Budget	Explanation of Forecast Outturn Variance		Actuals as At 30/6/24
	£m	£m	£m	£m	£m	%	Slippage £m	Underspend £m	£m
Regeneration	21.582	27.428	29.578	25.478	(4.100)	(13.86)	(4.100)	-	2.291
Environment and Community Services	17.396	17.294	21.297	22.452	1.155	5.42	1.155	-	1.490
Public Health	0.043	0.519	0.689	0.689	-	-	-	-	0.027
Education and Partnerships	12.040	13.912	14.036	13.915	(0.121)	(0.86)	-	(0.121)	2.646
Children's Care	2.035	2.026	2.026	2.084	0.058	2.86	0.060	(0.002)	-
Adult Social Care	1.213	1.351	3.877	3.827	(0.050)	(1.29)	(0.050)	-	0.822
Legal and Governance Services	2.350	2.795	2.795	2.863	0.068	2.43	0.068	-	2.186
Finance	4.790	4.790	4.790	1.290	(3.500)	(73.07)	(0.400)	(3.100)	-
Transformation Programme	13.700	13.700	13.700	13.700	-	-	-	-	-
Exceptional Financial Support	13.400	13.400	13.400	13.400	-	-	-	-	-
Total	88.549	97.215	106.188	99.698	(6.490)	(6.11)	(3.267)	(3.223)	9.462

- 4.41 Capital slippage results from a delay in delivery of projects compared to the planned delivery. Whilst expenditure remains within the approved project budget, this results in an in year underspend which is required to be carried forward to the new financial year. This is called slippage. The amount of slippage (currently forecast at £3.267m) is reprofiled and carried forward to 2025/26 and 2026/27 to reflect revisions to the expected delivery and expenditure timescale. Details of capital slippage for 2024/25 as at Quarter One are shown in Appendix 10.
- 4.42 The major reason for the forecast underspend of £3.223m is that the Capitalisation of Property Finance Lease Arrangements scheme has been reduced by £3.100m of Council resources from a budget of £4.500m. Work has been undertaken to assess contracts and leases in place within Middlesbrough with the number of arrangements impacted by the new IFRS16 accounting rules being significantly lower than the original estimate. It should be noted that this project is in relation to the Chartered Institute of Public Finance Accountancy's (CIPFA) advice in relation to the accounting treatment of leases. The reduction has no consequences in relation to the delivery of physical capital projects. Any revenue saving arising from this will be reported within the Capital Financing budget.
- 4.43 The level of actual spend at Quarter One is currently low at £9.462m (9% of budget) and this will be closely monitored during Quarter Two and the rest of the financial year. It should be noted that there is transformation expenditure that currently has not been allocated to the capital programme in relation to Transformation investment. It is currently being held in revenue holding accounts and will be transferred to capital expenditure budgets during Quarter Two. Also it should be noted that any expenditure on EFS will be incurred at the year-end once the need to use EFS is confirmed and agreed with MHCLG.

- 4.44 Table 7 summarises and Appendix 11 details updated forecast expenditure for the period 2024/25 to 2026/27 split over the various schemes and the proposed funding. Since the Capital Programme for the period 2024/25 to 2026/27 was approved by Council on 8 March 2024, there has been forecast slippage from 2024/25 and increased externally funded schemes as detailed above, and there is therefore a need to revise the forecasts for the period 2024/25 to 2026/27. Any changes to the budgets approved by Council in March 2024 for 2025/26 and future years, will be formally approved by Council as part of 2025/26 budget setting in February 2025.

Table 7 – Summary of Forecast Capital Programme 2024/25 to 2026/27

Directorate	2024/25 Forecast £m	2025/26 Forecast £m	2026/27 Forecast £m	TOTAL £m
Regeneration	25.478	46.915	7.785	80.178
Environment and Community Services	22.452	15.102	8.172	45.726
Public Health	0.689	-	-	0.689
Education and Partnerships	13.915	3.927	0.871	18.713
Children's Care	2.084	0.600	1.703	4.387
Adult Social Care	3.827	0.710	0.660	5.197
Legal and Governance Services	2.863	2.117	2.185	7.165
Finance	1.290	0.200	0.200	1.690
Transformation Programme	13.700	7.700	5.300	26.700
Exceptional Financial Support	13.400	-	-	13.400
Total EXPENDITURE	99.698	77.271	26.876	203.845
Funded by				
Borrowing	18.679	24.859	9.867	53.405
EFS Borrowing	13.400	-	-	13.400
Capital Receipts	6.000	6.000	6.000	18.000
Flexible Use of Capital Receipts	13.700	7.700	2.865	24.265
Grants	46.746	36.189	3.404	86.339
Contributions	1.173	2.523	4.740	8.436
Total FUNDING	99.698	77.271	26.876	203.845

- 4.45 The Director of Finance will lead the development of strengthened governance and reporting arrangements during 2024/25. A full review of the Capital Programme will be undertaken during Quarter Two including a review of profiling and alignment of funding sources to optimise the use of grants and external funding and mitigate the revenue impact of debt financing upon the revenue budget position as far as possible. In addition, a Capital Programme Board will be established in Quarter Two to provide improved management of the Council's Capital Programme.

Treasury Management - Borrowing & Prudential Indicators

- 4.46 The Council's investment and borrowing activity is managed in accordance with the Treasury Management Strategy (TMS) which is a key element of the MTFP alongside the annual revenue budget and capital programme which are approved by Council annually before the start of the financial year.
- 4.47 Treasury Management activity is governed by the Prudential Indicators which are set within the TMS. The Council uses external expert treasury advisers (Arlingclose) to inform the development of its strategy and operational in year decisions. The budgeted and forecast position as at Quarter One 2024/25 are summarised in Table

8 below. A half yearly review of the Council's TMS and prudential indicators will take place at Quarter Two and a specific report is planned to be submitted to Executive on 11 November 2024 alongside the capital and revenue budget monitoring positions.

4.48 Investment and borrowing decisions are taken to manage the short, medium, and long-term cash needs of the Council and these are driven primarily by the following:

- the extent to which the Council finances its capital expenditure by borrowing which is measured by the Capital Financing Requirement (CFR)
- the timing differences between operational income and expenditure flows
- the level of cash backed reserves held, and.
- current short to long term interest rate forecasts.

Table 8 – Prudential Indicators – Quarter One 2024/25

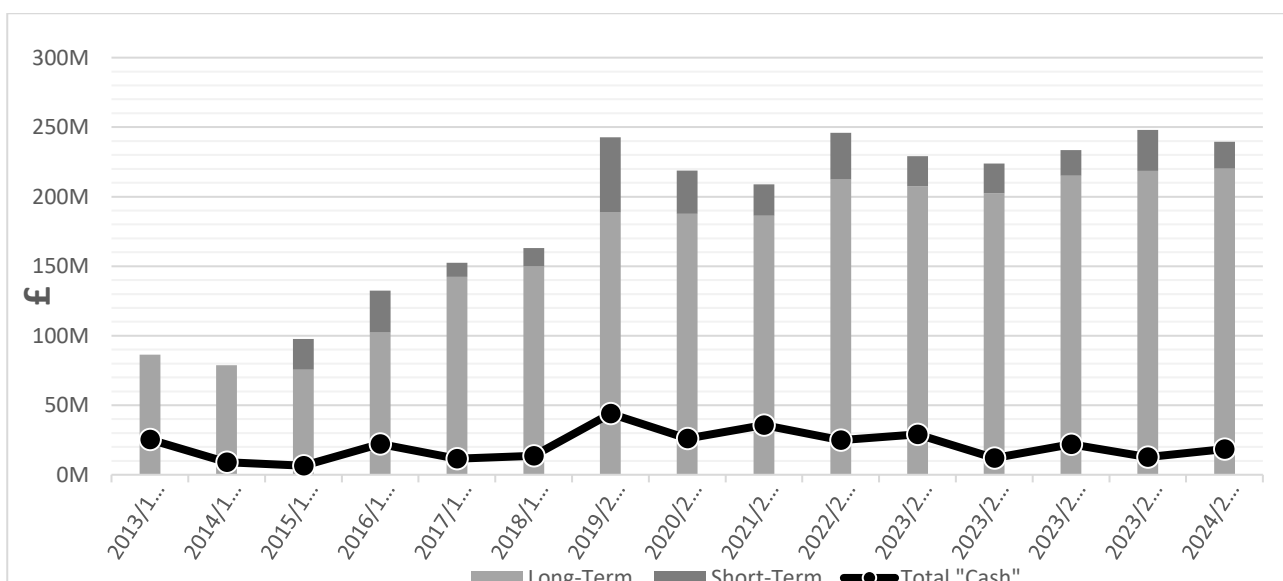
	<u>2024/25 Budget (as per 2023/24 outturn)</u>	<u>Forecast at Quarter One</u>	<u>Variance</u>	<u>Variance as % of Budget</u>
	<u>(£M)</u>	<u>(£M)</u>	<u>(£M)</u>	<u>%</u>
Capital Expenditure	97.215	99.698	2.483	2.55
<u>Financing</u>				
External Sources	41.019	47.919	6.900	16.82
Own Resources	19.700	19.700	0.000	0.00
Debt	36.496	32.079	(4.417)	(12.10)
	<u>97.215</u>	<u>99.698</u>	<u>2.483</u>	<u>2.55</u>
Capital Financing Requirement	322.157	318.020	(4.137)	(1.28)
External Debt borrowed	248.104	239.430	(8.674)	(3.50)
Cash Balances	15.000	18.300	3.300	22.00
Capital Financing cost	11.154	11.154	0.000	0.00
Revenue Budget	143.190	143.190	n/a	n/a
Cost as a % of Revenue Budget	7.79%	7.79%	0.00%	

4.49 The Council's forecast Capital Expenditure outturn at Quarter One is £99.698m compared to a revised original approved budget of £97.215m, an overspend of £2.483m (2.55%). The increase in capital expenditure is because of new schemes funded by grants and contributions (£6.900m), offset by slippage on schemes funded by borrowing of £4.417m.

4.50 During the first quarter of 2024/25, external borrowing decreased from £248.104m on 31 March 2024, to £239.430m on 30 June 2024. This decrease of £8.674m reflects the repayment of £5.000m in total on short term borrowing, plus £3.674m of annuity principal repayments. No new borrowing was required during the period.

- 4.51 Cash balances have increased from £12.723m to £18.300m between the end of March and the end of June 2024. This reflects the capital and revenue spending plans of the Council to date in this financial year. Also, long term interest rates from the Public Works Loan Board have stayed around 4.75% during the first quarter. This is slightly above the target borrowing rate of 4.50% for the financial year. As cash levels have remained healthy, there has been no need to take any external borrowing to help with liquidity. Any borrowing decisions required will be discussed in detail with our treasury advisers, to ensure that they are consistent with the Council's debt portfolio and TMS.
- 4.52 The ratio of long-term to short-term borrowing has therefore remained stable during the quarter given that repayments only have been made to date. The Council's total under borrowed position (external debt compared to the capital-financing requirement – or underlying need to borrow for the financial year) is £78.590m on 30 June 2024, or 24.7%. Total borrowing of between £40m - £50m is required over the remainder of the financial year to finance the forecast spend on the capital programme and to keep liquidity balances at a sustainable level. The review and reprofiling of the capital programme will affect the need to borrow. This will move the under-borrowed position to a level in keeping with previous financial years. The over-riding objective continues to be to demonstrate value for money and affordability from any borrowing decisions taken over the medium term.

Figure 2 – Borrowing and cash held from 2013/14 to date



- 4.53 The affordability & sustainability of the Capital Programme and its total level of external borrowing and capital financing costs is self-regulated by the Council through a set of prudential indicators. These thresholds are approved by Council as part of the annual budget process in February/March each year. CIPFA and Government view this approach as best practice in ensuring resources are allocated prudently to capital schemes and achieve value for money in the use of resources.
- 4.54 The amount of external debt at £239.430m and the total underlying need to borrow of £318.020m, are both below the Council's authorised debt limit of £372.000m for the year. This is the threshold above which any borrowing would be unlawful. The cost of capital financing to the Council is in line with budget expectations, although

the risk is to the upside given the level of borrowing required and the existing volatility on borrowing rates at present. The total annual cost of financing the Council's capital investment plans being forecast is £11.154m, or 7.79% of the current net revenue budget.

Collection Fund - Council Tax and Business Rates income

- 4.55 Income received from Council Tax and Business Rates (NNDR) is a major source of revenue income for the Council and funds around 66% of its annual expenditure in delivering all Council services. It is accounted for within the Collection Fund and operates under the Government regulations. Due to the prescribed mechanisms for operating the Collection Fund, the financial impact of any 2024/25 income collection variances do not immediately affect the General Fund position. By illustration, the impact of any final surplus or deficit variance on the Collection Fund for 2023/24 is fed into the development of the 2025/26 budget and MTFP and any cost/ benefit does not impact the 2024/25 financial year.
- 4.56 It is too early to provide an update of the Collection Fund position for 2024/25 and this will be provided as part of the Quarter Two budget monitoring report when further information is available.

Debt Recovery Performance

- 4.57 A key workstream within the plans to recover the Council's financial position is the renewed focus upon recovering monies owed to the Council from the following sources
- Council Tax
 - Business Rates
 - Sundry (general) debt
 - Housing Benefit Overpayments
- 4.58 The Council's approach to improving debt recovery performance whilst maintaining appropriate support to residents and businesses who are entitled to available help, advice and support, is set out in Appendix 12. Progress will be incorporated into quarterly monitoring reports throughout 2024/25, with the position at Quarter One 2024/25 (30 June 2024) shown in paragraph 4.58.
- 4.59 The debt collection performance for 2024/25 together with the movement in debt balances between 31 March 2024 to 30 June 2024 is summarised below:

Table 9 – Debt Collection Performance Quarter One 2024/25 (as at 30 June 2024)

Category of Collectable Debt	Balance at 01/04/2024 (£m)	Movement in-year (£m)	Balance at 30/06/2024 (£m)
Council Tax	36.773	(0.983)	35.790
Business Rates	8.391	(1.660)	6.731
Sundry Debt	15.516	(3.951)	11.565
Housing Benefits Overpayments	6.535	(0.108)	6.427
Total	67.215	(6.702)	60.513

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

5.1 Not applicable.

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

6.1 *Financial (including procurement And Social Value)*

6.1.1 This report sets out the financial implications associated with the financial performance of the Council in managing its revenue, grant and capital resources for the financial year 2024/25 and the financial implications are incorporated throughout.

6.2 *Legal*

6.2.1 The proposed recommendations are consistent with and will promote the achievement of the Council's general legal duty to achieve Best Value in accordance with Section 3 of the Local Government Act 1999 (as amended by s137 of the Local Government & Public Involvement in Health Act 2007).

6.3 *Risks*

6.3.1 In line with the Council's Risk Management Policy, the corporate Strategic Risk Register will be reported to this Executive as part of the Corporate Performance Update: Quarter One 2024/25 report.

6.4 *Human Rights, Equality and Data Protection*

6.4.1 The complete overall impact assessment included in Appendix 3 of the budget report to Council on 8 March 2024 , along with all the individual impact assessments found that there was a justified adverse impact from these proposals in order to ensure the Council is able to maintain a balanced budget and continue to meet its statutory obligations.

6.5 *Climate Change / Environmental*

Not applicable

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

Not applicable

6.7 Data Protection / GDPR

Not applicable

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

Action	Responsible Officer	Deadline
Corporate revenue budget spending controls set out in the main body of the report will continue to be applied to Directorates as stated.	Director of Finance	31/3/25
Service Reviews to be undertaken in following areas as detailed in para. 4.23 & 4.24 <ul style="list-style-type: none"> Children's Care Adults Social Care Crematorium Waste Services Fleet Services Integrated Transport Unit / SEND transport 	Director of Childrens Services Director of Adult Social Care Director of Environment & Community Services Director of Environment & Community Services Director of Environment & Community Services Director of Education & Partnerships	30/9/24
Revenue budget virements detailed in Appendix 3 to be actioned, subject to approval	Head of Financial Planning & Support	30/9/24
Amendments to the capital programme for 2024/25 to be actioned, subject to approval	Head of Financial Planning & Support	30/9/24

Appendices

1a	Summary of key variances and financial recovery plans Quarter One 2024/25
1b	Details of Directorate variances Quarter One 2024/25
2	Directorate Financial Recovery Plan Savings Quarter One 2024/25
3	Proposed revenue budget virements above £250,000 at Quarter One 2024/25
4	Detailed savings tracker of savings categorised as "Red" by Directorate at Quarter One 2024/25
5	Budgetary and Financial Control Measures required in 2024/25
6	Reserves and Provisions
7	Summary of projects approved for utilisation of Contingency Budgets and Change Fund at Quarter One 2024/25
8	Dedicated Schools Grant
9	Capital Programme Quarter One 2024/25 - additional external funded schemes / additional external funding to existing schemes, and transfers between schemes
10	Capital Programme Quarter One 2024/25– details of capital slippage
11	Revised Capital Programme Forecasts 2024/25 to 2026/27
12	Council's approach to debt recovery

Background papers

Body	Report title	Date
Executive	2024-25 Budget and MTFP – Application for Exceptional Financial Support	17/1/24
Executive	Middlesbrough Independent Improvement Advisory Board: First Update Report	17/1/24
Council	Corporate Governance Improvement Plan and Section 24 Action Plan progress report	17/1/24
Council	Flexible Use of Capital Receipts Policy	17/1/24
Executive	2024/25 Revenue Budget, Medium Term Financial Plan, and Council Tax setting	28/2/24
Executive	Prudential Indicators and Treasury Management Strategy Report – 2024/25	28/2/24
Council	2024/25 Revenue Budget, Medium Term Financial Plan, and Council Tax setting, and Treasury Management Strategy 2024/25	8/3/24
Executive	2025/26 Budget and MTFP Approach and Timetable	22/5/24
Executive	2023/24 Revenue and Capital Outturn and development of MTFP	26/6/24
Executive	2025/26 Medium Term Financial Plan	4/9/24

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(deputy s151 Officer)

Email: andrew_humble@middlesbrough.gov.uk

Summary of Key variances and financial recovery plans

The most significant directorate variances and financial recovery plans are summarised in below, with further detail for each Directorate being included in Appendices 1b and 2.

It should be noted that the measures taken to control expenditure in year are a combination of 'one off mitigations' that have a favourable impact only in 2024/25 and plans that deliver 'ongoing' cost reductions or income generation that will have a favourable impact upon the calculated budget gap for 2025/26.

The ongoing pressures that remain as a result of the following will impact upon the 2025/26 budget model:

- Partial or Non-delivery of approved planned savings (RAG Red and Purple)
- Demand and other financial pressures for which a one-off mitigation has been delivered

Directorate	Service Area	Summary of Variances over £250,000	2024/25 Forecast Overspend/ (underspend) £m	Financial Recovery Plan Key Actions	Value of Recovery Plan 2024/25 £m
Adults Social Care	Prevention, Provider & Support Services	2024/25 budget saving currently rated as "RED" : ASC11 Re-provision use of Levick Court £0.311m due to late emergence of potential alternative options to work with partners in establishing the unit as a sub-regional provision for residential short breaks.	0.340	Options being sought to mitigate impact of saving not yet achieved and efforts being made to maximise use of the available respite capacity in the interim.	TBC
	Purchasing - savings	£0.506m of 2024/25 budget saving ASC12 Adult Social Care Services transformation currently rated "RED" relating to need for business plan for the implementation of the LGA's "Better Lives" framework (for improving support to adults with a learning disability) - due August 2024.	0.461	Additional Transformation resources have been approved to undertake care package reviews where Assistive Technology can be implemented as an alternative	(0.150)
	Purchasing - Personal	Maximise use of the Discharge grant funding (one-off for 24/25)	(0.259)		
	Across Directorate	Other variances below £250,000	(0.112)		
	Across Directorate			Additional pay related savings across the Directorate due to new vacancies and delayed/difficulties in recruitment	(0.500)
Children's Care	External Residential	Increased numbers of children in external residential placements above budgeted level. Includes 2024/25 budget saving currently rated as "RED" : CC02 Review of Placements £1.1m	3.245	Placement reviews - based on 12 changes in placements that if successful, reduces forecast outturn based on planned placement moves.	(0.877)
	External Residential	Health contributions (forecast £0.052m saving) and Education contributions (£0.200m pressure) against placements	0.148	Review of contributions	TBC
	Internal Residential	Agency staff covering significant absences and staff pressures.	0.475	Permanent recruitment to posts, including marketing campaign and review of recruitment and retention packages.	TBC
	Fostering & Adoption	Internal Fostering and Adoption forecast savings, offset by Independent Fostering Agency and Family & Friends pressures	0.170	Recruitment of internal foster carers to reduce reliance on Independent Fostering Agencies and higher cost placements	TBC
	Across Service Teams	Staff savings from vacant posts and Section 17 and other expenditure across teams	(0.515)	To investigate increasing savings on vacant posts to cover overspend in Directorate. Also Children's Services structure review.	TBC
	Across Directorate	Other budget savings for Children's Care (excluding CC02) currently rated "Red" (as detailed in Appendix 4).	0.230	Review of savings required in order to meet existing savings targets , and continue to look at other savings opportunities across the Directorate.	TBC

Education & Partnerships	Integrated Transport Unit	Following a review of demand and cost modelling and the budget growth provided in 2024/25 there is a forecast saving of £0.732m for 2024/25	(0.732)	Work is currently ongoing to baseline the budget and the development of a MTFP forecast to assess demand and unit cost modelled using Special Educational Needs (SEN) data. An update of this will be provided at Quarter Two.	TBC
Regeneration	Economic Growth	Vacant units in Boho buildings after move of anchor tenant creating £0.223m forecast overspend offset by other savings.	0.172	Marketing campaign to seek new tenants	TBC
	Investment Properties	Income below budget set at Cleveland Centre offset by increased income above budget at Centre Square 1 due to additional rent income achieved and reduction in service charges.	0.430	Rent at the Cleveland Centre will improve if the Live Well Centre moves into the precinct at the date planned	(0.070)
	Property Services	Savings of £1.2m on energy costs offset by other pressures	(0.857)	Potential business rates review at Crematorium	(0.280)
	Regeneration Management	Saving currently rated "Red" re. improved housing co-ordination and provision (REG07)	0.080		
	Across Directorate	Other variances below £250,000	(0.106)		
Environment & Communities	Waste Disposal	Growth budget for increased contractual costs per tonne under contract extension not all required in 2024/25.	(0.673)	Review of MTFP growth provision	TBC
	Bereavement Services	Reduced income due to falling demand for service	0.373	Service review to be undertaken to consider options for reducing operational costs to align to reduced activity and to assess the business case for replacement cremators which are approaching the end of their useful life.	TBC
	Waste Collection	Overachievement of income from implementation of charging for Green Waste Collection Service (£0.444m) offset by additional one-off set up costs of £0.328m	(0.116)	Service review to be undertaken including zero based budget to be prepared reflecting the change in service operations following implementation of fortnightly collection	TBC
	Fleet Management	Increased staff costs and vehicle hires due to recruitment issues	0.339	Review to be undertaken	TBC
	Highways Maintenance	Increased use of internal staff for grant funded projects	(0.165)		
	Street Lighting	Energy costs above budget	0.150	Review to determine whether this will continue or reduce.	TBC
	Car Parking	Residents Permits Charge unlikely to be implemented until 2025 due to software issue creating forecast pressure of £0.125m. Also on-street penalty income below budget.	0.380		
	Concessionary Fares	£0.320m saving expected from settlement with bus operators for 2024/25 being lower than budgeted. Also one-off grant received from TVCA.	(0.414)		
	Across Directorate	Other variances below £250,000	0.209		
Legal and Governance	Across Directorate	Other variances below £250,000	0.244		
Central Budgets	Senior Management Review	Budget saving currently rated as "RED" : CEN02 23/24 Senior Management Review £0.244m.	0.244		
Total Variance			3.742		(1.877)

Appendix 1b - Detailed Directorate Revenue Budget Forecast Outturn Quarter One 2024-25

Adult Social Care Summary

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					MEMO FORECAST VARIANCE SPLIT				
Adult Social Care	Original Budget Full Year	Current Budget Full Year	Forecast Outturn	Forecast Variance	Financial Recovery Plan	Forecast Outturn Variance	Savings Delivery Variance	Other variances	Issues Ref. No.
	£m	£m	£m	£m					
						Adv /(Fav)	Adv /(Fav)	Adv /(Fav)	
Service Strategy	0.740	0.740	0.789	0.049		0.049		0.049	
NHS Support/MSIF grant	(9.615)	(9.615)	(9.615)	0.000		0.000		0.000	
Prevention, Provider & Support Service	(5.784)	(5.945)	(5.605)	0.340		0.340	0.311	0.029	1
Specialist & Lifelong Learning	3.144	3.095	3.076	(0.019)		(0.019)		(0.019)	
Access & Safeguarding	6.205	6.384	6.283	(0.101)		(0.101)		(0.101)	
Purchasing - Residential	26.527	27.684	27.697	0.013		0.013		0.013	
Purchasing - Direct Payments	7.578	7.835	7.879	0.044		0.044		0.044	
Purchasing - Supported Tenancies	10.866	11.351	11.342	(0.009)		(0.009)		(0.009)	
Purchasing - Enablement & Support	2.906	2.825	2.811	(0.014)		(0.014)		(0.014)	
Purchasing - Day Care	1.668	1.744	1.749	0.005		0.005		0.005	
Purchasing - Personal Care	10.472	10.898	10.639	(0.259)		(0.259)		(0.259)	2
Purchasing - Other	(3.997)	(3.969)	(4.049)	(0.080)		(0.080)		(0.080)	
Purchasing - Savings / Growth / Inflation	1.365	(0.952)	(0.491)	0.461	(0.150)	0.311	0.506	(0.045)	3
ASC recovery plan	0.000	0.000	0.000	0.000	(0.500)	(0.500)		0.000	
Total Directorate	52.075	52.075	52.505	0.430	(0.650)	(0.220)	0.817	(0.387)	

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Appendix 1b - Detailed Directorate Revenue Budget Forecast Outturn Quarter One 2024-25

KEY ISSUES

<u>Ref. No.</u>	<u>Service Area</u>	** <u>Forecast Variance £m</u>	<u>Issue</u>
1	Prevention, Provider & Support Service	0.340	Levick Court ASC11 : Savings not yet achieved £0.311m due to late emergence of potential alternative options to work with partners in establishing the unit as a sub-regional provision for residential short breaks. Options being sought to mitigate impact of saving not yet achieved and efforts being made to maximise use of the available respite capacity in the interim.
2	Purchasing - Personal Care	(0.259)	Maximise use of Discharge grant funding (one-off for 24/25)
3	Purchasing - Savings/Growth/Inflation	0.461	There is a current forecast shortfall of £0.506m in the achievement of ASC12 Adult Social Care Transformation savings. This relates to the business plan for the implementation of the LGA's "Better Lives" framework (for improving support to adults with a learning disability) - this plan is in the final stages of development prior to final financial scrutiny and assurance (due to be submitted Aug 2024).
	Other Variances +/- £250,000	(0.112)	
		<u>0.430</u>	

Appendix 1b - Detailed Directorate Revenue Budget Forecast Outturn Quarter One 2024-25

Public Health Summary

Public Health	Original Budget Full Year	Current Budget Full Year	Forecast Outturn	Forecast Variance	Financial Recovery Plan	Forecast Outturn Variance	MEMO FORECAST VARIANCE SPLIT		Issues Ref. No.
	£m	£m	£m	£m		£m	£m	£m	
						Adv /(Fav)	Adv /(Fav)		
Substance Misuse	3.908	3.908	3.441	(0.467)	0.000	(0.467)	0.000	(0.467)	1
Misc Public Health	(9.195)	(9.195)	(9.125)	0.070	0.000	0.070	0.000	0.070	2
Best Start In Life	3.549	3.549	3.617	0.068	0.000	0.068	0.000	0.068	3
Health Protection	1.092	1.092	1.104	0.012	0.000	0.012	0.000	0.012	
Healthy Environments	0.147	0.147	0.147	0.000	0.000	0.000	0.000	0.000	
Ill Health Prevention	0.376	0.376	0.436	0.060	0.000	0.060	0.000	0.060	4
Public Mental Health	0.129	0.129	0.170	0.041	0.000	0.041	0.000	0.041	
Total Before Movement to Reserves	0.006	0.006	(0.210)	(0.216)	0.000	(0.216)	0.000	(0.216)	
Transfer surplus to PH reserve	0.000	0.000	0.216	0.216	0.000	0.216	0.000	0.216	5
Total Directorate	0.006	0.006	0.006	0.000	0.000	0.000	0.000	0.000	

Appendix 1b - Detailed Directorate Revenue Budget Forecast Outturn Quarter One 2024-25

KEY ISSUES

<u>Ref. No.</u>	<u>Service Area</u>	^{**} <u>Forecast Variance</u> <u>£m</u>	<u>Issue</u>
1	Substance Misuse	(0.467)	£0.160m relates to savings on vacant posts, the remainder is a contract saving from bringing the prescribing service in house. The core substance misuse budget has to remain at this level in order to achieve the conditions within the other substance misuse grants. A plan will be put in to place to utilise this saving within the substance misuse team.
2	Misc Public Health	0.070	£0.011m is one off costs in relation to licences at venues. £0.017m maternity payments that the HDFT grant won't cover and £0.042m is underachieved income/additional costs at the Live Well Centre due to relocation.
3	Best Start In Life	0.068	£0.048m relates to the HDFT contract, negotiations around prior years pay award resulted in this one off payment being agreed on top of the current budget. £0.020m the introduction of a new fluoride scheme in oral health.
4	Ill Health Prevention	0.060	Invoices for the FRESH contract not included in budget.
5	Public Health Reserve	0.216	It is proposed to transfer any underspend within the Public Health budget to reserve, per the grant guidance/conditions
	Other Variances +/- £250,000	0.053	
		0.000	

Appendix 1b - Detailed Directorate Revenue Budget Forecast Outturn Quarter One 2024-25

Children's Care Summary

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Children's Care	Original Budget Full Year	Current Budget Full Year	Forecast Outturn	Forecast Variance
	£m	£m	£m	£m
				Adv /(Fav)
Assessments & Safeguarding Care Planning	8.333	8.333	8.225	(0.108)
Children Looked after, Corporate Parenting and Children with Disabilities	3.291	3.291	3.282	(0.009)
Fostering, Adoption and Connected Carers	16.399	16.399	16.570	0.170
External Residential Expenditure	14.800	14.800	18.045	3.245
External Residential contributions	(2.155)	(2.155)	(2.006)	0.148
Internal Residential services	3.789	3.718	4.193	0.475
Other Services	5.999	6.071	5.771	(0.299)
Management, Business Development & Admin	3.581	3.581	3.712	0.131
Total Directorate	54.038	54.038	57.792	3.754

		MEMO FORECAST VARIANCE SPLIT		Issues Ref. No.
Financial Recovery Plan	Forecast Outturn Variance	Savings Delivery Variance	Other variances	
£m	£m	£m	£m	
	Adv /(Fav)	Adv /(Fav)	Adv /(Fav)	
0.000	(0.108)	0.200	(0.308)	1
0.000	(0.009)	0.030	(0.039)	2
0.000	0.170	0.000	0.170	3
(0.877)	2.368	1.100	2.145	4
0.000	0.148	0.000	0.148	4
0.000	0.475	0.000	0.475	5
0.000	(0.299)	0.000	(0.299)	6
0.000	0.131	0.000	0.131	7
(0.877)	2.876	1.330	2.424	

Appendix 1b - Detailed Directorate Revenue Budget Forecast Outturn Quarter One 2024-25

KEY ISSUES

<u>Ref. No.</u>	<u>Service Area</u>	** <u>Forecast Variance</u>	<u>Issue</u>
		<u>£m</u>	
1	Assessments & Safeguarding	(0.108)	vacant posts against budget (£0.213m) offset by £0.105m pressures from team and section 17 pressures. Also includes £0.200m unachieved saving re. maximising grant income (CC05).
2	Corporate Parenting	(0.009)	£0.009m overall Forecast saving in CLA & Pathways, CWD due to vacant posts (£0.085m saving) offset by agency posts across the service along with emergency placement team spend pressures and unachieved saving for Redesign of short break provision of £0.030m (CS08-23-24)
3	Fostering & Adoption	0.170	Internal Fostering and Adoption forecast saving of £0.251m, offset by £0.078m IFA and £0.343m Family & Friends pressures
4	External Residential	3.245	£3.245m forecast pressure due to Increasing External Residential numbers (69) due to market sufficiency against a budget of an average of 55 places. The average cost of £5,061 to date is under the budgeted £5,161 average rate. The service has a recovery plan of £0.877m (based on 12 changes in placements) that if successful, reduces forecast outturn based on planned placement moves. Also Includes 2024/25 budget saving currently rated as "RED" : CC02 Review of Placements £1.1m
4	External Residential	0.148	Health contributions (forecast £0.052m saving) and Education contributions (£0.200m pressure) against placements
5	Internal Residential	0.475	Forecast £0.475m pressure due to agency staff required covering significant absences and staffing pressures across the service area.
6	Other Services	(0.299)	£0.299m forecast savings due to vacant posts held across resource teams along with savings in Prevention service.
7	Management	0.131	£0.131m pressure from Head of Service and Service Manager agency posts
		<u>3.754</u>	

Appendix 1b - Detailed Directorate Revenue Budget Forecast Outturn Quarter One 2024-25

Education & Partnerships Summary

Education & Partnerships	Original Budget Full Year	Current Budget Full Year	Forecast Outturn	Forecast Variance	Financial Recovery Plan	Forecast Outturn Variance	MEMO FORECAST VARIANCE SPLIT		Issues Ref. No.
	£m	£m	£m	£m		£m	£m	£m	
				Adv /(Fav)		Adv /(Fav)	Adv /(Fav)	Adv /(Fav)	
Management Budgets	(0.880)	0.082	0.082	0.000	0.000	0.000	0.000	0.000	
Dedicated Schools Grant	0.000	(0.962)	(0.962)	0.000	0.000	0.000	0.000	0.000	
Achievement	0.730	0.730	0.730	0.000	0.000	0.000	0.000	0.000	
SEN & Vulnerable Learners	0.896	0.896	0.896	0.000	0.000	0.000	0.000	0.000	
Access to Education (Excl ITU)	0.104	0.104	0.104	0.000	0.000	0.000	0.000	0.000	
Partnerships	0.495	0.495	0.495	0.000	0.000	0.000	0.000	0.000	
Integrated Transport Unit	6.648	6.648	5.916	(0.732)	0.000	(0.732)	0.000	(0.732)	1
Non DSG - Early Years	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
De-delegation / Buy back Services	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	
Total Directorate	7.992	7.992	7.260	(0.732)	0.000	(0.732)	0.000	(0.732)	

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KEY ISSUES

<u>Ref. No.</u>	<u>Service Area</u>	<u>Forecast Variance</u>
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1	Integrated Transport Unit	£m (0.732)
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(0.732)

Following a review of demand and cost modelling and the budget growth provided in 2024/25 there is a forecast saving of £0.732m for 2024/25. It is proposed that a budget virement will be made to Central budgets for this. Work is currently ongoing to baseline the budget and the development of a MTFP forecast to assess demand and unit cost modelled using Special Educational Needs (SEN) data. An update of this will be provided at Quarter Two.

Appendix 1b - Detailed Directorate Revenue Budget Forecast Outturn Quarter One 2024-25

Appendix 1b - Detailed Directorate Revenue Budget Forecast Outturn Quarter One 2024-25

Regeneration Summary

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Regeneration	Original Budget Full Year	Current Budget Full Year	Forecast Outturn	Forecast Variance
	£m	£m	£m	£m
Regeneration Management	0.065	0.065	0.145	0.080
Economic Growth	(0.812)	(0.812)	(0.640)	0.172
Investment Properties	(1.463)	(1.463)	(1.033)	0.430
Planning Services	0.172	0.172	0.174	0.002
Property Services	5.757	5.757	4.900	(0.857)
Commercial	(1.960)	(1.960)	(2.083)	(0.123)
Cultural Services	0.416	0.416	0.399	(0.017)
Marketing & Comms	0.399	0.399	0.373	(0.026)
Community Learning	(0.551)	(0.551)	(0.493)	0.058
Total Directorate	2.023	2.023	1.742	(0.281)

MEMO FORECAST VARIANCE SPLIT

Financial Recovery Plan	Forecast Outturn Variance	Savings Delivery Variance	Other variances	Issues Ref. No.
£m	£m	£m	£m	
	Adv /(Fav)	Adv /(Fav)	Adv /(Fav)	
0.000	0.080	0.080	0.000	1
0.000	0.172	0.000	0.172	2
(0.070)	0.360	0.000	0.430	3
0.000	0.002	0.000	0.002	
(0.280)	(1.137)	0.000	(0.857)	4
0.000	(0.123)	0.000	(0.123)	
0.000	(0.017)	0.000	(0.017)	
0.000	(0.026)	0.000	(0.026)	
0.000	0.058	0.000	0.058	
(0.350)	(0.631)	0.080	(0.361)	

Appendix 1b - Detailed Directorate Revenue Budget Forecast Outturn Quarter One 2024-25

KEY ISSUES

<u>Ref. No.</u>	<u>Service Area</u>	** <u>Forecast Variance £m</u>	<u>Issue</u>
1	Regeneration Management	0.080	Unachieved saving REG07. An officer from Thirteen Group is seconded in to the Council in part to identify necessary savings, whilst initiatives have been identified the savings are yet to come to fruition.
2	Economic Growth	0.172	There is currently a forecast pressure of £0.223m within the Boho buildings. This is due to the anchor tenant moving to Boho X resulting in significant vacant units. A marketing campaign is underway in relation to seeking new tenants, depending upon the success of the campaign the forecast pressure within the service may be reduced.
3	Investment Properties	0.430	The budget for the Cleveland Centre was rebased during budget setting based on information received from the managing agents, however at year end it transpired that they were overstating the income. The Cleveland Centre outturn variance is forecast to be £0.458m. The budget for Centre Square 1 is forecast to be (£0.075m) underspent due to additional rent income achieved and reduction in service charges due to the last vacant space being tenanted.
4	Property Services	(0.857)	Savings of (£1.200m) are expected against utilities this year due to a reduction in energy costs. However, these savings are offset by other pressures within the budget. The financial recovery plan of (£0.280m), net of fees, is in relation to a potential rates refunds on the Crematorium, as advised by the Council's appointed agent. The impact of the utility savings on 25/26 will not be fully known until NEPO provide unit costs, which will be in the early part of 2025.
	Other Variances +/- £0.250m	<u>(0.106)</u> <u>(0.281)</u>	

Appendix 1b - Detailed Directorate Revenue Budget Forecast Outturn Quarter One 2024-25

Environment & Community Services Summary

Environment & Community Services	Original Budget Full Year	Current Budget Full Year	Forecast Outturn	Forecast Variance	Financial Recovery Plan	Forecast Outturn Variance	MEMO FORECAST VARIANCE SPLIT		Issues Ref. No.
	£m	£m	£m	£m		£m	Savings Delivery Variance	Other variances	
						Adv /(Fav)	Adv /(Fav)		
Strategic Asset Management	0.121	0.121	0.130	0.009		0.009		0.009	
Property & Commercial	(0.862)	(0.862)	(0.575)	0.287		0.287		0.287	1
Environment Services	11.671	11.580	10.877	(0.703)		(0.703)	(0.444)	(0.259)	2
Fleet & Highways	3.171	3.171	3.559	0.388		0.388		0.388	3
Transport	1.973	1.973	2.034	0.061		0.061	0.125	(0.064)	4
ECS General	0.083	0.335	0.335	0.000		0.000		0.000	
Supporting Communities	2.647	2.486	2.426	(0.060)		(0.060)		(0.060)	
North East Migration Partnership	0.000	0.000	0.000	0.000		0.000		0.000	
Public Protection	1.366	1.366	1.359	(0.007)		(0.007)		(0.007)	
Parks and Farm	0.006	0.006	0.114	0.108		0.108		0.108	
Total Directorate	20.176	20.176	20.259	0.083	0.000	0.083	(0.319)	0.402	

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KEY ISSUES

Appendix 1b - Detailed Directorate Revenue Budget Forecast Outturn Quarter One 2024-25

<u>Ref. No.</u>	<u>Service Area</u>	<u>Forecast</u> <u>£m</u>	<u>**</u>
1	Bereavement Services	0.373	Reduced income due to falling demand for service.
2	Waste Disposal	(0.673)	Budget growth was provided for increased contractual costs per tonne under the contract extension in 2024/25 but not all funding is required in 2024/25. This has now been delayed until 2025/26. It is proposed that a budget virement will be made to Central budgets for this.
2	Waste Collection	(0.444)	There is an overachievement of income from the implementation of the charging for the Green Waste Collection Service. The income target was based on a 20% of relevant households requesting the service. The actual take up is currently expected to be around 43%.
2	Waste Collection	0.328	One off additional costs have been incurred to implement the introduction of the charging for the Green Waste Collection Service and to address the unexpected increase in demand.
3	Fleet Management	0.339	Unbudgeted expenditure has been incurred to solve recruitment issues in order to avoid a greater overspend due to outsourcing work to external supplier. A number of vehicle hires have also contributed towards this pressure. This was due to number of essential vehicles awaiting repair e.g. refuse loaders. This was also due to recruitment issues.
3	Highways Maintenance Projects	(0.165)	Additional City Regional Sustainable Transport grant funding was received. A proportion of this work funded by this grant is to be carried out by internal operatives. This was not planned at budget setting.
3	Street Lighting Energy	0.150	The Street Lighting energy costs did not reduce to the level expected when setting the budget. The Energy Manager to provide data to determine if this is likely to continue throughout 2024/25 or if the prices will reduce further.
4	Car Parking	0.380	The Residents Permits Charge is unlikely to be implemented until January 2025 due to software issues. This will create a shortfall of £0.125m on achieving the ECS08 saving. The Directorate are currently looking at ways to mitigate this pressure. In addition, there is a shortfall on on-street parking penalty income.
4	Concessionary Fares	(0.414)	A £0.320m saving is expected following confirmation from TVCA within Quarter One of the settlement with bus operators for 24/25. There is also a one-off grant been received from TVCA. It is proposed that a budget virement will be made to Central budgets for this.
	Other Variances +/- £0.250m	<u>0.209</u>	
		<u>0.083</u>	

Appendix 1b - Detailed Directorate Revenue Budget Forecast Outturn Quarter One 2024-25

Legal & Governance Services Summary

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MEMO FORECAST VARIANCE SPLIT

Legal & Governance Services	Original Budget Full Year	Current Budget Full Year	Forecast Outturn	Forecast Variance	Financial Recovery Plan	Forecast Outturn Variance	Savings Delivery Variance	Other variances	Issues Ref. No.
	£m	£m	£m	£m		£m	£m	£m	
						Adv /(Fav)	Adv /(Fav)	Adv /(Fav)	
Legal & Governance Services Management	0.153	0.153	0.153	0.000	0.000	0.000	0.000	0.000	
Coroners	0.487	0.487	0.535	0.048	0.000	0.048	0.000	0.048	
Cross Cutting Admin Saving	(0.136)	(0.136)	0.000	0.136	0.000	0.136	0.136	0.000	1
Legal Services	1.456	1.456	1.413	(0.043)	0.000	(0.043)	0.000	(0.043)	
Legal Childcare	0.671	0.671	0.780	0.109	0.000	0.109	0.000	0.109	2
Democratic Services	1.379	1.379	1.304	(0.075)	0.000	(0.075)	0.000	(0.075)	
Human Resources	1.508	1.508	1.508	0.000	0.000	0.000	0.012	(0.012)	
Strategy, Information & Governance Service	0.985	0.985	1.041	0.056	0.000	0.056	0.000	0.056	
ICT Service	2.545	2.545	2.494	(0.051)	0.000	(0.051)	0.000	(0.051)	
Customer Centre / Mail & Print	1.339	1.339	1.403	0.064	0.000	0.064	0.000	0.064	3
Total Directorate	10.387	10.387	10.631	0.244	0.000	0.244	0.148	0.096	

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KEY ISSUES

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Issue

Appendix 1b - Detailed Directorate Revenue Budget Forecast Outturn Quarter One 2024-25

<u>Ref. No.</u>	<u>Service Area</u>	<u>Forecast Variance</u> <u>£m</u>	
1	Cross Cutting Admin Saving	0.136	There is currently no agreed plan for this saving to be realised.
2	Legal Childcare	0.109	Currently assuming the same level of spend as 2023/24. To demonstrate the potential pressure on this budget an impending court case has been costed at £0.120m
3	Customer Centre / Mail And Print	0.092	Forecast variance includes a projected overspend of £0.170m within Mail And Print offset by other savings. Work is being finalised on ascertaining how the pressure can be relieved.
	Other Variances +/- £0.250m	<u>(0.093)</u>	
		<u>0.244</u>	

Appendix 1b - Detailed Directorate Revenue Budget Forecast Outturn Quarter One 2024-25

Finance Summary

Finance	Original Budget Full Year £m	Current Budget Full Year £m	Forecast Outturn £m	**		Financial Recovery Plan £m	Forecast Outturn Variance £m	MEMO FORECAST VARIANCE SPLIT		Issues Ref. No.
				Forecast Variance £m				Savings Delivery Variance £m	Other variances £m	
								Adv /(Fav)	Adv /(Fav)	
Strategic Finance	0.156	0.156	0.156	0.000			0.000		0.000	
Financial Planning & Support	0.724	0.724	0.724	0.000			0.000		0.000	
Central Support Services & Overheads to Grants	(2.483)	(2.483)	(2.483)	0.000			0.000		0.000	
Cross Cutting Savings	(0.888)	(0.888)	(0.888)	0.000			0.000		0.000	
Finance & Investments	2.276	2.276	2.276	0.000			0.000		0.000	
SIP Rebates	(0.026)	(0.026)	(0.026)	0.000			0.000		0.000	
Pensions Governance & Investments	0.602	0.602	0.602	0.000			0.000		0.000	
Resident & Business Support - Housing Benefits Subsidy	1.020	1.020	1.020	0.000			0.000		0.000	
Resident & Business Support - Operational / Non-Housing Benefits Subsidy	0.266	0.266	0.266	0.000			0.000	0.198	(0.198)	1
Strategic Commissioning & Procurement	1.475	1.475	1.475	0.000			0.000		0.000	
Total Directorate	3.121	3.121	3.121	0.000		0.000	0.000	0.198	(0.198)	

KEY ISSUES

Appendix 1b - Detailed Directorate Revenue Budget Forecast Outturn Quarter One 2024-25

<u>Ref. No.</u>	<u>Service Area</u>	** <u>Forecast Variance</u> <u>£m</u>	<u>Issue</u>
1	Resident & Business Support - Operational / Non-Housing Benefits Subsidy Other Variances +/- £0.250m	0.000 0.000 0.000	FIN02 Single Persons Discount saving not achievable in 24/25 but will be replaced by other savings within Directorate

Appendix 1b - Detailed Directorate Revenue Budget Forecast Outturn Quarter One 2024-25

Chief Executive Summary

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MEMO FORECAST VARIANCE SPLIT

Chief Executive	Original Budget Full Year	Current Budget Full Year	Forecast Outturn	Forecast Variance
	£m	£m	£m	£m
Chief Executive	0.242	0.242	0.242	0.000
Total Directorate	0.242	0.242	0.242	0.000

Financial Recovery Plan	Forecast Outturn Variance
£m	£m
	Adv /(Fav)
	0.000
0.000	0.000

Savings Delivery Variance	Other variances
£m	£m
Adv /(Fav)	Adv /(Fav)
	0.000
0.000	0.000

Issues Ref. No.

Appendix 1b - Detailed Directorate Revenue Budget Forecast Outturn Quarter One 2024-25

Central Budgets Summary

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MEMO FORECAST VARIANCE SPLIT

General Fund & Centrally Held Budgets	Original Budget Full Year	Current Budget Full Year	Forecast Outturn	Forecast Variance	Financial Recovery Plan	Forecast Outturn Variance	MEMO FORECAST VARIANCE SPLIT		Issues Ref. No.
	£m	£m	£m	£m			£m	£m	
						Adv /(Fav)	Adv /(Fav)	Adv /(Fav)	
General Fund	(0.204)	(0.204)	(0.204)	0.000		0.000		0.000	
Capital Financing	11.154	11.154	11.154	0.000		0.000		0.000	
Added Years Pensions	1.216	1.216	1.216	0.000		0.000		0.000	
Change Fund	0.730	0.730	0.730	0.000		0.000		0.000	
Pay & Prices Contingencies	4.754	4.754	4.754	0.000		0.000		0.000	
Inflation Held Centrally	2.900	2.900	2.900	0.000		0.000		0.000	
Centrally Held Grants	(33.105)	(33.105)	(33.105)	0.000		0.000		0.000	
Senior Management Review	(0.244)	(0.244)	0.000	0.244		0.244	0.244	0.000	1
Exceptional Financial Support	(4.700)	(4.700)	(4.700)	0.000		0.000		0.000	
Contingency for Future Uncertainty	1.422	1.422	1.422	0.000		0.000		0.000	
Contributions to/from Reserves	8.825	8.825	8.825	0.000		0.000		0.000	
External Audit	0.382	0.382	0.382	0.000		0.000		0.000	
Total Directorate	(6.870)	(6.870)	(6.626)	0.244	0.000	0.244	0.244	0.000	

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KEY ISSUES

Appendix 1b - Detailed Directorate Revenue Budget Forecast Outturn Quarter One 2024-25

<u>Ref. No.</u>	<u>Service Area</u>	^{**} <u>Forecast Variance</u> <u>£m</u>	<u>Issue</u>
1	Senior Management Review	0.244	Senior Management Review budgeted saving unlikely to be achieved in 24/25
	Other Variances +/- £0.250m	0.000	
		<u>0.244</u>	

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Appendix 2 - Directorate Financial Recovery Plan Savings Quarter One 2024-25

Adult Social Care Recovery Plan

Adult Social Care	Budget issue	Financial Recovery Plan £m	Description of Proposed Management Recovery Plan
Across directorate	Need to provide additional pay related savings across the directorate due to new vacancies and delayed/difficulties in recruitment	(0.500)	Additional pay related savings across Directorate due to new vacancies and delayed/difficulties in recruitment.
ASC Transformation	ASC Transformation : Digital	(0.150)	Additional Transformation resources have been approved to undertake care package reviews where Assistive Technology can be implemented as an alternative
Total Directorate		(0.650)	

Appendix 2 - Directorate Financial Recovery Plan Savings Quarter One 2024-25

Children's Care Recovery Plan

Children's Care	Budget issue	Financial Recovery Plan £m	Description of Proposed Management Recovery Plan
Assessments & Safeguarding Care Planning	Contribute saving to overall Children's Care overspend	TBC	To investigate increasing savings on vacant posts for social workers to cover other overspend in Directorate aligned with Childrens Services structure review
Children Looked after, Corporate Parenting and Children with Disabilities	Contribute saving to overall Children's Care overspend	TBC	To investigate looking at reducing number of Social worker/Resource worker posts as part of Childrens Services structure review
Fostering, Adoption and Connected Carers	Recruitment of Internal carers will reduce future impact on IFA	TBC	Increasing internal fostering capacity. ASF assessments and process (linked to therapeutic support)
External Residential Expenditure	High number of placements (69 paid placements) well above average of 55 average number budget set upon	(0.877)	Review of all Young people placed in external & internal to plan around any opportunities to support to improve placements for young people and potentially also bring forecast over spend down. Also review of Health and Education contributions.
Internal Residential services	Agency staff covering significant staff absences and staff pressures	TBC	Permanent recruitment to posts, including marketing campaign and review of recruitment and retention packages.
Other Services	Forecast savings against vacant posts across resource teams	TBC	Continue to look at savings opportunities across service areas whilst meeting existing savings targets
Management, Business Development & Admin	Agency staff filling majority of senior roles (HOS)	TBC	Adverts to go out ASAP for vacant senior posts.
Total Directorate		(0.877)	

Appendix 2 - Directorate Financial Recovery Plan Savings Quarter One 2024-25

Regeneration Recovery Plan

Regeneration	Budget issue	Financial Recovery Plan £m	Description of Proposed Management Recovery Plan
Investment Properties	Cleveland Centre	(0.070)	Rent at the Cleveland Centre will improve if the Live Well Centre moves into the precinct at the date planned
Property Services	Business rates at the Crematorium	(0.280)	The Council has submitted a request to the Valuation Office to review the business rates payable at the Crematorium. If the review is found in the Council's favour it will receive a refund of (£0.280m) net of fees.
Total Directorate		(0.350)	

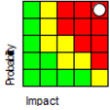
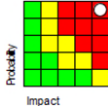
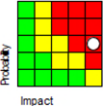
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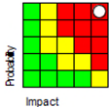
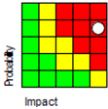
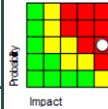
**Appendix 3 : Proposed revenue budget virements above £250,000 at Quarter One 2024/25
(under Financial Procedure Rule 1.37)**

<i>Proposed Virement Request</i>	Regeneration	Environment & Community Services	Public Health	Education & Partnerships	Children's Care	Adult Social Care	Legal & Governance Services	Chief Executive	Finance	Central Budgets
	£m	£m	£m	£m	£m	£m	£m	£m	£m	£m
<i>Permanent</i>										
<i>Temporary</i>										
Supplies and services saving FIN07 (technical adjustment)	(0.067)	(0.055)	0.000	(0.031)	(0.139)	(0.019)	(0.026)	(0.001)	(0.012)	0.350
Concessionary Fares - budget growth provided not required and one-off grant		(0.414)								0.414
Waste Disposal - budget growth provided not required		(0.673)								0.673
Integrated Transport Unit - budget growth provided not required				(0.732)						0.732
<i>Total Virement</i>	(0.067)	(1.142)	0.000	(0.763)	(0.139)	(0.019)	(0.026)	(0.001)	(0.012)	2.169
									Total:	0.000

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Appendix 4: Strategic Risk register at the end of Quarter One 2024/25


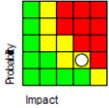
Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score		
SR-01	Failure to Maintain a balanced budget and MTFP	Director of Finance		<ul style="list-style-type: none"> • Responsibility and Accountability for Financial Management reinforced by Accountability Agreements for all Directors • Monthly budget monitoring, forecasting, and tracking of savings delivery by Directors with accountability to the Interim CEO through LMT and development and delivery of financial recovery plans to control within approved budget • Monthly budget challenge sessions chaired by Director of Finance for all Directorates to enable development of insight, understanding and wider collaboration of colleagues in order to address significant financial risks. • Timely briefing of Mayor and Executive Members on significant financial challenges with agreement for action. • Quarterly budget challenge sessions chaired by the Executive Member for Finance & Governance to engage Executive Members. • Monthly monitoring of income budgets, council tax and business 		35	Development of balanced 2024/25 Budget and MTFP to 2026/27		21
							Refresh of the 2025-26 MTPS process		
							Failure of the Recover, Reset, Deliver Transformation Portfolio		
							Failure of the Recover, Reset, Deliver Transformation Portfolio to identify further savings		
							Monthly budget monitoring to be put in place		
Monthly budget monitoring to be put in place									

Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
				<p>rates collection rates and debt levels.</p> <ul style="list-style-type: none"> • Update MTFP ahead of Council Planning and budget setting process for 2024/25. • Implementation of budget management Power BI dashboard over Business World financial management system in order to improve accessibility of financial information for Directors, Heads of Service and Budget Manager. • Implementation and expansion of purchase to pay compliance dashboards for use by Directors, Heads of Service and Budget Managers to drive increase in compliant procurement in relation to retrospective ordering, on vs off contract spend and use of purchase cards 			
Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
SR-02	Volatility in the demand, complexity and cost of children's social care.	Director of Children's Services		<p>Children's input</p> <ul style="list-style-type: none"> • Weekly activity data through Chat reports/ data 	 <p>28</p>	<p>Weekly placements panel to be put place for high cost placements</p> <hr/> <p>Review Placements Manager post</p>	 <p>21</p>

Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
				<ul style="list-style-type: none"> Moving to monthly financial monitoring Development of demand model 		Monthly budget monitoring to be put in place	
Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
SR-03	Volatility in the demand and cost of adult's social care	Director of Adult Social Care and Health Integration		Local Government settlement Budget Management process Contract management processes Savings programme in place Demand model in place Monthly demand reported to DMT - activity not just finance		Monthly budget monitoring to be put in place Develop a demand model, that monitors performance across activity demand and unit costing, to understand 'current state'. Develop a forecast model, that uses the 'current state' model, to predict activity demand and financials across Adults Social Care in the next 1/2/5 years.	
Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
SR-04	Unlawful decision by the Council	Ann-Marie Johnstone		Council constitution and supporting policy framework Corporate policies and procedures		Refresh the committee report format Review the report development process	

Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
				<p>Compliance checks across key areas including HSE, Risk etc, covering the corporate governance framework</p> <p>Standard report formats</p> <p>Statutory officer posts to oversee governance</p> <p>Annual Governance Statement assessment process</p> <p>Internal and external audit processes</p> <p>Refreshed whistleblowing policy</p> <p>Legal and finance report clearance process</p>		<p>Complete delivery of the Corporate Governance Improvement Plan</p> <p>Complete delivery of the Section 24 Action plan</p> <p>Progress report on improvement against the Best Value Notice by the independent Board considered by Council</p> <p>Progress report on improvement against BV notice considered by Executive</p>	
Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
SR-05	Serious accident or death occurred as a result of failure to comply with Health and safety legislation and regulations	Ann-Marie Johnstone		<p>Comprehensive suite of Health and Safety policies and procedures.</p> <p>Mandatory and complimentary Health and safety training for all Council staff.</p> <p>Dedicated HSE Advisor team</p> <p>Incident investigation system (My Compliance) to learn from incidents.</p>	<p>15</p>	<p>Fire Safety Management Policy Statement</p> <p>CEO to produce H&S Statement of Intent for the Council.</p> <p>Risk from reinforced autoclaved aerated concrete (RAAC) collapsing in maintained schools or other Council assets</p>	<p>10</p>

Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
				HSE intranet page with important HSE information Audit schedule HSE steering group Fire Management System implemented across Council premises.		Implementation of service area audits by the health and safety unit to give further assurance of sound HSMS within directorates.	
Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
SR-06	Understand and implement the requirements of the social care reform	Director of Adult Social Care and Health Integration		<ul style="list-style-type: none"> Project in place with two dedicated staff Governance documentation in place etc 	10		10
Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
SR-07	Unable to recruit and retain key staff	Nicola Finnegan		Benchmarking salaries against other local authorities and similar roles in other disciplines to remain competitive.	9	Benchmark grades and salaries against NE local authorities	3
				Work/life balance system such as agile working, 9 day fortnight, collaboration areas etc..		Review recruitment process	
				Advertising roles on multiple platforms such as LinkedIn and		Create new people and cultural transformation strategy	

Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
				other social networking sites with the aim of reaching target audience.		review the people strategy after the first year of implementation	
						Recruitment of Chief Executive and S151 Officer	
						Track delivery of first quarterly report to LMT on delivery against improvement plan	
Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
SR-08	Fail to ensure a sound approach to cyber security	Gemma Cooper		<ul style="list-style-type: none"> * Annual ICT healthchecks (Internal and external penetration testing). * Compliance with PSN and PCI standards. * Internal scanning as new systems go live. * Robust defence systems including firewalls, content filtering and endpoint protection. * Robust 60 day patching and maintenance cycle. * Test complete and continue to test. * Healthcheck recommendations reviewed and implemented. 	 14	<ul style="list-style-type: none"> Review Cyber Security Training Strategy Benchmark against Cyber Assessment Framework Complete LGA Test and Exercise 	 10

Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
				<ul style="list-style-type: none"> * Membership of North East WARP and CiSP. * Use of Protective DNS. * Robust backup regime, including off-line tape backups to ensure recovery. 			
Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
SR-09	Corporate Governance arrangement not fit for purpose	Ann-Marie Johnstone		<p>External reports commissioned on Corporate governance and findings reflected within a Corporate Governance Improvement Plan</p> <p>Improvement Board in place</p> <p>Detailed improvement plan in place that has delivered a range of changes to corporate governance processes</p> <p>Annual Governance Statement process and supporting action plan. Draft AGSs in place for both 2021/22 and 2022/23</p> <p>Regular reports to Audit Committee on aspects of corporate governance to provide assurance</p>	 <p>28</p>	<p>Complete delivery of the Section 24 Action plan</p> <p>Refreshed approach to corporate governance agreed by council</p> <p>Corporate peer review held to assess process</p> <p>Develop the detailed delivery plan</p> <p>Progress report from MIIAB to Council by end March 2024</p> <p>Progress report from MIIAB to Executive by end July 2024</p>	 <p>9</p>
Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score

Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score	
SR-10	Negative Impact of Mayoral Development Corporation			Council representation on the board of the MDC		Heads of Terms agreed on individual asset transfers		
				Pushing for no detriment clauses in the MDC constitution		15		Delivery of planning functions until robust alternative is in place
				Engagement with TVCA on the development of future MDC projects				Agree robust business rates protocols
Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score	
SR-11	Failed Partnerships			Partnership governance register in place.		Refresh of the Partnership Governance register		
				Partnership governance annual assurance report and supporting register in place to assess the health of key partnerships.		21		Community Cohesion
				<p>Children's Controls</p> <p>All partnerships contain TOR - Partners contribute.</p> <p>External scrutiny of partnerships.</p> <p>New Mayor to chair Corporate Parenting Board.</p> <p>Formal reporting process in place - record of discussion and decision making.</p> <p>Adults Controls</p>				

Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
				Victim support for those within ASC who require it. Additional resources as required,			
Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
SR-12	Fail to deliver quality practice within children's safeguarding services			Delivered Children's services improvement plan Improvement board in place External oversight of progress from DFE Monthly performance monitoring reports		Implementation of post ILACs improvement plan	
						Creation and recruitment to the head of Quality Principal Social Work Learning and Review	
						Review progress in delivery of the ILACS improvement plan to assess progress and impact of actions	
						Complete delivery of the ILACs improvement	
28	10						
Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score
SR-13	Failure to deliver transformation successfully	Director of Legal and Governance		- PPMF in place - Transformation governance arrangements and reporting cycle agreed		Failure of the Recover, Reset, Deliver Transformation Portfolio	
						Failure of the Recover, Reset, Deliver Transformation	

Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score	
				- Funding of £4.827m agreed by Council to fund transformation work		Portfolio to identify further savings		
						Agree the content and approach of the transformation portfolio		
						First cycle of Transformation governance arrangements scheduled		
						Develop specification for transformation resourcing		
Code	Title	Managed By	Original Risk Score	Internal Controls Implemented	Current Risk Score	Title	Target Risk Score	
SR-14	Failure to ensure effective governance of the Middlesbrough Development Corporation	Paul Clarke		- Teesworks report and commitment from TVCA to reflect findings in the governance arrangements of the MDC - Council representatives on the MDC Board		10 Refresh the Local Plan		10

Budgetary and Financial Control Measures 2024/25

1. A corporate approach to delivering within the approved 2024/25 budget is essential and robust budget management and control practices must be complied with. This includes but is not limited to:
 - Expenditure and income will be managed within approved budgets and subject to virement rules in accordance with Financial Procedure rules and specifically [18.32 to 18.42](#).
 - For the avoidance of doubt, the overachievement of income against approved income budgets must not be used to offset overspending on an approved expenditure budget.
 - The over achievement of individual savings/income targets associated with approved budget proposals, should be 'banked' and reported in full through the Transformation Portfolio savings tracker and via corporate budget monitoring and forecasting reports and therefore not spent elsewhere
 - Individual budget surpluses generated through savings delivery and/or business as usual activity will be considered by Directors, LMT and the Executive as in relation to the securing the achievement controlling directorate net expenditure and the wider total general fund net expenditure for 2024/25 within the approved budget. Underspending against the approved budget of £143.910m will serve to mitigate the call upon £4.7m of EFS, thereby reducing the long term cost of financing this borrowing.
 - Any new or unplanned expenditure within approved council policies, will require Directors to reprioritise approved revenue or capital budgets in accordance with established virement rules and financial limits. Exceptional expenditure that could not be planned for, should be discussed with the s151 Officer for consideration of application of the Corporate Contingency Budget.
 - New or unplanned expenditure that is outside the approved budget and policy framework is reserved for a decision by Council in accordance with the [Constitution](#).
2. The successful delivery of approved savings within the Recover, Reset, Deliver Transformation Portfolio, is critical to delivering within the approved 2024/25 budget. The Transformation Portfolio is required to develop of a further pipeline of new projects that will deliver further income growth and/or expenditure reduction to balance the 2025/25 budget and MTFP to secure the longer term financial sustainability of the Council.
3. Further strengthening of budgetary control is required in 2024/25, including improvement of management information and financial processes and systems to enable increased use of data driven demand and cost modelling. Increased use of the Council's corporate financial management system is necessary by

budget holders, supported by the finance team to deliver 'one version of the financial truth' for use in budget management and reporting throughout the organisation. The work that will be undertaken during 2024/25 to contribute to achieving the required improvement includes:

- Integrating transformation portfolio savings tracking via the Corporate Transformation Board within corporate budget management and forecasting arrangements
 - Continuation of monthly budget management challenge via Departmental Management Teams (DMTs), Leadership Management Teams (LMT), s151 Officer and Quarterly Member led budget challenge sessions
 - Monthly member led budget challenge sessions will take place for Children's Services given the continued challenge to control expenditure within budget
 - Further development of demand and cost modelling with support from data analytics team in order to focus upon and develop activity based costing within service areas that are subject to significant financial pressures, i.e. adult and children's social care, SEND transport and waste disposal.
 - Improvements to management and financial information systems and processes to provide integrated operational and financial data to inform operational and strategic decision making.
 - Roll out of and training of budget managers in use of Power BI budget management dashboard to enable more user-friendly access to the Business World financial management system.
 - Further training in the use of Business World to process orders and invoices to improve data quality within the finance system.
 - Extended compliance monitoring in relation to all procurement activity and control of non-essential expenditure.
 - Review and strengthen capital programme governance, management and reporting arrangements in order to address programme slippage and improve the transparency of reporting.
4. These measures are incorporated into the updated Culture and Governance Improvement Programme and periodic performance reporting as appropriate

Appendix 6

Analysis of unrestricted and restricted reserves and provisions, and impact of the forecast year-end overspend on the level of reserves

	<u>ORIGINAL</u> <u>Closing Balance</u> <u>31/03/24 /</u> <u>Opening Balance</u> <u>01/04/24</u>	<u>Amendments to</u> <u>Opening Balance</u> <u>from Collection</u> <u>Fund Surplus</u>	<u>REVISED</u> <u>Opening</u> <u>Balance</u> <u>01/04/24</u>	<u>Forecast Use in</u> <u>Year</u>	<u>Additional</u> <u>Contributions</u>	<u>Transfers</u> <u>between</u> <u>Reserves</u>	<u>Use for forecast</u> <u>year-end 2024/25</u> <u>overspend</u>	<u>Forecast</u> <u>Balance at</u> <u>year-end</u> <u>2024/25</u>
	£m	£m	£m	£m	£m	£m	£m	£m
GENERAL FUND RESERVE	10.986	0.114	11.100					11.100
USABLE EARMARKED RESERVES								
<i>Restricted Use</i>								
Public Health	1.172		1.172					1.172
Insurance Fund	-		-	-	0.500	0.118		0.618
Better Care Fund	0.590		0.590					0.590
Marton Library S106	0.025		0.025			(0.025)		-
Housing Rental Sinking Fund	0.093		0.093			(0.093)		-
	1.880	-	1.880	-	0.500	-	-	2.380
<i>Unrestricted Use</i>								
Financial Resilience Reserve	-	6.211	6.211		0.500		(1.244)	5.467
Legacy Accounts Reserve	-	1.000	1.000					1.000
Change Fund	1.036	1.000	2.036	(2.766)	0.730			-
Elections Costs	0.033		0.033		0.070			0.103
	1.069	8.211	9.280	(2.766)	1.300	-	(1.244)	6.570
	2.949	8.211	11.160	(2.766)	1.800	-	(1.244)	8.950
UNUSABLE EARMARKED RESERVES								
Revenue Grants Unapplied (Technical Reserve)	5.408		5.408					5.408
Dedicated Schools Grant Adjustment Account	(14.293)		(14.293)	(5.501)				(19.794)
	(8.885)	-	(8.885)	(5.501)	-	-	-	(14.386)
SCHOOL BALANCES	4.599	-	4.599					4.599
PROVISIONS								
Business Rates Appeals	1.339		1.339					1.339
Insurance	3.007		3.007					3.007
Other	0.184		0.184					0.184
	4.530	-	4.530	-	-	-	-	4.530
	14.179	8.325	22.504	(8.267)	1.800	-	(1.244)	14.793
NOTE								
<i>The year-end balances may be subject to further change due to further technical adjustments which may be required as part of the external audit of the Council's accounts for 2023/24. These will be mainly relating to the closure of the Collection Fund accounts, DSG, school balances, and Insurance Fund. There may also be potential changes required as part of the external audit of the Council's accounts for 2021/22 and 2022/23 which still remain subject to external audit. The level of reserves will be updated as far as is possible as part of the quarterly budget monitoring reports throughout the financial year, and the final year-end balances will be reported in the Council's Statement of Accounts for 2024/25.</i>								

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Summary of projects approved for utilisation of Contingency Budgets and Change Fund as at Quarter One 2024/25

	<u>Corporate Contingency</u>	<u>Change Fund Reserve</u>
	£m	£m
Starting Budget 2024/25	1.422	
Change Fund - Reserve Opening Balance @ 01/04/24		1.036
Change Fund - Provision Opening Balance @ 01/04/24		0.017
Budgeted contribution 2024/25		0.730
Additional contributions in year		1.000
Permanent adjustment - amendment to 24/25 budget for New Homes Bonus grant funding adjustment (Regeneration)	(0.081)	
Permanent adjustment - amendment to 24/25 budget for previous years' savings removal (LGS)	(0.014)	
Available for use	1.327	2.783
<u>Approved use to date</u>		
Children's Social Care Case Review	(0.170)	
Chief Executive - 1 month handover with Interim/permanent postholders	(0.017)	
Interim Finance consultant - Infrastructure, assets and leasing	(0.013)	
Financial improvement - Interim finance lead - accounts closure and audit, financial reporting, systems, and control	(0.055)	
Director of Finance costs above budget for permanent Director of Finance post	(0.106)	
Director of Finance - 1 month handover with interim/permanent postholders	(0.012)	
Mayoral Assistant - 3 week handover of existing / new postholder	(0.003)	
Recruitment costs for Chief Executive/Director of Finance/Head of ICT	(0.036)	
Contribution to Lord Lieutenant of North Yorkshire	(0.004)	
Contribution to Multibank Initiative	(0.025)	
Flexible Retirement Exit costs agreed in 23/24, but commencing in 24/25		(0.017)
Allocated/Committed to date	(0.441)	(0.017)
BALANCE REMAINING UNCOMMITTED	0.886	2.766

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Dedicated Schools Grant

1. The DSG conditions of grant require that any local authority with an overall deficit on its DSG account at the end of financial year 2021/22, or who's DSG surplus had substantially reduced, present a plan to the DfE for managing its DSG spend in 2022/23 and future years and commit to reducing the deficit. There is also a requirement to provide information as and when requested by the DfE about pressures and potential savings on its High Needs budget.
2. The Council complete regular DSG management recovery plans to outline forecasts over the next 5 years. The Council is also working with the DfE and has received a Stage 1 grant of £45,000 and a Stage 2 grant of £1m has been approved for the "Delivering Better Value" (DBV) programme that is supporting work to reduce the ongoing pressures within the High Needs Block using best practice and benchmarking across the country. Within this programme it has been identified that to be successful schools will need to be more inclusive. DBV is a long-term programme and 55 other local authorities as well as Middlesbrough Council are participating in the DBV programme. It should be noted that Middlesbrough Council is not involved in the "Safety Valve" programme, which is support for those local authorities with the greatest DSG deficits.
3. DfE also expect that schools be regularly updated via the Schools Management Forum about the authority's DSG account and plans for handling it, including high needs pressures and potential savings.
4. The DBV programme (which commenced in September 2023) highlighted there were risks to the programme outcomes without significant change, in particular regarding inclusion in mainstream schools. Inclusion within mainstream has remained a challenge, which has resulted in continued increased demand for specialist provision for children with an Education, Health and Care Plan (EHCP) and alternative provision for those children and young people who are permanently excluded. This has resulted in over commissioned places which subsequently comes in financial pressure to provide place funding as well as banding funding to support needs. Alongside this, there has also been an increase in rates from specialist providers across the board and significant increased pressure from rising permanent exclusions.
5. A range of management actions are being taken alongside the DBV programme these include initiatives such as :
 - Launch of SEND and Inclusion clinics in all schools to review how they are using their notional SEND budget as well as identifying training and support required within the setting.
 - Work with health colleagues to identify health contributions where relevant
 - On-going reviews of Education, Health, and Care Plans (EHCPs)

- Dedicated training for school staff to ensure they are increasing inclusive practice
 - On going work with school to support reintegration of excluded pupils into mainstream school where possible
 - Review of funding provided to schools including special schools
 - Continued work with schools to reduce exclusions
 - Review of maintained schools reserves and updated policy for challenging the use of those reserves
 - New Free School to be built by September 2026 which will support more children access local provision.
 - Ongoing development of local provision to meet needs and reduce the number of out of area placements
 - Greater support during transitions
6. Regular meetings take place with the DfE and the DBV lead to monitor the actions within our DBV plan. During these meetings the pressures on the High Needs Block are discussed to ensure the DfE are fully aware of the ongoing pressures within Middlesbrough.
7. The increasing pressure in DSG and in particular the High Needs Block is due to the fact that alongside social care, the Service has seen, and is predicting, an increase in more complex placements with a forecast increase in Education, Health, and Care plans (EHCPs) in the future. In Middlesbrough, the number of EHCPs have increased from 1,659 in 2022 and 1,804 in 2023 to a current level of 1,877 in June 2024, a 13.1% increase from 2022 to 2024, and this is predicted to increase further in the future (see Table 1). It should be noted that the number of children with and EHCP is a key cost driver in relation to home to school transport costs that are met by the General Fund through the Integrated Transport Unit. Some children in Alternative Provision are also a factor in relation to home to school transport costs. In 2022 132 children accessed Alternative Provision and in 2023 the figure was 175, and this figure has currently risen to 252. This is a national issue affecting a large number of local authorities and presents a growing and significant financial risk to the Council. The Government have partly recognised this by an increase in funding allocated in the finance settlements in recent years for both Schools and High Needs Blocks. However, no specific funding has been provided in recognition of the adverse impact upon the General Fund cost of home to school transport.
8. Table 1 below shows the actual and forecast Education, Health, and Care plans (EHCPs), and is periodically being updated and used to calculate the forecasted increase in required demand on alternative provision services and also the Council's SEND transport requirements.

Table 1 – Actual and forecast Education, Health, and Care plans (EHCPs)

Year	2022	2023	2024	2025	2026	2027
Number of EHCP – actual and forecast	1,659	1,804	1,877	2,076	2,302	2,462

Appendix 9 : Capital Programme Quarter One 2024/25 – new externally funded schemes / additional external funding to existing schemes, and transfers between Council funded schemes

Directorate	Scheme	Total Value 2024/25 £m	Total Value Future Years £m	Reason	Change To Capital Programme	External Funding £m	Council Funding £m
Regeneration	Levelling Up Partnership	2.190	6.826	MHCLG have confirmed the 2nd tranche of Levelling Up Partnership funding. The funding ensures that all of the schemes detailed within the "Levelling Up Partnership" Executive report of 14 February 2024 will now proceed as planned.	New Scheme	9.016	-
	Total Regeneration	2.190	6.826			9.016	-
Environment & Community Services	Wheeled Bins & Waste Strategy Review	0.400	-	The increased demand for the Green Waste Collection Service has resulted in the need to purchase additional wheeled bins. This virement was approved by Executive on 1 May 2024.	Virement within Directorate	-	0.400
Environment & Community Services	Traffic Signals-Non TVCA	(0.400)	-	Following a review of the overall ECS capital programme, the resource required for traffic signal replacement was less than originally anticipated. This has meant that the resource could be re-directed to fund the additional wheeled bins above. This virement was approved by Executive on 1 May 2024.	Virement within Directorate	-	(0.400)
Environment & Community Services	Transporter Bridge	0.036	-	Stockton Council have provided additional resources in order to fund a statutory inspection of the bridge was required. Also a virement from Bridges & Structures of some Council funding.	Addition to Current Scheme / Virement within Directorate	0.027	0.009
Environment & Community Services	Bridges & Structures	(0.009)	-	Slight reduction in Council funding in respect of cost of scheme, which has been vired to Transporter Bridge scheme.	Virement within Directorate		(0.009)
Environment & Community Services	Traffic Signals Non Obsolescence Grant	1.250	1.250	The Council is the Tees Valley lead authority for traffic signals. This grant funding, provided by TVCA, will be used to replace current obsolete and failing traffic equipment throughout the Tees Valley.	New Scheme	2.500	-
Environment & Community Services	Fusion Traffic Light System	0.750	-	TVCA have allocated grant funding to introduce software to traffic light systems which will assist in improving traffic flow and control across the town.	New Scheme	0.750	-
Environment & Community Services	Food Waste Collection	0.576	0.500	In preparation for the Government's introduction of food waste collection directive, commencing in April 2026, DEFRA have provided capital funding to enable to the purchase of vehicles and receptacles in advance of the directive.	New Scheme	1.076	-
Environment & Community Services	Levelling Up Partnership	1.400	0.500	As part of the MHCLG "Levelling Up Partnership" grant funding has been provided to fund several initiatives to alleviate crime and anti social behaviour and improve neighbourhood safety across the town.	New Scheme	1.900	-
	Total Environment And Community Services	4.003	2.250			6.253	-
Public Health	Middlesbrough Sports Village Pitches	0.130	-	The funding will enable the replacement of sports pitches which are in a state of disrepair at Middlesbrough Sports Village.	New Scheme	0.130	-
	Total Public Health	0.130	-			0.130	-
Education	Various	0.124	-	Various small increases to existing schemes	Addition to existing schemes	0.124	-
	Total Education	0.124	-			0.124	0.000
Adult Social Care	Disabled Facilities Grant	2.474	-	The scheme has increased following MHCLG's confirmation of the 2024/25 allocations to local authorities.	Addition to existing schemes	2.474	-
Adult Social Care	Home Repayment Loan	0.016	-	The Council has received a repayment of a loan, this will be used to facilitate other loans that are in compliance with the conditions of the scheme.	Addition to existing schemes	0.016	-
Adult Social Care	Chronically Sick & Disabled Persons Act - Equipment	0.036	-	The Better Care Fund has contributed funds towards the scheme.	Addition to existing schemes	0.036	-
	Total Adult Social Care	2.526	-			2.526	-
	TOTAL ALL DIRECTORATES	8.973	9.076			18.049	0.000

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Appendix 10 : Capital Programme Quarter One 2024/25 – Details of capital slippage

Capital slippage is a way of reprofiling capital budgets between financial years to match forecast timing of expenditure, whilst staying within the approved project budget.

Scheme	2024/25 £m	2025/26 £m	2026/27 £m	2027/28 £m	Funding Source	Slippage Explanation
Cleveland Centre	0.439	(0.439)	-	-	Borrowing	Works to the Centre's fire sprinkler system, which is an insurance requirement, will be completed earlier than originally expected.
Newham Hall - Housing Growth	0.533	(0.533)	-	-	Grant	Funding is required for design works, surveys and planning fees.
Town Hall Roof	(0.707)	0.707	-	-	Borrowing	Until such time that the total costs of the roof repairs and the strategic direction of the use of the Town Hall and Municipal Building are understood this scheme has been put on hold.
Municipal Buildings Refurbishment	(1.070)	1.070	-	-	Borrowing	As per the Town Hall Roof scheme with the exception of some essential fire compartment works within the basement.
Towns Fund	(0.984)	0.984	-	-	Grant	£0.684m relates to the Urban Living theme, a scheme needs to be identified and subsequently approved by the Town Deal Board. £0.200m is earmarked for the Old Town Hall but the extent and timing of the works are to be determined depending on the success of a capital bid to Heritage Lottery Fund. £0.100m is for delays on the Nunthorpe Community Hub scheme due to staff capacity issues in design work.
LUF - South Middlesbrough Accessibility	(1.847)	1.847	-	-	Grant	There has been delays in the appointment of the main contractor, it is now envisaged the contractor will be in place in December 2024.
Other Small Scale Slippage Across The Directorate	(0.464)	0.464	-	-	Borrowing / Grant	
Regeneration Total	(4.100)	4.100	-	-		
Purchase of Fleet Vehicles	1.031	(1.031)	-	-	Borrowing	Fleet Services have accelerated their vehicle replacement programme to alleviate some of the revenue pressures due to the increasing cost of repairing and maintaining its older fleet.
Other Small Scale Slippage Across The Directorate	0.124	(0.124)	-	-	Borrowing	
Environment and Community Services Total	1.155	(1.155)	-	-		
Children's Services Financial Improvement Plan	0.060	(1.763)	1.703	-	Borrowing	The budget has been reprofiled to reflect the purchasing strategy provided within the Executive report of 14 February 2024 "Increased Residential and Supported Accommodation for Children in Our Care and Care Leavers".
Children's Care Total	0.060	(1.763)	1.703	-		
Other Small Scale Slippage Across The Directorate	(0.050)	0.050	-	-	Contributions	
Adult Social Care Total	(0.050)	0.050	-	-		
Other Small Scale Slippage Across The Directorate	0.068	(0.068)	-	-	Borrowing	
Legal and Governance Services Total	0.068	(0.068)	-	-		
Capitalisation of Property Finance Lease Arrangements	(0.400)	0.200	0.200	-	Borrowing	Revision to leases that need to be capitalised under IFRS16. This was originally an estimate based on other local authorities who had already converted - work has now been undertaken based on contracts and leases in place at Middlesbrough and the number of arrangements impacted by the new accounting rules is much lower than the original estimate, with the costs now expected to be incurred over a number of financial years.
Finance Total	(0.400)	0.200	0.200	-		
TOTAL	(3.267)	1.364	1.903	-		

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Appendix 11 : Revised Capital Programme Forecasts 2024/25 to 2026/27

	Forecast Expenditure			
	2024/25	2025/26	2026/27	TOTAL
Regeneration	£m	£m	£m	£m
Town Centre Related Projects	0.092	0.038	-	0.130
Middlehaven Related Projects	0.036	0.470	-	0.506
Housing Growth	1.011	9.320	3.935	14.266
BOHO X	0.667	0.100	-	0.767
Unallocated Grant Following Completion of Boho X Project	-	5.600	-	5.600
Towns Fund	0.524	7.503	-	8.027
Towns Fund - East Middlesbrough Community Hub	0.295	3.218	-	3.513
Future High Streets Fund	3.237	-	-	3.237
Acquisition of Town Centre Properties	-	1.207	-	1.207
Acquisition of The Crown	0.050	-	-	0.050
Levelling Up Partnership	7.425	6.826	-	14.251
New Civic Centre Campus	-	0.237	-	0.237
Middlesbrough Development Company	2.589	-	-	2.589
Capitalisation of Major Schemes Salaries	0.530	0.530	0.530	1.590
Capitalisation of Planning Services Surveys	0.120	0.040	0.040	0.200
Affordable Housing Via Section 106	-	1.495	-	1.495
Highways Infrastructure Development Section 106	-	0.142	0.580	0.722
Levelling Up Fund - South Middlesbrough Accessibility	2.016	2.796	-	4.812
Derisking Sites	-	0.625	0.500	1.125
Property Services Building Investment	0.340	0.340	0.340	1.020
Property Asset Investment Programme	1.086	1.205	1.800	4.091
Town Hall Roof	0.100	2.856	-	2.956
Municipal Buildings Refurbishment	0.100	1.070	-	1.170
Resolution House	-	0.492	-	0.492
Cleveland Centre	0.969	0.595	-	1.564
Members Small Schemes	-	0.210	0.060	0.270
Theatre Bar Refurbishment	0.007	-	-	0.007
Leisure Trust Investment - Equipment	0.002	-	-	0.002
Stewart Park Section 106	0.034	-	-	0.034
Investment In Parks	0.011	-	-	0.011
Cultural Development Fund - Enhancements To Central Library And Partner Organisations	4.189	-	-	4.189
Museum Estate And Development Fund	0.048	-	-	0.048
Total Regeneration	25.478	46.915	7.785	80.178

Council Funding	External Funding	Spend At 30.6.24
£m	£m	£m
0.118	0.012	(0.015)
0.506	-	0.019
4.769	9.497	0.014
0.058	0.709	(0.165)
-	5.600	-
0.100	7.927	0.043
2.600	0.913	0.020
-	3.237	0.685
1.207	-	-
0.050	-	0.009
-	14.251	1.203
0.237	-	(0.002)
2.014	0.575	0.106
1.590	-	-
0.200	-	-
0.302	1.193	-
0.142	0.580	-
-	4.812	-
1.125	-	0.010
1.020	-	-
4.091	-	0.089
2.956	-	-
1.170	-	-
0.492	-	-
1.564	-	0.269
0.270	-	-
0.007	-	-
0.002	-	-
-	0.034	-
0.011	-	-
0.087	4.102	0.006
0.020	0.028	-
26.708	53.470	2.291

	Forecast Expenditure			
	2024/25	2025/26	2026/27	TOTAL
Environment and Community Services	£m	£m	£m	£m
Purchase of New Vehicles	2.909	2.729	1.200	6.838
Capitalisation of Wheeled Bin Replacement	0.100	0.100	0.100	0.300
Replacement Wheeled Bins As Part of Waste Strategy Review	0.440	-	-	0.440
Capitalisation of Street Furniture / Dog Fouling & Litter Bins	0.055	0.055	0.055	0.165
Capitalisation of Highways Maintenance	0.575	0.575	0.575	1.725
Local Transport Plan -Highways Maintenance	3.044	2.339	2.339	7.722
Local Transport Plan - Incentive Funding	1.657	1.065	1.065	3.787
Street Lighting-Maintenance	0.568	0.468	0.468	1.504
Urban Traffic Management Control 1	0.043	-	-	0.043
Section 106 Ormesby Beck	0.015	-	-	0.015
Hostile Vehicle Mitigation	0.031	-	-	0.031
Bridges & Structures (Non Local Transport Plan)	2.942	1.870	1.870	6.682
Transporter Bridge	0.098	-	-	0.098
Newport Bridge	1.124	1.171	0.500	2.795
Henry Street	0.039	-	-	0.039
CCTV	0.034	-	-	0.034
Cargo Fleet Nature Reserve	0.014	-	-	0.014
Towns Fund Initiatives	0.081	-	-	0.081
Traffic Signals -Tees Valley Combined Authority	0.029	-	-	0.029
Highways Infrastructure	2.169	1.000	-	3.169
Libraries Improvement Fund	0.057	-	-	0.057
Urban Traffic Management Control 2	0.903	-	-	0.903
Traffic Signals Non Tees Valley Combined Authority	0.726	0.980	-	1.706
Traffic Signals Obsolescence Grant	1.250	1.250	-	2.500
Fusion Traffic Management Software	0.750	-	-	0.750
Food Waste Collection	0.576	0.500	-	1.076
Street Lighting Column Replacement	0.409	0.500	-	0.909
Linthorpe Road Cycleway	0.414	-	-	0.414
Neighbourhood Safety	1.400	0.500	-	1.900
Total Environment and Community Services	22.452	15.102	8.172	45.726

Council Funding	External Funding	Spend At 30.6.24
£m	£m	£m
6.838	-	0.151
0.300	-	-
0.440	-	(0.103)
0.165	-	-
1.725	-	-
-	7.722	0.493
-	3.787	0.164
1.504	-	-
-	0.043	0.010
-	0.015	-
0.031	-	-
6.682	-	0.140
0.040	0.058	0.098
2.795	-	-
-	0.039	-
0.034	-	0.015
-	0.014	-
-	0.081	0.001
-	0.029	-
3.169	-	0.035
-	0.057	-
-	0.903	0.463
1.630	0.076	0.008
-	2.500	0.015
-	0.750	-
-	1.076	-
0.909	-	-
-	0.414	-
-	1.900	-
26.262	19.464	1.490

	Forecast Expenditure			
	2024/25	2025/26	2026/27	TOTAL
Public Health	£m	£m	£m	£m
Relocation of The Safe Haven To Middlesbrough Bus Station	0.008	-	-	0.008
Live Well East – Internal Alterations & Improvements	0.052	-	-	0.052
Swimming Pool Support Fund	0.459	-	-	0.459
Middlesbrough Sports Village Pitches	0.170	-	-	0.170
Total Public Health	0.689	-	-	0.689

Council Funding	External Funding	Spend At 30.6.24
£m	£m	£m
0.008	-	-
-	0.052	0.027
-	0.459	-
0.040	0.130	-
0.048	0.641	0.027

	Forecast Expenditure			
	2024/25	2025/26	2026/27	TOTAL
Education and Partnerships	£m	£m	£m	£m
Block Budget - Family Hubs	0.012	-	-	0.012
Block Budget - Devolved Formula Capital (DFC) - All Schools	0.199	-	-	0.199
Block Budget - School Condition Allocation (SCA)	0.615	-	-	0.615
Block Budget - Basic Need	1.835	1.775	-	2.610
Block Budget - High Needs Provision Capital Allocation (HNCPA)	1.714	-	-	1.714
Block Budget - Childcare Expansion	0.231	-	-	0.231

Council Funding	External Funding	Spend At 30.6.24
£m	£m	£m
-	0.012	(0.001)
-	0.199	-
-	0.615	-
-	2.610	-
-	1.714	-
-	0.231	-

Block Budget - Early Years 2 years old entitlement	0.001	-	-	0.001
S106 - Lowgill	-	0.035	-	0.035
Building Condition Improvements - Primary School	0.958	0.068	-	1.026
Building Condition Improvements - Special Schools	0.107	-	-	0.107
School led Capital schemes - all maintained schools	0.133	-	-	0.133
Sufficiency Schemes - Primary	0.125	0.250	0.125	0.500
Sufficiency Schemes - Secondary	1.475	1.308	0.746	3.529
Sufficiency Schemes - SEND and Alternative Education	7.052	0.491	-	7.543
SEN Small Capital Grant Schemes	0.318	-	-	0.318
Family Hubs and Early Years	0.025	-	-	0.025
Capitalisation of Salary Costs	0.115	-	-	0.115
Total Education & Partnerships	13.915	3.927	0.871	18.713

	-	0.001	-
	-	0.035	-
	-	1.026	0.003
	-	0.107	0.031
	-	0.133	-
	-	0.500	-
	0.646	2.883	0.000
	-	7.543	2.593
	-	0.318	0.030
	-	0.025	(0.011)
	-	0.115	-
	0.646	18.067	2.646

	Forecast Expenditure			
	2024/25	2025/26	2026/27	TOTAL
	£m	£m	£m	£m
Children's Care				
Gleneagles Refurbishment	0.050	-	-	0.050
Children's Services Financial Improvement Plan	2.025	0.600	1.703	4.328
Fir Tree Ground Floor and Attic Refurbishment Works	0.009	-	-	0.009
Total Children's Care	2.084	0.600	1.703	4.387

Council Funding	External Funding	Spend At 30.6.24
£m	£m	£m
0.050	-	-
4.328	-	-
0.009	-	-
4.387	-	-

	Forecast Expenditure			
	2024/25	2025/26	2026/27	TOTAL
	£m	£m	£m	£m
Adult Social Care and Health Integration				
Chronically Sick & Disabled Persons Act - All Schemes	0.897	0.610	0.610	2.117
Disabled Facilities Grant - All Schemes	2.829	-	-	2.829
Capitalisation of Staying Put Salaries	0.050	0.050	0.050	0.150
Home Loans Partnership (Formerly 5 Lamps)	0.036	0.050	-	0.086
Small Schemes	0.015	-	-	0.015
Total Adult Social Care and Health Integration	3.827	0.710	0.660	5.197

Council Funding	External Funding	Spend At 30.6.24
£m	£m	£m
1.914	0.203	0.070
0.000	2.829	0.695
0.150	-	0.050
-	0.086	-
-	0.015	0.007
2.064	3.133	0.822

	Forecast Expenditure			
	2024/25	2025/26	2026/27	TOTAL
	£m	£m	£m	£m
Legal and Governance Services				
Desktop Strategy / Device Refresh	0.155	-	-	0.155
Enterprise Agreements	0.854	-	-	0.854
IT Refresh - Network Refresh	0.871	-	-	0.871
IT Refresh - Lights On	0.335	-	-	0.335
ICT Essential Refresh & Licensing	0.376	2.117	2.185	4.678
Sharepoint	0.169	-	-	0.169
HR Recruitment	0.028	-	-	0.028
IKEN	0.038	-	-	0.038
HR Pay	0.037	-	-	0.037
Total Legal and Governance Services	2.863	2.117	2.185	7.165

Council Funding	External Funding	Spend At 30.6.24
£m	£m	£m
0.155	-	0.023
0.854	-	0.834
0.871	-	0.786
0.335	-	-
4.678	-	0.430
0.169	-	0.099
0.028	-	-
0.038	-	0.014
0.037	-	-
7.165	-	2.186

	Forecast Expenditure			
	2024/25	2025/26	2026/27	TOTAL
	£m	£m	£m	£m
Finance				
Former Partnership Investment (ICT Infrastructure Revenues & Benefits)	0.264	-	-	0.264
Business World Upgrade	0.026	-	-	0.026
Capitalisation of Property Finance Lease Arrangements	1.000	0.200	0.200	1.400
Total Finance	1.290	0.200	0.200	1.690

Council Funding	External Funding	Spend At 30.6.24
£m	£m	£m
0.264	-	-
0.026	-	-
1.400	-	-
1.690	-	-

	Forecast Expenditure			
	2024/25	2025/26	2026/27	TOTAL
	£m	£m	£m	£m
Transformation Programme				
Transformation	3.000	2.300	2.300	7.600
Subject Matter Expertise	2.500	2.500	1.000	6.000
Redundancy	6.500	-	-	6.500
Contingency	1.700	2.900	2.000	6.600
Total Transformation	13.700	7.700	5.300	26.700

Council Funding	External Funding	Spend At 30.6.24
£m	£m	£m
7.600	-	-
6.000	-	-
6.500	-	-
6.600	-	-
26.700	-	-

	Forecast Expenditure			
	2024/25	2025/26	2026/27	TOTAL
	£m	£m	£m	£m
Exceptional Financial Support				
Revenue Budget Deficit	4.700	-	-	4.700
Contingency for savings and receipts deficit	8.700	-	-	8.700
Total Exceptional Financial Support	13.400	-	-	13.400

Council Funding	External Funding	Spend At 30.6.24
£m	£m	£m
4.700	-	-
8.700	-	-
13.400	-	-

	Forecast Expenditure			
	2024/25	2025/26	2026/27	TOTAL
	£m	£m	£m	£m
ALL DIRECTORATES				
Total ALL DIRECTORATES	99.698	77.271	26.876	203.845

Council Funding	External Funding	Spend At 30.6.24
£m	£m	£m
109.070	94.775	9.462

	Forecast Funding			
	2024/25	2025/26	2026/27	TOTAL
	£m	£m	£m	£m
FUNDED BY:				
Borrowing	18.679	24.859	9.867	53.405
EFS Borrowing	13.400	-	-	13.400
Capital Receipts	6.000	6.000	6.000	18.000
Flexible Use of Capital Receipts	13.700	7.700	2.865	24.265

Council Funding	External Funding
£m	£m
53.405	-
13.400	-
18.000	-
24.265	-

Grants	46.746	36.189	3.404	86.339	-	86.339
Contributions	1.173	2.523	4.740	8.436	-	8.436
Total FUNDING	99.698	77.271	26.876	203.845	109.070	94.775

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Council's approach to Debt Recovery

1. With high levels of deprivation, a proportionately high benefit caseload, alongside low levels of income, Council Tax collection across the town will remain a challenge. Council Tax Reduction is provided to around 18,300 households, with the maximum award of 90% to some the town's most financially vulnerable. There is a steady migration to Universal Credit and as such the amount of Housing Benefits Overpayments created is a diminishing return with the debt becoming significantly more difficult to collect as the ability to deduct from ongoing benefit lessons.
2. Business Rates and Sundry Debt collection is considered less of a challenge provided that the debt is collected in-year. The likelihood of collecting aged debt is problematic, businesses can cease trading, wind up, become bankrupt, leaving the Council with very little recovery options and a strong likelihood that the debt will be written off.
3. Whilst overall collection rates over a period of time are respectable, a stronger focus on in-year debt and aged debt is fundamental in ensuring the council optimises cash collection thus further supporting the reduction in the provision which is assigned to bad debt.
4. Through a comprehensive collection strategy, underpinned by the Council's Welfare Strategy for both business and residents, the Council will effectively pursue debt in a firm but fair way. Residents and businesses will be offered a range of support to resolve debt problems, such as maximising benefit, welfare advice and support, debt management, crisis support all of which form part of the support on offer.
5. Where payment is not forthcoming the Council will exercise its powers provided under the relevant legislation to enforce the debt. Some of these powers are significant and can lead to serious consequences such as attachment to earnings, removal of goods, forcing the sale of a property or even commitment to prison all of which are powers enshrined in law.
6. To support the increased focus, additional resource has been placed in all of the four areas above and will mean thousands more cases, where debt remains being actively progressed. The increased activity will likely lead to many difficult conversations with Residents and Businesses some of which may result in member engagement, complaints, disputes and even the possibility of alleged fraud where residents and business have failed to report changes. This is anticipated/expected due to the increased focus and the thousands more cases that will be managed. Over more recent months, a number of aged debt business rates cases have been pursued, most gaining press coverage as the Council gives a strong message that outstanding debt will be collected.

7. Of the debt remaining, it is anticipated that some debt will not be enforceable and as such irrecoverable. Financial provision has been set aside to respond to this on the basis that where the propensity to pay is low and unlikely to be recovered, the Council has the ability to write debt off. Write offs should be routinely undertaken as part of good debt management allowing for a more accurate bad debt provision and greater financial management of debts owed to the Council.

8. The Council's approach to improving its debt position will be based on the following principles:
 - Resolve Debt Problems –By providing Welfare Advice and Support
 - Where Debt Remains a Problem - Exercise the powers provided in law.
 - Where Debt is Irrecoverable – Write the debt off.

MIDDLESBROUGH COUNCIL

**FINAL REPORT OF THE CULTURE AND
COMMUNITIES SCRUTINY PANEL –
COMMUNITY COHESION AND INTEGRATION**

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AIM OF THE INVESTIGATION

1. The aim of the investigation was to examine community cohesion in Middlesbrough and what work was being undertaken by the Council and its partners to support and develop this.

MAYOR'S VISION

2. The scrutiny of this topic fits within the following priorities of the Mayor's Vision:
 - Making Middlesbrough look and feel amazing.
 - Tackling crime and anti-social behaviour head on
 - Ensuring Middlesbrough has the very best schools

COUNCIL'S THREE CORE OBJECTIVES

3. The scrutiny of this topic aligns with the Council's three core objectives as detailed in the Strategic Plan 2020-2023¹:
 - People - We will work with local communities to redevelop Middlesbrough's disadvantaged estates, and introduce locality working with our partners, placing services at the heart of communities.
 - Place - We will make Middlesbrough look and feel amazing, working closely with local communities to make sure that our roads, streets and open spaces are well-designed, clean and safe, and revitalising unused buildings and heritage assets.
 - Business - We will create positive perceptions of our town on a national basis, improving our reputation, and attracting new investment, visitors and residents.

TERMS OF REFERENCE

4. The terms of reference for the scrutiny panel's investigation were as follows:
 - A) To examine the factors affecting community cohesion.
 - B) To determine how community cohesion is measured in Middlesbrough and to receive relevant statistical information.
 - C) To examine the work that the Local Authority and its partners are undertaking to promote community cohesion and integration.
 - D) To identify best practice and evidence-based approaches to build and strengthen cohesive communities.

¹ Middlesbrough Council's Strategic Plan 2020-2023

BACKGROUND INFORMATION

5. Community Cohesion can have different meanings depending on the context in which it is placed. However, for the purposes of this review, the Community Cohesion agenda was largely shaped following the so called “North Town Riots” in Oldham, Burnley and Bradford in 2001. Caused, largely, by racial tensions a national report, led by Ted Cante, found people were living parallel and polarised lives. It found residents from White and Asian communities essentially lived in separate communities. The report contained 67 recommendations covering a variety of factors that needed to be addressed to reinforce social cohesion.²
6. Following this, the LGA issued *Guidance on Community Cohesion*, containing the following definition of Community Cohesion:
 - There is a common vision and a sense of belonging for all communities The diversity of people’s different backgrounds and circumstances are appreciated and valued;
 - Those from different backgrounds have similar life opportunities; and
 - Strong and positive relationships are being developed between people from different backgrounds in the workplace, in schools and within neighbourhoods.³
7. While the impact of the Cante report’s recommendations are debated, Middlesbrough has taken those principles and built upon them.
8. In order to support a cohesive community, Middlesbrough defines itself as a place where everyone:
 - Lives in cohesive communities, feels safe and are protected from harm;
 - Gets on well with each other;
 - Is proud of where they live;
 - Is active in their communities and engaged in local democracy and;
 - Has access to high quality, joined up services which safeguard our most vulnerable.
9. To help deliver this, the Community Cohesion Pathfinder Programme was introduced in 2003 to “pioneer community cohesion programmes in their geographical areas”.⁴ As one of 14 Councils to be a “Pathfinder”, Middlesbrough received funding to assist with this programme.
10. Funding for the Pathfinder Programme focused on work with diverse communities, schools and wider partners both from public and voluntary sectors with results stating,

“no serious racial tensions, but a range of issues associated with deep-seated and extensive deprivation, with 70 per cent of the town’s population living in deprived wards. The exception to a generally harmonious racial situation is the harassment and humiliation that appears to be a common experience for asylum seekers.”⁵

² Ratcliffe, P. (2012). 'Community cohesion': reflections on a flawed paradigm. *Critical Social Policy*, 32(2), p3 pp. 262-281.

³ LGA, 'Community Cohesion – an action guide' 2002 p7

⁴ Community Cohesion Pathfinder Programme – The first six months (Home Office & Vantagepoint Management Consultants) 2003, p1

⁵ Blackman *et al*, “A Better Place to Live: Social and Community Cohesion in Middlesbrough” (Social Futures Institute – Teesside University), 2004, p5

11. The report also noted that most of the Council's projects that aimed to address social cohesion met their objectives.
12. Overall the report found that "the main lesson learned from Middlesbrough's Community Cohesion Pathfinder is that face-to-face contact between groups of people who rarely meet is the best way of breaking down cultural barriers."⁶
13. Following the Pathfinder initiative, the Council set up the Middlesbrough Cohesion Partnership (the Partnership), led by the then Mayor, Ray Mallon, representing a range of stakeholders from Health, faith, disability, LGBT and age related groups as well as the Police and Teesside University. While the Partnership was initially very successful, there was an increased perception the Partnership was the responsibility of the Council. Following the austerity agenda and resulting Council restructures, ongoing support for the Partnership became untenable and it was dissolved.

TERM OF REFERENCE A **TO EXAMINE THE FACTORS AFFECTING COMMUNITY COHESION**

14. There are a myriad of factors that affect community cohesion including economic, demographic and ethnographic factors. However, by examining the work carried out by the Council in pursuance of the community cohesion agenda the factors affecting community cohesion can be extrapolated, both quantitatively and qualitatively.

Refugee and Asylum Seeker Support (RAAS)

15. One of the first initiatives to address community cohesion has been Middlesbrough's approach to resettlement of Refugees and Asylum Seekers (RAAS) since 2004.
16. The Panel had previously expressed their concern about the welfare of Asylum seekers in the Town and how it could challenge the seemingly unequal distribution of Asylum seekers in Middlesbrough.
17. Middlesbrough Council help to support Asylum seekers via the North East Migration Partnership and the Local Authority Asylum Seeker Liaison Officer Project (LAASLO). Although the number of Asylum seekers in Middlesbrough is small with 580 (or 4 in every 1,000 of the population as of December 2019), this does make up 13.5% of the Asylum seeker community in the North East.
18. Nevertheless, while a small proportion of the population, they remain vulnerable, having distinct characteristics and support needs.
19. At the commencement of national asylum dispersal in 2000/2001 the Council had employed a dedicated Asylum and Refugee Support Team. Initially, it was the Council's responsibility to house people classed as RAAS, for which it received funds accordingly. However, from 2012 this role was contracted to the private sector; with Jomast (and latterly Mears Housing) being sub-contractors of the national contractor, G4S.
20. Central Government initially provided 'enabling' funding for wider integration and support for RAAS directly to local Councils. This was changed when a number of Strategic Migration

⁶ Ibid, p7

Groups (SMG) were established across England and Wales. SMG acted as forums for local authorities, statutory agencies and the voluntary sector could discuss how migration in all of its forms impacted the regions. Initially hosted by Newcastle City Council, Middlesbrough Council began hosting the migration group in 2015 following a petition to the Home Office in light of increased numbers RAAS being located in the Town.

21. Coupled with this process, the Council also acknowledged there was significant barriers in engaging with the Town's faith groups and began working with the Middlesbrough Inter-faith network, established to represent all faiths across Middlesbrough.
22. Having an ethos that touched on issues surrounding poverty, social isolation and mental health, the Network was awarded £20,000 for community groups to submit bids for. Unfortunately, the Council's ability to maintain its current levels of commitment to the Network is under review owing to its time intensive nature.
23. The Council has also developed new teams and mechanisms to build on existing work including:
 - Ethnic Minority Achievement Team (EMAT)
 - North East Strategic Partnership (NEMP)
 - Controlling Migration Fund (CMF)
 - Stronger Communities Middlesbrough (SCM)

EMAT

24. Middlesbrough's EMAT is based in Newport HUB and comprises a range of professionals. It works within schools to assist students who have English as Another Language (EAL) and to promote educational attainment of BAME students. The EMAT also assist students from Traveller communities, whether that be from within school or via Virtual School.

North East Migration Partnership (NEMP) – discussed in detail at Terms of Reference C

25. NEMP is hosted by Middlesbrough and acts as a link between Councils across the North East and the Home Office. Within NEMP there are thematic sub-groups, including the Regional Chief Executives sub group, VCS group, and the North East Directors of Public Health network. NEMP have also established local inter agency-groups.
26. The Council's former Strategic Cohesion and Migration Manager Chaired the Middlesbrough Multi-Agency Migration sub-group. This was an opportunity for those on an operational level working with RAAS to discuss and resolve local issues and concerns. Any unresolvable issues at the local level is escalated to a Regional level and, potentially, Government.
27. The group meets four times a year with representatives including the Home Office, Mears Housing and other key partners from both voluntary and public sectors.

Controlling Migration Fund (CMF) Programme

28. The Controlling Migration Fund (CMF) was launched in November 2016, to help local authorities mitigate the impacts of migration on communities in their area. Comprising two elements, and lasting between 2016 and 2020, Councils could bid for money from a fund totalling £100 million, as well as being able to draw on £40 million of Home Office Immigration Enforcement staff time.⁷

29. Successful bids were submitted, for which three projects securing funds in Middlesbrough, all of which were independently evaluated by the University of Birmingham;

- *Data mapping (discussed in detail in Terms of Reference B)*. Due to a lack of contemporary, and reliable, statistical data about Middlesbrough's population the Council commissioned Teesside University to collate all publicly available data in regards to the Town's communities. As a result, a report and a toolkit have been produced with training on relevant data collection to be delivered to key Council staff as well as external partners, including the voluntary sector.
- *Education* - working within schools had seen changes within student profiles. This included recruiting teaching assistants, delivering language support as well working with partners. The Education project aimed to address challenges of accommodating increases in International New Arrival children. The project played a significant role in bringing communities together, as well as developing a sustainable programme that Middlesbrough schools can use should they experience resource and integration-related challenges.

Schools within the project's remit were predominantly within Newport and North Ormesby wards, with those schools delivering training to other schools on mitigating and managing the impact/ of similar pressures.

- *Stronger Communities Middlesbrough (SCM)* - looking at cohesion and integration and working within 3 priority wards (Thorntree & Brambles Farm, North Ormesby and Newport) across Middlesbrough (see below).

Stronger Communities Middlesbrough (SCM)

30. One of the more significant community projects borne from the Controlling Migration Fund was Stronger Communities Middlesbrough (SCM). SCM aimed to support residents, facilitate a process of integration and foster an environment that residents could live in with shared rights, responsibilities and opportunities. SCM's work focussed on three priority Wards; North Ormesby; Newport and Thorntree and Brambles Farm.

31. While all three wards shared similar challenges socio-economically, residents in Thorntree and Brambles Farm expressed concern about levels of immigration in Middlesbrough.

32. The SCM team consisted of one full time and two part time members of staff. The project was awarded £300,000 over two years, largely for staff salaries (including £10,000 to internal finance department) the £60,000 grant program, and related activities.

⁷ Ministry of Housing, Communities and Local Government "Controlling Migration Fund Prospectus" 2018 p4

33. SCM's work encompassed three key "strands" of activity:

1. Improving community cohesion and integration;
2. Improving tension monitoring and conflict resolution practices across Middlesbrough;
3. Welcome new communities to Middlesbrough.

34. Within these "strands" the following thematic actions had been carried out:

Community Cohesion and Integration

- Engaged with communities and organisations;
- Worked in partnership with local services, internal and external agencies;
- Hosted seven community conversations;
- Delivered four funding workshops;
- Launched Middlesbrough City of Kindness event;
- Identified residents for Advisory groups in each ward;
- Organised a number of events and workshops including; Newport HUB Islamic Diversity Centre community lunch (to break down the myths about Muslims);
- NUR fitness celebration event;
- International Women's day 2019 and;
- Supported residents with small grants to deliver culture cooking together and creative song writing/ poetry workshops.

35. These events have been key to breaking down barriers and improving resident's understanding of different faiths.

36. The above actions led to some important successes:

- Community conversations that focused on supporting unity and providing a safe space for local residents to discuss their experiences;
- The Middlesbrough City of Kindness event, launched in November 2018 with the strapline, *Our Communities Our Middlesbrough* and #kindboro. Local businesses donated refreshments and the event which brought together residents and key partners from the three priority wards, with participants signing pledges including random acts of kindness;
- A number of Funding Workshops were held designed to give residents the confidence and knowledge to apply for funding worth £60,000;
- Youth Talent Show (funded via SCM grant) used music and culture to engage young people across Middlesbrough.

37. One of the Council's principle aims was to improve the way in which community tensions and issues were identified, recorded and responded to. To this end a robust multi-agency response was required which would place residents at the heart of tackling hate crime, as well as supporting vulnerable communities. To affectively monitor community tensions, a monitoring action plan has been created that captures any issues identified by the Council or its partners. In response to the Covid pandemic a communications plan was also implemented as some communities felt they were being forgotten. Communications are

tailored to different audiences to ensure relevant information is sent to the relevant community.

38. To assist with this process several initiatives were undertaken including:

- Undertaking a review of internal Community Tension Monitoring processes;
- Developing a new Middlesbrough Council online reporting mechanism;
- Developing e-learning packages for all staff and;
- Commissioning an external facilitator who delivered two workshops for front line practitioners and for youth workers across the town.

Welcoming New Migrants to Middlesbrough

39. Consultation with residents and relevant interest groups was carried out in order to undertake important initiatives to welcome new migrants to Middlesbrough.

40. For example, Orientation Workshops have been developed which have identified and supported 17 volunteer translators speaking 25 different languages to provide assistance to new migrants. Work has been carried out in priority Wards – Central and Newport specifically - with partnerships formed with Cleveland Police and volunteer translators as well as councillors, Community Safety Officers, PSCO's, Street Wardens and other key partners being invited to each session.

41. To date 16 orientation sessions have been delivered, engaging over 400 residents who spoke more than 25 languages. The sessions also helped to recruit 17 volunteer translators with 10 volunteers having completed levels one and two Translators' Accreditation Courses. A Volunteer Policy has been devised to that will support volunteers from newer communities.

42. Importantly, the Council has been identified as exercising good practice by regional partners in this regard.

43. Support and advice has also been provided to new migrants on a range of different matters, including registering with a GP/dentist, how to appropriately access emergency services and how to be a good neighbour. The Police have also delivered sessions on UK laws including knife crime, prostitution, equality, inclusion and hate crime. Each session included a number of key stakeholders including Ward Councillors, Street Wardens, PCSO, Community Safety Officers and MP's Case Workers.

Volunteers

44. As with all community activities, volunteers are a key resource with volunteering being promoted within different communities. Volunteers have been encouraged to gain translation/ accreditation qualifications which has seen an increase in volunteer numbers, particularly from RAAS communities. As such, 22 RAAS volunteers now work with various teams across the Council as well volunteer guidelines being adopted by key partners across South Tees to recruit volunteers from diverse communities.

45. In recognition of their work, three SCM volunteers were nominated for Middlesbrough Civic Champions awards. The SCM team also won Middlesbrough Council's Team of the year in 2019 as well as the Community Safety award at the Tees Valley BME Achievement Awards 2019.

46. SCM has now moved into Phase two CMF, which will focus on working with priority school communities:

- Abingdon (primary);
- Sacred Heart (primary);
- North Ormesby (primary);
- Ayresome (primary);
- Breckon Hill (primary);
- Unity City Academy (secondary) and;
- Outwood Acklam (secondary).

47. When working with schools the SCM team will develop orientation packs for International New Arrivals and deliver training for key community connectors on where to report problems as well as establish and support Advisory Groups

48. As described above, project funding expired in September 2020, therefore the activities above are designed to be sustainable to ensure community cohesion work can be maintained with limited Council support.

TERM OF REFERENCE B

TO DETERMINE HOW COMMUNITY COHESION IS MEASURED IN MIDDLESBROUGH AND TO RECEIVE RELEVANT STATISTICAL INFORMATION.

49. To understand Middlesbrough's demographic position the Panel requested information relating to a data mapping project undertaken as part of the Controlling Migration fund (CMF). Carried out by Teesside University, its aim was to better understand Middlesbrough's cultural makeup, the scale and impact of recent demographic changes, any associated challenges this brought, and to act as an evidence base to secure additional funding from Government.

50. Teesside University worked with partners including Cleveland Police, Public Health, the Voluntary and Community Sector, local schools and all Council departments to map all known data across those organisations. As well as providing a demographic overview, the exercise also helped determine the demand on services and how organisations can best respond to these demands.

51. The data mapping exercise has been recognised as best practice by MHCLG (Ministry for Housing, Communities and Local Government) as well as subsequent work on creating a data mapping toolkit. MHCLG were keen to share this learning nationally with other local authorities experiencing similar demographic changes.

52. It is recognised that since the last census of 2011 there has been significant demographic changes within the Town particularly regarding increases of migrants and international arrivals.

Middlesbrough's International Population

53. The Data Mapping exercise found that Middlesbrough's non-UK born and non-UK populations had increased from 8% in 2011 to 11% in 2019. This increase included:

- Economic migrants
- Asylum seekers and refugees
- International students

Potential Challenges found by Data Mapping

54. From the data mapping exercise, three key factors were identified:

- Socio-economics: migrants mainly reside in areas already experiencing multiple pressures e.g. significant levels of anti-social behaviour, higher levels of domestic abuse, unemployment and crime within the settled community, which contribute to increases of hate crime reports (with international new arrivals predominantly falling victim to hate crime).
- Views about community change: there have been tensions in terms of public space, environmental issues and cultural differences. There are some far-right views in the Town and within the community there were pockets of community tensions between International New arrivals and the settled community.
- Housing: Low cost private housing was commonly identified as a 'pull' factor to central areas; Middlesbrough's response to the Integrated Communities Green paper, outlined that asylum seekers were generally placed by the Home Office in areas of cheap housing.

55. Middlesbrough's settled population is declining, potentially having serious implications for Council funding levels. Indeed, more UK-born young people leave Middlesbrough owing to a lack of prospects, however an increase in International New Arrivals appears to help to keep population levels stable.

56. Increasing numbers of non-UK born children has proven challenging for schools already at or above admission capacity. It is difficult to plan school intake, however the EMAT (Ethnic Minority Achievement Team) try to ensure every international arrival family registers with them, allowing them to determine what services are required and to forecast school intake numbers.

57. In terms of school admissions and education; the Panel learned there are particular challenges with supporting and accommodating the Roma/Traveller community. For example, family may have an extended absence of leave/ move away without informing the school. However, a school place must be kept open for 28 days, adding further pressures. Whilst the percentage of Travellers was very small across Middlesbrough, the above factors nevertheless cause significant pressures on teaching staff and school place availability.

58. Generally Council services face pressures as a result of demographic change, particularly around housing and environmental services due to language barriers and different cultural and social practices. For example, in the 2011 census, 1.6% of international arrivals were unable to speak English with 78 main languages spoken across the town. It was also found

that there was an inappropriate use of services, such as attending A & E for general health conditions (as this would be the norm in their home country).

59. From the data mapping exercise an area of concern for the Panel was the identification of mental health issues. Due to the limited amount of intermediate level mental health services available, including specialist support, this could lead to additional problems for community cohesion and integration.

Opportunities

60. Whilst the Council has no control over where international arrivals are placed, the new local housing provider contracted by the Home Office (Mears Housing) is working with the Council and listening to concerns over distribution spread and numbers.

61. Whilst there were tensions reported in some communities, the Panel were advised that Middlesbrough had always been built on migration and had generally always been seen as a welcoming Town.

62. The data also revealed positive contributions from migration. For example, an increase in skilled workers arriving in the UK and international students bringing qualifications in tech (forging links to BOHO) as well as facilitating a growing level of cultural acceptance. Migration also helped to plug skill gaps, with a large number of International New Arrivals providing vital roles in the NHS, for example.

63. Statistics also showed that by the time International New Arrival children leave key stage four, there are out performing settled children and contributing to increased educational attainment in schools. Evidence suggests that non UK-born children are also more engaged in education, have a more culturally tolerant outlook and, town wide, their educational attainment is higher. Schools have also seen positive outcomes in terms of increased global awareness with UK born children benefitting from learning different languages (some schools have over 30 languages).

64. It was indicated that situations creating service pressures can be tackled via improved orientation of new arrivals into the Town as well improved cohesion work to increase cultural understanding and acceptance between communities.

65. The Panel learned of the benefits from better community data, including:

- Accurate and up to date demographic information available for managers. From this, managers can implement SMART plans for services and allocate resources that are more reactive to service users.
- Better targeting of services and special measures into 'hotspot' areas - there is now a move towards locality based working to identify what the challenges are within a specific area. This issue is discussed as part of Terms of Reference D below.
- Provides accurate, robust, evidence for funding/ grant applications through identification of service demand.

66. With specific grant funding ceasing after 2020, Government has advised that a degree of self-sustainability is required for projects to continue beyond 2020. To achieve this several plans

have been put in place for Schools to provide training to other schools on addressing capacity and integration challenges as well as the Council delivering roadshows with key partners on how data mapping can present the key findings.

67. The data mapping exercise helped to identify tangible themes that could be enacted to improve outcomes related to community cohesion. These included:

- An improvement to local data collection through coordinated and consistent approaches across council departments and with public sector partners.
- Develop a dashboard of data sources, training and tools and undertake regular analysis and reporting including the development a 'best practice' toolkit.
- That the Council and partners incorporate international migration as a theme in strategic needs assessments and continue to deliver orientation programmes and community based cohesion work (via Stronger Communities Middlesbrough).

TERM OF REFERENCE C

TO EXAMINE THE WORK THAT THE LOCAL AUTHORITY AND ITS PARTNERS ARE UNDERTAKING TO PROMOTE COMMUNITY COHESION AND INTEGRATION

68. Partnership working is crucial to developing community cohesion. To this end, the Panel received information relating to how the Council and its partners undertake work to achieve further cohesion and integration.

Cleveland Police

69. The lead for Community Cohesion based operations is the Chief Inspector for Community Engagement. Within his remit were the following departments:

- Community engagement team;
- Crime prevention;
- Early Intervention Officers;
- Hate crime investigation;
- Mental Health Liaison and;
- Offender management team.

70. Cleveland Police acknowledges that, in terms of community policing, it had lost touch with a number of its communities in recent years. While there were a number of factors associated with this breakdown, the most significant was attributed to the removal of Neighbourhood Policing.

71. Recently Neighbourhood Officers had been redeployed to Response Teams to cope with increased demand. However, this had largely removed the presence of officers in communities, resulting in a lack of confidence in the police amongst some communities. This was coupled with a lack of on-the-ground intelligence about community issues.

72. Such conclusions were supported by the findings of Her Majesty's Inspectorate of Constabulary (HMIC) report that identified Cleveland Police did not sufficiently engage with, or listen to, local communities. In response, the recently appointed Chief Constable has promised to introduce a number of initiatives, including the reintroduction of Neighbourhood

Officers. Whilst exact details have not been finalised, the intention was to reintroduce Neighbourhood Officers from April 2020 with the hope of deploying one Neighbourhood Officer per Ward, based centrally or within Coulby Newham. As a result of the Covid Pandemic this process had not been fully completed, but the intention remains.

73. Importantly, the reintroduction of Neighbourhood Officers would be in addition to existing PCSO provision, and further complimented by the increase in Neighbourhood Wardens, following successful funding bids to the Tees Valley Combined Authority. The increase in Neighbourhood Safety presence would not be confined to a select number of areas, but would be adopted on a town-wide basis.
74. A further method to develop community was the introduction of the Community Engagement Team, consisting of five uniformed officers and two Community and Diversity Officers. The team's primary aim is to reach out to every community in Middlesbrough, and the wider Cleveland Force area, to build better relationships, learn about community dynamics, and address any concerns, needs and demands.
75. The Police would work closely with local Councillors, the Council's Community Safety Teams and neighbouring Councils to achieve the best results. It was also hoped the Safer Community Partnership would be rejuvenated, thereby providing a platform to discuss issues within the community with all key partner agencies.
76. Coupled with these initiatives, Independent Advisory Groups (IAGs) would also be refreshed, which were required for each Police Force across the UK. The IAGs acted as a sounding board for the Police and Police and Crime Commissioner to consider best approaches to issues raised, such as racist graffiti in an area, hate crime and so on.
77. Communication is an essential part to reporting crime and anti-social behaviour. It was found that some members of the community may not feel comfortable calling the police, but making contact through social media sometimes removed that inhibition. Consequently, the Police have placed increased emphasis on social media platforms such as Twitter and Facebook.
78. In order to understand community concerns and remove barriers, Cleveland Police's Community and Diversity Officer (a civilian role), works closely with the community/ voluntary sector passing on referrals from partner agencies, where a home visit is required. Initially, the role was focussed on the refugee and asylum seeker community, but now broadened its remit to include all strands of diversity issues. Results from home visits and wider conversations have been positive, with a specialist officer assigned to investigate a case if appropriate.
79. Importantly, the Engagement Team is extremely supportive of all communities and wants to ensure all voices are heard and feel valued. To this end they work to ensure communities know who the key contacts are both within Neighbourhood Policing, PCSO provision, and the wider Police Force.
80. The Police and Crime Commissioner's Office also plays an important role in building community relationships that help to secure community cohesion. For example the Police and Crime Commissioner's Consultation and Engagement Officer ensures all communities are engaged across the Cleveland Force area.
81. The Police and Crime Commissioner is passionate about ensuring all voices are heard and operates a '*Your Force, Your Voice*' initiative. Part of this initiatives is to target specific 'hard

to hear' groups, who may otherwise be underrepresented such as refugees and asylum seekers, (through the Regional Refugee Forum) and the LGB&T community, (through Hart Gables).

82. As part of the mechanisms to build community relationships the Police, and the Police and Crime Commissioner's Office, are held to account by several scrutiny processes, including a Stop and Search Scrutiny Panel. Use of the stop and search function, arguably, impacts upon some sectors of the community disproportionately, including young people and the BAME community. For this reason, Cleveland Police has a Young Person's Stop and Search Scrutiny Panel and a BAME Stop and Search Scrutiny Panel.
83. Previously the Government announced that Stop and Search was being overused, which led to a sharp decline in its use. Work is ongoing within Cleveland Police to increase the targeted use of stop and search. Frontline officers have undergone training on the correct use of this function, as it needs to be used under the correct circumstances, be lawful and proportional.
84. The Panel also heard that the OPCC's Equality, Diversity and Inclusion Manager leads on the *Everyone Matters* programme, which is carried out by a relatively new team consisting of five Officers, two Managers and three Equality, Diversity and Inclusion Officers.
85. The team adopts a change management approach around Cleveland's people, partners and communities. *Everyone Matters* was introduced by the Police and Crime Commissioner, but has been reconfigured and developed since the recommendations made by HMIC. Best practice guidance from the National Chiefs Council outlines the importance of having good data on our communities, including geo-demographic information which can be used to create community profiles.
86. While increased community police presence was critical to improve community cohesion, it would take time to achieve but future updates would be provided as requested.

North East Migration Partnership (NEMP)

87. In an effort to coordinate migration issues, Migration Partnerships exist in every English Region, with Scotland and Northern Ireland having national partnerships. The North East Migration Partnership (NEMP) was formed in January 2015 as a result of the rising Asylum Seeker numbers in the Region. NEMP has Lead Officers and Members for each Local Authority with Middlesbrough's being the Director of Environment and Commercial Services and the Executive Member for Culture and Communities and Education respectively. Middlesbrough Council currently hosts the NEMP.
88. Together with Local Authorities, Police, Department of Work and Pensions and Voluntary and Community Sector organisations NEMP, acts as a strategic board, works as a critical friend of the Home Office, producing light touch reports, mid-year and end-of-year report as well as regular review calls. The Panel were advised that there are six staff members within NEMP who are fully funded by the Home Office. Governed and monitored by the Home Office, NEMP had recently been granted three year indicative funding (subject to review).
89. NEMP coordinates all Refugee and Asylum Seeker (RAAS) programmes and acts as a single point of contact to improve data, information and communication around RAAS issues as well as inform policy and guidance.

90. Statistically, as of September 2019, Middlesbrough had 595 asylum seekers. Regionally, the numbers of Asylum seekers in the North East has remained the same for the last two years, whereas the numbers nationality have increased.

91. NEMP also delivered key projects which encourage community cohesion, which include;

Middlesbrough Welcome and Orientation Pilot

92. Delivered in partnership with Middlesbrough and Cleveland Police, the pilot used volunteer interpreters to work with International New Arrivals around what was acceptable when accessing emergency services in the UK. Work illustrating how to best access emergency services identified some health concerns of those seeking asylum, whereby large numbers of asylum seekers had poor dental health with many suffering from mental health issues. Importantly, however, Middlesbrough had facilities in place to help deal with such concerns including a dedicated asylum seeker doctor's surgery which was complemented by the arrivals clinic in Stockton.

93. The pilot had been so successful that NEMP applied for funding through the Controlling Migration Fund (CMF) and were awarded £150,000 to develop a regional induction programme. This would have specific modules on health, parenting, and positive relationships and about the local area.

94. The programme would also look at developing a digital induction. A Refugee and Asylum Seeker Orientation Task and Finish group had also been created and the Refugee and Asylum Seeker Consultation Group had been created for service user input. NEMP were also working with the Voluntary and Community Sector organisations to make the sessions sustainable, and training community interpreters.

Employment Routeways

95. Formed in conjunction with the DWP and the VSC, the project was used by the DWP and Local Authorities to help prepare people for employment by providing ESOL classes to ensure standards of English were employment ready. Work is continuing on the development of a dedicated website to map all services for refugees and asylum seekers. This will allow service users to search for activities and resources, such as ESOL classes and social activities, in their local area and beyond. Induction and welcome sessions would be available on-line with videos and interactive exercises.

Vulnerable Persons Resettlement Scheme (VPRS)

96. Also known as the Syrian Resettlement Scheme, the VPRS was introduced by the Home Office to assist resettle 20,000 vulnerable persons from the Middle East and North Africa by March 2020. The North East have assisted 8% or 2,000 refugees under the VPRS. Scotland have the biggest percentage of VPRS within the UK at 16%, and the East Midlands with the smallest percentage of VPRS within the UK at 4%.

97. The VPRS is a voluntary scheme with Local Authorities given the choice whether they wish to participate. The programme is fully funded and allows local authorities to develop systems and support, with most North East Councils taking part. A breakdown of the number of refugees per Council Area are as follows:

- Newcastle- 500
- Gateshead- 400
- Redcar and Cleveland- 250-300
- Hartlepool- 180- 200

98. Although the programme was funded, there would nevertheless be challenges going forward, especially as those being resettled were likely to be the most vulnerable and therefore could add additional pressures to Local Authority services, at least initially. In addition while Local Authorities determine how many families to take per year, they tend to be extended families and soon grow once they settle.

99. The Panel noted that Middlesbrough was currently not part of the scheme but it was likely a paper would be submitted to Executive in the near future and fully supported the work of the VPRS.

Unaccompanied Asylum Seeking Children (UASC)

100. Largely, UASC arrive into Local Authority Care through Government schemes such as the Vulnerable Children's Resettlement Scheme (VCRS), Dubs or National Transfer Scheme.

101. Local Authorities are provided with funding for every looked after UASC at a rate of £798 per week up to age 17, and £200 per week for care leavers age 18 and over. The Department for Education publishes annual statistics on the number of UASC looked after by Local Authorities in England with the latest data accurate as at 31st March 2019. The latest statistics outlined that the total number of UASC in England increased by 11% to 5,070, representing around 6% of all children looked after.

102. Key facts from the project were:

- Most UASC are male (90%) and are aged 16 and over (85%);
- The top regions in England to host UASC were: London (34%), South East (19%), East of England (11%) and West Midlands (10%);
- The North East has the lowest number of UASC in England with a total of 40 and represents less than 1% of the total;
- In this region only Redcar and Cleveland (10 UASC), Newcastle (9 UASC) and Hartlepool (7 UASC) have more than 5 UASC and participate in the scheme.

103. It was noted that Middlesbrough does not currently participate in UASC, and that there were no definite plans to do so in the near future.

Public Health

104. Working jointly between Middlesbrough and Redcar and Cleveland, Public Health South Tees primary aim is to improve Health and Wellbeing, it operates an asset based approach, working directly with communities, learning about their health needs and tailoring public health services accordingly.

105. Through the *Making Every Contact Count* (MECC) initiative, tangible results can be achieved

even through small interactions by directing people to smoking cessation, drug and alcohol services or general signposting. The MECC initiative also contributed to five ways of wellbeing in which information collected when interacting with Public Health connects them with local communities, volunteering and learning new skills. Development of a website was underway to help target specific communities to specific services.

TERM OF REFERENCE D

TO IDENTIFY BEST PRACTICE AND EVIDENCE-BASED APPROACHES TO BUILD AND STRENGTHEN COHESIVE COMMUNITIES.

106. To build on the initiatives and join arrangements identified above, the Council have instigated a policy of Placed Based Working. Its intention is the creation of a “joined up system...to address the underlying causes of community problems”⁸. It is hoped to empower local communities to take charge of their own future.
107. Using Wigan Council’s *Deal for the Future* initiative as an example of best practice, Place Based Working, or Locality Working, involves the co-location of several statutory services out of the Town Centre and into the relevant locality. In Middlesbrough’s case, this includes services such as Community Safety, Area Care, Education, Asylum Support, Libraries and Hubs, Adult and Children Social Care (including Mental Health Support) Early Help and Youth Offending. Dependent on community need, co-location may also include Housing providers, Police and Fire Services as well as commissioned services such as drug and alcohol support and homelessness support.
108. In putting communities at the heart of Council activity, a Place Based approach allows links to be made with other community based initiatives such as Empower.
109. The Council’s Head of Stronger Communities advised the Panel that two pilot areas had been identified. Identification of those pilot areas followed a significant baseline data mapping exercise using a number of quantitative and qualitative methods. Ongoing analysis was being carried out to further understand what assets communities had, including physical (such as Schools and Churches) and people (such as community activists). By doing this it is hoped that services can be effectively targeted and residents can fully engage in their wider communities.
110. The Wards identified as pilot areas following the exercise were Newport and North Ormesby as both appeared to experience significant problems relating to racially motivated crimes; anti-social behaviour; female victims of violent crime and alcohol and substance misuse. The pilot is currently in the first year of its two year lifespan.
111. Implementation of Locality Working was scheduled to take place over three phases; Phase 1 -Enforcement and Environment (whereby workers from those Services would be co-located); Phase 2 - Individual and Family Support (whereby Looked After Children and Asylum Support services would be co-located depending on community need) and Phase 3 - Partnership Involvement (whereby key partners will be engaged). Due to the ongoing Covid situation, the overall implementation of Locality Working has slipped, but progress has been made. For example, Phase 1 has now been completed with staff now located in their respective Hubs. Coupled with this, Data Modelling and Resource Allocation has taken place in preparation for

⁸ Middlesbrough Council Executive report, 8 October 2019, p2

Phases 2 and 3.

112. The success of Locality Working will be measured via a number of metrics, which will inform wider Council strategies. Some of those metrics will be a perception survey issued six months apart with a view to it becoming annual. It will ask residents about their perceptions to influence decisions; community cohesion and confidence levels in the Council and its partners to tackle local issues. This will be complemented with information relating to recorded rates of crime and Anti-Social Behaviour as well as health indicators such as the percentage of pregnant women smoking at the time of delivery.

CONCLUSIONS

113. The scrutiny panel reached the following conclusions in respect of its investigation:

114. The Council's community cohesion related initiatives have adhered to the principles of the Cattle Report, attempting to break down barriers that are based, largely, on cultural differences.

115. The Council has done well to secure significant project funding from the Controlling Migration Fund, but it must now focus on making those projects self-sustaining.

116. It is critical that the Council, and its partners, have access to reliable, accurate and up-to-date quantitative and qualitative data. This enables services to be direct service using SMART principles.

117. Communities should not be seen, or treated, as passive recipients of Council services. Instead, they should be empowered to have more input into decision making and service delivery are in their respective localities.

118. Middlesbrough's demographics have changed considerably over 10 years. This has presented significant challenges for services across the Council. However, this change has also presented opportunities that the Council is trying to capitalise on.

119. The reintroduction of Neighbourhood Policing and an increase in Street Warden provision will be critical in understanding community tensions and need.

120. Effective partnership working is paramount for community cohesion initiatives to be effective. Place Based Working will help to coordinate and facilitate this.

RECOMMENDATIONS

121. That the Council develop a Community Cohesion Strategy for Middlesbrough that:

- Ensures all aspects of community cohesion work is co-ordinated and monitored.
- Informs the Council's existing social regeneration agenda and is monitored through existing performance reporting processes.
- Is in place by the end of 2022/23.

122. Given recent staffing changes, as well as the discontinuation of funding for key projects after 2021 and the uncertainty brought about the Covid-19 pandemic, the Council should look to ensure the current Strategic Cohesion and Migration Manager is sufficiently supported via a robust staffing structure beyond 2021.
123. That the Executive consider including Middlesbrough in the Refugee Resettlement Scheme.
124. To assess progress against its objectives, the Panel should receive an update on the progress of Place Based Working no later than November 2021.

ACKNOWLEDGEMENTS

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

- Corrigan Katherine
(Community and Diversity Officer - Cleveland Police)
- Cowie, Scott
(Chief Inspector - Cleveland Police)
- Field, Geoff
(Director of Environment and Commercial Services – Middlesbrough Council)
- Khan, Shada
(Former Strategic Cohesion and Migration Manager – Middlesbrough Council)
- Mearns, Nicola
(Partnerships and Communication Manager – Middlesbrough Council)
- Salkeld, Jenni
(Equality, Diversity and Inclusion Manager - Office of the Police and Crime Commissioner)
- Walker, Marion
(Head of Stronger Communities – Middlesbrough Council)
- Wilson, Sarah
(Officer for Consultation & Engagement - Office of the Police and Crime Commissioner)

BACKGROUND PAPERS

- Blackman. T, Chapman T et al “A Better Place to Live: Social and Community Cohesion in Middlesbrough” Social Futures Institute, Teesside University, 2004.
- Department for Communities and Local Government, “Neighbourhood Management – Beyond the Pathfinders” 2008.
- Devanney, C., Lloyd, A., Wattis, L. and Bell, V. (2019) International Migration Data Toolkit: A resource for understanding international migration at the local level.
- Home Office and Vantagepoint Management Consultants Ltd, “Community Cohesion Pathfinder Programme – the first six months” 2003.
- Local Government Association, “community cohesion – an action guide”, 2004.

- Middlesbrough Council – Executive Report “Place Based Approach – Pilot in Newport and North Ormesby Wards” 8 October 2019.
- Middlesbrough Council – Executive Report “Update Locality Working – Pilot in Newport and North Ormesby Wards” 18 February 2020
- Middlesbrough Council – Executive Report “Revised Delivery Plan for Locality Working following Covid-19” 14 July 2020.
- Ministry of Housing, Communities and Local Government, “Controlling Migration Fund Prospectus” 2018.
- Ratcliffe, P. (2012). 'Community cohesion': reflections on a flawed paradigm. *Critical Social Policy*, 32(2), pp. 262-281.

ACRONYMS

BAME - Black, Asian and Minority Ethnic
CMF - Controlling Migration Fund
DWP - Department of Work and Pensions
EMAT - Ethnic Minority Achievement Team
HMIC - Her Majesty’s Inspectorate of Constabulary
IAG - Independent Advisory Groups
LAASLO - Local Authority Asylum Seeker Liaison Officer Project
LGA - Local Government Association
LGBT - Lesbian, Gay, Bisexual and Transgender
MECC - Making Every Contact Count
MHCLG - Ministry for Housing, Communities and Local Government
NEMP - North East Strategic Partnership
OPCC - Office of the Police and Crime Commissioner
PCSO - Police Community Support Officer
RAAS - Refugee and Asylum Seekers
SCM - Stronger Communities Middlesbrough
SMG - Strategic Migration Groups
SMART - Specific, Measurable, Attainable, Realistic and Timely
UASC - Unaccompanied Asylum Seeking Children
VPRS - Vulnerable Persons Resettlement Scheme

COUNCILLOR C MCINTYRE - CHAIR OF CULTURE AND COMMUNITIES SCRUTINY PANEL

The membership of the scrutiny panel is as follows:

Culture and Communities Scrutiny Panel 2020-2021

Councillors C McIntyre (Chair), L Lewis, (Vice-Chair), R Arundale, C Dodds, J Goodchild, L Mason, J Rostron, M Saunders, J Thompson.

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MIDDLESBROUGH COUNCIL	
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Report of:	Chief Executive
Relevant Executive Member:	Not applicable
Submitted to:	Overview and Scrutiny Board
Date:	31 July 2024
Title:	Executive Forward Work Programme
Report for:	Discussion
Status:	Public
Council Plan priority:	Delivering Best Value
Key decision:	Not applicable
Why:	Not applicable
Subject to call in?:	Not applicable
Why:	Not applicable

Proposed decision(s)

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

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

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

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

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

2. Recommendations

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

3. Rationale for the recommended decision(s)

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

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

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

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

5.1 Not applicable.

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

6.1 Financial (including procurement and Social Value)

Not applicable

6.2 Legal

Not applicable

6.3 Risk

Not applicable

6.4 Human Rights, Public Sector Equality Duty and Community Cohesion

Not applicable

6.5 Climate Change / Environmental

Not applicable

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

Not applicable

6.7 Data Protection

Not applicable

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

Action	Responsible Officer	Deadline
Implement any decision of the Overview and Scrutiny Board with regard to the	Relevant Officer	As directed by OSB

Executive Forward Work Plan.		
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Appendices

A	Forward Work Plan
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Background papers

Body	Report title	Date
NA		

Contact: Scott Bonner/ Joanne Dixon

Email: scott_bonner@middlesbrough.gov.uk/joanne_dixon@middlesbrough.gov.uk)

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Forward Plan 1 January 2024 - 31 December 2024

FOR THE PERIOD 4 SEPTEMBER TO 31 DECEMBER 2024

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Council Strategy	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
The Mayor and Executive Member for Adult Social Care and Public Health							
019728 All Wards	Corporate Performance: Quarter One 2024/2025 This report advises the Executive of progress against corporate performance at Quarter One 2024-27, providing the necessary information to enable the Executive to discharge its	Executive 4 Sep 2024			Public		The Mayor and Executive Member for Adult Social Care & Public Health <i>Gemma Cooper</i> <i>gemma_cooper@middlesbrough.gov.uk</i>

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Council Strategy	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
	performance management responsibilities against the following performance disciplines						
I019347 All Wards	Review of Licensing fees for Houses in Multiple Occupation Key decision for approval.	Executive 4 Sep 2024		KEY	Public		The Mayor and Executive Member for Adult Social Care & Public Health <i>Judith Hedgley, Head of Service - Public Protection</i> <i>judith_hedgley@middlesbrough.gov.uk</i>
I018729 Linthorpe	EXEMPT: Options for Utilisation of Levick Court Residential Care Home As part of the budget savings the re-provisioning of Levick Court Residential Care Home was identified and within that included the option to provide alternative residential care for the current service	Executive 11 Nov 2024		KEY	Fully exempt		The Mayor and Executive Member for Adult Social Care & Public Health <i>Suzanne Hodge</i> <i>suzanne_hodge@middlesbrough.gov.uk</i>

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Council Strategy	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
	users and seek opportunities to maximise the utilisation of the property working with partner organisations. Approval is therefore required on the recommended option and the potential to consult with staff in terms of potential redundancies. Approval is being sought on the recommended option for the utilisation of Levick Court Residential Care Home						
Executive Member for Environment							
1019437 All Wards	Integrated Transport Strategy Executive to approve the update of the current	Executive 4 Sep 2024		KEY	Public		Executive Member for Environment <i>Chris Orr</i> <i>Chris_Orr@middlesbrough.gov.uk</i>

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Council Strategy	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
	Integrated Transport Strategy.						
I020971 Central; Newport	Linthorpe Road Cycleway The report is being considered following Political decision to remove the cycleway provision on Linthorpe Road.	Executive 11 Nov 2024		KEY	Public		Executive Member for Environment <i>Craig Cowley</i> <i>craig_cowley@middlesbrough.gov.uk</i>
Executive Member for Finance and Governance							
I019606 All Wards	Initial MTFP 2025/26 To provide Executive with an update of the Council's Medium Term Financial Plan (MTFP) position for 2025/26 to 2028/29	Executive 4 Sep 2024		KEY	Public		Executive Member for Finance and Governance <i>Andrew Humble</i> <i>andrew_humble@middlesbrough.gov.uk</i>
I019605 All Wards	Revenue and Capital Budget - Forecast Outturn position at Quarter One 2024/25 The report advises the Executive of the Council's financial position as at	Executive 4 Sep 2024		KEY	Public		Executive Member for Finance and Governance <i>Andrew Humble</i> <i>andrew_humble@middlesbrough.gov.uk</i>

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Council Strategy	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
	Quarter One 2024/25.						
I018905 All Wards	Vulnerability Policy Vulnerability Policy - 3 year review	Executive 4 Sep 2024		KEY	Public		Councillor Nicky Walker, Executive Member for Finance & Governance <i>Martin barker</i> <i>martin_barker@middlesbrough.gov.uk</i> , <i>Janette Savage</i> , <i>Head of Resident and Business Support</i> <i>Janette_Savage@middlesbrough.gov.uk</i>
I018904 All Wards	ASC Residential Charging Policy ASC Residential Charging Policy - 3 year review	Executive 2 Oct 2024		KEY	Public		Councillor Nicky Walker, Executive Member for Finance & Governance <i>Martin barker</i> <i>martin_barker@middlesbrough.gov.uk</i> , <i>Janette Savage</i> , <i>Head of Resident and Business Support</i> <i>Janette_Savage@middlesbrough.gov.uk</i>
I019785 All Wards	Customer Transformation Programme To set out and seek approval of the proposed Customer Transformation	Executive 11 Nov 2024		KEY	Public		Executive Member for Finance and Governance <i>Janette Savage</i> , <i>Head of Resident and Business Support</i> <i>Janette_Savage@middlesbrough.gov.uk</i>

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Council Strategy	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
	programme which forms part of the Council's Recover, Reset, Deliver Transformation Portfolio						
Executive Member for Regeneration							
I019344 Nunthorpe	Disposal of Land at Nunthorpe Grange To seek Executive approval to dispose of the land at Nunthorpe Grange.	Executive 4 Sep 2024		KEY	Part exempt		Executive Member for Regeneration <i>Richard Horniman, Director of Regeneration</i> <i>Richard_Horniman@middlesbrough.gov.uk</i>
I019671 Marton East; Park	Middlesbrough Museums Options Appraisal Options appraisal requested by Executive to inform a decision about the future of the museum service related to required cost savings.	Executive 2 Oct 2024		KEY	Public		Councillor Philippa Storey, Deputy Mayor and Executive Member for Education and Culture <i>Gaye Kirby</i> <i>gaye_kirby@middlesbrough.gov.uk</i>
I019717 All Wards	Corporate Asset Management Plan Decision is required by Executive	Executive 11 Nov 2024		KEY	Public		Councillor Theo Furness, Executive Member for Regeneration

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Council Strategy	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
							<i>David Jamison david_jamison@middlesbrough.gov.uk</i>
I019349 All Wards	Cemetery Provision Setting out the future plan for cemetery provision.	Executive 11 Nov 2024		KEY	Public		Executive Member for Regeneration <i>Richard Horniman, Director of Regeneration Richard_Horniman@middlesbrough.gov.uk</i>
I019345 All Wards	Management and Maintenance of Development Land / Nutrient Neutrality Mitigation The report seeks Executive approval of the resources required to maintain land held prior to disposal / development and the management of land held fallow as part of the Nutrient Neutrality mitigation measures. Report seeks management resources to be capitalised as an	Executive 11 Nov 2024		KEY	Public		Executive Member for Regeneration <i>Richard Horniman, Director of Regeneration Richard_Horniman@middlesbrough.gov.uk</i>

Ref No. / Ward	Subject / Decision	Decision Maker and Decision Due Date	Council Strategy	Key / PFP	Likely Exemption	Background documents	Member / Officer Contact
	abnormal cost to disposal receipts.						
I019341 Berwick Hills and Pallister; Park End and Beckfield	Southlands Facility Contract Delivery To seek Executive approval to commence the contractor procurement process and delivery of the Southlands Facility.	Executive 11 Nov 2024		KEY	Public		Executive Member for Regeneration <i>Richard Horniman, Director of Regeneration</i> <i>Richard_Horniman@middlesbrough.gov.uk</i>
I017049 All Wards	Capex Municipal Buildings and Town Hall Roofs Any matters relating to bids for funding, which are financially or strategically significant and have not been provided for within the financial and policy framework.	Executive 4 Dec 2024		KEY	Public		Executive Member for Regeneration <i>Teresa Garrett</i> <i>teresa_garrett@middlesbrough.gov.uk</i>