

**COUNCIL**

A meeting of the Council was held on Wednesday 19 October 2022.

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

**ALSO IN ATTENDANCE:** C Farrugia (CIPFA) and J O'Hallaron (CIPFA)

**OFFICERS:** C Benjamin, S Bonner, C Breheny, G Field, A Hoy, D Johnson, S Lightwing, T Parkinson, S Reynolds and K Whitmore

**APOLOGIES FOR ABSENCE:** were submitted on behalf of Councillors T Furness, N Gascoigne, B Hubbard, C McIntyre, J McTigue, G Purvis and M Saunders

22/47 **DECLARATIONS OF INTEREST**

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

22/48 **MIDDLESBROUGH COUNCIL CULTURE AND GOVERNANCE: CIPFA REPORT - SEPTEMBER 2022**

The Chartered Institution of Public Finance and Accountancy (CIPFA) had been commissioned to undertake a review of culture and governance at Middlesbrough Council following a qualification to the Value for Money (VFM) judgement in the External Auditors' Report in July 2022.

The Head of CIPFA's Consultancy Services presented the report, a copy of which had been circulated with the agenda for the meeting. The review had been undertaken in the context of VFM qualifications in the External Auditors' Reports for the years ended 31 March 2020 and 31 March 2021 and longer standing issues in relation to culture and Member behaviour. The Auditors would return in six months expecting to see positive progress.

CIPFA interviewed a wide range of Officers and Members to gauge the situation and identified that following the 2019 election and unprecedented political change, the Council had struggled to adapt to the entrepreneurial style of the new administration. Notwithstanding the seriousness of the situation, CIPFA believed that if everyone worked together and accepted that the problems existed and why, then significant improvements could be made.

Attention was drawn to Section 5 of the submitted report which detailed the serious issues in the governance and operation of the Council that had been identified during the review and the following points were highlighted:

- Clash of cultures.
- Covid.
- Roles and Responsibilities.
- Communication.
- Member training.
- Officer morale.
- Resolution of FOIs and complaints.
- Focus on the past.

In conclusion, the issues facing the Council were significant and having a negative impact on the culture and the Council's ability to deliver good governance. The Council had an opportunity to made considerable improvements, but not without acceptance that the issues contained in the report were real, serious and needed resolution.

CIPFA's recommendations were set out as follows:

- the Mayor should seek the support of the full Council for the development, in conjunction with CIPFA, of an Action Plan with clear milestones to address the issues highlighted in the report.
- Officers and Members were involved in the development of the Action Plan and that it included deliverables and milestones on a timescale of 30, 60 and 90 days. Cross-party working groups should be used as a way of involving Members in creating solutions.
- the Mayor should agree a review process for the plan, which involved all parties.

**ORDERED** that the report was received and noted.

22/49

## **CORPORATE GOVERNANCE IMPROVEMENT JOURNEY – CIPFA FINDINGS AND NEXT STEPS**

The Mayor thanked CIPFA for their report as presented at Agenda Item 3 and commented that this was an opportunity to start the process of creating the most effective, constructive, challenging and strong Council in the country. The Mayor also urged all present to agree the recommendations proposed by CIPFA in order to move forward and become a Council that set the standard for others to follow.

The Executive Member for Finance and Governance presented the joint report of the Mayor and the Chief Executive which summarised the findings of the independent diagnostic work completed by CIPFA and the proposed next steps.

It was proposed that a politically balanced Improvement Board consisting of Statutory Officers, Elected Members, CIPFA representatives, and an independent Chair would have responsibility for agreeing, delivering and reporting an action plan to improve governance across the Authority. Wider groups of Members and Officers would be involved in task and finish sub-groups as the improvement plan developed to ensure wide engagement in the improvement journey. The Executive Member had received nominations for all sub-groups and confirmed that the details would be circulated to all Members.

Councillor M Storey referred to the CIPFA report findings and stated that nobody should have to come into their place of work in fear or trepidation of being bullied. The fact that this had been highlighted was a stain on the Council and Members would do everything they could to ensure Officers felt supported at all times. Councillor Storey also commented that the Board and Sub Groups were the right way to progress and the Labour Group would support this process wholeheartedly.

Responding in relation to a query regarding the percentage of people interviewed by CIPFA, the Executive Member stated that responsibility for the review was delegated to CIPFA and he was confident that CIPFA's findings were accurate.

Regarding the response times from Officers to Members' queries, the Executive Member commented that Officers were doing the best they could under immense pressure. However, improvement in this area could be discussed as part of the improvement plan.

Councillor C Hobson stated that the Middlesbrough Independent Group (MIG) understood the seriousness of the situation, wished to think positively about moving forward and urged all present to agree with the recommendations in the Report.

The Executive Member for Environment, speaking on behalf of Middlesbrough Independent Councillors Association (MICA) stated that the group were looking forward to working with everyone and building bridges. The Executive Member proposed that the membership of the sub groups should be extended to include one place for Conservatives on each sub group.

On a vote being taken, it was **ORDERED** that the proposed membership of the sub groups was amended to include one allocated place on each sub group for Conservatives.

Some further discussion took place amongst Members in relation to the amended membership of the sub-groups and the issue of proportionality. The Mayor thanked Members for their comments and stated whilst there could be follow up conversations, the vote had

now been taken.

**ORDERED** as follows that Council:

1. Thanked CIPFA for their report and accepted all findings set out within it.
2. Agreed the creation of the Improvement Board and its proposed membership as set out in the body of the submitted report at paragraph 22.
3. Agreed the creation of the Improvement Board sub-groups and their proposed membership, as set out in the body of the report at paragraph 25, with the addition of one place allocated to Conservatives on every sub-group.
4. Endorsed the further commissioning of CIPFA to support work to develop a detailed response plan.
5. Agreed that the developed plan would be reported to Council for noting in November 2022.