

## OFFICER DELEGATED DECISION FORM

### Subject of decision:

- Appointment of an additional member to the Independent Improvement Advisory Board
- Extension of continued appointment of the current four members on an extended timeline of up to March 2025.
- Amendment of the meeting cycle going forward. Meetings of the formal board will be on a six weekly cycle from April 2024 onwards.
- Revision of the existing terms of reference to reflect the above.

### Text of decision:

1. The Council's draft Annual Governance Statement 2020/21, the External Auditor's Value for Money judgement 2020/21, published in July 2022, identified that the culture and governance arrangements of the Council have not been operating as expected and that this has undermined the effectiveness of the Council's governance framework.
2. Since that time, the Council has been on an improvement journey with a number of key milestones within it including the issuing of a Best Value Notice by Government in January 2023, formalisation of External Audit's concerns in August 2023, appointment of an Independent Improvement Advisory Board in September 2023 and the renewal of the Best Value Notice in January 2024.
3. This report documents the Chief Executive's decision to extend the appointment of the Independent Improvement Advisory Board (IIAB) up until March 2025, which will meet on a six weekly cycle from April 2024 onwards. This reduced cycle reflects progress made to date.
4. The report also documents the Chief Executive's decision to recruit an additional Subject Matter Expert to the Board to provide the Board with expertise on Childrens and Adults Services.
5. The estimated cost of engaging the external Chair and three peers to the Board in terms of day rates and estimated expenses over the two financial years was agreed in an officer delegated decision by the Chief Executive on 19 September 2023. The costs associated with the additional Subject Matter Expert will be met by the Local Government Association.
6. As a result of the additional timescales for the work and the costs of the appointment of an additional subject matter expert being met by the LGA, it is estimated that the additional cost to the Council of extending the Board timeline for current members will not exceed current allocated costs as agreed by the Chief Executive's delegated decision on 19 September 2023.
7. The revised terms of reference is attached at appendix 1.

<b>Declarations of Interest by any member or relevant local government body:</b>
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<b>Date of decision:</b>
xx/4/2024
<b>Reason for decision:</b>
The decision will help ensure the Council is able to comply with recommendations from Government in relation to its Best Value Notice.
<b>Service area:</b>
Chief Executive
<b>Name of officer making decision:</b>
Clive Heaphy, Chief Executive
<b>Other options considered (if any):</b>
The Board could continue without the additional resource, however without that subject matter expert, the Board will not be as effective as it could be in seeking assurance around delivery of the Council's improvement plan and section 24 report.
<b>Has an Impact Assessment been completed Yes/No – if yes please attach to the decision.</b>
No.
<b>List of background papers (do not list if contain exempt/confidential information)</b>
Council report – Corporate Governance Improvement Plan and Delivery Arrangements (Phase 3) – 18 September 2023  Second report of the Middlesbrough Independent Improvement Advisory Board – Council – 27/3/2024

## Appendix 1

### **Middlesbrough Council: Independent Improvement Advisory Board (IIAB) – updated April 2024**

#### **Terms of Reference**

This non-statutory advisory board is established jointly by Middlesbrough Council and the Local Government Association.

The aims and objectives of the Board are to provide oversight, support and challenge to Middlesbrough's improvement and transformation journey working with established and proven sector leaders.

It will particularly focus on the need for the Council to ensure it complies with its Best Value Duty under the Local Government Act 1999, notably:

- Cultural and governance issues, including those identified through previous CIPFA and previous, and any future, external auditor reports.
- Financial sustainability – including a balanced medium term financial strategy aligned to the Council's Corporate Plan.

The Board will also oversee progress by the Council towards implementing the actions arising from the Section 24 Statutory Recommendations of the outgoing auditors, EY, dated 21st August 2023.

The work of this Board will align with the work of the Middlesbrough Children's Executive Improvement Board (CEIB) established under Department for Education oversight to deliver good outcomes for children in Middlesbrough.

To achieve its objectives, the Council will need to:

- consider the clarity and possibility of its ambitions for Middlesborough.
- Ensure the way the Council operates and is governed through its systems, Constitution, Codes of Conduct, management structure, performance management arrangements (etc) ensure effectiveness and efficiency
- ensure the values by which the Council seeks to operate are lived within the organisation
- develop a clear corporate strategic plan supported by a medium term financial plan to demonstrate improved outcomes and financial sustainability
- address the issues raised in Children's Services and ensure that these improvements are supported by the wider Council.

The Council is responsible for its own improvement and will lead on all actions necessary (with partners, as appropriate). The role of the IIAB will be to:

- 1) Review how the council is progressing against the above actions as outcomes in its improvement journey.
- 2) Review how the council is progressing against the requirements of the Best Value Notice issued on the 24th January 2023 and updated notice issued on 30 January 2024 and the Auditor's Statutory Recommendations issued on 21st August 2023.
- 3) Provide challenge and act as a critical friend to ensure focus, grip, pace and effective change.

- 4) Provide support and guidance.
- 5) Identify and signpost appropriate good practice.
- 6) Make recommendations as appropriate with regard to progress being made in relation to the Best Value Notice and the Auditor's Statutory Recommendations, and to further the improvement journey

### Membership and Way of Working

It is proposed that the membership of the Independent Improvement Advisory Board is made up of:

- a. A recently retired, experienced, local authority CEO as Chair
- b. An experienced unitary local authority (peer) Mayor/Leader
- c. An experienced unitary local authority (peer) Monitoring Officer
- d. An experienced unitary local authority (peer) Chief Finance Officer
- e. The LGA Regional Lead.
- f. A subject matter expert in Childrens and Adults Services.

To ensure alignment between the work of the IIAB and the CEIB as described above, the chair of the CEIB, Stuart Smith OBE, will have a standing invitation to the IIAB on matters of mutual significance.

The Chief Executive, Mayor, Section 151 officer and Monitoring Officer will attend at the invitation of the IIAB and other officers and members will attend as required. Should the Board consider it necessary to add further sector specialists to assist the improvement journey, it will have the power to do so.

Board members will have reasonable access to relevant members, officers and data to be able to make informed judgements. The Monitoring Officer will be the final decision maker in terms of the release of information where it is considered sensitive.

The Board is planned to be in place for approximately 12 months with the first meeting being in October 2023, with an interim review after 6 months of the composition of the Board and the terms of reference to ensure that it remains fit for purpose. It will meet monthly, on site or remotely as agreed.

Administrative support to the Board will be provided by the Council.

As part of an agreed exit strategy, the Council will have an LGA-managed Corporate Peer Challenge.