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| MIDDLESBROUGH COUNCIL |  |
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| Report of: | The Chief Executive, Director of Finance and Director of Legal and Governance Services |
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| Relevant Executive Member: | The Mayor, Chris Cooke |
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| Submitted to: | Council |
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| Date: | 17 January 2024 |
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| Title: | Corporate Governance Improvement Plan and Section 24 Action Plan progress report |
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| Report for: | Information |
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| Status: | Public |
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| Strategic priority: | All |
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| Key decision: | Not applicable |
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| Why: | Not applicable |
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| Subject to call in? | Not applicable |
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| Why: | Not applicable |
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| Proposed decision(s) |
| That Council notes the progress against the Corporate Governance Improvement Plan and Section 24 Action Plan. |

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| Executive summary |
| This report sets out the key activities, progress and impact of the Corporate Governance Improvement Plan and activity in response to the Section 24 recommendations made by the Council's External Auditors, since last reported to Council on 29 November 2023. |

1. Purpose

- 1.1 This report sets out the key activities and progress since an update was last provided to Council on 29 November 2023, to be noted by full Council. The report also provides an update on activity in response to the Section 24 recommendations made by the Council’s External Auditors.
- 1.2 Alongside the activity that has been delivered, the report also sets out the impact actions have had on the measures of success that have been identified within the Corporate Governance Improvement Plan and Section 24 response plan.

2 Recommendations

- 2.1 That Council notes the progress against the Corporate Governance Improvement Plan and Section 24 Action Plan.

3 Rationale for the recommended decision(s)

- 3.1 The Council must respond effectively and at pace to the deliver the improvements set out in both the Corporate Governance Improvement Plan and the Section 24 report if it is to effectively address the concerns around its culture, governance and financial challenges.
- 3.2 Member oversight is crucial in delivery of these actions and also provision of assurance that intended impacts to address the governance weaknesses identified by the Council’s External Auditors are being realised.

4 Background and relevant information

- 4.1 On 18 September 2023, Council received a report that set out the activities of Phase Three of the proposed Corporate Governance Improvement Plan, alongside the associated governance arrangements providing oversight of delivery.
- 4.2 The activities in the improvement plan comprise ten workstreams, each with a milestone delivery plan which is monitored and reported monthly to the Leadership Team, the Independent Improvement Advisory Board and at each full Council.

5. Performance management methodology

- 5.1 The Council’s and Programme and Project Management policy set out the methodology used to assess and report on progress against delivery, which is applied across the Corporate Governance Improvement and Section 24 delivery plans.

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| KEY: | |
| COMPLETE | Activity delivered in full |
| GREEN | Delivery plan activities are on track and / or a or above standard |
| AMBER | Delivery plan activities are < 5% below standard |
| RED | Delivery plan activities are > 5% below standard |

5.2 Overall performance in relation to delivery of activity across the two improvement plans is as follows (excluding activity not yet planned to start and not due to be delivered yet):

| ACTIVITY | STATUS AT Q3 2023/24 | | |
|--|----------------------|------------|-------------|
| | % ON-TRACK | % ON-TRACK | % DELIVERED |
| CORPORATE GOVERNANCE IMPROVEMENT PLAN | 54.4% (37) | 4.4% (3) | 41.2% (28) |
| SECTION 24 RECOMMENDATIONS | 55.3% (26) | 8.5% (4) | 36.2% (17) |

5.3 The above table shows that 95.6% of planned activity has either been delivered or is on-track for delivery in relation to the Corporate Governance Improvement Plan, with only three planned activities measuring as off-track as at the end of Quarter Three 2023/24.

5.4 91.5% of activity in relation to the Section 24 delivery plan is on-track or has been delivered, with four activities showing as off-track.

5.5 The remainder of this report sets out the detail of the delivery plan activity, alongside supporting measures of success that are in place to assess the impact of activity.

6. Corporate Governance Improvement Plan: progress status

6.1 For the current reporting period, eight of the workstreams are on target in terms of activity, as per timescales set out in the corporate Governance Improvement Plan, with two being off target.

i. CT4.01: Ensuring stable and sustainable leadership for the organisation

A milestone to commence a senior management review and present findings to LMT has been delayed by up to two months (estimated to be completed by end of January 2024) to seek further data to inform proposals. Leading on from this, a milestone to commence implementation of the review is expected to be delayed by approximately four months – however the target date for completion of implementation of the review remains unchanged.

ii. FRR3: Improvements to financial governance, spending controls and monitoring through more effective financial management, across the organisation

A milestone regarding the development of a set of budget management tools for use by Chief Officers, Heads of Service and Budget Managers is off track and expected to be delayed by one month (revised target date is 31/01/2023) due to additional information required from some service areas to be fed into the Business World system. The delivery plan now reflects a 4-week extension.

Measures of success

6.2 The Council, in identifying the data sources to measure success, has set a baseline against which it will judge ongoing performance. Frequencies in updating these measures vary and are detailed in Appendix 1. Some measures are ad hoc, some annual, while others are refreshed on a quarterly or monthly basis.

6.3 Where there has been an update to measures since, this is set out in full in the appendices.

6.4 A survey of senior officers and Executive members undertaken in December 2023 assessed views on the health of relationships between the two groups. This complements previous surveys of all staff, most recently in August 2023, where only 26.6% of all staff felt relationships between officers and members were somewhat or very positive, with 27.16% expressing that relationships were poor or very poor.

6.5 The December 2023 survey of senior officers identified that no one felt relationships with the Executive were poor. 77.3% felt relationships were viewed as either positive or very positive. All 5 of the Executive Member respondents for the survey felt relationships were either positive or very positive, with a supporting positive trend. In August 2023 only 27.1% all staff felt that relationships had improved between all officers and all members, whereas in December 2023, 72% of senior officers felt there had been an improvement in the relationships with the Executive. All 5 respondents to the Executive Member survey felt relationships had improved in the last 6 months. Whilst the two surveys cannot be directly comparable because they cover different cohorts, the latest results are positive.

6.6 Other points of movement to note, are:

- The 2023/24 in year budget position has improved further from a pressure of £8.556m at Quarter Two, to a predicted overspend of £7.4m at Period 7. Whilst this is positive movement, it continues to be of significant financial concern for the Council.
- The total number of agency staff has reduced further from 102, to 101.
- Number of roles held at Head of Service level and above that are vacant / occupied by an agency or interim appointment, has increased in during December from 7 to 8. Within the next few months, expectations are that this will reduce further as staff move into senior posts within Children’s Safeguarding, following a recent recruitment exercise.
- Number of complaints continue to fluctuate in volume however, there has been a positive reduction in the percentage upheld by the central complaints team.
- LMT, WLMT and all budget holders involved in Purchase to Pay to receive training has seen an increase in the number of completions since last the previous reporting period (74.42% in mid-December).

Key activities

6.7 The following activities within the governance improvement plan have been delivered since progress was last reported to Council, in-line with planned timescales:

| THEME | WORKSTREAM | COMPLETED ACTIVITIES WITHIN REPORTING PERIOD |
|-------------------------|---|--|
| Cultural Transformation | Development and Implementation of a People Strategy | The Strategy was presented to the Constitution and Member Development Committee. |

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| | Development / implementation of a Member Development Strategy and Programme | Implementation of the Strategy has commenced (against the underpinning delivery plan) and is being fed into the corporate performance reporting cycle. |
| | Development and implementation of a corporate governance programme | The programme is live and mandatory e-learning for all staff on the constitution, corporate values and codes of conduct is underway and face to face budget management training is taking place for all Chief Officers, Heads of Service and Budget Managers. |
| | Development and implementation of an improved focus on employee performance and accountability | Support sessions for managers regarding the new appraisal process and documentation are taking place and there has been a refresh and launch of supporting e-learning modules for both staff and managers explaining the new appraisal process. |
| | Review the Council's approach to Member enquiries and engagement | The implementation period for short-term improvements is currently ongoing |
| | Develop and implement communications and engagement plan to support cultural transformation | The Corporate Governance Improvement Communications and Engagement plan has commenced and is now being delivered. |
| Financial Recovery and Resilience | Setting a balanced budget for 2024/25 to 2026/27 | Progress of milestones regarding the commencement of transformation and service redesign development proposals has improved since the last reporting period and work is underway with external consultants to develop robust proposals by February that will contribute towards balancing the budget in 2024/25 and over the medium term. |

Changes to delivery dates

- 6.8 Detailed delivery milestone plans have been developed to underpin all workstream activities within the improvement plan.
- 6.9 Where slippage occurs to individual milestones but the overarching end date for the workstream activity is not impacted, no escalation or change control will be required and it can be assumed that any required mitigated will be put in play at an operational level.
- 6.10 Where there is impact on achieving the intended measure of success or overarching end date of workstream activity, a change control will be proposed for noting and transparency.
- 6.11 There are no change controls presented within this reporting period.

Summary of progress against plan and measures of success

- 6.12 The following tables set out a summary position against planned activity and progress against the measures of success that have been agreed to track the long-term impact of this plan.

| CULTURAL TRANSFORMATION | ACTIVITY TRACKING | | OUTCOME IMPACT | | LMT LEAD | EXEC MEMBER |
|---|-------------------|--------------|----------------|--------------------|-----------------------|---------------|
| | CURRENT STATUS | PREV. STATUS | IMPACT TREND | IMPACT TARGET MET? | | |
| Development / implementation of People and Cultural Transformation Strategy | G | R | Mixed | N | C Benjamin | Cllr N Walker |
| Development / implementation of Member Development Strategy and Programme | G | G | Mixed | Mixed | C Benjamin | Cllr N Walker |
| Development / implementation of a corporate governance training programme | G | G | Improved | Mixed | C Benjamin | Cllr N Walker |
| Ensure stable and sustainable leadership for the organisation | R | R | Mixed | N | C Heaphy / C Benjamin | Mayor Cooke |
| Development / implementation of improved focus on employee performance and accountability | G | R | Improved | N | C Heaphy | Cllr N Walker |
| Review Council's approach to Member enquiries and engagement | G | G | N/A / baseline | N/A | C Benjamin | Cllr N Walker |
| Develop / implement communications and engagement plan to support cultural transformation | G | G | N/A / baseline | N | C Heaphy | Mayor Cooke |

| FINANCIAL RECOVERY AND RESILIENCE | ACTIVITY TRACKING | | OUTCOME IMPACT | | LMT LEAD | EXEC MEMBER |
|--|-------------------|--------------|----------------|--------------------|-------------|---------------|
| | CURRENT STATUS | PREV. STATUS | IMPACT TREND | IMPACT TARGET MET? | | |
| Controlling 2023/24 expenditure to within approved budgets | G | G | Positive | N | D Middleton | Cllr N Walker |
| Setting a balanced budget for 2024/25 to 2026/27 | G | R | Worsened | N | D Middleton | Cllr N Walker |
| Improvements to financial governance, spending controls and monitoring through more effective financial management | A | G | Improved | N | D Middleton | Cllr N Walker |

7. Independent Improvement Advisory Board

7.1 Since the previous progress report, the Board met formally on 1 December 2023. Following requests for additional information on the work of the Board, this section of the report has been expanded to align with the full agenda of the Board, which was as follows:

- Board Business:
 - i. Overview and update on progress against the Corporate Governance improvement plan and Section 24 report
 - ii. Update on the 2023/24 budget position and development of the 2024/25 budget
 - iii. Board action notes from the last meeting
 - iv. Action tracker (Appendix 3)
- Children's Improvement Board: A joint discussion with the Chair of the Children's Improvement Board to discuss respective roles, joint challenges and opportunities.
- All-member session: An opportunity for the Board to provide Middlesbrough Councillors with an update on the Board's work and its initial views, also presented to Executive on 17 January 2024.

7.2 The Board requested an alteration to the presentation of progress and impact on measures of success, which has now been implemented, with the new format used for the purposes of this report, also.

7.3 A key focus of December meeting, continued to review activity underway to address the in-year budget pressures and steps being taken to develop at pace, savings proposals and required transformative plans to ensure a balanced budget can be set for 2024/25. The Board commended the progress made thus far in reducing the in-year budget gap, however cautioned about the importance of ensuring the plans coming forward to deliver further in year savings for 2023/24 and that sufficient deliverable proposals are formed for 2024/25.

7.4 Action points arising from formal Improvement Board meetings, excluding admin related tasks, e.g. facilitation of meetings, are set out at Appendix 3, alongside a summary of information requested by the Board.

8. Section 24: progress update

8.1 The table below sets out the current status of activity in response to the Section 24 recommendations, along with a summary of the impact these activities are having on the longer-term measures of success that have been set in order to enable the Council to be able to assess whether the activities are having the intended impact:

| S24 ACTIONS | ACTIVITY TRACKING | | OUTCOME IMPACT | |
|--|-------------------|--------------|----------------|--------------------|
| | CURRENT STATUS | PREV. STATUS | IMPACT TREND | IMPACT TARGET MET? |
| 1. Progression of next phase of Corporate Governance Improvement Plan, prioritising actions to address cultural and governance issues. | C | C | N/A | N/A |
| 2. Development of contingency and succession governance protocols to mitigate potential impact of any future changes in senior leadership. | R | R | Improved | N |
| 3. Conclusion of Constitution review and provision of officer / member training ensuring changes are understood and implemented. | G | G | Improved | N |
| 4. Identification of deliverable short-term savings, protecting limited remaining reserves, considering statutory responsibilities and delivery of services. | R | G | N/A | N/A* |
| 5. Review service delivery models to ensure that they are efficient, represent value for money and achieves the outcomes required. | R | R | N/A * | N/A* |
| 6. Review of financial forecasting processes to understand emergence of significant financial pressures, in both 22/23 and 23/24. | G | G | Improved | N |
| 7. Conclusion of Financial and Contract Procedure rules review to ensure they are fit for purpose. | C | C | Improved | N |
| 8. Provision of training on Financial and Contract Procedure rules to all officers involved in contracting, procurement or financial decisions. | G | G | Improved | N |
| 9. Completion of contract review to ensure compliance with Public Contracts Regulations 2015. | R | G | No change | Y |
| 10. Review oversight arrangements for Middlesbrough Development Company to assure value for money. | G | G | No change | Y |
| 11. Develop action plan for the demise of Middlesbrough Development Company setting out benefit realisation. | G | R | No change | Y |

*No baseline set

8.2 As previously reported, the activities in relation to two of the Section 24 recommendations (numbers 1 and 7) have been completed.

8.3 Across all S24 workstreams, 4 are reporting activity which is off-target:

- *Recommendation 2, Contingency and succession planning:* milestones relating to senior management review show slippage but no impact on overall end date.
- *Recommendation 4, Controlling expenditure and identifying deliverable savings over the short-term:* a milestone regarding the roll out of mandatory training for use of Purchasing Cards has slipped by one month, due to difficulties in scheduling training sessions for staff, however this will not impact on the completion date for relaunching the use of Purchasing Cards for essential users only by the target date.

- *Recommendation 5, Work to commence activity in relation to planned transformation and reviews of delivery models:* initially delayed, though now commenced with external expertise to support the development of robust quantified proposals by mid-February to contribute towards achieving a balanced budget by 28 February 2024 and over the medium term.
- *Recommendation 9, Review of ongoing contracts awarded under exemption:* a milestone to submit an initial progress report to Audit Committee is off track, however the work has been completed and a verbal update will be provided to the committee in February 2024 and a full report will be provided to Committee in line with the subsequent milestone by March 2024.

Section 24: key activities

8.4 Progress against the Section 24 action plan agreed by full Council on 18 September 2023 since last presented to Council is set out below:

| REC # | ACTIVITY | SUPPORTING INFORMATION |
|-------|---|---|
| 9 | S9.03: Cross-reference exemptions with contract register and determine position, regarding each award. | Work has been fully completed. |
| 10 | S10.01: Provision of a closure report (or the first quarterly monitoring report, if closure of the company has not been closed before the first quarter has passed since the Executive report). | A quarterly monitoring report has been submitted to be reviewed by Executive on 20/12/2023. |

Section 24: measures of success

8.5 Of the 17 measures of success in place to assess the impact of activity within the Section 24 action plan, 4 are on-target. All 7 of those below target, have improved performance since first baselined. The remainder can either not yet be measured or there has been no refresh of the performance data since last reported to Council.

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

9.1 Not applicable.

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

Financial (including procurement and Social Value)

10.1 Not applicable.

Legal

10.2 There are no direct legal implications as a result of this report, however delivery of this plan provides evidence of compliance with a number of recommendations that have been made by the Council’s External Auditors under Section 24 of the Local Audit and Accountability Act 2014.

Risk

10.3 If the Council fails to respond effectively to the improvement plan, this will have a negative impact on the following strategic risks:

- Failure to meet a balanced budget.
- Risk of an unlawful decision by the Council.
- Corporate governance is not fit for purpose.

Human Rights, Public Sector Equality Duty and Community Cohesion

10.4 Not applicable.

Climate Change / Environmental

10.5 Not applicable.

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

10.6 Not applicable.

Data Protection / GDPR

10.7 Not applicable.

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

10.8 Not applicable.

Appendices

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| 1 | Corporate Governance Improvement Plan: measures of success |
| 2 | Section 24 Plan: Measures of success |
| 3 | Key activities update from the Board |

Background papers

| Reporting body | Report title | Date |
|---------------------------------------|---|-------------|
| Corporate Affairs and Audit Committee | Lessons Learnt: Best Value Inspection of Liverpool City Council | 5 Aug 2021 |
| Corporate Affairs and Audit Committee | Boho X: Draft findings from internal audit and proposed management response | 6 Apr 2022 |
| Corporate Affairs and Audit Committee | Audit Results Report 2020/21 | 22 Jul 2022 |
| Corporate Affairs and Audit Committee | Statement of Accounts 2020/21 | 22 Jul 2022 |
| Corporate Affairs and Audit Committee | Lessons learned: Best Value and external assurance within other councils. | 22 Jul 2022 |
| Corporate Affairs and Audit Committee | Commencing a corporate governance improvement journey | 22 Jul 2022 |

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| Council | Corporate Governance Improvement Journey: CIPFA findings and next steps | 19 Oct 2022 |
| Council | Corporate Governance Improvement Plan and progress update | 30 Nov 2022 |
| Corporate Affairs and Audit Committee | External Audit: Value for Money Governance Update | 5 Dec 2022 |
| Council | Corporate Governance Improvement Plan and progress update | 18 Jan 2023 |
| Corporate Affairs and Audit Committee | Statement of Accounts 2020/2021 | 28 Apr 2023 |
| Corporate Affairs and Audit Committee | Auditor's Annual Report – Year Ended 31 March 2021 | 29 Jun 2023 |
| Council | Corporate Governance Improvement Next Steps | 5 Jul 2023 |
| Council | Section 24 Statutory EY recommendations | 18 Sep 2023 |
| Council | Corporate Governance Improvement Plan | 18 Sep 2023 |
| Corporate Affairs and Audit Committee | Lessons Learnt: Best Value Inspection of Liverpool City Council | 5 Aug 2021 |
| Audit Committee | Section 24 Report – Delivery and oversight arrangements | 5 Oct 2023 |
| Council | Corporate Governance Improvement Plan and Section 24 Action Plan progress report | 25 Oct 2023 |
| Council | Corporate Governance Improvement Plan and Section 24 Action Plan progress report | 29 Nov 2023 |

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Appendix 1: Corporate Governance Improvement Plan: measures of success

| | Outcome | Measure of Success | Current performance | Previous performance | Status against target | Target | Current performance data | Current performance period | Previous performance data | Previous performance period |
|--|---|--|----------------------|----------------------|------------------------|---|---|----------------------------|--|-----------------------------|
| Cultural Transformation | Improved understanding of corporate governance policies and process and improved adherence to them | Reduce the number of audits that have limited or no assurance | No change | No change | Below target | 0 | 1 out of 8 complete audits | October 2023 report | n/a | n/a |
| | | Improve the percentage of priority One and Priority Two actions from Internal Audits that are delivered within original timescales | Improved | n/a baseline | Below target | 80% or higher | 20% of P1 actions and 13% of P2 actions were complete within original timescales | Nov-23 | 20% of P1 actions and 10% of P2 actions were complete within original timescales | 2022/23 |
| | | Reduce / Upheld whistleblowing reports on non-compliance with corporate governance processes. | No change | No change | At target | 0 | 0 | 2022/23 | n/a | n/a |
| | Improved relationships between officers and members | Staff and Member surveys to assess health of relationships and direction of travel | Improved | n/a | Below target | 50% of staff and 80% of councillors or higher | 77% of heads of service and directors now view relationships with Executive members as positive or very positive (22 respondents). All 5 of the Executive members who responded felt relationships were positive or very positive | Dec-23 | 26.6% of staff think relationships are somewhat or very positive, compared to 69% of Councillors | August 2023 Survey |
| | Improved retention of staff | Staff turnover rates – number of leavers | No change | Improved | Below target | 5% post transformation (2027) | 5.64% | Q2 2023/24 | 6.60% | Q1 2023/24 |
| | Improved staff satisfaction | 1-10 Score of how valued staff feel as an employee of the Council | No change | No change | Below target | 6.2 or higher | 5.9 | August 2023 Survey | 6.22 | Nov-22 |
| | Reduced need to use agency staff | Number of agency staff working for Middlesbrough Council – total | Improved | Improved | Below target | 75 | 101 | Dec-23 | 102 | Nov-23 |
| | Improved ability to recruit to key roles. | Number of roles at Head of Service and above that are vacant / occupied by Agency or interim staff | Worse | Improved | Below target | 3 - post transformation | 8 | Dec-23 | 7 | Nov-23 |
| | Improved outcomes for our community by ensuring that staff have the skills needed to deliver excellent services and that the behaviours increase trust in the Council | Number of complaints – total | Worse | Improved | Below target | Less than 150 | 201 | Nov-23 | 164 | Oct-23 |
| | | Percentage of complaints upheld or partially upheld by the central team | Improved | Improved | Below target | less than 40% | 41% | Nov-23 | 53% | Oct-23 |
| | Members have a Member development programme that meets their needs and is well used | Percentage of members completing all mandatory training | No change | No change | At target | 100% | 100% | Oct-23 | 100% | Oct-22 |
| | | Percentage of Members attending wider skills | No change | No change | Above target | 95% | 98% | Oct-23 | Data not available | Oct-22 |
| | | Member satisfaction with the Member development programme | No change | improved | Below target | 90% | 87.5% this is based on 21 responses out of 24 | Oct-23 | 71% this is based on 5 responses out of 7 | Oct-22 |
| | Performance is effectively managed within the organisation | Completion of appraisal process | n/a | n/a | not yet measured | 95% | n/a | n/a | n/a | n/a |
| | Improved Member behaviour | Number of member on member complaints received | no change | Worse | Below target | 2 or fewer per quarter | 3 complaints received member on member | Q2 2023/2024 | 1 complaint received member on member | Q2 2022/2023 |
| | Residents are increasingly satisfied with the way the Council is ran and with the Council overall | Questions within the 2023 Resident survey currently underway | Worse | n/a baseline | Below target | 61% (NE average 21/22) | 40% | Nov-23 | 64% | Previous survey was in 2017 |
| Residents increasingly agree that the Council acts on their concerns | Questions within the 2023 Resident survey currently underway | Worse | Not previously asked | Below target | 55% (NE average 21/22) | 43% | Nov-23 | n/a | Not previously asked | |

| | Outcome | Measure of Success | Current Performance | Previous Performance | Target | Status Against Target | Current performance data: | Current performance period: | Previous performance data: | Previous performance period: |
|-----------------------------------|---|---|---------------------|----------------------|--|-----------------------|---|-----------------------------|----------------------------|------------------------------|
| Financial Recovery and Resilience | Expenditure for 2023/24 is completed within the approved 2023/24 budget | Actual expenditure and Forecast revenue outturn within the approved budget | Improved | Improved | £0 | Below target | £7.438m | Period 7 2023/24 | £8.556m | Q2 2023/24 |
| | Set a balanced budget for 2024/25 and adhered to during 2024/25 | 2024/25 revenue budget is balanced and maintained during 2024/25 | n/a | n/a | Balanced budget set | n/a | n/a | n/a | n/a | n/a |
| | Set a sustainable Medium Term Financial Plan in place for the period 2024/5 to 2026/27 | Balanced MTFP to 2026/27 | n/a | n/a | balanced MTFP set | n/a | n/a | n/a | n/a | n/a |
| | Maintain General Fund balance and usable revenue reserves at 31/3/23 levels | Maintain GF balance at £12m at 31/3/24 | Worse | n/a baseline | £12m or more | n/a | £6.273m | Q2 2023/24 | £12.04m | 31/03/2023 |
| | | Maintain unrestricted usable revenue reserves at a minimum of £4m at 31/3/24. | Worse | n/a baseline | £4m or more | n/a | £1.171m | Q2 2023/24 | £2.788m | 01/04/2023 |
| | Establish Medium Term Plan to rebuild GF Balance and revenue reserves | Section 151 Officer assessment of adequacy of reserves | n/a | n/a | n/a | n/a | n/a sufficient resources in place - judgement of S151 officer | Feb 2023 report to Council | n/a | n/a |
| | Financial Procedure Rules and Contract Procedure Rules training delivered | LMT, WLMT, all Budget Holders and all staff involved in Purchase to Pay trained by 31 December 2023 | Improved | Improved | 95% or higher | Below target | 74.42% | Dec-23 | 70.30% | Nov-23 |
| | corporate finance training programme established | Quarterly programme of finance training established | n/a | n/a | one training session delivered per quarter | n/a at this stage | to be baselined in Jan 24 | n/a | n/a | n/a |
| | Budget management and purchase to pay dashboards developed to improve management information and compliance | Budget management dashboard available to all budget holders from Business World through Power BI reporting tools by 30 November 2023. P2P Dashboards available by 31 March 2024 | n/a | n/a | Dashboard in place | n/a | n/a | n/a | n/a | n/a |
| | Budget management training rolled out to budget holders | All Chief Officers, Heads of Service and Budget Holders Training delivered December 23 to March 24 | n/a | n/a | 95% or higher | n/a at this stage | n/a due from april 2024 onwards | n/a | n/a | n/a |
| | Establish Business World as one version of the financial truth for internal and external reporting | Reduce/eliminate need for manual intervention and re-work to produce internal budget management and external statutory reporting. | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |
| | Develop value added finance business partnering approach | Realignment of accountancy resource from preparation of reports and more towards business partnering analysis, advice, challenge. By June 2024 | n/a | n/a | n/a | n/a | n/a | n/a | n/a | n/a |

Appendix 2 – Measures of success – Section 24 Report

| Recommendation | Measure of Success | Current Performance | Target | Status against target | Current performance data: | Current performance period: | Previous performance data: | Previous performance period: |
|----------------|--|---------------------|---------------------------|-----------------------|---|-----------------------------|----------------------------|--------------------------------------|
| 1 | Delivery of the Corporate Governance improvement Plan activity | Improved | 10 out of 10 | Below target | 8 out of 10 workstreams activity on target | Dec-23 | 6 out of 10 | Nov-23 |
| 2 | Number of roles at Head of Service and above that are vacant / occupied by Agency or interim staff | Improved | 3 | Below target | 7 | Oct-23 | 8 | Oct-23 |
| 3 | Reduce the number of audits that have limited or no assurance | No change | 0 | Below target | 1 out of 8 complete audits | October 2023 report | | n/a |
| 3 | Improve the percentage of priority One and Priority Two actions from Internal Audits that are delivered within original timescales | improved | 80% or higher | Below target | 20% of P1 actions and 10% of P2 actions were complete within original timescales in 2022/23 | 2022/23 | | |
| 3 | Percentage of members completing all mandatory training | No change | 100% | At target | 100% | Oct-23 | | 100% |
| 3 | Percentage of Members attending wider skills | No change | 95% | Above target | 98% | Oct-23 | | Data not available |
| 3 | Member satisfaction with the Member development programme | Improved | 90% | Below target | 87.5% this is based on 21 responses out of 24 | Oct-23 | | 71% this is based on 5 responses out |
| 4 | 2024/25 revenue budget is balanced and maintained during 2024/25 | n/a | n/a | n/a | n/a | n/a | | n/a |
| 5 | 90% of projects within the programme, once launched are on track | n/a | n/a | n/a at this stage | n/a | n/a | | |
| 5 | 90% of benefits from projects realised in line with benefits realisation trackers | n/a | n/a | n/a at this stage | n/a | n/a | | |
| 6 | Actual expenditure and Forecast revenue outturn within the approved budget | Improved | £0 | Below target | £7.438m | Period 7 2023/24 | £8.556m | Q2 2023/24 |
| 6 | Balanced MTFP to 2026/27 | n/a | balanced MTFP set | n/a | n/a | n/a | n/a | n/a |
| 6 | Maintain GF balance at £12m at 31/3/24 | n/a | £12m or more | n/a | £12.04m | Apr-24 | n/a | n/a |
| 6 | Maintain usable revenue reserves at a minimum of £4m at 31/3/24. | n/a | £4m or more | n/a | £3.959m | Apr-24 | n/a | n/a |
| 7 and 8 | LMT, WLMT, all Budget Holders and all staff involved in Purchase to Pay trained by 31 December 2023 | Improved | 100% | Below target | 70.30% | Nov-23 | 69.71 | First week of Oct 23 |
| 9 | Reduce / Upheld whistleblowing reports on non-compliance with corporate governance processes. | no change | 0 | At target | 0 in 2022/23 | 2022/23 | | |
| 10 and 11 | provision of quarterly reports on MDC until closure | No change | 1 a quarter until closure | At target | Report provided in September 2023 | Sep-23 | n/a | |

Appendix 3 – Summary of information requested and major action points arising from the Middlesbrough Independent Improvement Advisory Board (MIIAB) from the December 2023 meeting

| Information requests | Status |
|---|----------|
| Information on standards complaints data and trend | Complete |
| Information on the results of the latest survey of Executive Members and Senior officers | Complete |
| Information on the development of the Transformation programme which will be in place from February onwards | Complete |

| Major comments / action points |
|--|
| Officer should ensure that the 4 key strategies which form the Council’s transformation approach closely align (People Strategy, Transformation Strategy, Member Development Strategy and Partnerships Strategy). |
| In relation to cultural transformation, consideration be given to how the Council would measure success in terms of behaviour change and modelling organisational values. This will be addressed by the detailed delivery plan for the People Strategy which is currently being refined |
| The Council should implement a programme of top team development for the Leadership Management Team (LMT) and the Executive, to further strengthen the collective understanding of respective roles and responsibilities and develop the resilience of relationships to support the council through future challenges and difficult decisions. |
| The Council should revise the presentation of its progress against activity and impact on success measures to enable them to be viewed side by side. This is reflected within the revised presentation in this report. |
| The Council should expand engagement to ensure all Elected members are engaged in the Cultural Change programme |

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