

Annual Governance Statement 2020/21

Introduction

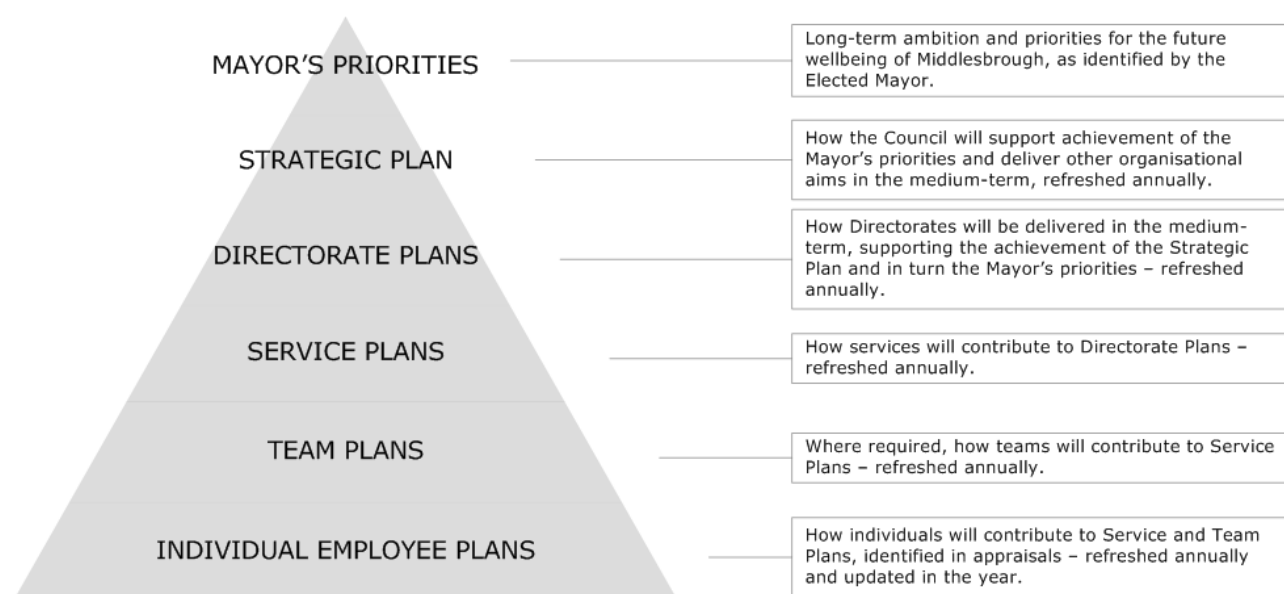
1. Middlesbrough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards. The Council has in place a [Code of Corporate Governance](#), which sets out its corporate governance framework and is reviewed annually. This framework comprises the culture, values, systems and processes of the Council, which together ensure that it does the right things, at the right time and in the right way.
2. The Code of Corporate Governance aligns with the latest CIPFA / Solace guidance, which sets out the following principles of good governance:
 - behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law;
 - ensuring openness and comprehensive stakeholder engagement;
 - defining outcomes in terms of sustainable economic, social and environmental benefits;
 - determining the interventions necessary to optimise the achievement of the intended outcomes;
 - developing the entity's capacity, including the capability of its leadership and the individuals within it;
 - managing risks and performance through robust internal control and strong public financial management; and
 - implementing good practices in transparency, reporting, and audit to deliver effective accountability.
3. The purpose of the Annual Governance Statement (AGS) is to assess the extent to which the Council complies with its Code of Corporate Governance, how it has monitored and improved the effectiveness of its governance arrangements in the past year, and identify actions to strengthen these arrangements going forward.
4. The AGS forms part of the Statement of Accounts that the Council must produce on an annual basis and as such must be approved by the Mayor of Middlesbrough and the Council's Chief Executive and Section 151 Officer.

Structure of the AGS

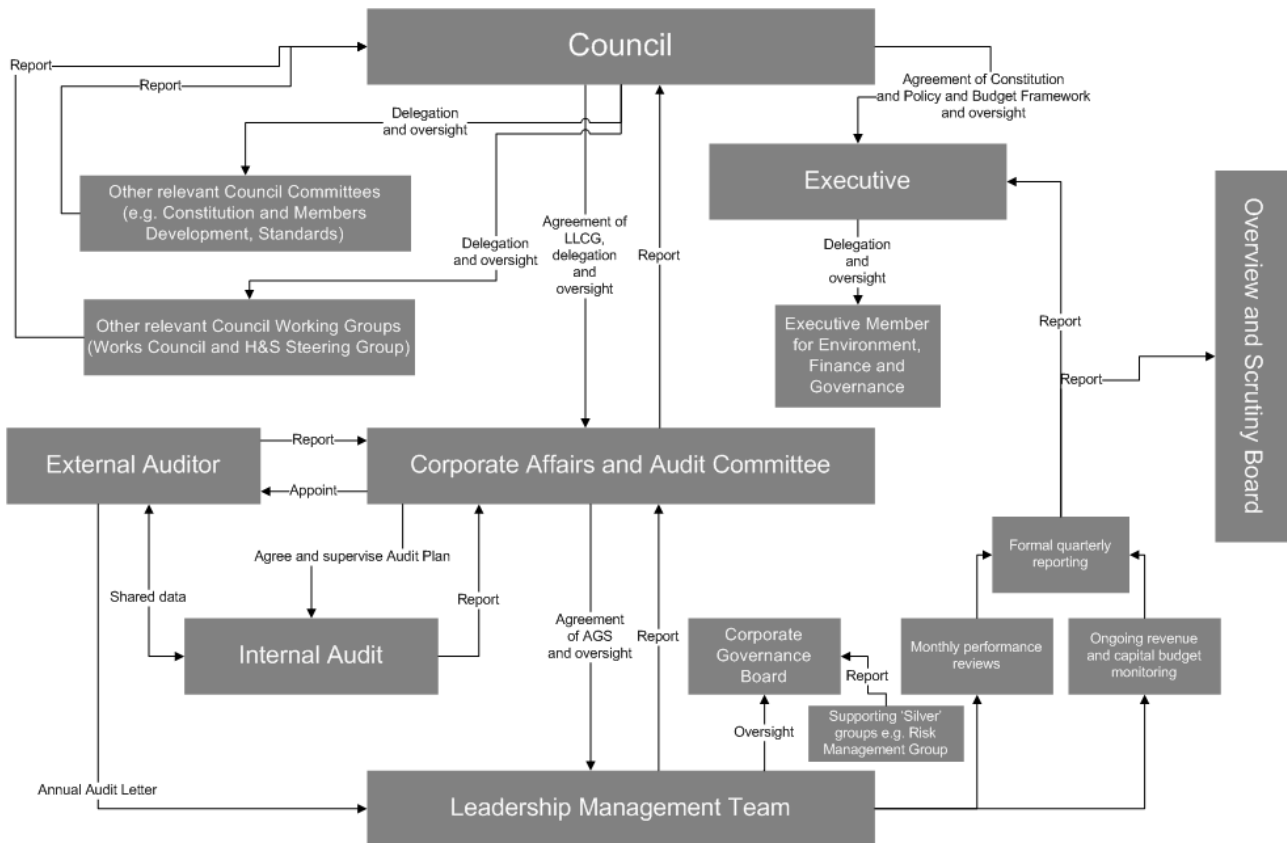
5. The AGS comprises the following sections:
 - an overview of the Council's governance arrangements;
 - progress made on governance during 2020/21;
 - issues that have arisen during 2020/21;
 - a position statement against the Code of Corporate Governance; and
 - conclusion and resulting governance priorities for 2021/22.
6. The development of the AGS was coordinated by the Strategy, Information and Governance service, in conjunction with statutory officers and other officers with responsibility for corporate governance processes, and with input from Internal Audit.

The Council's governance arrangements

7. The Committee structure in place within the Council during 2020/21 is set out Appendix 1. The terms of reference of all committees are published on the Council's [committee papers](#) site and [open data](#) site.
8. Committees take decisions in line with the Council's approved strategies and policies. The Strategic Plan is the Council's overarching business plan for the medium-term, and is typically refreshed on an annual basis. The plan was refreshed in February 2021 to reflect the impact of COVID-19 and UK's exit from the European Union on Middlesbrough and on the Council's strategic priorities. There is a 'golden thread' which runs from this document through the rest of the Council's governance and policy frameworks.



9. In making decisions, the Mayor and councillors are supported by a senior management structure that is designed to support effective compliance with the Council's legal and governance responsibilities, led by the three statutory officers (Head of Paid Service, Section 151 Officer and Monitoring Officer). Some decisions are delegated to senior officers. All delegations are required to be published on the Council's [website](#).
10. The Council's Constitution defines the respective roles of councillors and officers, outlines expected standards and behaviours and provides a framework to enable effective working relationships across the Council. The Constitution also provides direction on the various roles in place to ensure effective corporate governance within the Council.
11. Member and officer groups work together with the Council's auditors within the following structure to ensure compliance with the LCGG and its supporting policies and procedures (as set out in Appendix 2) and promote continuous improvement in governance, maximising its potential to deliver its priorities and value for money.



Progress made during 2020/21

Implementing actions from the 2019/20 AGS

12. The 2019/20 AGS outlined a range of actions that would be taken during 2020/21 to strengthen corporate governance. Progress on these is set out below and has been impacted by the pandemic, as relevant staff directed their capacity towards adapting current and innovating new governance arrangements to manage the Council's response.

Action	Lead officer	Status
Implement a case management tool to complement the revised member enquiries process for those Councillors who wish to use it.	Head of Strategy, Information and Governance	Completed. Training on a new tool was delivered to councillors who were initially interested in it. Following completion of training no councillor was willing to progress. Existing processes to be maintained.
Launch the Council's new open data site which will make published data more accessible.	Head of Strategy, Information and Governance	Completed.
Refresh the Strategic Plan and Medium Term Financial Plan (MTFP) during 2020/21 to reflect the impact of COVID-19 on the Council and amend supporting policies as necessary.	Head of Strategy, Information and Governance, Head of Financial Planning and Support	Completed.

Action	Lead officer	Status
Undertake population of the central partnerships register.	Head of Strategy, Information and Governance	Completed. Will be reported to members in 2022/23.
Refresh the Member Development framework to include delivery of training on diversity and ethics.	Head of Democratic Services	Completed.
Promote use of the Senior Member Development Framework.	Head of Democratic Services	Completed.
Continue to engage in local and regional planning activities to ensure the Council identifies and addresses the governance implications of BREXIT.	Head of Strategy, Information and Governance	Completed.
Continue to offer training on the Contract Management Framework to all contract managers during 2020/21.	Head of Strategic Commissioning and Procurement	Completed. Following initial roll out training is now offered in a rolling refresher programme four times a year.
Review the Strategic Procurement Strategy during 2020/21.	Head of Strategic Commissioning and Procurement	Completed.
Refreshed marketing and communications delivery plan in place during 2020/21.	Head of Marketing and Communications	Completed.
Undertake a review of digital engagement capabilities post Covid-19 including the Council's website to meet appetite for digital engagement.	Head of Marketing and Communications, Head of ICT, Head of Locality Working	Completed.
Continue to implement a scheme of sub-delegations where appropriate to further improve governance around officer delegated decisions.	Director of Legal and Governance Services	Delayed. The ambition was to deliver this during 2021/22, however this will be delivered during 2022/23. Work has commenced.
Refresh the Joint strategic Needs Assessment (JSNA) for children and young people this year to refresh data and complete the Adults and Older persons sections.	Director of Public Health	Delayed. Capacity to deliver this has been adversely impacted by the pandemic. There is however a suite of demand modelling and assessments of need in place that shape service delivery.
During 2020/21 the (Middlesbrough Development) company's website will be developed further and information on meetings and decisions will start to be published where appropriate. The Council's 151 officer and the monitoring officer will receive all agendas, reports and minutes. Information on decisions made will also be reflected within the quarterly capital monitoring report to Members.	Director of Regeneration and Culture	Completed.
Establish an approach to reviewing delivery models to identify	Head of Strategy, Information and Governance	Completed.

Action	Lead officer	Status
changes required to delivery models.		
Progress joint strategic needs assessments for adults to ensure a joined up strategic oversight of the needs of the town.	Director of Public Health	Delayed. Capacity to deliver this has been adversely impacted by the pandemic. There is however a suite of demand modelling and assessments of need in place that shape service delivery.
Deliver the OFSTED Improvement plan, in particular those actions that have been identified to strengthen leadership within Children's Safeguarding Services.	Executive Director of Children's Services	Ongoing. Good progress continues to be made with positive changes and improvements to outcomes for children.
Continue to deliver the actions put in place to address the recommendations of the Information Commissioner's Office audit.	Head of Strategy, Information and Governance	Ongoing. 60 recommendations have been delivered. Eight outstanding actions remain, mainly delayed as a result of delays in reoccupation of buildings following 'work from home' restrictions.
Continue to hold regular meetings of the Constitution Committee to continue delivering the rolling review of the constitution during 2020/21.	Director of Legal and Governance Services	Ongoing. The committee met five times during 2020-21.

Internal Audit during 2020/21

13. During 2020/21 Internal Audit undertook the following audits:

Audited System / Service	Assurance Opinion	Priority Actions		
		P1	P2	P3
Purchasing Cards	Reasonable Assurance	0	2	2
FoI and Direct Marketing	Reasonable Assurance	0	2	5
Debtors	Reasonable Assurance	0	4	2
Creditors	Substantial Assurance	0	0	4
Payroll	Substantial Assurance	0	0	3
Reablement Service	Reasonable Assurance	0	2	0
Improvement Plan Governance	Substantial Assurance	0	1	0
Data Quality (Children's Services)	Substantial Assurance	0	0	1
Schools Themed Audit - Budgeting	Reasonable Assurance	0	0	4

Audited System / Service	Assurance Opinion	Priority Actions		
		P1	P2	P3
Inclusion Strategy	Reasonable Assurance	0	2	4
Anti-Social Behaviour Management	Reasonable Assurance	0	2	3
Use of CCTV	Limited Assurance	2	5	1
Governance Arrangements	Substantial Assurance	0	0	2
Officer and Member Decision Making	Reasonable Assurance	0	0	6
Digitalisation	No Opinion Given	0	0	0
Teesside Pension Fund Administration	Substantial Assurance	0	1	2
Schools Themed Audit – Pupil Premium	Reasonable Assurance	0	0	8
Main Accounting	Reasonable Assurance	0	0	3
Cyber Security Awareness	Substantial Assurance	0	0	3
Pension Fund Investments	Substantial Assurance	0	0	1
Council Tax & NNDR	Substantial Assurance	0	0	0
Council Tax Support & Benefits	Reasonable Assurance	0	2	0
Social Care & Emergency Payments	Substantial Assurance	0	0	0
Project Management – Boho X	Limited Assurance	1	3	1
	Total:	3	26	55

14. The opinions used by Internal Audit during 2020/21 are explained below:

- Substantial Assurance – A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.
- Reasonable Assurance – There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
- Limited Assurance – Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.

- No Assurance – Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.

15. The following categories of opinion are also applied to individual recommendations agreed with management:

- Priority 1 (P1) – A fundamental system weakness, which presents unacceptable risk to the system objectives and requires urgent attention by management.
- Priority 2 (P2) – A significant system weakness, whose impact or frequency presents risks to the system objectives, which needs to be addressed by management.
- Priority 3 (P3) – The system objectives are not exposed to significant risk, but the issue merits attention by management.

Corporate Affairs and Audit Committee during 2020/21

16. Corporate Affairs and Audit Committee reviews the Council's arrangements for corporate governance and makes recommendations as appropriate to ensure good governance and continuous improvement.

17. The committee met nine times during 2020/21, and considered the following corporate governance related items:

- Appointment of the 151 officer;
- Staff turnover;
- Statement of Accounts;
- Annual report of the Head of Internal Audit;
- Internal Audit progress report;
- Council and Teesside Pension Fund audit planning reports;
- Counter Fraud policy review;
- COVID-19 Support to staff;
- Boho X governance and project management arrangements;
- Audit results reports on the Council and the Teesside Pension Fund;
- Procurement policies, practices and financial regulations compliance;
- Update on legal services response to the issues identified in the OFSTED inspection;
- Tees Transporter Bridge;
- Letters of representation – the Council and Teesside Pension Fund;
- Overview of decision-making during 2020;
- Internal Audit Consultation report;
- Health and Safety annual assurance report;
- Business Continuity annual assurance report;
- Performance and Risk Management annual assurance report;
- Lessons learnt – Croydon London Borough Council Section 114 Notice;
- Annual Review of the Local Code of Corporate Governance;
- Capital Strategy 2021-22;
- Certification of Claims and Returns – annual report 2019/20;
- Redmond Review; and
- Update on polling stations and other election processes.

Overview and Scrutiny during 2020/21

18. Overview and Scrutiny Board (OSB), supported by a range of topic-specific panels, scrutinises Executive decisions and the performance of Council services. During 2020/21, scrutiny considered the following items that are relevant to corporate governance:

- quarterly reports on delivery of the Strategic Plan;
- the Executive Forward Work Programme;
- Middlesbrough Council COVID-19 Recovery plan and Terms of Reference;
- COVID-19 Update: Health, Adult Social Care and Public Health;
- Middlesbrough Council COVID-19 – Response and Test, Track and Trace;
- COVID-19 and governance updates from the Chief Executive;
- COVID-19 update: Education and Skills;
- COVID-19 and Finance update; and
- Middlesbrough Council's Response to COVID-19.

19. In addition, OSB considered two call-ins during 2019/20 relating to governance concerns, as set out below.

Executive Decision	Call in outcome	Executive final decision
Future accommodation	Referred back to the Executive because it was felt there was insufficient detail.	Recommendations of OSB were not endorsed.
Nunthorpe Grange Farm Disposal – Church Lane	Referred back to Executive because it was felt there was insufficient consultation.	Recommendations of OSB were not endorsed.

20. A call in of the decision on residual waste was also submitted but was not heard and the decision was subsequently reversed by Executive.

Other governance related events during 2020/21

COVID-19

21. Under the Civil Contingencies Act 2004 the Council is identified as a Category 1 responder, and as such has a legal duty to plan for and respond to emergencies in its area alongside other local responders, including the health sector and emergency services. It has legal duty to maintain the continuity of its business critical functions where it is possible to do so. It also has a duty to plan for recovery following an emergency incident.

22. The risk of a pandemic has been one of the highest on both the national and the Council's own risk register for a number of years. While locally the Council's response to the pandemic was robust, nationally it exposed weaknesses in national planning which also impacted locally.

23. During the period covered by this statement, those staff that could, worked from home, adapting quickly to ensure the Council's range of critical services could continue to be delivered. New technologies were adopted to ensure democratic processes could

resume remotely and some staff were diverted to new roles to support the pandemic response.

24. Business continuity plans were refreshed and additional plans developed to respond to the pandemic. Some corporate governance processes were varied to assist in the response to the pandemic. During 2020/21 the Chief Executive exercised authority delegated to him by the Mayor to make decisions of a policy, financial and operational nature in response to the COVID-19 emergency. Decisions made under this delegation were recorded and reported to Executive once it resumed remote meetings. As the pandemic progressed, officers worked to minimise the need to use this emergency delegation, taking decisions following business as usual processes where timescales allowed.
25. During the course of 2020/21 the Council administered and issued over £40m in business grants on behalf of the Government in response to the pandemic, and approximately £7m of support to households, providing assistance to 3,500 businesses and over 40,000 residents in some form.
26. When the town first entered lockdown in March 2020, new structures were put in place to support Middlesbrough's most vulnerable residents and these were stood back up in the two subsequent lockdowns.
27. The Council began to consider its recovery response to the pandemic during 2021/22 and recovery was adopted as one of the Council's nine strategic priorities in the Strategic Plan 2021-24.

Britain's Exit from the European Union

28. During 2020/21 the transition period following Britain's exit from the European Union ended. From 31 December 2020 free movement of goods and people ended and has been replaced by a series of agreements. This will continue to impact on the way the Council operates internally and externally as well as impacting on the economic outlook for the town.

Misconduct in a public office

29. During 2020/21, the then chair of the Council's Corporate Affairs and Audit Committee, Councillor Jon Rathmell was charged with misconduct in a public office in relation to a Community Council role, ultimately pleading guilty to that charge on 1 April 2021.
30. When this charge was initially made known, Councillor Rathmell was invited by the Monitoring Officer to consider standing down as Chair but declined to do so. Following his conviction, Councillor Rathmell was expelled from his political group and so automatically forfeited the position of Chair and a place on the Committee.
31. The Council is assured that Councillor Rathmell had no opportunity to improperly influence Middlesbrough Council expenditure or to act as a representative of the Council for financial or commercial purposes. While the Council was unable to take action to require an elected member to step down, it did explore how to strengthen local arrangements in this area and actions were included within this document.

Transporter Bridge

32. During 2020/21 the Council's Corporate Affairs and Audit Committee received a presentation on the outcome of a whistleblowing investigation that was triggered in 2019. The investigation found 'case for considerable concern', meaning fundamental failures existed within the control environment that exposed the Council to unacceptable levels of risk.
33. The resulting internal audit report contained seven priority one actions to address the issues. Significant work has been undertaken on the bridge which has mitigated the health and safety risk around the structure. Mitigations that isolated the bridge have been removed following this work.
34. The bridge remains closed to the public while its future operating and associated works are being determined. Subject to a final decision being taken on the future operating model for the bridge and due to the complex nature of the required surveys, assessments and cost profiling Internal Audit have agreed to a further extension of eight live milestones until April 2023. This decision supersedes previously agreed actions.

BOHO X

35. During 2020/21, in response to concerns from the Chair and Vice Chair of Corporate Affairs and Audit Committee, the Committee and other parties, an internal audit of the project management of Boho X was jointly commissioned by the Director of Finance (Section 151 Officer) and the Director of Legal and Governance Services (Monitoring Officer). That audit found that the project was not always managed in line with the Council's constitution. It identified concerns about the governance of the project, decision making, an ineffective culture of challenge. The report found that the third party contractor perceived that the Mayor had agreed changes to the project and that this was not something he was able to do within his constitutional role. Project Board minutes also recorded these changes had been made by the Mayor. Action has already been taken to address some of the issues raised. Further actions to address issues raised are identified within the action plan for this AGS and a more detailed plan will be developed in response to the Internal Audit findings.

Governance concern allegations

36. In May 2021, several former Members of the Council's Executive Committee made statements of concern on alleged Mayoral conduct in relation to activity conducted during 2020/21. Pre-formal fact finding has been conducted by Internal Audit as a precursor to any matters being conducted under the standards regime. This was commissioned by the Monitoring Officer, following consultation with the 151 Officer and the Head of Paid Service. This has identified weaknesses and incidents of non-compliance, by officers and Members, in relation to governance controls for procurement, financial governance and project management. Actions to address these weaknesses are reflected in the action plan for this statement. This work has been shared with the External Auditors and used to inform their Value for Money assessment.

Organisational culture and Member officer relationships

37. Relationships between officers and Members and relationships between Members have been strained on occasion and there are signs of distrust that must be addressed to ensure good governance can be maintained.
38. There are actions contained within the Annual Governance Statement (AGS) action plan to address this during 2022/23 to ensure the organisation continues to be well placed to meet the needs of the town.

Post-OFSTED improvement journey

39. In December 2019 OFSTED completed an inspection of the Council's compliance with the Inspection of Local Authority Children's Services (ILACS) framework. The outcome of that inspection was a judgement across four categories:

Judgement	Grade
The impact of leaders on social work practice with children and families	Inadequate
The experiences and progress of children who need help and protection	Inadequate
The experiences and progress of children in care and care leavers	Inadequate
Overall effectiveness	Inadequate

40. In 2020/21 a three-year plan was developed to deliver sustained improvement and change in Children's Services, monitored by a monthly Multi-Agency Strategic Improvement Board with a highly-experienced independent chair. The board receives progress reports on delivery of the improvement plan, has oversight of key performance metrics to track impact and considers themed reports on key practice issues. These three elements give the board a comprehensive overview of the delivery and impact of improvement work. The strategic board is supported by an operational board and weekly meetings with senior managers within Children's Services.
41. A [report from the Commissioner](#) released in June 2020 stated that good progress has been made to date to respond to the challenges set out in the OFSTED report and at this stage the Commissioner believes the Council should retain its safeguarding services. Progress since that time has remained positive.

Reference:

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/889009/Middlesbrough_Commissioner_s_Report.pdf

Governance interventions in other local authorities

42. During the period of this statement HM Government commissioned a statutory inspection of Liverpool City Council (LCC) following investigations by Merseyside Police which resulted in a number of arrests on suspicion of fraud, bribery, corruption and misconduct in public office with significant connections to LCC. The findings of the inspection commissioned by the Government were subsequently published within a [Best Value report](#).

43. In addition, since the period of this statement, a series of external investigations have been conducted at [Slough](#), [Wirral](#) and [Sandwell](#) councils. All reports identified a range of governance failings that require addressing. Two of the investigations were as a consequence of requests to capitalise expenditure because of budget pressures, the other was in response to governance concerns. Detailed lessons learned from these councils are set out within a separate report to the Corporate Affairs and Audit committee for visibility and resulting actions will be incorporated into the proposed Corporate Governance Improvement Plan.

In line with the Council's commitment to learning lessons from governance failings elsewhere, a self-assessment has been completed against the recommendations arising from the investigations and resulting actions have been embedded within this statement where necessary.

Middlesbrough Development Company activity during 2020/21

44. Middlesbrough Development Company (MDC) is a local authority trading wholly-owned company limited by shares, with the Council as the sole shareholder.

45. During 2020/21 MDC met monthly. From January 2021, key decisions taken by the company have been published at www.middlesbroughdevelopmentcompany.co.uk.

46. The Council's Section 151 Officer and Monitoring Officer began to receive all agendas, reports and minutes for the company during 2020/21, in line with the planned action from the 2019/20 Annual Governance Statement. Information on decisions made will also be reflected within the quarterly capital monitoring report to elected members.

47. There has now been guidance published on local authority owned companies in 2022 and a review is being conducted to assess alignment with that recent guidance.

Surveillance

48. The Council reviewed its policies relating to overt and covert surveillance during the year and identified a number of areas in which controls should be strengthened. An overarching Surveillance Policy, which will cover CCTV, RIPA, non-RIPA covert surveillance and the surveillance of employees will be brought forward for Executive approval during 2021/22. Approval of this policy will entail a number of procedural changes within CCTV (addressing the findings of the internal audit of CCTV undertaken during the year) and non-RIPA covert surveillance practice. An annual report on surveillance will be presented to Corporate Affairs and Audit Committee from 2022.

Inspection of account process

49. During the public inspection of accounts process for 2020/21, one question was received in total for further information on the financial statements from a member of the public. Unfortunately this was not identified by the council finance team until a month after receipt due a systems error. Once aware, the information was provided quickly and some further questions were also answered to resolve this query, however as a result the Council did not comply with this within the timescales required by statute. Steps have been taken to prevent a reoccurrence of this error.

Position statement against the Council's Code of Corporate Governance

Self-assessment

50. The Council has completed a position statement against its Code of Corporate Governance for the 2020/21 year, informed by:
- the professional opinion of statutory and other officers with responsibility for the development and maintenance of the Council's internal control environment;
 - reports from Overview and Scrutiny, and Corporate Affairs and Audit Committee's examinations of governance processes; and
 - findings from Internal Audit's review programme, and engagement with the Council's external auditor.
51. The detailed position statement is at Appendix 2 and is reflective of governance risk levels as outlined in the Council's strategic and directorate risk registers.
52. In summary, the Council continues to demonstrate governance processes are in place for the most part, however it is clear that there are control weaknesses to be addressed to improve adherence to those processes. In addition, a number of actions have also rolled over to 2021/22, having been delayed as a result of the impact of the COVID-19 pandemic on the Council. As a result of the issues identified within this statement and the range and varied nature of them, it is planned that the Council will launch a Corporate Governance Improvement Plan (CGIP), overseen by a multi-disciplinary officer board using the Council's Project Management Framework, with robust scrutiny of action delivery and reporting to Corporate Affairs and Audit Committee, Overview and Scrutiny Board and Executive on a regular basis to demonstrate delivery of actions and also to assess the impact of those actions. This will provide assurance to members on action being taken and ensure that if control weaknesses continue to exist even after action, further actions can be identified to address those. This will also include engagement with Internal and External Audit to provide assurance around delivery.

Internal Audit opinion

53. The work of internal audit is governed by the Public Sector Internal Audit Standards (PSIAS) and the Council's audit charter. These require the Head of Internal Audit to bring an annual report to the Corporate Affairs and Audit Committee. The report must include an opinion on the adequacy and effectiveness of the Council's framework of governance, risk management and control.
54. The overall opinion of the Head of Internal Audit on the framework of governance, risk management and control operating at the Council when the opinion was issued in 2021, was that it provides **Reasonable Assurance**. No reliance was placed on the work of other assurance providers in reaching this opinion.
55. In giving this opinion, attention was drawn to the following significant control weakness which was considered relevant to the preparation of the 2020/21 Annual Governance Statement.
56. An audit of the CCTV schemes operated across the Council found that there is no central register available that identifies the location of all CCTV camera equipment

across the Council. Therefore, the Council is unable to confirm that all CCTV schemes are compliant with the Surveillance Camera Code of Practice and the relevant legislation.

57. The overall opinion given above was based on work that had been undertaken directly by internal audit in 2020/21, and on cumulative knowledge gained through ongoing liaison and planning with officers. However, in giving the opinion, Internal Audit noted that COVID-19 had significantly affected the Council over the last year, with a wide ranging impact on business operations and controls. While the work of Internal Audit was directed to the areas that were most at risk, or provided most value for the Council, it was not possible to conclude on the full extent of the impact of COVID-19 on the Council's operations.
58. During 2021/22 further work undertaken by Internal Audit has identified issues which will be reflected in the 2021/22 Internal Audit opinion. This is likely to result in a lower level of assurance being issued.

External Audit opinion

59. The assessment of the Council's External Auditor is that a shift is required in the Council's culture in order to be able to achieve good governance. The Council has engaged with the External Auditor as a consultee during the preparation of this annual governance statement.

Conclusion

60. This Annual Governance Statement demonstrates that governance processes are in place for the most part, however it is clear that there are control weaknesses to be addressed to improve adherence to those processes.
61. The learning from activity undertaken does identify however, that the actions of officers and elected members are not always in accordance with these and as a result, more significant issues and responsive actions are required to improve culture and provide greater assurance. In summary the issues identified are:
- Signs of mistrust among and between officers and councillors
 - Instances of poor quality advice from officers to councillors
 - Instances of councillors not accepting legitimate officer advice
 - Officers and councillors not fully understanding or accepting their respective roles
 - A lack of strategic planning in relation to large projects
 - Insufficient synergy between the Strategic Plan and Budget
 - Insufficient consultation with councillors, partners and the public.
62. The work required to achieve the shift in culture required to ensure good governance will be complex and take a significant amount of time and effort. Independent expertise will be required provided by CIPFA to ensure that balance is achieved in assessing governance issues across the Council; the creation of a 100 day action plan to address identified issues and; to provide quality assurance in respect of the impact of completed actions. The outcome of this work will inform a "Phase 2" action plan. The following arrangements will be put in place to ensure proactive and appropriate delivery of these actions:

- An Improvement Board consisting of statutory officers and elected members that is politically balanced with an independent chair will be created.
- A dedicated post to drive the delivery of agreed actions.
- Adoption of the existing Project and Performance Management Frameworks.

63. Improvement Plans will be designed to improve governance highlighted by the independent review by:

- Improving officer and elected member understanding of respective roles and responsibilities
- Improving working relationships among and between elected members and officers
- Adopting a planning cycle and associated processes in respect of Strategic and Medium-Term Financial Plans.

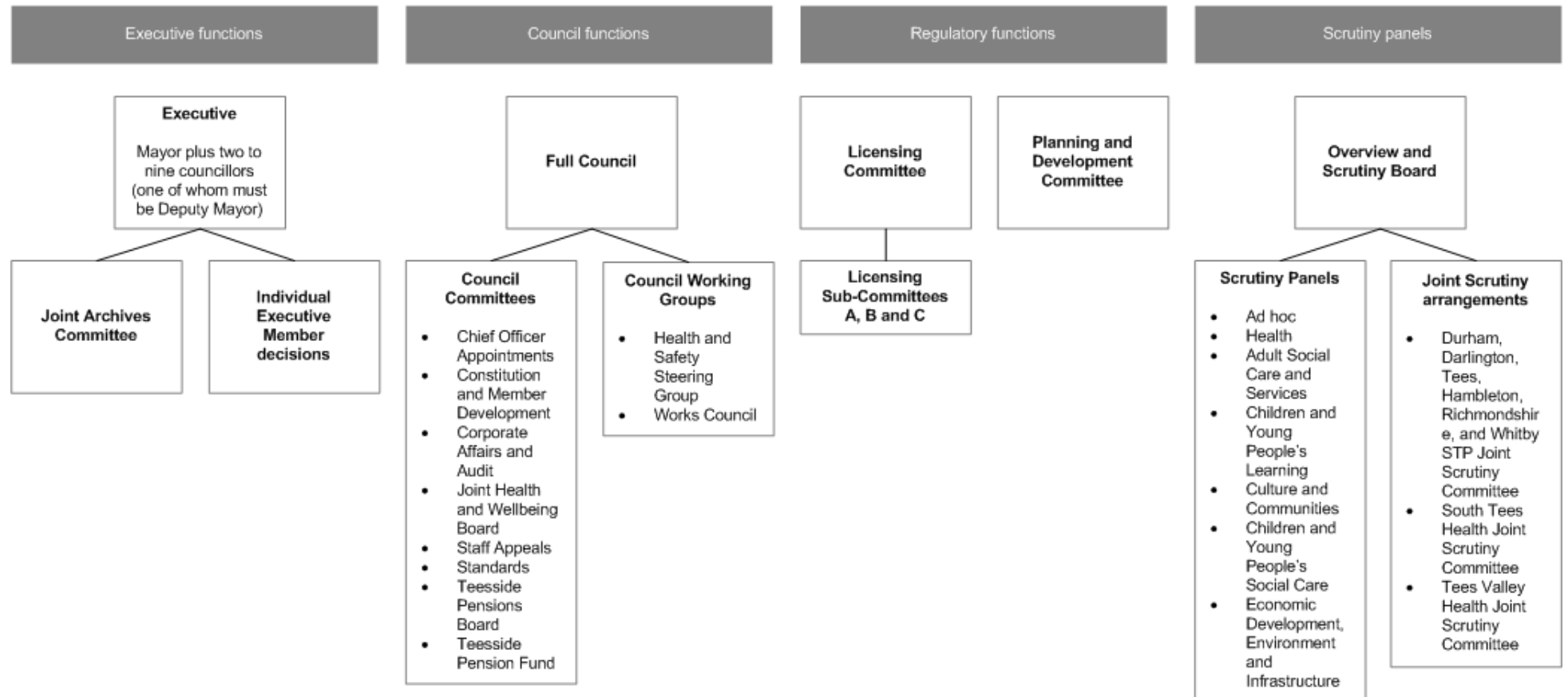
Signed on behalf of Middlesbrough Council

Andy Preston
Elected Mayor of Middlesbrough
Xx/xx/xx

Tony Parkinson
Chief Executive
Xx/xx/xx

Ian Wright
Director of Finance
(Section 151 Officer)
Xx/xx/xx

Appendix 1: Middlesbrough Council Committee Structure 2020/21



Appendix 2: Position statement against the Council's Code of Corporate Governance

Local Code of Corporate Governance		Self-assessment	
Principle / supporting principles	To meet these requirements, the Council will:	Evidence of compliance with this principle	Areas for improvement
<p>Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.</p> <ul style="list-style-type: none"> Behaving with integrity Demonstrating strong commitment to ethical values Respecting the rule of law 	<ul style="list-style-type: none"> Work diligently and with integrity to achieve the Elected Mayor's Priorities for Middlesbrough. Clearly document expected behaviours, and decision-making processes, for members and officers, and regularly review these. Effectively communicate expected behaviours to members and officers, and provide appropriate training on ethical behaviour. Ensure members, statutory officers, other key post holders are able and supported to fulfil their duties and meet their responsibilities. Ensure compliance by maintaining effective audit committee, internal audit and scrutiny functions, and standards and disciplinary processes. 	<ul style="list-style-type: none"> Constitution and supporting documentation clearly set out expected behaviours and decision-making processes, including member and officer relationships, codes of conduct, financial procedure rules and schemes of delegation. Constitution updated during 2020 to reflect COVID impacts to ensure meetings continued to be conducted effectively and in line with best practice. Additional guidance was issued to support this. Corporate values (one of which is integrity) in place and embedded within employee recruitment and selection, induction, appraisal and development. They were refreshed during 2020/21. Comprehensive member induction process and member development programme was delivered for the first year of the current term of office (19/20). Member and officer declarations of interests registers in place, and requested to be updated annually but there is a requirement that Members notify the Monitoring Officer electronically of any changes through the Council's committee management system, Modern.gov. Training for members on the code of conduct in place with a high level of compliance, and with all members individually signed up to the code. The action to deliver refreshed training in 20/21 has been slipped to 2021/22 as a result of COVID and its impact on capacity to deliver. Comprehensive member handbook in place to provide guidance and signpost support, and members' enquiries service in place to assist with casework and data requests. Statutory officers clearly identified and appropriately supported. The Council 	<ul style="list-style-type: none"> A robust officer scheme of delegations and sub-delegations is required to ensure effective, appropriate and timely taking of decisions that can be taken by officers. Member training on appropriate use of social media to ensure that posts and engagement are in line with the Member code of conduct and other constitutional requirements. Refresher training on ethics has been identified as prudent in light of increased standards complaints and the misconduct in public office conviction. Action is required to ensure greater understanding, acceptance and compliance with the officer and member protocol (including hospitality rules) within Middlesbrough Council's constitution for all members and senior officers. Implementation of lessons learned from other councils - Develop a Member code of conduct protocol for licencing matters to complement the planning code of conduct already in place for that quasi-judicial function to ensure members have guidance on their quasi-judicial role. Improved understanding and adherence to the officer code of conduct and increased understanding of the key role of providing effective advice and challenge Action required to ensure understanding of the Equality Act and the impact assessment process, supplementing mandatory equality and inclusion training with refresher impact assessment training for key officers. Increased awareness of the role of the Monitoring officer, to ensure officers are aware that they can seek advice and guidance on governance matters as well as escalation to line managers or use of HR or whistleblowing processes.

		<p>complies with the CIPFA statement on the role of the Chief Financial Officer (2016).</p> <ul style="list-style-type: none">• Effective Corporate Affairs and Audit Committee, internal audit and scrutiny arrangements in place, with members trained appropriately.• Policies in place for counter-fraud, bribery and corruption; complaints; procurement; and whistleblowing, and regularly reviewed.• Member standards arrangements and employee disciplinary procedures in place and updated regularly.• Proactive approach to equality and inclusion in place, engaging staff, acting on intelligence and reporting progress. The Council has engaged staff online (and offline for staff with no ICT access) during Covid using a variety of methods to support maintenance of a positive, inclusive culture.	
--	--	---	--

Local Code of Corporate Governance		Self-assessment	
Principle / supporting principles	To meet these requirements, the Council will:	Evidence of compliance with this principle	Areas for improvement
<p>Ensuring openness and comprehensive stakeholder engagement.</p> <ul style="list-style-type: none"> Openness Engaging comprehensively with institutional stakeholders Engaging with individual citizens and service users effectively 	<ul style="list-style-type: none"> Document and operate a culture of openness and transparency within the organisation. Maintain a culture of accountability, so that members and officers understand what they are accountable for and to whom they are accountable. Consult appropriately with stakeholders on the development of its budget, key plans and service development. Maintain effective decision making processes, ensuring that reports to decision makers clearly set out stakeholder views where relevant. Publish all Executive and Committee reports and decision papers, unless there is a legitimate need to preserve confidentiality on the basis of the statutory tests. Publish on its website information on the Council's strategies, plans and finances as well as on outcomes, achievements and challenges. 	<ul style="list-style-type: none"> Stated commitments to transparency within the Strategic Plan and supporting strategies such as the Information Strategy and annual SIRO Report. Constitution and supporting documentation clearly set out accountabilities and delegated authorities. Consultation on Strategic Plan priorities; and annual budget consultation in place. Corporate consultation and impact assessment policy in place (refreshed during 2020/21), ensuring that stakeholders (including third party providers) are engaged appropriately and views considered in decision making. Committee diary planner published on an annual basis, approved by members and accessible via the Council's website. Executive Forward Work Programme in place, setting out planned decisions in the coming four months on the online committee system. All public Executive and Committee agendas, papers and minutes are published via the Council's website. Officer-delegated decisions are also published. Virtual meeting solutions in place for Councillor meetings while Covid-19 restrictions are in force to ensure transparency around decision-making. Key strategies and plans are clearly published on the Council's website / open data site, and regularly updated. Information on performance and expenditure sent to all households annually as part of Council Tax billing. The Council complies with Open Data requirements, publishing statutorily required and other datasets such as the Freedom of Information Act publication scheme on its open data site. The Council proactively seeks to publish information for which there is a demand. 	<ul style="list-style-type: none"> A robust officer scheme of delegations and sub-delegations is required to ensure effective, appropriate and timely taking of decisions that can be taken by officers. Undertake a review of digital engagement capabilities post Covid-19 including the Council's website to meet appetite for digital engagement. Refresher training on ethics has been identified as prudent in light of increased standards complaints and the misconduct in public office conviction Action is required to ensure greater understanding, acceptance and compliance with the officer and member protocol (including hospitality rules) within Middlesbrough Council's constitution for all members and senior officers. Improved understanding and adherence to the officer code of conduct and increased understanding of the key role of providing effective advice and challenge Action required to ensure understanding of the Equality Act and the impact assessment process, supplementing mandatory equality and inclusion training with refresher impact assessment training for key officers. Key Performance Indicators with targets will strengthen the Council's Strategic plan and increase transparency around the impact of actions on the achievement of aims within it. Work during 2021/22 has identified weaknesses in understanding across elements of the corporate governance framework. Refreshed training will ensure senior officers training encompasses the full suite of corporate governance disciplines.

		<ul style="list-style-type: none">Plans with the digital and marketing and communications strategies to advance in the current approach.	
--	--	--	--

Local Code of Corporate Governance		Self-assessment	
Principle / supporting principles	To meet these requirements, the Council will:	Evidence of compliance with this principle	Areas for improvement
<p>Defining outcomes in terms of sustainable economic, social and environmental benefits.</p> <ul style="list-style-type: none"> Defining outcomes Sustainable economic, social and environmental benefits 	<ul style="list-style-type: none"> Clearly set out its contribution to delivery of the Mayor's priorities for Middlesbrough, and use this as the basis for its overall strategy, planning and other decisions. Define outcomes through robust consideration of appropriate evidence bases, such as the Joint Strategic Needs Assessment. Ensure that it delivers defined outcomes on a sustainable basis within available resources. Effectively identify and manage risks to the achievement of targeted outcomes. Manage customer expectations effectively when determining priorities to make best use of resources, and ensure fair access to services. 	<ul style="list-style-type: none"> Strategic Plan and Directorate Priorities Plans in place which outline how the Council plans to deliver the Council's priorities for Middlesbrough, Strategic Plan is part of the Council's policy framework – reports to decision makers set out how recommendations would impact on strategic objectives if approved. Consultation on Strategic Plan priorities; and annual budget consultation in place. Joint Strategic Needs Assessment and supporting assessments in place for children and young people – the children and young people's assessment was refreshed during 2017/18. Market position statements use needs assessments to inform commissioning priorities. Corporate planning cycle considers targeted outcomes and annual budgeting over the medium-term within the context of the Council's Medium-Term Financial Plan and Capital Investment Strategy. Performance, Risk and Programme and Project Management frameworks provide for regularly tracking of progress and addressing issues and risks, with reporting to members and senior managers as appropriate. Customer Strategy and Charter in place, identifying what customers can expect from the Council, alongside specific service eligibility criteria. 	<ul style="list-style-type: none"> Key Performance Indicators with targets will strengthen the Council's Strategic plan and increase transparency around the impact of actions on the achievement of aims within it. Refresh the Joint strategic Needs Assessment (JSNA) for children and young people this year and complete the Adults and Older persons JSNA. Recent guidance on the conduct of local authority owned arm's length companies has been issued that Middlesbrough Development Company should be assessed against to ensure it is operating in line with it. A recent audit of the BOHO X project has identified governance improvements required in relation to project governance.

Local Code of Corporate Governance		Self-assessment	
Principle / supporting principles	To meet these requirements, the Council will:	Evidence of compliance with this principle	Areas for improvement
<p>Determining the interventions necessary to optimise the achievement of the intended outcomes.</p> <ul style="list-style-type: none"> • Determining interventions • Planning interventions • Optimising achievement of intended outcomes 	<ul style="list-style-type: none"> • Ensure reports to decision makers on services are fair, balanced, and analyse options and the risks associated with those options, to ensure Best Value is achieved. • Ensure that external and internal stakeholders are engaged with when the Council is determining how services should be planned and delivered, and the outcome of consultations is considered when decisions are made. • Ensure achievement of social value through service planning and commissioning. • Ensure that it has clear and robust planning and control cycles for its strategic and operational plans, priorities and targets. • Determine appropriate KPIs to demonstrate service and project performance, and provide members and senior managers with timely updates on these. • Ensure medium and long term resource planning is realistic, sustainable and inclusive. • Prepare budgets that are aligned to the strategic objectives of the organisation and its MTFP. 	<ul style="list-style-type: none"> • Reports to decision makers developed using a standard format to ensure effective, fair, and evidence-based decision making. • Corporate consultation and impact assessment policy in place, ensuring that stakeholders engaged appropriately and views considered in decision making. • Guide to social value in procurement and commissioning in place. • Strategic Procurement Strategy in place. Contract management framework now also in place. • 'How to do Business with Middlesbrough Council' guidance for providers in place. • Annual reports to Corporate Affairs and Audit committee on disposals on the grounds of social value provided where appropriate. • Corporate planning cycle considers targeted outcomes and annual budgeting over the medium-term within the context of the Council's Medium-Term Financial Plan and capital Investment Strategy. • Performance, Risk and Programme and Project Management frameworks provide for regularly tracking of progress and addressing issues and risks, with reporting to members and senior managers as appropriate. 	<ul style="list-style-type: none"> • A robust officer scheme of delegations and sub-delegations is required to ensure effective, appropriate, and timely taking of decisions that can be taken by officers. • Transition to OPEN, the NEPO e-procurement system that is being put in place for the North East, replacing the current contract management framework with an end to end product once fully rollout. Rollout to commence from March 2022. • The council's report committee formats and supporting processes should be reviewed to ensure they continue to be robust, and the opportunity is taken to learn lessons from Best Value reports completed by government on the governance processes of other councils. • Recent guidance on the conduct of local authority owned arm's length companies has been issued that Middlesbrough Development Company should be assessed against to ensure it is operating in line with it. • Key Performance Indicators with targets will strengthen the Council's Strategic plan and increase transparency around the impact of actions on the achievement of aims within it.

Local Code of Corporate Governance		Self-assessment	
Principle / supporting principles	To meet these requirements, the Council will:	Evidence of compliance with this principle	Areas for improvement
<p>Developing the Council's capacity, including the capability of its leadership and the individuals within it.</p> <ul style="list-style-type: none"> Developing the Council's capacity Developing the capability of the Council's leadership and other individuals 	<ul style="list-style-type: none"> Regularly review operations to ensure that it is continuing to deliver services that are effective, including the use of benchmarking and sectoral research. Work collaboratively and in partnerships where added value can be achieved. Maintain an effective approach to organisational development to ensure continued capacity and capability to deliver. Clearly define roles, responsibilities and terms of engagement for members and employees. Maintain and regularly review its schemes of delegations that outline the types of decisions that are delegated and those that are reserved for collective decision-making. Develop the capabilities of members and senior management to achieve effective shared leadership. Ensure there are appropriate structures in place to encourage public participation. Ensure that systems are in place to ensure that members and staff can be both held to account for performance, and supported as appropriate. 	<ul style="list-style-type: none"> Performance Management Policy set out how corporate performance will be managed. Directorates review performance internally. Business intelligence dashboards are have been implemented to facilitate this. Range of benchmarking and other tools are used within Directorates to contextual performance and drive improvement. Wider Leadership Management Team in place to enable broader consideration of key policy issues. Key strategic partnerships in place, such as the South Tees Health and Wellbeing Board. The organisational development ambitions of the Council are embedded within the Strategic Plan which clearly outlines corporate approach to organisational development. Constitution and supporting documentation clearly set out member and officer role profiles, relationship protocol and schemes of delegation. Corporate consultation policy and online consultation portal in place. Plans with the digital and marketing and communications strategies to advance in the current approach. Processes in place for public involvement in determining scrutiny priorities, for the public to petition Council and to register questions to be considered by full Council. Clear employee appraisal and development process and member development programme in place. 	<ul style="list-style-type: none"> A robust officer scheme of delegations and sub-delegations is required to ensure effective, appropriate and timely taking of decisions that can be taken by officers. The Council must continue on its improvement journey to address issues raised by OFSTED in relation to its safeguarding services for children to ensure all children are safe receive consistently good care that results in sustained improvement to their lives and their families lives. Ensure managers understand how they are expected to act to be in line with the refreshed organisation's values. Action is required to ensure greater understanding, acceptance and compliance with the officer and member protocol (including hospitality rules) within Middlesbrough Council's constitution for all members and senior officers. The refreshed corporate values mean that training to support adherence to them must also be refreshed. Improved visibility of forthcoming issues, risk, changes, and opportunities is required.

Local Code of Corporate Governance		Self-assessment	
Principle / supporting principles	To meet these requirements, the Council will:	Evidence of compliance with this principle	Areas for improvement
<p>Managing risks and performance through robust internal control and strong public financial management.</p> <ul style="list-style-type: none"> Managing risk Managing performance Robust internal control Managing data Strong public financial management 	<ul style="list-style-type: none"> Embed a proportionate approach to risk management within all activities, ensure that progress is reviewed regularly and that risk is considered as part of decision making. Ensure effective performance management of service delivery and provide members and senior managers with timely updates on service performance and progress towards outcomes. Ensure reports to decision makers on services are fair, balanced, and analyse options and the risks associated with those options, to ensure Best Value is achieved. Ensure effective, member-led scrutiny is in place that provides constructive challenge and debate on objectives and policies before, during and after decisions are taken. Ensure an effective, risk-led Internal Audit service is in place to provide assurance on the overall adequacy and effectiveness of the Council's governance arrangements. Ensure effective counter fraud and anti-corruption policies and arrangements are in place. Ensure effective internal control arrangements exist for sound financial management. Maintain an effective audit committee function. Ensure effective arrangements are in place to collect, store, use and share data, including processes to safeguard personal data. Put in place arrangements to ensure that data used to support decision-making is accurate and clear. Ensure financial management arrangements support both long term outcome delivery and day-to-day operations. 	<ul style="list-style-type: none"> Performance Management; Risk and Opportunity Management; and Programme and Project Management policies provide for regularly tracking of progress and addressing issues and risks, with reporting to members and senior managers as appropriate. Risk is a standard section in reports to decision makers. Reports to decision makers developed using a standard format to ensure effective, fair, and evidence-based decision making. Wide-ranging annual scrutiny programme in place, examining policy and performance. Urgent decision process and records in place and reported to Council annually. Effective internal audit arrangement in place, utilising the Council's plans and risk registers to identify priorities. Policy in place for counter-fraud, bribery and corruption; complaints; procurement; and whistleblowing, and regularly reviewed. Money Laundering Policy. Effective Corporate Affairs and Audit committee in place clear terms of reference and a full and trained membership. Information Strategy in place to provide systematic approach to information governance, including data protection and data quality. Robust financial management procedures in place relating to medium-term financial planning, budget setting, procurement and contract management. Internal audit opinion is that overall the Council has a reasonable overall control environment. 	<ul style="list-style-type: none"> Risk management and insurance should be more closely linked to exploit opportunities to improve risk management of insured and uninsured costs. A robust officer scheme of delegations and sub-delegations is required to ensure effective, appropriate and timely taking of decisions that can be taken by officers. Action required to ensure understanding of, and compliance with, procurement processes of the organisation. Assess and embed compliance with the Partnerships Governance policy. Review the Council's approach to risk and insurance as part of consideration for future insurance options as part of insurance contract considerations. Develop a five year capital investment strategy around highways infrastructure that will inform the MTFP to ensure that roads are adequately funded and prioritised.

Local Code of Corporate Governance		Self-assessment	
Principle / supporting principles	To meet these requirements, the Council will:	Evidence of compliance with this principle	Areas for improvement
<p>Implementing good practices in transparency, reporting, and audit to deliver effective accountability.</p> <ul style="list-style-type: none"> Implementing good practice in transparency Implementing good practices in reporting Assurance and effective accountability 	<ul style="list-style-type: none"> Provide reports in plain English wherever possible, ensuring that they are easy to access and interrogate and balancing transparency requirements with clarity. Report regularly on performance, delivery of value for money and stewardship of resources. Report on compliance with good governance principles within its Annual Governance Statement, including an action plan for continued improvement. Ensure compliance with good governance principles extends to its partnership arrangements. Ensure that recommendations made by external audit are addressed. Ensure that the internal audit service has direct access to members to enable it to provide assurance with regard to governance arrangements. Welcome and positively engage with peer challenges, reviews and inspections of its services. 	<ul style="list-style-type: none"> Standard template for reports to decision makers designed to advance proposition logically and simply, and reduce duplication of information. Training for report writers ongoing, including expectations around use of plain English. Quarterly results reports to Executive and scrutiny covering performance, financial and risk updates. Annual Governance Statement complying with the standard set out in the Local Code of Corporate Governance. Governance arrangements in place for key strategic partnerships, such as the South Tees Health and Wellbeing Board, with improvement activity underway. Recommendations made by external audit are addressed as a matter of priority through the most appropriate route. Internal audit reports its plans, progress and findings regularly to the audit committee. Agreed actions from internal audit are tracked by DMTs until completion. Council proactively seeks peer challenge, publishing findings and responses and commissioning follow-ups. There are positive relationships with statutory inspectorates and regulators. 	<ul style="list-style-type: none"> Assess and embed compliance with the Partnerships Governance policy. Action required to ensure understanding of the Equality Act and the impact assessment process, supplementing mandatory equality and inclusion training with refresher impact assessment training for key officers Strengthened Programme and Project Management Framework to address issues identified within the Boho X Internal Audit Key Performance Indicators with targets will strengthen the Council's Strategic plan and increase transparency around the impact of actions on the achievement of aims within it. It has been some time since the Council has had an independent assessment of its corporate governance. Action is needed to seek an LGA Corporate Peer Challenge review within the next two years to provide an external review of the Council's corporate governance arrangements. Provision of an independent Technical Advisor to the Corporate Affairs and Audit Committee to support challenge An internal audit of CCTV schemes operated across the Council found that there is no central register available that identifies the location of all CCTV camera equipment across the Council. Actions were identified to strengthen the governance arrangements in relation to CCTV schemes.

Appendix 3: Corporate governance priorities for 2021/22

Actions delayed from 2020/21

	Areas for improvement	Action	Outcome(s)	Lead officer	Deadline
1	A robust officer scheme of delegations and sub-delegations is required to ensure effective, appropriate and timely taking of decisions that can be taken by officers.	Continue to implement a scheme of sub-delegations where appropriate to further improve governance around officer delegated decisions.	Improved, more timely and transparent officer decision-making.	Director of Legal and Governance Services	March 2023
2	Ensure the needs of the town's population are accurately understood.	Refresh the Joint strategic Needs Assessment (JSNA) for children and young people this year and complete the Adults and Older persons JSNA.	A refreshed needs assessment that continues to identify the needs of the town's population and identifies where those needs may differ.	Director of Public Health with support from the Interim Head of Strategy, Information and Governance	March 2023

2021/22 actions

Culture and Behaviour

	Issue	Action	Outcome(s)	Lead officer	Deadline
3	Refresher training on ethics has been identified as prudent in light of increased standards complaints and the misconduct in public office conviction.	Revise members' code of conduct and deliver training on it to all members, including ethics.	Members understand expectations in relation to conduct.	Head of Democratic Services	Complete
4	Increased awareness of the role of the Monitoring officer, to ensure officers are aware that they can seek advice and guidance on governance	Raise awareness of the role of the Monitoring officer, in particular giving advice and guidance to officers on governance.	Increased awareness of routes to seek advice and guidance in relation to governance procedures.	Monitoring Officer	Complete

	Issue	Action	Outcome(s)	Lead officer	Deadline
	matters as well as escalation to line managers or use of HR or whistleblowing processes.				
5	Action required to ensure understanding of, and compliance with, procurement processes of the organisation.	Transition to OPEN, the NEPO e-procurement system that is being put in place for the North East, replacing the current contract management framework with an end to end product once fully rollout.	Compliance with framework requirements	Head of Commissioning and Procurement	March 2023
6	The Council must continue on its improvement journey to address issues raised by OFSTED in relation to its safeguarding services for children to ensure all children are safe receive consistently good care that results in sustained improvement to their lives and their families lives.	Continue to deliver the OFSTED Improvement plan, in particular those actions that have been identified to strengthen leadership within Children's Safeguarding Services.	That services to safeguard children are robust and appropriate.	Executive Director of Children's Services	Ongoing
7	Work during 2021/22 has identified weaknesses in understanding across elements of the corporate governance framework. Refreshed training will ensure senior officers training encompasses the full suite of corporate governance disciplines.	Refreshed training approach to ensure senior officers training encompasses the full suite of corporate governance training.	Ensure managers and members continue to act in line with the policies, strategies and procedures of the organisation.	Head of Human Resources and the Monitoring Officer	September 2022
8	Action required to ensure understanding of the Equality Act and the impact assessment process, supplementing mandatory equality and inclusion training with refresher	Refresh training on the Equality Act and the impact assessment process, ensuring it is mandatory for key officers.		Head of Strategy, Information and Governance	March 2023

	Issue	Action	Outcome(s)	Lead officer	Deadline
	impact assessment training for key officers.				
9	A recent audit of the BOHO X project has identified governance improvements required in relation to project governance	Refreshed and strengthened training to officers delivering projects to ensure project and wider Council decision making governance is understood and adhered to.	Improved compliance with the requirements of the PPM policy and supporting framework.	Strategic Delivery Manager	July 2022
10		Delivery of training to all Members on roles and responsibilities in relation to Programme and Project Management	Improved compliance with the requirements of the PPM policy and supporting framework.	Strategic Delivery Manager	July 2022
11	The refreshed corporate values mean that training to support adherence to them must also be refreshed.	Launch the revised Management Framework, to ensure managers understand how they are expected to act to be in line with the refreshed corporate values.	Ensure managers and members continue to act in line with the culture, values and policies of the organisation.	Head of Human Resources	Complete
12		Refresh training materials on the Council's Organisational Development system to align training with compliance with the values		Head of Human Resources	Complete
13		Refresher senior leadership development work programme delivered by the LGA to ensure officer and member roles continue to be understood and adhered to.		Monitoring Officer	June 2022
14		Launch an expanded 360 project to cover a wider cohort of managers.		Head of Human Resources	Complete
15	Improved understanding and adherence to the officer code of conduct and increased understanding of the key role of providing effective advice and challenge	Delivery of training for Senior Officers on the officer code of conduct and the provision of effective advice and challenge		Monitoring Officer	September 2022

	Issue	Action	Outcome(s)	Lead officer	Deadline
16	Action is required to ensure greater understanding, acceptance and compliance with the officer and member protocol within Middlesbrough Council's constitution for all members and senior officers.	Complete mandatory refresher training on the officer and member protocol within Middlesbrough Council's constitution for all members and senior officers.	Members and officers understand their roles clearly	Monitoring Officer	March 2023
17	Council's constitution for all members and senior officers.	Member refresher training on the code of conduct will include information on hospitality requirements and registers of interests.	Assurance that members understand their obligations in relation to receipt of gifts and hospitality.	Head of Democratic Services	Complete
18		Constitution and Member Development committee to consider amendments to the constitution to strengthen and clarify the actions that can be taken in response to councillors failing to complete mandatory training.	There is greater assurance that members are acting in rolls for which they have received an appropriate level of training.	Head of Democratic Services	Complete
19	Member training on appropriate use of social media to ensure that posts and engagement are in line with the Member code of conduct and other constitutional requirements.	Deliver training to members on use of social media.	Members understand how social media should be used appropriately and in line with expectations for conduct set out in the constitution.	Head of Democratic Services	Complete

Systems and processes

	Issue	Action	Outcome(s)	Lead officer	Deadline
20	Risk management and insurance should be more closely linked to exploit opportunities to improve risk management of insured and uninsured costs.	Review the Council's approach to risk and insurance as part of consideration for future insurance options as part of insurance contract considerations.	Strengthened relationship between risk and insurance management.	Director of Finance and Head of Strategy, Information and Governance	Complete
21	Implementation of lessons learned from other councils - Develop a Member code of conduct protocol for licencing matters to complement the planning code of conduct already in place for that quasi-judicial function to ensure members have guidance on their quasi-judicial role.	Develop a Member code of conduct protocol for licencing matters to complement the planning code of conduct already in place for that quasi-judicial function	Strengthened support for members conducting quasi-judicial functions.	Head of Democratic Services	June 2022. Draft has been developed.
22	Develop a five year capital investment strategy around highways infrastructure that will inform the MTFP to ensure that roads are adequately funded and prioritised.	Develop a five year capital investment strategy around highways infrastructure that will inform the MTFP.	Ensure an appropriate approach to highways infrastructure has appropriate financial planning in place to support it.	Director of Environment	May 2022
23	The council's report committee formats and supporting processes should be reviewed to ensure they continue to be robust, and the opportunity is taken to learn lessons from Best Value reports completed by government on the	Review the council's report committee formats and supporting processes	Assurance that the Council's committee report formats are robust.	Head of Strategy, Information and Governance	Complete

	Issue	Action	Outcome(s)	Lead officer	Deadline
	governance processes of other councils.				
24	The council's report committee formats and supporting processes should be reviewed to ensure they continue to be robust, and the opportunity is taken to learn lessons from Best Value reports completed by government on the governance processes of other councils.	Review the council's report committee formats and supporting processes	Assurance that the Council's committee report formats are robust.	Head of Strategy, Information and Governance	Complete
25	A recent audit of the BOHO X project has identified governance improvements required in relation to project governance	Revised PPM policy and supporting PPMF to address issues identified within the BOHO X Internal Audit	Policy and supporting framework are strengthened to improved adherence to required governance processes.	Strategic Delivery Manager	May 2022
26	An internal audit of CCTV schemes operated across the Council found that there is no central register available that identifies the location of all CCTV camera equipment across the Council. Actions were identified to strengthen the governance arrangements in relation to CCTV schemes.	A central register of all public space surveillance camera equipment operated by the Council, including the location of each piece of equipment, its asset reference and the manager responsible, will be developed and maintained by the SPoC.	Assurance that all CCTV schemes are compliant with the Surveillance Camera Code of Practice and the relevant legislation.	Director of Environment and Head of Strategy, Information and Governance	Complete in part. Action to asset tag equipment will be completed during 2022/23.
27	Provision of an independent Technical Advisor to the Corporate Affairs and Audit Committee to support challenge.	The Section 151 officer to recruit an independent Technical Advisor to support the Corporate Affairs and Audit Committee.	Improved challenge from the Corporate Affairs and Audit Committee, with independent support	Director of Finance	March 2023

	Issue	Action	Outcome(s)	Lead officer	Deadline
28	Recent guidance on the conduct of local authority owned arm's length companies has been issued that Middlesbrough Development Company should be assessed against to ensure it is operating in line with it.	Review the decision making of Middlesbrough Development Company to assess compliance with best practice in relation to asset disposals and acquisitions during 2020/21	Provide assurance that asset acquisitions and disposal processes by the Middlesbrough Development Company align with the Council's internal policies on this area.	Director of Regeneration to liaise with Internal Audit	July 2022
29	Key Performance Indicators with targets will strengthen the Council's Strategic plan and increase transparency around the impact of actions on the achievement of aims within it.	Strengthen the approach to the Strategic plan including inclusion of key measures of success to be agreed by full. Council when it is next refreshed.	Increased visibility and approval of KPIs to measure the impact of actions to deliver the aims of the Strategic Plan will improve transparency and accountability.	Interim Head of Governance, Strategy and Information	March 2023
30	It has been some time since the Council has had an independent assessment of its corporate governance. Action is needed to seek an LGA Corporate Peer Challenge review within the next two years to provide an external review of the Council's corporate governance arrangements.	Seek an LGA Corporate Peer Challenge review within the next two years to provide an external review of the Council's corporate governance arrangements.	Provision of external assurance that the Council has an accurate understanding of its corporate governance arrangements and compliance.	Interim Head of Strategy, Information and Governance	April 2024