

## EXECUTIVE MEMBER REPORT TO COUNCIL

### EXECUTIVE MEMBER: FINANCE & GOVERNANCE – COUNCILLOR NICKY WALKER

**DATE OF MEETING: 17 July 2024**

The purpose of this report is to provide an update to members on areas of activity within my portfolio including performance against strategic priorities.

#### STRATEGIC PRIORITIES

**Strategic Priority:** *We will ensure that we place communities at the heart of what we do, continue to deliver value for money and enhance the reputation of Middlesbrough.*

#### Update:

1. I continue to have weekly briefings with each of the two directors relevant to my portfolio as well as frequent additional meetings and contact with them and other officers as appropriate.

#### HIGHLIGHTS

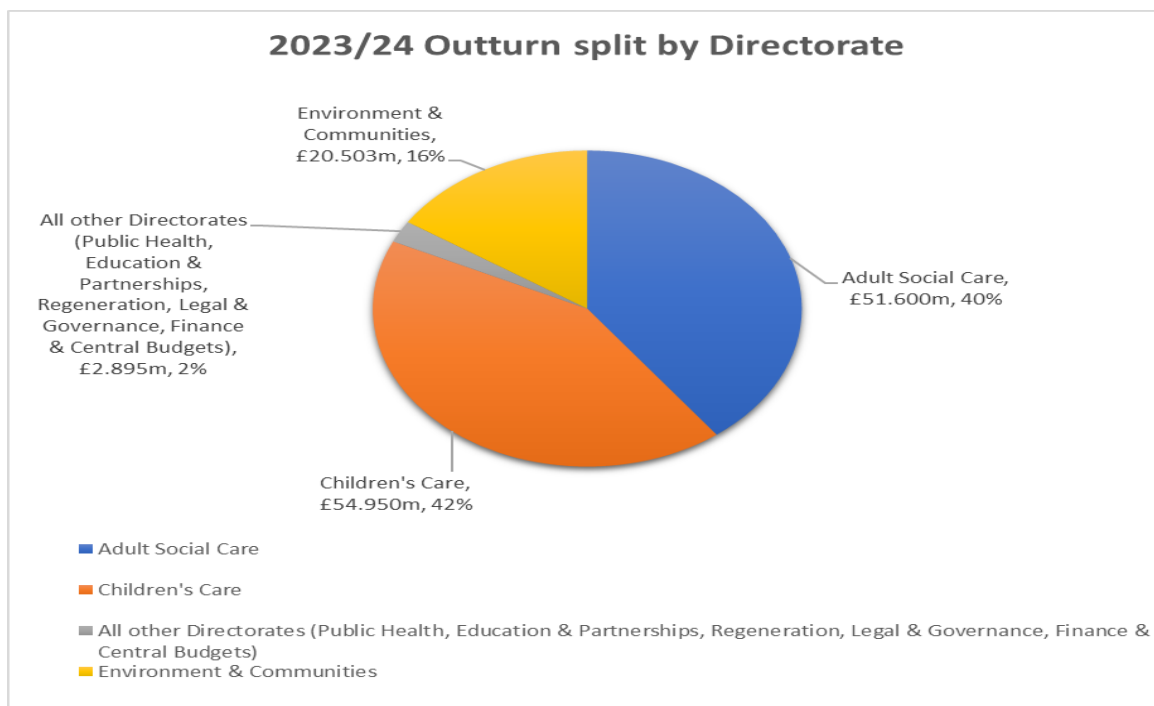
##### 2023/24 Outturn

2. On 26 June 2024 I presented a report to the Executive on the 2023/24 Revenue and Capital Outturn and update of the Medium-Term Financial Plan. The outturn report compares the actual expenditure for the year to the approved budget for the year.

##### Revenue Budget

3. I am pleased to be able to report that that the overspend against the revenue budget for 2023/24 has substantially reduced from:
  - £11.6million at the end of quarter 1,
  - £8.6million at quarter 2,
  - £5.6million at quarter 3 down to
  - £3.6million at the end of the year or quarter 4.

4. This year-end figure represents around 2.8% of the net revenue budget.
5. While this represents significant improvement in our financial position from that which existed early in the 2023/24 financial year, it does show that the Council continues to spend above its available income, as reflected by the overspend of £3.6million at the end of 2023/24. Like any household the council must spend within the income available to it each year and we must return to spending within budget this financial year.
6. The overspend includes £2.8million in respect of Childrens Care. Costs of transporting SEND children accounts for an overspend of just over £1million. There is a similar overspend of just over £1million within Environment and Communities in relation to a fall in demand at the crematorium and increased waste disposal costs. However, it is pleasing to note that Adult Social Care had improved their position by £1.4million, resulting in a small underspend.
7. I have reported previously that Children’s and Adult’s Social Care accounts for approximately 83% of the Council’s expenditure, and that was reflected in the position at year end where these two areas made up 82% of expenditure during 2023/24. This is illustrated below:

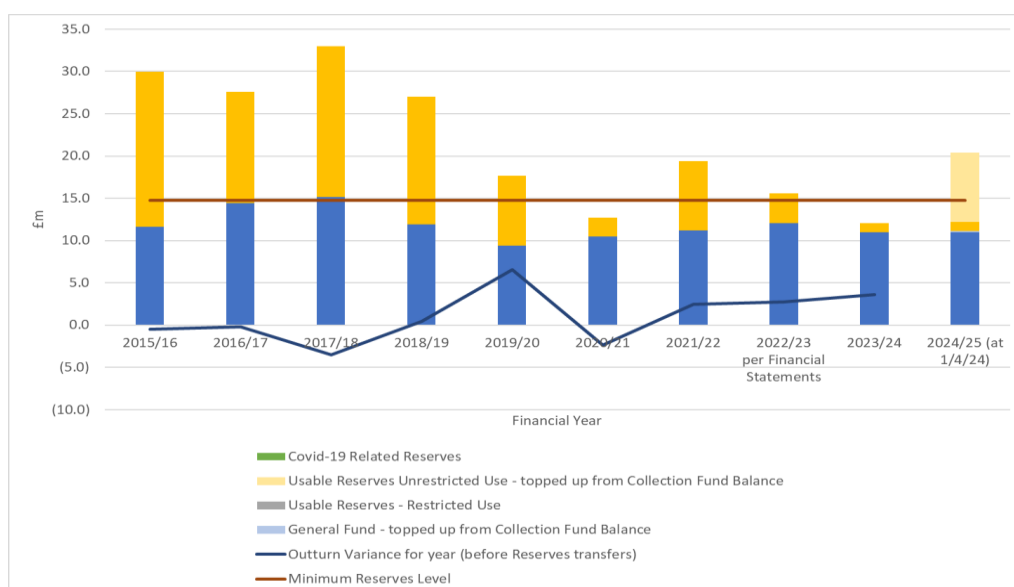


## Reserves

8. Members will be aware of the already critically low level of the council’s reserves, and the overspend for 2023/24 has had to be met from those reserves. Again, a reminder that we can only use those reserves once and our reserve levels had already fallen to a level which is much lower, as a proportion of our budget than most other unitary authorities nationally.

9. Some excellent work by our Director of Finance on the Collection Fund Bad Debt provision has realised £8.25 million which has been used to replenish the General Fund Balance to the recommended £11.1million minimum level and unrestricted usable reserves at £9.3million at 1 April 2024, .making a total just over £20million Without this the reserves would have remained below the recommended minimum reserves levels can be seen in the graph below which shows the Unrestricted Reserves Balances from closing balance 2015/16 through to opening balance 2024/25 and reported outturn variance per year.

(It should be noted that the statutory accounts for 2021/22, 2022/23 and 2023/24 remain subject to audit adjustment and may impact the final position including reserves)



### Key messages

10. Over the last year a great deal of work has gone on, with members and officers working together with the result that we have begun to get a better grip on our finances, and started to turn things around. However, as things stand, the Council is still spending more than it has income, the budget for 2024/25 could only be balanced by incorporating £4.7million of borrowing under Exceptional Financial Support and we are facing a budget gap of £7.5million for 2025/26, rising to £8million in 2026/27 and this may increase upon review of the Medium-Term Financial Plan over the summer.
11. Therefore, we are by no means out of the woods and much more needs to be done. Some of the key measures required include:
- Modernising and transforming service delivery, at pace, to deliver improved service outcomes from a financially sustainable cost base.
  - Delivering all approved savings included within the Transformation Portfolio for this year.

- Develop a pipeline of new transformation projects that deliver savings and/or income to meet the forecast budget gap over the period of the Medium-Term Financial Plan.
- Build on improvements introduced this year in relation to budget monitoring, forecasting and financial governance, by exercising even more robust budgetary control
- Directors and their management teams becoming even more engaged in the operational management and control of their budgets.
- Directors continuing to exercise stringent financial control of budgets and restraint on non-essential spending during 2024/25 together with full delivery of approved savings.

### **Councillor Gateway/ New Member Enquiry System**

12. Councillor Gateway went live on 01 July 2024.

13. This followed cross-party working with members in assisting with designing the system to meet with our needs, and I would like to thank those members who volunteered their time to do this and also those who took part in the training and briefing sessions and those who have provided positive feedback to the officers concerned.

14. A great deal of hard work has been put in by our officers to deliver this new system within a timescale of 3.5 months, where it has generally taken other local authorities 9 months, as well as the excellent range of training, support and regular email updates for councillors.

15. As well as in person and online training and assistance with accessing the new system on council or personal devices that has taken place, there is help online on the Bridge which includes videos, screen shots, how to save the system as a short cut to give you easy access, list of enquiry categories, help on what a good enquiry looks like, and more.

[Please click here to view the help page available on The Bridge.](#)

16. There will be a further drop-in session on Monday 15th July, 9.30am to 3.30pm in the Collaboration area of Fountain to provide councillors with additional support or answer any questions you may have.

17. As councillors will be aware the previous onestop email process was not fit for purpose.

18. The advantages of this new system include:

- Quick easy process 30 – 60 seconds to submit simple enquiry
- Allows back and forth communication, which onestop didn't.
- Councillor decides if the enquiry can be closed, unlike onestop.

- Live map feature for Councillors to ‘pin drop’ current location of enquiry, especially useful when out and about
- Pictures can be uploaded directly into the system
- Provides a dashboard of cases
- Automated solution, with significantly reduced officer intervention time that supports the council’s approach to digital.
- Built in timescales and escalation routes - now available to view on The Bridge
- Council Officer Response templates – making it easier to understand responses – although more work is needed – responding to the question that has been asked.
- Email notifications at every stage of enquiry

19. There was a slight glitch on the official go live date – 1<sup>st</sup> July, with a global issue which affected over 100 councils. Middlesbrough was one of them. Plan B was up and running immediately and communications were sent out periodically throughout the day with Councillors and Council staff updated on progress. The system was back up and running by the evening.

20. A reminder that bin related enquiries should continue to be sent to the dedicated [bins@middlesbrough.gov.uk](mailto:bins@middlesbrough.gov.uk) email address.

### **Revenues and Benefits Customer Service Excellence award 2024**

21. The Revenues and Benefits team have been re-accredited with Customer Service Excellence. The Service have held this award for more than 2 decades, every year having to show improved excellence which is extremely difficult to do given the length of time the service have held the award.

22. Having once again this year been one of those interviewed during the accreditation process, I know how impressed the external assessor has been and he had nothing but praise for every member of the team.

23. This year, in addition to Customer Service Excellence accreditation already held, the service has achieved Compliance Plus in a whopping 16 areas. This means around 30% of the service being delivered to residents and businesses is at ‘Elite’ standard with the remainder being of excellent standard.

24. To put this into context, Compliance Plus means that your organisation/division/team has shown that it has exceeded the requirements of the Standard against an element, demonstrated exceptional practice, or can be used as an exemplar for others within or beyond your sector.

25. ‘Exemplar’ is a terrific word and demonstrates our Revs and Bens team are one of the best.

26. The key criteria used to assess were as follows:

- Customer Insight

- Culture of the organisation
- Information and Access
- Delivery
- Timeliness & Quality of service

27. I would like to extend my congratulations to the staff involved in delivering this outstanding achievement and thank them for all that they deliver.

## THE TIME AHEAD

### **Cross-party working group on financial sustainability**

28. On 03 June 2024 members from the various political groups on Middlesbrough Council met to discuss the formation and remit of a cross-party financial working group, with a view to working collaboratively on the budget for next year and the council's overall financial sustainability. Cross-party working on finances is something both Mayor Chris Cooke and I are committed to developing and I'm grateful to those councillors, who traditionally attend the Leaders Group, for agreeing to come together in this way to work together in the interests of Middlesbrough.

29. At this meeting we discussed what might be the size of the group, potential membership, what areas of finance we would concentrate on, what information we would need to be provided with, how this would feed into the budget process and issues of confidentiality.

30. An example of such a group, already in existence in Peterborough was used as an example to stimulate discussion and ideas.

31. This information was to be taken back to the different groups for discussion and now that the General Election is over, I hope that a further meeting can be convened in the near future.

NAME: Cllr Nicky Walker

DATE: 17 July 2024

