

**COUNCIL**

A meeting of the Council was held on Wednesday 31 August 2022.

**PRESENT:** Councillors J Hobson, R Arundale, A Bell (Vice-Chair), I Blades, D Branson, C Cooke, B Cooper, D Coupe, S Dean, C Dodds, T Furness, TA Grainge, A Hellaoui, T Higgins, A High, S Hill, C Hobson, B Hubbard, N Hussain, D Jones, L Mason, T Mawston, D McCabe, C McIntyre, J McTigue, M Nugent, E Polano, A Preston (The Mayor), G Purvis, J Rathmell, D Rooney, J Rostron, M Saunders, M Smiles, M Storey, P Storey, J Thompson, Z Uddin, J Walker, S Walker, G Wilson and C Wright

**OFFICERS:** C Benjamin, S Bonner, C Breheny, B Carr, A Hoy, D Johnson, A Johnstone, S Lightwing, A Pain, T Parkinson and A Perriman

**APOLOGIES FOR ABSENCE:** Councillors D Davison, N Gascoigne, L Lewis, J Platt and R Sands

22/31 **DECLARATIONS OF INTEREST**

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

22/32 **REQUEST FOR EXTRAORDINARY COUNCIL MEETING TO DISCUSS THE EXTERNAL AUDIT REPORT PRODUCED BY ERNST AND YOUNG REGARDING MIDDLESBROUGH COUNCIL IN WHICH THE COUNCIL'S ACCOUNTS WERE QUALIFIED**

The Chair invited Councillor M Storey to outline the reasons for calling the Extraordinary Council meeting.

Councillor Storey stated that he believed that councillors needed the opportunity to discuss the recent audit report in a public forum. He stated that in his view, the report was scathing and damning.

Councillor Storey stated that the auditor's report was unprecedented. The report highlighted examples of governance failings relating to the employment of a Mayoral Assistant, BOHO X and the purchase of unusable antibody tests. The report also highlighted issues in relation to declarations of interest in relation to the mayor.

One of the perceived failings included within the report, was that the Council did not have proper arrangements in place to ensure that the Council took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people. Councillor Storey pointed out that this was not a function of back bench councillors, it was the function of the Executive and the Mayor.

Councillor Storey outlined the background to each of the examples of governance failings outlined in the report. He pointed out that the report did not make any reference to governance failures or audits in previous years. The Annual Governance Statement had not yet been signed off and the Chief Executive had asked central government to intervene at the Council.

Councillor Storey highlighted that the report did not refer to Standards complaints or wasted money investigating Standards complaints.

The Labour group had presented a comprehensive dossier of perceived governance failings to the auditors, central government, and the press. Councillor Storey advised that officers had faced difficult times over the last three years, working in a broken culture, but, going forward, it was important for officers and elected members to work together in a spirit of mutual respect and honesty.

Councillor Storey stated that the Labour group wished to work with officers and elected members, across the political divide, to deliver solutions and to ensure that the Council did not ever find itself in the situation it currently faced. Councillor Storey stated that the Labour group

recognised the importance of a council that functioned, worked for local people, and that delivered value for money.

Councillor Storey stated that previously, almost all the Executive had resigned. He stated that the mayor must take responsibility for the situation that the Council currently faced. Councillor Storey stated that in his view, the issues currently facing the council could not be resolved by the current Mayor.

The mayor stated that it was very important that people were honest about the good and bad things that had occurred, and in his view, some of the issues highlighted by Councillor Storey had been misleading.

The mayor stated that the political context of the governance report should be discussed. He stated that the context was that real progress had been made, despite issues with Covid and the financial challenges that the Council faced. The mayor highlighted some of the things that the Council had achieved. He advised that in the last four months, Middlesbrough had been identified by the FT and its partners as the third best small city, in the whole of Europe, for investment. Middlesbrough had also been identified, by the Office for National Statistics, as the most enterprising place in the North-East. Social housing was being built for the first time in a generation. Middlesbrough Council was leading the way in rebuilding Middlesbrough, an example of this was that Captain Cook Square was now a leisure and entertainment destination. The mayor referred to the works at Exchange Square and the fact that some of the older buildings in the town were being restored and brought back to life.

The mayor stated that the town was an educational powerhouse. The university was growing and thriving and there was a large increase in foreign students, which had a positive impact on the economy. Middlesbrough College was fighting digital poverty by ensuring that all students received a laptop. The Council had managed to retain the Northern School of Arts, the only art further education college in the north.

The mayor referred to plans to build a new community centre in Nunthorpe and a new community centre to replace the former Southlands centre, The Council was also building new play parks and refurbishing some of the old parks.

The mayor advised that the auditors had highlighted issues with some governance procedures and the situation had deteriorated over time. He stated that everyone could play a role in turning the situation around with regards to governance procedures.

The mayor stated that the increase in the submission of freedom of information requests, standards complaints and threats on social media should cease. He stated that he was willing to accept some of the blame for the current situation, but all members should consider the report of the auditors and work together to turn the situation around. All members of the Council needed to put the town ahead of politics.

Councillor Thompson stated that she was sure that members were shocked and saddened at the content of the audit report. Councillor Thompson stated that she shared the anger of residents regarding the waste of council taxpayer's money. Many residents who were already reliant on food banks, faced a large increase in fuel bills, together with a rise in the cost of living, and the combined effect was placing people in poverty, particularly, some children.

Councillor Thompson referred to some of the governance failings included within the report. Councillor Thompson highlighted that in her ward, footpaths were crumbling, there were numerous issues with the roads which relied on a rolling road repair programme.

Councillor Thompson referred to a boxing club for young people in Thorntree, occupying a Council building where the roof leaked, there was water damage and damage to the electrics and the toilets were unusable, but the Council was unable to fund the repairs. Many other members faced similar issues in their ward, and Councillor Thompson urged the mayor to make sure that his priorities were right.

Councillor C Hobson stated that when she resigned from the Executive, it was not because she did not have any confidence in the mayor, it was because the mayor had taken some decisions that she did not agree with and as a result, she no longer wanted to be involved in the Executive. Councillor Hobson stated that the mayor had however taken some good

decisions and there was progress in the town.

Councillor Smiles stated that many of the issues highlighted in the report were not new and the Council's accounts had been qualified in the past. The situation at the present time was serious, and the situation had deteriorated, but all members needed to get involved in efforts to improve the situation. Residents were more interested in resolving issues such as potholes, reducing anti-social behaviour and maintaining green spaces and parks, rather than listening to members blaming each other for the situation.

Councillor McTigue referred to the employment of an advisor by the first elected Mayor and advised that no objections to the appointment had been made at that time.

Councillor J Walker stated that the audit report was not a shock. Councillor Walker stated that she was elected to represent her resident's concerns and needs and that she was a member of a number of different committees that looked after the whole town. Councillor Walker stated that her role had become more difficult, in her view, because since 2019, there had been a toxic atmosphere at the Council, and in other meetings because of the political difference between the newly elected independents and their attitude to political parties.

Councillor Walker stated that the new Mayor was inexperienced in political matters. There was a lack of transparency when carrying out some transactions which sometimes resulted in officers being blamed.

Many of the newly elected councillors had been appointed as Chairs of scrutiny panels and committees when they lacked experience of the panel or committee.

Councillor Mawston stated that there had been a toxic atmosphere during the campaigning for the 2019 elections. The auditors had encouraged members to work together, and he urged members to work together for the benefit of the town.

Councillor S Walker stated that the audit report was unique as the Council had never in its history, faced the threat of government intervention. The audit report was made up of two components, the first one related to governance failings. He stated that he had tried to look at where things had failed.

The current Mayor had adopted a different approach to his role, compared to the approach adopted by the previous labour Mayor. The experience of many of the current members was in relation to the private sector rather than the public sector. Part of the distrust was in relation to the mayor's approach to his role. He advised that CIPFA would produce an improvement plan for the Council to follow. He stated that all members were responsible for making the town a better place.

Councillor Cooke stated that members should listen more to their residents. Councillor Cooke advised that the building project currently taking place in his ward only had one layer of bricks. It did not fix the state of dilapidation and the level of anti-social behaviour in the Cannon Park estate which was currently managed by the Thirteen group.

Councillor Cooke stated that residents would rather see issues or repairs in respect of their own properties fixed before new projects are commenced. He stated that when residents felt like they were not being listened to, then councillors needed to do something about it.

Councillor Cooke stated that rather than talk about cross party working, it needed to happen. Councillor Grainge stated that he was new to politics, but he wanted to do the best for the Beechwood and Easterside estate. He stated that all members aimed to make the town a better place and members needed to stop judging each other. He stated that, in his view, the mayor was doing great things for the town and all members needed to work for the good of the town.

Councillor Hellaoui stated that there were a number of different mechanisms for members to work together, such as scrutiny. Councillor Hellaoui stated, that in her view, some of the newer members did not understand the correct processes for challenging people.

The object of scrutiny was to scrutinise, and to do this, members needed to read the papers before the meeting, so that they were fully prepared and were able to ask questions at the

meeting. Members appeared to have a lack of respect for each other.

Councillor Arundale stated that in his experience, politics only came into effect in the council chamber, they did not appear to affect meetings such as the Licensing Committee or scrutiny panels. Members needed to find a constructive way forward and keep politics out of the council chamber.

Councillor Hubbard reminded members that when the mayor was first elected, he offered all members the opportunity to apply to be a member of the Executive, but none of the members of the labour group had put their name forward. He stated that the mayor would have welcomed the experience of some of the labour members.

Councillor Hubbard pointed out that in relation to challenge to the mayor, there had been no call-ins over the last year, initiated by the labour members.

Councillor Hubbard highlighted a number of instances in relation to the sale of Council assets, from when the Labour group were in control, where, in his view, poor decisions had been taken. He stated that although the Council had made mistakes since 2019, this needed to be put into context. Councillor Hubbard stated, that in his view, the mayor was doing a great job for the town.

Councillor Saunders stated that the labour group had never accepted the election results from 2019, and he urged them to stop calling for the mayor's resignation.

Councillor Rooney stated that the report was shocking and damning. The Executive summary of the report referred to how the Council managed risk, which decisions were supported by evidence, allowing for challenge and transparency, and how members and officers discharged their responsibilities.

Councillor Rooney pointed out that the main findings of the report could be broken down into areas of significant risk and value for money. In relation to significant risk, the report highlighted instances where the Council did not follow the correct procurement rules such as the BOHO X project, the purchase of the Covid-19 tests and the engagement of the advisor to the mayor, which was described as an unlawful action.

Councillor Rooney pointed out that on page 19 of the report, it highlighted that not all instances of where there may have been potential breaches of governance had been identified. The report also stated that the involvement of the Executive had strayed into operational matters on numerous occasions.

In relation to value for money, the report referred to the relationship between senior officers and elected members and the lack of trust, which was having an effect on the governance of the Council. Councillor Rooney stated that for members and officers to move forward to work together, intervention and support would be needed.

Councillor Rooney referred to issues regarding the Declaration of Interests. The Corporate Affairs and Audit Committee had requested the background information in relation to the report. Councillor Rooney requested that the Monitoring Officer and her team produce a report to provide the evidence that resulted in the audit report highlighting a pervasive lack of trust overreaching of members and the mirroring of the work that would come forth from CIPFA and that the report be made available to all members.

Councillor Rathmell stated that there had been criticism of non-acceptance of past and current failings within the Council. He stated that it was easy to blame officers or the new Executive, but members should take collective responsibility. The issues facing the Council were not new. There had been a breakdown in some relationships between officers and members.

All members should attend any training sessions or members briefings open for them to attend to enable them to scrutinise and challenge decisions. Councillor Rathmell highlighted that attendance at some members briefings and training sessions was poor. In terms of training, Councillor Rathmell advised that if members felt that the training being delivered was not relevant to their needs, they should advise officers, who could then look at alternate ways of delivering the training.

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The Chair of the Council stated that when he started at the council, he had been treated badly by the majority group but over the years that had changed. He stated that the current labour group were the best he had ever worked with, and it was important that everyone worked together well, for the good of the town.