

MIDDLESBROUGH COUNCIL



Report of:	The Chief Executive, Director of Finance and Director of Legal and Governance Services
Relevant Executive Member:	The Mayor, Chris Cooke
Submitted to:	Audit Committee
Date:	1 February 2024
Title:	Corporate Governance Improvement Plan and Section 24 Action Plan progress report
Report for:	Information
Status:	Public
Strategic priority:	All
Key decision:	Not applicable
Why:	Not applicable
Subject to call in?	Not applicable
Why:	Not applicable

Proposed decision(s)

That Audit Committee notes the progress against the Corporate Governance Improvement Plan and Section 24 Action Plan.

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 committee on 14 December 2023.

1. Purpose

- 1.1 This report sets out the key activities and progress since an update was last provided to committee on 14 December 2023, to be noted. 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 Audit Committee 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. It also received a report from the Council's External Auditors which made statutory recommendations in relation to the Council's governance. This report provides an update on delivery against the action plan that was put in place in response to that report, as well as an update on delivery against the Corporate Governance Improvement Plan.
- 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.

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
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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			OVERALL STATUS
	% ON-TRACK	% OFF-TRACK	% DELIVERED	
CORPORATE GOVERNANCE IMPROVEMENT PLAN	52% (45)	8% (7)	40% (34)	
SECTION 24 RECOMMENDATIONS	50% (24)	12.5% (6)	37.5% (18)	

5.3 The above table shows that 92% of planned activity has either been delivered or is on-track for delivery in relation to the Corporate Governance Improvement Plan, with seven planned activities measuring as off-track.

5.4 87.5% of activity in relation to the Section 24 delivery plan is on-track or has been delivered, with six 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.

5.6 Over the next 4 weeks, an exercise will be undertaken to refresh the content of the Corporate Governance Improvement Plan to capture additional key milestones that can now be articulated following delivering of initial actions in some milestones, therefore future reporting figures will be altered, however the changes will be outlined within reports.

6. Corporate Governance Improvement Plan: progress status

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

- *CT3.04 Development / implementation of a corporate governance training programme*
A milestone in relation to delivery of training has slipped slightly but will be addressed within 4 weeks of the original deadline. It relates to delivery of toolbox talks for staff who do not access ICT systems on a day-to-day basis. The milestone was moved by 4 weeks. Most of the outstanding training to be delivered is in the form of toolbox training and it has been planned into the training programmes of those staff for delivery in January and February.
- *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.

- *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. The milestones in relation to delivery of financial and contractual procedure rules training have also been amended by four weeks to allow for delivery of mop up sessions to capture the remaining staff who were not able to attend the face to face element of training sessions that were delivered in December.

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.
- While the activity in the measures of success is on target for delivery, it should be noted that the Council has submitted an application for Exceptional Financial

Support which will need to be successful in order to achieve the workstream to set a balanced budget for 2024/25. This has been set out in detail within a report to Executive which was approved in December 2023.

- The total number of agency staff has rose from 101 to 121.
- Number of roles held at Head of Service level and above that are vacant / occupied by an agency or interim appointment, remains at 8.
- Number of complaints continue to fluctuate in volume and the percentage that are upheld by the central team.

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.
	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
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	G	↑↓	N	C Benjamin	Cllr N Walker
Development / implementation of Member Development Strategy and Programme	G	G	↔	↑↓	C Benjamin	Cllr N Walker
Development / implementation of a corporate governance training programme	R	G	↓	↑↓	C Benjamin	Cllr N Walker
Ensure stable and sustainable leadership for the organisation	R	R	↑↓	N	C Heaphy / C Benjamin	Mayor Cooke
Development / implementation of improved focus on employee performance and accountability	G	G	↔	N	C Heaphy	Cllr N Walker
Review Council's approach to Member enquiries and engagement	G	G	↔	↔	C Benjamin	Cllr N Walker
Develop / implement communications and engagement plan to support cultural transformation	G	G	↔	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	↔	N	D Middleton	Cllr N Walker
Setting a balanced budget for 2024/25 to 2026/27	G	G	↔	N	D Middleton	Cllr N Walker
Improvements to financial governance, spending controls and monitoring through more effective financial management	G	G	↔	N	D Middleton	Cllr N Walker

7. Independent Improvement Advisory Board

7.1 Since the previous progress report, the Board met formally on 9 January 2024. The Board considered reports and presentations on the following:

- in-year budget position
- budget setting process for 2024/25 and the Council’s intention to apply for Exceptional Financial Support from Government
- draft Council plan and plans to further develop a vision for Middlesbrough
- an update on work to develop a transformation programme
- an overview of the most recent staff survey results.

7.2 The Board also met with the Mayor and political group leaders to share the contents of its first report which was subsequently presented to Executive on 17 January 2024 by the independent Chair of the Board, Wallace Sampson.

7.3 This information was shared with all staff and members following the meeting.

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.

7.5 At the Executive meeting on 17 January 2024 the Board stated that it was encouraged by and recognised the green shoots of recovery that it has seen but that it would urge the Council not to ‘take its foot off the pedal in terms of pace and focus and to consider the following points raised by the Board’ which are set out below verbatim:

- **Focus on Financial Savings:** Having a relentless focus and pace in identifying and delivering financial savings and eliminating over expenditure within the 2023/24 financial year, and to support financial resilience in future financial years. Aligned to clear messaging that to become financially sustainable, it will be imperative that all

Departments, contain costs within approved budgets and identify and deliver on savings.

- **Transformation Programme:** Ensure the robustness of business cases coming forward as part of the Transformation Programme to ensure they are deliverable. Recognising the ratio of the Adults and Childrens Services budgets combined in relation to the overall Council revenue budget, and practice and spend in comparable councils. The Council should ensure that these two departmental areas are an integral part of the Transformation Programme and future aspirations for financial sustainability.
- **Vision:** Establish at pace a clear vision for Middlesbrough as a place and organisation. This is essential to driving cultural and transformational change activity and will help take councillors, staff, and communities on the journey with the Council.
- **Culture, relationships, and behaviours:** Further efforts to build on good progress made in establishing positive relationships and norms in roles and responsibilities between elected members and officers and develop resilience into relationships.
- **Engagement:** Ensure all elected members can engage with the Council’s improvement programme, understand their role within it, and are supported with a revised approach to Members’ Enquiry as soon as possible.
- **Implementation:** Focus on aligning and implementing the key cultural change strategies and processes to ensure these translate into meaningful change in practice and the organisation can speak with ‘one voice’.

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	↔	N

3. Conclusion of Constitution review and provision of officer / member training ensuring changes are understood and implemented.	R	G	↓	N
4. Identification of deliverable short-term savings, protecting limited remaining reserves, considering statutory responsibilities and delivery of services.	R	R	N/A	N/A*
5. Review service delivery models to ensure that they are efficient, represent value for money and achieves the outcomes required.	G	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	↔	N
7. Conclusion of Financial and Contract Procedure rules review to ensure they are fit for purpose.	C	C	↑	N
8. Provision of training on Financial and Contract Procedure rules to all officers involved in contracting, procurement or financial decisions.	R	G	↑	N
9. Completion of contract review to ensure compliance with Public Contracts Regulations 2015.	R	R	↔	Y
10. Review oversight arrangements for Middlesbrough Development Company to assure value for money.	C	G	↑	Y
11. Develop action plan for the demise of Middlesbrough Development Company setting out benefit realisation.	G	G	↔	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. Since that time, activity in relation to recommendation 10 can now be marked as complete.

8.3 Across all S24 workstreams, 5 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 3 conclusion of the constitution review and provision of training* The review was complete in September and training has been underway, as set out earlier in this report as the milestone is also being tracked in the Corporate Governance Improvement Plan.
- *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 8 delivery of training on financial and contract procedure rules* As set out earlier in the report, delivery of this training is in progress and will be complete during January, the off target status represents a four week slippage.
- *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 committee 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:

- Two are complete
- Four are on or above target
- One of the measures which was below target has worsened – the number of audits with limited or no assurance rose to 2 when the audit of procurement cards was completed. This has been separately reported to the committee
- Six cannot yet be measured
- Of the remaining five measures which are all below target, three have improved performance while there is no change on two of the measures.

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

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

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
Audit committee	Corporate Governance Improvement Plan and Section 24 Action Plan progress report	14 December 2023

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Appendix 1: Corporate Governance Improvement Plan: measures of success

	Outcome	Measure of Success	Current performance	Previous performance	Target	Status against target	Frequency of data refresh	Current performance data	Current performance period	Previous performance data	Previous performance period
Cultural Transformation		Reduce the number of audits that have limited or no assurance	Worse	No change	0	Below target	every 2 months	2 out of 12 complete audits	December 2023 report	1 out of 8 complete audits	October 2023 report
		Improved understanding of corporate governance policies and process and improved adherence to them	Improve the percentage of priority One and Priority Two actions from Internal Audits that are delivered within original timescales	Improved	n/a baseline	80% or higher	Below target	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	0	At target	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	no update	n/a baseline	50% of staff and 80% of councillors or higher	Below target	77% of heads of service and directors now view relationships with Executive members as positive or very positive /22	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 update	Improved	5%	Below target	5.60%	Quarter 2 2023/24	5.64%	Quarter 2 2023/24
		Improved staff satisfaction	1-10 Score of how valued staff feel as an employee of the Council	no update	n/a baseline	6.2 or higher	Below target	5.9	August 2023 Survey	6.22	Nov-22
		Reduced need to use agency staff	Number of agency staff working for Middlesbrough Council – total	Worse	Improved	75	Below target	121	Jan-24	101	Dec-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	No change	Worse	3	Below target	8	Jan-24	8	Dec-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	Improved	Worse	Less than 150	Above target	133	Dec-23	201	Nov-23
			% of complaints upheld or partially upheld by the central team	Worse	Improved	Less than 40%	Below target	54%	Dec-23	41%	Nov-23
		Members have a Member development programme that meets their needs and is well used	Percentage of members completing all mandatory training	Complete	Complete	100%	At target	100%	Oct-23	100%	Oct-22
			Percentage of Members attending wider skills	n/a baseline	n/a baseline	95%	Above target	98%	Oct-23	Data not available	Oct-22
			Member satisfaction with the Member development programme	n/a baseline	n/a baseline	90%	Below target	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	95%	not yet measured	n/a	n/a	n/a	n/a
		Improved Member behaviour	Number of member on member complaints received	Worse	Worse	2 or fewer per quarter	Below target	6 complaints received member on member	Q3 2023/2024	3 complaints received member on member	Q2 2023/2024
	Residents are increasingly satisfied with the way the Council is ran and with the Council overall	Questions within the 2023 Resident survey currently underway	no update	n/a baseline	61% (NE average 21/22)	Below target	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	no update	Not previously asked	55% (NE average 21/22)	Below target	43%	Nov-23	n/a	Not previously asked	

	Outcome	Measure of Success	Current Performance	Previous Performance	Target	Status Against Target	Frequency of data refresh	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	Quarterly report to Executive	£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	Annual - One Time	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	Annually	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	No update	n/a baseline	£12m or more	Below target	Annually	£6.273m	Q2 2023/24	£12.04m	31/03/2023
		Maintain usable revenue reserves at a minimum of £4m at 31/3/24.	No update	n/a baseline	£4m or more	Below target	Annually	£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	Feb-24	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 trained by 31 December 2023	Improved	Improved	95% or higher	Below target	31/12/2023 and monthly thereafter	76.88%	Jan-01	74.42%	Dec-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	Quarterly	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 one off measure	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 one off measure	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	Subjective measure	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	Service review completed	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	Frequency of data refresh	Current performance data:	Current performance period:	Previous performance data:	Previous performance period:
1	Delivery of the Corporate Governance improvement Plan activity	Complete	n/a	Complete	Monthly	6 out of 10 workstreams activity on target	Nov-23	10 out of 10	Oct-23
2	Number of roles at Head of Service and above that are vacant / occupied by Agency or interim staff	No change	3	Below target	Monthly	8	Jan-24	8	Dec-23
3	Reduce the number of audits that have limited or no assurance	Worse	0	Below target	Quarterly	2 out of 12 complete audits	December 2023 report	1 out of 8 complete audits	October 2023 report
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	Annual	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
3	Percentage of members completing all mandatory training	Complete	100%	Complete	Annual	100%	Oct-23	100%	Oct-22
3	Percentage of Members attending wider skills	No change	95%	Above target	Annual	98%	Oct-23	Data not available	Oct-22
3	Member satisfaction with the Member development programme	No change	90%	Below target	Annual	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
4	2024/25 revenue budget is balanced and maintained during 2024/25	n/a	n/a	n/a	Annual	Balanced budget set	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	Quarterly once live	90% once launched	n/a		
5	90% of benefits from projects realised in line with benefits realisation trackers	n/a	n/a	n/a at this stage	Quarterly once live	90% once launched	n/a		
6	Actual expenditure and Forecast revenue outturn within the approved budget	Improved	£0	Below target	Quarterly	£8.556m	Q2 2023/24	£11.563m (9.2%) forecast overspend	Q1 2023/24
6	Balanced MTFP to 2026/27	n/a	Balanced MTFP set	n/a	Annually	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	Annually	£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	Annually	£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	31/12/2023 and monthly thereafter	76.88%	Jan-01	74.42%	Dec-23
9	Reduce Upheld whistleblowing reports on non-compliance with corporate governance processes.	No change	0	At target	Annual	0 in 2022/23	2022/23	n/a	n/a
10 and 11	Provision of quarterly reports on MDC until closure	No change	1 a quarter until closure	At target	Quarterly	Report provided in December 2023	Dec-23	Report provided in September 2023	Sep-23

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

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
Council policies on service reviews, Asset Disposal, the quarterly report on the closure of the Middlesbrough Development Company	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 Board made challenges to the Council’s budget savings proposals and asked the Council to consider how it will avoid optimism bias and mitigate non-delivery of savings
The Council should expand engagement to ensure all Elected members are engaged in the Cultural Change programme

The Board asked for clarity around plans to improve the member casework system and allied issues

The Board advised the Council should aim to achieve clarity on the governance structure for the transformation programme at pace and consider member involvement in that process.

The Board are seeking clarity on work that is being undertaken to develop the visions for Middlesbrough as a town and the Council as an organisation.