



Ministry of Housing,
Communities &
Local Government

Max Soule

*Deputy Director, Local Government
Stewardship and Intervention*

**Ministry of Housing,
Communities &
Local Government**

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Clive Heaphy
Chief Executive
Middlesbrough Council

9 September 2024

Middlesbrough Council Best Value Notice expired 30 July 2024

Dear Clive,

As you know, the department issued a revised Best Value Notice (“Notice”) to Middlesbrough Council on 30 January 2024 as a formal notification that the department had ongoing concerns regarding the authority and requesting that the authority engages with the department to provide further assurance of improvement.

We acknowledge the significant progress made by the council, such as making positive changes to personnel in key leadership positions and delivering the improvement plan, as well as developing strategies and establishing the infrastructure for ongoing improvement in culture, governance and financial sustainability. It is encouraging that the council recognises that the implementation of these strategies will be vital to embedding the progress made to date.

Whilst the council's financial position has improved since the first Notice was issued in January 2023, we note that significant financial risks remain. We recognise the work the council has undertaken to understand its previous financial position and the strategies in place to address these through transformation. We also acknowledge the additional plans the council is developing following the recent external finance management assurance review.

It is reassuring to see that the authority's overall progress is endorsed by the Independent Improvement & Assurance Board, albeit whilst recognising that changes need to be embedded. We welcome the council's commitment to maintaining the Board structure until March 2025, as well as proposals for the Local Government Association to undertake a corporate review in early 2025, demonstrating the council's intention to maintain its improvement journey beyond the Notice process.

In light of the above, based on the available evidence ministers are reassured as to Middlesbrough's capacity to comply with its Best Value Duty under the Local Government Act 1999 and the Notice will not be reissued at this time.

We recognise the efforts of the council and its staff and members who have worked at pace to support the delivery of the achievements to date and expect to see this rate of improvement sustained. The department will continue engaging with the council on an informal basis to foster continuing constructive relationships and the Minister will receive periodic updates on your progress.

Should the department deem it necessary to seek further assurance through a Best Value Notice in future, a further Notice will be issued. The Secretary of State also holds statutory powers under the Local Government Act 1999 to inspect or intervene in local authorities where there is evidence of Best Value failure and, separately, under section 230 of the Local Government Act 1972 to request information from local authorities. A failure to demonstrate continuous improvement may be judged to contribute to Best Value failure and the Secretary of State will consider using these powers as appropriate.

It is important to ensure transparency in relation to the challenges faced by local authorities and the department's engagement on these. A copy of this letter will therefore be published on GOV.UK today, in line with the Best Value Notices previously issued to the authority. I encourage you to make a copy of this letter available on the council's website, and to share it with the Audit Committee and the Independent Improvement & Assurance Board. We will notify your external auditor of our decision.

A member of my team will be in touch with you to discuss ongoing engagement with the department. I look forward to receiving updates on your continued progress.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Max Soule', written in a cursive style.

Max Soule
Deputy Director, Local Government Stewardship and Intervention