

MIDDLESBROUGH COUNCIL	
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Report of:	Chief Executive
Submitted to:	Audit Committee
Date:	3 October 2024
Title:	Best Value Notice - Update
Report for:	Information
Status:	Public
Council Plan priority:	Delivering Best Value

Executive summary	
The report presents the government’s decision not to renew the Council’s Best Value Notice and the planned further report to full Council which will set out next steps.	

Purpose

1.1 To update the Committee on the recent Government review of the Council’s Best Value Notice and set out the next steps.

2. Recommendations

2.1 That the Audit Committee notes:

- the Government’s decision not to review the Council’s Best Value Notice; and
- the planned next steps in the Council’s ongoing improvement journey.

3. Rationale for the recommended decision(s)

3.1 It is important to keep this committee informed of the Council’s corporate governance arrangements and any external assessment of them.

4. Background and relevant information

4.1 Government issued a Best Value Notice to the Council in January 2023. The Notice was an indication from government that it was concerned about the way the Council was operating. It was originally issued following serious concerns highlighted by the Council’s external auditor, published in July 2022, and issues around the Council’s culture and governance identified in a CIPFA review published in September 2022.

4.2 Progress against that Notice has been well documented to this Committee and full Council, through regular reports on the delivery of both the Corporate Governance Improvement Plan and the action plan put in place to respond to the External Auditor's Section 24 report.

4.3 As a result of the progress the Council has made to date, the Ministry of Housing, Communities and Local Government has now decided that it will not renew the Best Value Notice that was in place.

4.4 That very positive decision does not mean that the work of the officers and members on the collective improvement journey has ceased. The next steps will be to report this progress update to Council and outline in more detail the next phase of our approach to corporate governance improvement.

4.5 A full copy of the letter, outlining government's decision is appended to this report for the Committee's information.

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

5.1 Not applicable. Report is for information only.

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

Topic	Impact
Financial (including procurement and Social Value)	Not applicable.
Legal	The decision not to renew the notice reflects the Council's positive progress on its corporate governance improvement journey. There are no direct legal implications from this decision as government has chosen not to exercise its powers under the Local Government Act 1999 to intervene in councils where there are concerns that there is non-compliance with the Best Value Duty.
Risk	The outcome of the review is a positive reflection of the Council's current corporate governance arrangements. It links to the following strategic risks: <ul style="list-style-type: none"> • 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	Not applicable.
Climate Change / Environmental	Not applicable.
Children and Young People Cared for by the Authority and Care Leavers	Not applicable.
Data Protection	Not applicable.

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

Not applicable.

Appendices

1	Letter to Middlesbrough Council from Ministry of Housing, Communities & Local Government – 9 September 2024
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Background papers

Body	Report title	Date
Audit Committee	Best Value Notice update	14 March 2024
Audit Committee	Best Value Notice – Status Update	22 August 2024

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