

MIDDLESBROUGH COUNCIL



Report of: Chief Executive, Director of Finance and Director of Legal and Governance Services

Relevant Executive Member: The Mayor, Chris Cooke

Submitted to: Audit Committee

Date: 25 July 2024

Title: Corporate Governance Improvement Plan and Section 24 Action Plan Progress Report

Report for: Information

Status: Public

Council Plan priority: Delivering Best Value

Key decision: Not applicable

Why: Not applicable

Subject to call in? Not applicable

Why: Not applicable

Proposed decision(s)

That Committee notes the progress against the Corporate Governance Improvement Plan and Section 24 Action Plan and agrees the proposed changes to milestones and activity in relation to the Section 24 Action Plan as outlined at paragraphs 6.7 to 6.10.

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 in March 2024.

1. Purpose

1.1 This report sets out the key activities and progress since an update was last provided to committee, in response to the Section 24 recommendations made by the Council’s External Auditors and the Council’s Corporate Governance Improvement Plan.

2 Recommendations

2.1 That Committee notes the progress against the Corporate Governance Improvement Plan and Section 24 Action Plan and agrees the proposed changes to milestones and activity in relation to the Section 24 Action Plan as outlined at paragraphs 6.7 to 6.10.

3 Rationale for the recommended decision(s)

3.1 The Committee 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:	
BLUE - COMPLETE	Activity delivered in full
GREEN – ON TRACK	Delivery plan activities are on track and / or a or above standard
AMBER – OFF TRACK	Delivery plan activities are < 5% below standard

RED – OFF TRACK	Delivery plan activities are > 5% below standard
IMPACT - NO CHANGE	The measures of success used to assess impact, refresh on differing time periods. Some are annual, others are more frequent. If it says no change, either the data has stayed the same or is not due to be refreshed
IMPACT MET – NO (AMBER)	Performance measures for this workstream are within 5% of the target
IMPACT MET – NO (RED)	Performance measures for this workstream are below target by more than 5%
IMPACT TREND – MIXED CHANGES	Of the range of performance measures that are against the workstream, some have improved, and others have worsened

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 18/06/2024			
	% On-track	% Off-track	% Delivered	Overall % on track or delivered
Corporate Governance Improvement Plan	18% (17/95)	4% (4/95)	78% (74/95)	96%
Section 24 Action plan	7% (3/47)	4% (2/47)	89% (42/47)	96%

5.3 The above table shows that 96% of planned activity has either been delivered or is on-track for delivery in relation to the Corporate Governance Improvement Plan, with three planned activities across the 10 workstreams measuring as off-track.

5.4 96% of activity in relation to the Section 24 delivery plan is on-track or has been delivered, with one activity 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, 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 currently in the Cultural Transformation plan, which are outlined below:

- *Development and delivery of an enhanced Member Development Strategy*– one milestone relating to undertaking a first annual review of the strategy is off-track as a date change for the first annual review was not made when the strategy first went live in November 2023. There is a change control proposed to undertake the first annual review by December 2024.
- *Development and implementation of an improved focus on employee performance and accountability* – a milestone relating to the target of 95% (75% of staff have had an appraisal to date) of all staff to have had an appraisal by end of March is off-track. This delay has further impacted upon a subsequent milestone relating to undertaking sample quality assurance of appraisal objectives setting. Two change controls have been proposed to extend the end dates of both as detailed in section 6.10. Additional activity is currently being undertaken to communicate to all managers to ensure appraisals take place and are recorded on the People Manager system.

- *Improving financial governance, spending controls and monitoring, by ensuring effective financial management across the organisation* – a milestone in relation to the development of a more efficient accounting, financial recording to reporting within Business World application is off track and a further milestone in relation to the implementation of compliance and enforcement protocols to embed governance arrangements into operational practice is also off-track. A change control to extend the due date on both has been proposed as detailed in section 6.10.

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 The Council continues to review its delivery plans and measures of success to ensure it is taking the right actions and is focussed on assessing the impact of its activity.
- 6.4 Since last reported, the following amendments have been proposed to the Measures of Success that assess the impact of the Council’s Corporate Governance improvement activity:
- 6.5 Summary of proposed new Measures of Success:

Measure	Rationale
Forecast outturn is within the agreed budget	The previous measure tracked the 23/4 budget. This proposed new measure will track this year’s budget and future years
Maintain General Fund balance in line with approved reserves policy - 7.5% of the net revenue budget which would be £11.1m at 31/3/25	Reflects the position as set out in the Reserves policy
Maintain unrestricted usable revenue reserves at a minimum of £8m at 31/3/25	Reflects the position as set out in the Reserves policy
Balanced Budget for 2025/6 set	The previous measure tracked the 24/25 budget setting process.
Balanced Medium Term Financial Plan to 2028/9	The previous measure tracked delivery of the MTFP to 2026/27
Achievement of 3 star or higher rating for financial governance against the CIPFA criteria	This will be external validation of the Council’s financial governance health and will demonstrate the impact of activity on improved financial governance. This replaces two previous financial governance related measures with a Measure that can be externally validated.

Key activities

6.6 The following activities within the governance improvement plan have been delivered since progress was last reported to Council:

THEME	WORKSTREAM	COMPLETED ACTIVITIES WITHIN REPORTING PERIOD
Cultural Transformation	Development and implementation of a People Strategy	<p>Delivery ongoing of the Strategy against the underpinning delivery plan, feeding into corporate performance reporting cycle is ongoing.</p> <p>Insights Leadership workshops have been delivered to LMT, Executive and one combined session; to raise awareness of preferences, styles and increase relationship building.</p> <p>Workshop has been delivered to all Managers in the Council to explore the Corporate Plan and how it links into the daily work of staff and aligns to the People Strategy.</p>
	Development and implementation of a corporate governance training programme	All activities have now been completed.
	Ensure stable and sustainable leadership for the organisation	A recruitment plan / process has been developed for all interim appointments in a Leadership and Management position.
	Review the Council's approach to Member enquiries and engagement	The new Members enquiries system is now live, and all activities have now been completed.
	Develop and implement communications and engagement plan to support cultural transformation	Regular CGIP newsletter communications to all staff ongoing.
Financial Recovery and Resilience	Setting a balanced budget for 2024/25 to 2026/27	All activities have now been completed.
	Improvements to financial governance, spending controls and monitoring through more effective financial management, across the organisation	<p>Delivery of training in budget management for Chief Officers, Heads of Service and Budget Managers as part of the Corporate Governance Training Programme has been undertaken.</p> <p>Establishment of 2024/25 budget management hierarchies, profiles and coding structures for more effective / robust budget management purposes has been completed.</p> <p>Delivery of training in Financial Procedure Rules (FPR) and Contract Procedure Rules (CPRs) has been completed.</p>

Changes to delivery dates

6.7 Detailed delivery milestone plans have been developed to underpin all workstream activities within the improvement plan.

- 6.8 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.
- 6.9 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.
- 6.10 The following change controls were presented to Council in the latest update report which was due to be considered at the Council meeting on 17 July 2024:

- *Cultural Transformation:*

- CT2.06: one milestone relating to undertaking a first annual review of the strategy is off-track as a date change for the first annual review was not made when the strategy first went live in November 2023. There is a change control proposed to undertake the first annual review by December 2024.
- CT5.07: Monitoring of Appraisal completions - 95% (75% of staff have had an appraisal to date) of staff in work to have had an appraisal - Change control to 30/09/2024 to reflect the delay in the completion of staff appraisals in some areas. Action is underway to address this.
- CT5.08: Quality assurance sample of objective setting and follow up guidance to Managers via HR BPs – Change control to 31/10/2024 following the completion of CT5.07 milestone.
- CT7.07: Consider results of May 2024 staff survey to assess how engaged staff feel in communications relating to corporate governance improvement is slightly off track due to the staff survey end date being extended. Change control to 31/07/2024.
- FRR3.11: Development of more efficient accounting, financial recording to reporting, within Business World application – Training on Business World still to take place, some training has taken place, however system users are requesting further training and taking on board initial findings of CIPFA. Change control to 31/12/2024.
- FRR3.15: Establish and implement compliance and enforcement protocols to embed governance arrangements into operational practice – further strengthening of performance management and disciplinary processes regarding non-compliance have delayed completion. Change control to 31/07/2024.

Theme	Key tasks / milestones	Original target date	Revised target date
Cultural Transformation	CT2.06: Undertake first annual review of strategy, assessing delivery and impact on measures of success, reporting findings to Leadership Management Team, Audit Committee and full Council	31/10/2023	31/12/2024
	CT5.07: Monitoring of Appraisal completions - 95% of staff in work to have had an appraisal	31/03/2024	30/09/2024
	CT5.08: Quality assurance sample of objective setting and follow up guidance to Managers via HR BPs	31/07/2024	31/10/2024
	CT7.07: Consider results of May 2024 staff survey to assess how engaged staff feel in communications relating to corporate governance improvement	31/06/2024	31/07/2024

	FRR3.11: Development of more efficient accounting, financial recording to reporting, within Business World application	30/06/2024	31/12/2024
	FRR3.15: Establish and implement compliance and enforcement protocols to embed governance arrangements into operational practice	31/03/2024	31/07/2024

Summary of progress against plan and measures of success

6.11 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. This table reflects the current status – as per the above change controls that have been considered by LMT and IIAB.

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	Green	Green	Mixed change	No	C Benjamin	Cllr N Walker
Development / implementation of Member Development Strategy and Programme	Amber	Green	No change	No	C Benjamin	Cllr N Walker
Development / implementation of a corporate governance training programme	Complete	Complete	No change	Yes	C Benjamin	Cllr N Walker
Ensure stable and sustainable leadership for the organisation	Green	Green	Mixed change	No	C Heaphy / C Benjamin	Mayor Cooke
Development / implementation of improved focus on employee performance and accountability	Amber	Green	No change	Yes	C Heaphy	Cllr N Walker
Review Council's approach to Member enquiries and engagement	Complete	Green	No change	No change	C Benjamin	Cllr N Walker
Develop / implement communications and engagement plan to support cultural transformation	Green	Green	No change	No	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	Complete	Complete	Improved	No	D Middleton	Cllr N Walker
Setting a balanced budget for 2024/25 to 2026/27	Complete	Complete	No change	No	D Middleton	Cllr N Walker
Improvements to financial governance, spending controls and monitoring through more effective financial management	Red	Green	No change	Mixed	D Middleton	Cllr N Walker

7. Independent Improvement Advisory Board

7.1 Since its work was last reported in March 2024, the Improvement Board as met on 16 April and 23 May and will meet on 10 July, after this report has been published.

7.2 In its April and May meetings the Board has considered reports and presentations on the following:

- Progress within the transformation programme. The Board is reviewing the programme on a theme by theme basis. Members of the Board have also observed a number of the transformation programme meetings that take place as part of steps to seek assurance around the governance of the transformation programme
- the 23/24 and 24/25 budget
- an overview of the Council’s improvement journey to date that set out what success will look like by each improvement theme within the Best Value Notice, has been achieved so far and what is next
- a standing update on progress against the improvement plan and Section 24 report.

7.3 During that time the Board has also met with:

- the Chair of the Children’s Improvement Board to review common areas of interest
- the Chairs of Audit, Scrutiny and Member Development committees
- a range of external partners.

7.4 In mid-July the Board will issue its third progress report for the Council’s consideration. In line with agreed reporting for this, the report will be considered by Executive on 24 July 2024.

7.5 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.

7.6 In April 2024 Board members were asked if they would be able to extend their support for the Council’s improvement journey past the original planned end date of October 2024. Unfortunately this was not possible for the Finance lead on the board due to other commitments, therefore the Council are actively seeking replacement support from a

finance specialist. The Chief Executive and Mayor would like to place their thanks to Chris Buss, the Finance lead, on record.

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.

8.2 Since the last report a further two actions have been completed and the measure of success for another has been achieved:

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.	Complete	Complete	Complete	Complete
2. Development of contingency and succession governance protocols to mitigate potential impact of any future changes in senior leadership.	Green	Green	No change	Yes
3. Conclusion of Constitution review and provision of officer / member training ensuring changes are understood and implemented.	Complete	Complete	No change	No
4. Identification of deliverable short-term savings, protecting limited remaining reserves, considering statutory responsibilities and delivery of services.	Complete	Complete	N/A	Baseline set for 24/24
5. Review service delivery models to ensure that they are efficient, represent value for money and achieves the outcomes required.	Complete	Complete	N/A	N/A
6. Review of financial forecasting processes to understand emergence of significant financial pressures, in both 22/23 and 23/24.	Green	Green	No change	Mixed
7. Conclusion of Financial and Contract Procedure rules review to ensure they are fit for purpose.	Complete	Complete	Complete	Complete
8. Provision of training on Financial and Contract Procedure rules to all officers involved in contracting, procurement or financial decisions.	Red	Red	N/A	N/A
9. Completion of contract review to ensure compliance with Public Contracts Regulations 2015.	Complete	Complete	Complete	Complete
10. Review oversight arrangements for Middlesbrough Development Company to assure value for money.	Complete	Complete	Complete	Complete
11. Develop action plan for the demise of Middlesbrough Development Company setting out benefit realisation.	Complete	Complete	Complete	Complete

*No baseline set

8.4 Across all S24 workstreams, one is reporting activity which is off target:

- *Recommendation 8, Financial and Contract Procedure rules:*
 - S8.07: Establish compliance and enforcement protocols to embed the governance arrangements into operational practice is slightly delayed due to further strengthening of performance management and disciplinary processes regarding non-compliance. Change control to 31/07/2024.
 - S8.08: Develop and deliver improved training and tools for all users of the Council's corporate finance system to facilitate compliance has been delayed due to training on Business World still to take place. Some training has taken place; however system users are requesting further training following initial findings of CIPFA review

Section 24: key activities

8.5 89% of all planned activities within the Section 24 Action plan have now been delivered. Progress against the Section 24 action plan agreed since last presented to Council is set out below:

REC	ACTIVITY
S5.01	The Council's strategic planning and budget development process for setting a balanced budget for 2024/25 and over the period of the MTFP to 2026/27 to consider opportunities for managing service demand, service redesign and transformation, reduced levels and stopping services
S6.03	Development of a first stage transformation programme (2024/25 to 2026/27) to review service delivery models to maintain / improve service outcomes from an affordable and sustainable cost base.
S8.02	All budget managers and staff involved in purchase to pay activities, to undertake mandatory face-to-face training.
S8.03	Implementation of monthly budget monitoring and forecasting to analyse cost and volume variances, driving proactive management intervention in services to address areas of overspend and income shortfalls.
S8.04	Develop budget management and purchase to pay dashboards to drive compliance through improved management information.
S8.05	Delivery of training in budget management for Chief Officers, Heads of Service and Budget Managers as part of the Corporate Governance Training Programme.
S8.06	Deliver mandatory training in budget management tools for Chief Officers, Heads of Service and Budget Managers
S11.01	Provision of a closure report on Middlesbrough Development Company to Executive

Changes to delivery dates

8.6 5 minor change controls were presented below for Council consideration on 24 July 2024 to workstream activities. They reflect adjustments in prioritisation and chronology of activities:

Key tasks / milestones	Original target date	Revised target date
S8.07: Establish compliance and enforcement protocols to embed the governance arrangements into operational practice	Original start date 01/01/2024	Revised completion date 31/07/2024
S8.08: Develop and deliver improved training and tools for all users of the Council’s corporate finance system to facilitate compliance.	Original start date 28/02/2024	Revised completion date 31/12/2024

Section 24: measures of success

8.7 There are currently 22 measures of success in place to assess the impact of activity within the Section 24 action plan:

- seven are now complete
- six are on or above target
- three are below target
- Measures of Success relating to the 23/24 budget position have now been removed and replaced with 2024/25 measures of success
- Five cannot yet be measured.

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
Audit Committee	Corporate Governance Improvement Plan and Section 24 Action Plan progress report	1 February 2024
Audit Committee	Corporate Governance Improvement Plan and Section 24 Action Plan progress report	14 March 2024
Council	Corporate Governance Improvement Plan and Section 24 Action Plan progress report	27 March 2024
Council	Second Progress report of the Middlesbrough Independent Improvement Advisory Board	27 March 2024
Councilq	Corporate Governance Improvement Plan and Section 24 Action Plan progress report	24 July 2024

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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	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	Improved	0	Below target	every 2 months	2 out of 16 complete audits	March 2024 report	2 out of 12 complete audits	December 2023 report
		Improve the percentage of priority One and Priority Two actions from Internal Audits that are delivered within original timescales	n/a baseline	Improved	80% or higher	n/a baseline	Quarterly	No P1s or P2s so far in 24/25	Jun-24	20% of P1 actions and 13% of P2 actions were complete within original timescales	Mar-24
	Improved relationships between officers and members	Staff and Member surveys to assess health of relationships and direction of travel	No change	n/a baseline	50% of staff and 80% of councillors or higher	Below target	Ad hoc	77% of heads of service and directors now view relationships with Executive members as positive or very positive (22 respondents)	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	5%	Above target	Quarterly	3.40%	Q4 2023/24	5.60%	Quarter 3 2023/24
	Improved staff satisfaction	1-10 Score of how valued staff feel as an employee of the Council	No change	n/a baseline	6.2 or higher	Below target	Ad hoc	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	Worse	75	Below target	Monthly	164	Jun-24	135	May-24
		Number of agency staff working for Middlesbrough Council – Transformation	No change	No change	No target set	No target set	Monthly	10	Jun-24	10	May-24
	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	No change	3	At target	Monthly	3	Jun-24	3	May-24
	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	Below target	Monthly	174	May-24	221	Apr-24
		% of complaints upheld or partially upheld by the central team	Worse	Worse	Less than 40%	Below target	Monthly	75%	May-24	60%	Apr-24
	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	Annual	100%	Oct-23	100%	Oct-22
		Percentage of Members attending wider skills	n/a baseline	n/a baseline	95%	Above target	Annual	98%	Oct-23	Data not available	Oct-22
		Member satisfaction with the Member development programme	n/a baseline	n/a baseline	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
	Performance is effectively managed within the organisation	Completion of appraisal process	Improved	n/a baseline	95%	Below target	Annual	63%	Jun-24	48%	May-24
	Improved Member behaviour	Number of member on member complaints received	No change	Improved	2 or fewer per quarter	Above target	Quarterly	0	Q4 2023/24	6 complaints received member on member	Q3 2023/24
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 change	n/a baseline	61% (NE average 21/22)	Below target	TBD	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 change	Not previously asked	55% (NE average 21/22)	Below target	TBD	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	No change	Improved	£0	Below target	Quarterly report to Executive	£3.6m	Period 10 2023/24	£7.023m	Period 8 2023/24
	Maintain General Fund balance and usable revenue reserves at 31/3/23 levels	Maintain GF balance at £12m at 31/3/24	Complete	Improved	£12m or more	Below target	Annually	£10.986m on 31/3/24 (but on 1/4/24 will increase to £11.1m due to release of Collection Fund surplus)	23/24 outturn (to Executive 26/6/24)	£9.09m	Q3 23/24
		Maintain unrestricted usable revenue reserves at a minimum of £4m at 31/3/24.	Complete	Improved	£4m or more	Above target	Annually	£11.05m on 31/3/24 (but on 1/4/24 will increase to £9.280m due to release of Collection Fund surplus)	23/24 outturn (to Executive 26/6/24)	£6.3m	Feb-24
	Establish Medium Term Plan to rebuild GF Balance and revenue reserves	Section 151 Officer assessment of adequacy of reserves	Complete	n/a	n/a	Complete	Feb-24	Judgement of S151 officer	Feb 2024 report to Council	n/a sufficient resources in place - judgement of S151 officer	Feb 2023 report to Council
	Financial Procedure Rules and Contract Procedure Rules training delivered	LMT, WLMT, all Budget Holders trained by 31 December 2023	Complete	Improved	95% or higher	Complete	Monthly	87.66%	Jun-24	86.88%	May-24
	Corporate finance training programme established	Quarterly programme of finance training established	100%	n/a baseline	One training session delivered per quarter	Complete	Quarterly	100%	Feb-24	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	Complete	n/a	Dashboard in place	Complete	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	Complete	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
	2024/25 net expenditure is delivered within the approved budget	Forecast outturn is within the agreed budget	n/a to be reported from June onwards	n/a	Compliant / within budget	n/a					
	The Council's financial position is sustainable	Maintain GF balance in line with approved reserves policy - 7.5% of the net revenue budget which would be £11.1m at 31/3/25	At target	Improved	£11.1m	At target	Annually	£11.1m	Apr-24	n/a	n/a
	The Council's financial position is sustainable	Maintain unrestricted usable revenue reserves at a minimum of £8m at 31/3/25	At target	Improved	£8m	At target	Annually	£8m	May-24	n/a	n/a
	2025/6 budget is set and balanced	Balanced Budget for 2025/6 set	Not yet measured	n/a	£0 variance	baseline set	Quarterly	n/a	n/a	n/a	n/a
	Set a sustainable Medium Term Financial Plan in place for the period 2025/6 to 2028/9	Balanced MTFP to 2028/9	Below target	n/a	Compliant / within budget	Below target	Annually	n/a	n/a	n/a	n/a
	Robust financial governance is in place	Achievement of 3 star or higher rating for financial governance against the CIPFA criteria	Below target	n/a	3 star or higher	Below target	18 months	2 star	Jun-24	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	At target	Monthly	3	Jun-24	3	May-24
2	Number of Transformation roles that are vacant / occupied by Agency or interim staff	No change	No target set	No target set - baseline	Monthly	10	Jun-24	10	May-24
3	Reduce the number of audits that have limited or no assurance	No change	0	Below target	Quarterly	2 out of 16 complete audits	March 2024 report	2 out of 12 complete audits	December 2023 report
3	Improve the percentage of priority One and Priority Two actions from Internal Audits that are delivered within original timescales	n/a baseline	80% or higher	n/a baseline	Annual	No P1s or P2s so far in 24/25	Jun-24	20% of P1 actions and 13% of P2 actions were complete within original timescales	Mar-24
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 baseline	Balanced budget set	At target	Quarterly	Balanced budget set	Feb-24	n/a	n/a
5	90% of projects within the programme, once launched are on track		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 at this stage	Quarterly once live	90% once launched	n/a		

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:
6	Actual expenditure and Forecast revenue outturn within the approved budget for 2023/2024	Complete	£0	Complete	Quarterly	£3.6m	Period 10 2023/24	£7.023m	Period 8 2023/24
6	Balanced MTFP to 2026/27	Below target	Balanced MTFP set	n/a baseline	Annually	n/a	n/a	n/a	n/a
6	Maintain GF balance at £12m at 31/3/24	Complete	£12m or more	Improved	Annually	£10.986m on 31/3/24 (but on 1/4/24 will increase to £11.1m due to release of Collection Fund surplus)	23/24 outturn (to Executive 26/6/24)	£9.09m	Q3 23/24
6	Maintain usable revenue reserves at a minimum of £4m at 31/3/24.	Complete	£4m or more	Improved	Annually	£1.069m on 31/3/24 (but on 1/4/24 will increase to £9.280m due to release of Collection Fund surplus)	23/24 outturn (to Executive 26/6/24)	£6.3m	Feb-24
6	Set 2024/25 revenue budget	Complete				Balanced budget set	Feb-24	n/a	n/a
6	Maintain expenditure in line with agreed budgets in 2024/5	n/a baseline		n/a baseline					
6	Maintain GF balance at £11.1m at 31/3/24	At target	11.1m	n/a baseline		11.1m	Q1		
6	Maintain usable revenue reserves at a minimum of £4m at 31/3/24.	Improved	Between 8m and 10m	n/a baseline		9.25m	Q1	6.2m	Q3 23/24
7 and 8	LMT, WLMT, all Budget Holders and all staff involved in Purchase to Pay trained by 31 December 2023	Complete	100%	Complete	Monthly	100.00%	Feb-24	76.88%	Jan-24
8	Deliver training to LMT, WLMT and all budget holders in use of Power BI budget monitoring dashboard to support budget monitoring and forecasting in 2024-25 by 30 June 2024	Improved	100%	n/a baseline	Monthly	100% of LMT 70% DMT Wider teams in next phase	Jun-24	n/a	n/a
9	Number of contract extensions that do not comply with contract extension rules	At target	0	n/a	Quarterly	0	Mar-24	0	2022/23

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

Information requests	Status
The recent survey of Members in relation to Members Enquiries should be shared with the Board	Complete
The CIPFA report on Financial Governance should be shared with the Board	Complete
The Calendar of meetings for Transformation Programme Board and Thematic Board meetings to enable Board members to observe meetings	Complete

Major comments / action points
The Council should provide further support to Members to encourage them to engage in budget discussions.
Provision of updates on delivery of the People Strategy since launched in April and an update on activity undertaken on Leadership was requested – this has been provided to the Board for consideration at its July 2024 meeting.
Recommendation that the Council reestablish reporting budget and performance outturns to Overview and Scrutiny Board.