

OVERVIEW AND SCRUTINY BOARD

A meeting of the Overview and Scrutiny Board was held on Wednesday 18 December 2024.

PRESENT: Councillors I Blades (Chair), J Kabuye (Vice-Chair), J Banks, D Branson, E Clynch, D Coupe, J Ewan, B Hubbard, M McClintock, I Morrish, M Saunders, Z Uddin and J Platt (Substitute for G Wilson)

PRESENT BY INVITATION: Councillors N Walker

ALSO IN ATTENDANCE: D. Hodgson (Local Democracy Reporter)

OFFICERS: S Bonner, J Dixon, G Cooper and A Humble

APOLOGIES FOR ABSENCE: Councillors L Lewis and G Wilson

24/44 **WELCOME AND FIRE EVACUATION PROCEDURE**

The Chair welcomed all those present and outlined the fire evacuation procedure.

24/45 **DECLARATIONS OF INTEREST**

There were no declarations of interest received at this point in the meeting.

24/46 **MINUTES - OVERVIEW AND SCRUTINY BOARD - 20 NOVEMBER 2024**

The minutes of the Overview and Scrutiny Board meeting held on 20 November 2024 were submitted and approved as a correct record.

24/47 **CORPORATE PERFORMANCE: QUARTER TWO 2024/25**

The Head of Strategy, Business and Customer provided an overview of the report, *Corporate Performance at Quarter Two 2024/2025* that was submitted to Executive on 4 December 2024. As part of that overview, Members attention was drawn to the trends and analysis contained in the report and the recommendations that had been approved by Executive.

At the end of the overview the Head of Business, Strategy and Customer invited questions from the Board.

A Member drew the Board's attention to page 16 of the agenda pack, with specific reference to the disposal of land at Hemlington Grange West. The Member wished it recorded they were not satisfied with the language contained in the report on this matter as the issue had been long running without any resolution. It was pointed out the issue in question was included in the report to demonstrate a reduced capacity within the service.

It was agreed that the Director of Regeneration would be approached for an update on land disposal at Hemlington Grange West.

Regarding Freedom of Information data, it was queried when this was likely to be back on track. It was clarified that monthly updates were submitted to LMT as part of the Council's performance management regime. Following a discussion about enquiries submitted via the Councillor Gateway system and those via the Freedom of Information process, it was commented that a degree of re-education may be required to clarify what constituted a Freedom of Information request versus what should be a Councillor Gateway enquiry.

In terms of live actions being on target, a Member commented there had been a slight drop in performance between Quarter one and Quarter two, from 68% to 67% respectively. It was commented this could be attributed to how actions were framed in Executive reports. There

was a need to make Executive actions SMARTer and to examine how those actions were recorded on Modern.Gov as well as delivering report writing training.

A Member commented that in Appendix two of the report there seemed to be a significant amount of G rated actions, which indicated those actions were on track. It was clarified the G rating was progress against the respective project milestone and that actions can be on track and not yet completed. Members suggested there was conflicting messaging from the service areas as some initiatives seemed to be underperforming. The Head of Strategy, Business and Customer stated the increase in G categories was largely due to those actions due to complete by the end of the Council Plan period.

Paragraphs 28 and 29 of the report discussed risks associated with threats to social cohesion and how there was work to reduce the spread of misinformation. A Member commented that if Community Councils were adequately funded, they could help with this work. Members discussed the nature of Community Council funding, including how only active Community Council received funding. It was highlighted that actions designed to address threats to social cohesion were detailed at paragraph 29 of the report.

A Member queried if relevant Ward Members would have input to how the Community Recovery Fund would be spent. It was agreed clarification would be sought about how Ward Members could provide input into how the recovery fund was spent.

A Member drew the Board's attention to page 19 of the report and observed the risk associated with Children's Services was high. It was commented that risks associated with Children's Services, which were detailed in Appendix three, were associated with the volume of the risks.

Members returned to the issue of Freedom of Information submissions and information requests placed on the Councillor Gateway system. It was debated that Councillors should have access to information without the need to submit a Freedom of Information request.

ORDERED that

1. The Director of Regeneration provide an update regarding the disposal of land at Hemlington Grange West.
2. Clarification be sought about how Ward Members could provide input into how the Community Recovery Fund was spent.
3. The information presented be noted.

24/48

EXECUTIVE MEMBER UPDATE - FINANCE

The Executive Member for Finance presented an overview of her portfolio which included her responsibilities, relevant service areas and objectives.

Until November 2024 the Executive Member's remit included Finance and Governance. However, the Governance element of the portfolio moved to the Mayor. The Executive Member was also the Members' communications champion.

The Executive Member's targets for 2023 to 2024 included the avoidance of issuing a Section 114 notice and an improvement in the culture and governance of the Council. This included more Members becoming involved in the budget setting process.

The Executive Member's targets for 2024 to 2025 included delivering within budget for 2024/25, to achieve a balanced budget for 2025/2026 and to deliver a Members enquiry system.

As part of the Mayor's Recover, Reset, Deliver initiative the Executive Member commented she had inherited the financial position of 2023 to 2024 of which the external auditors had identified significant overspend. To balance the Council's budget there was a need to use £4.7 million of Exceptional Financial Support (EFS). It was clarified that EFS was not a grant, as Councils were not permitted to borrow to offset their revenue budgets. Instead, the EFS allowed the Council to borrow up to £4.7 million to achieve its saving requirements. Members were also advised the Council's reserves had dropped from £16 million to £4 million between 2019 and 2023 and were deemed to be critically low.

There had been significant improvements in the Council's financial position by 2024/25, which had been recognised by external auditors. At the end of Quarter one 2024/25 the forecasted overspend was £3.7 million which had been reduced to £1.4 million by the end of Quarter two 2024/25, with further actions planned to reduce this further.

There was the possibility of investment growth for services for the first time in many years.

After use of the Collection Fund, it was estimated the Council's reserves would stand at £18.9 million. Overall, the Council's financial position remained fragile but there were signs of improvement. The Executive Member explained the graph displayed on her presentation entitled "need to build our reserves." She explained that as overspend occurred the levels of reserves had been reducing and that Middlesbrough had the 5th lowest level of reserves in the country.

The Chair commented that since the Council's creation in 1996 it had, largely, produced a balanced budget and that it was very difficult to keep to within set budgets. The Executive Member commented there was a need to set a balanced budget that was signed off by the Council's Section 151 officer. A previous Section 25 report, created by a previous Section 151 Officer, had included warnings about the Council's financial position and that setting a balanced budget was challenging. It was also clarified that the Council's low levels of reserves should be taken in the context of Middlesbrough being the second smallest unitary Council in the country, and that they were a proportion of the revenue budget.

A Member stated that reserves were required to deal with unexpected events. A significant risk facing the Council was the Transporter bridge and its current condition, especially as there was water traffic continuing to pass under it. It was presumed that if an incident occurred that required remedial action the Council would be obligated to step in. The Executive Member stated that in such a case, capital funding would be used to undertake any remedial works, but if this was not available revenue funds would be used. The Director of Finance and Transformation provided the example of Redcar and Cleveland Council's information security breach, which without government assistance, would have required the use of its reserves. Another example of reserve usage included the council becoming responsible for the Dedicated School's Grant which, should this become the case, would severely deplete the general fund reserves. As such, there was a need to maintain a healthy level of reserves. In terms of the Transporter bridge it was agreed that its position on the Corporate Risk Register be clarified.

Members queried how the reserves could be built up if there was a projected overspend of £1.4 million. It was clarified that while there was a projected overspend of £1.4 million there were planned actions to reduce this further. If the Council were to meet its savings targets, and work within budget, there would be no need to draw down on reserves. It was reiterated that additional reserves would be built up using the Collection Fund.

Concern was expressed that, given Middlesbrough's high levels of deprivation, efforts to build up reserves could be to the detriment of services facing budget constraints. It was clarified that should the reserves be used for revenue purposes, such as reducing budget gaps in frontline services, they could only be used once. If reserves were used there needed to be a plan to replenish them going forward. All the Council's peers had advised that Middlesbrough's reserves were critically low. Conversely, there was also a need to spend allocated budgets to ensure effective service delivery.

The Executive Member made progress in her presentation and drew Member's attention to her work on Councillor communication and the Councillor Gateway system. The Councillor Gateway system had gone live in July 2024. There were still improvements to be made regarding information requests and responses. A Member suggested the system may have gone live too early as some services were understaffed to adequately fulfil some enquiries.

A Member remarked it would be beneficial to know usage statistics of the Councillor Gateway System versus its predecessor, the OneStop Service.

A Councillor Communications working group was set up on 9 October 2024 where several issues were raised. These included Members preferring more direct communications relating to issues that were also reported in the press, such as Planning outcomes. The working group

also suggested the establishment of a training calendar so Members could review training offers over a 12- month period. Overall, it was important Members interacted with officers but used the most appropriate mechanism to do so.

A Member queried how they could see their own training records during a specific timeframe. The Democratic Services Officer clarified this was possible via Modern.Gov and that instructions on how to do this would be circulated to Members.

The Executive Member advised the Board that on 28 October 2024 a report was approved by Executive which agreed support to pensioners who were no longer eligible for the Winter Fuel Payment. The payments for that support would commence in January 2025 and the details of the support offered were shown as part of the presentation.

It was agreed clarification would be sought regarding the timing between the Household Support Fund being announced and the government's decision to cease the Winter Fuel Payment. In terms of the mechanism by which applications could be made for Household Support Fund, it was commented that residents in receipt of Council Tax Reduction would be paid directly or contacted by the Council. For residents whose records were not held by the Council a press release and other communications would be issued asking people to contact the Council.

At this point in the meeting Councillors Hubbard and Saunders withdrew.

ORDERED that:

1. The Transporter bridge's position on the corporate Risk Register be clarified.
2. Councillor Gateway usage statistics be provided to the Board.
3. Instructions on how Members can access their training records be circulated to all Members.
4. Clarity be sought around the timings of the Household Support Fund and the ending of the Winter Fuel Payment.

24/49

2024/25 QUARTER TWO REVENUE AND CAPITAL MONITORING AND FORECAST OUTTURN

The Director of Finance and Transformation outlined the 2024/2025 Quarter Two Revenue and Capital Monitoring report and invited questions from the Board.

The Council was projecting a budget overspend of £1.4 million as at Quarter two, but the intention was to reduce this. In terms of Capital budgets, the forecast was lower than expected and work was being undertaken to address this. The Chair commented the Council tended to spend more in the winter months, however it was clarified that such seasonal spending had been factored into the forecasts.

Members attention was drawn to Appendix nine on page 127 of the agenda pack, entitled "details of capital slippage." A query was raised regarding the Middlesbrough Development Company as it was believed this was being wound down. The Director of Finance and Transformation commented the entry was likely a timing issue, but that clarification should be sought from the Director of Regeneration.

A Member queried how Directors would be held accountable should savings targets not be achieved. The Executive Member clarified there was a budget clinic process in place which she chaired. It was also clarified that Members did not hold officers to account, and vice versa. The role of holding officers to account would rest with the Chief Executive. Members and officers were working together to overcome the budget challenges and while budget clinic meetings were challenging, they should not be seen as punishments.

It was clarified that none of the EFS had been utilised at that point, and likened the situation to having an authorised overdraft in that it was available, but it was not a requirement to use it. It was also stated that any use of the EFS would be used to balance the budget.

In terms of Home to School Transport, it was confirmed that some additional money had been put into the service, but the service had not needed as much as originally thought.

A Member requested to know the Membership of both the Corporate Capital Board and Strategic Capital Board, which were highlighted on page 84 of the agenda pack. It was clarified this information was contained in the Capital Programme Governance Improvement report approved by Executive on 13 November 2024. However, it was agreed this information would also be circulated to the Board.

ORDERED that

1. Clarification be sought about the entry of the Middlesbrough Development Company on the Capital Programme Slippage report.
2. The membership of the Corporate Capital Board and Strategic Capital Board be circulated to the Board.
3. The information presented be noted.

24/50

2025/26 DRAFT BUDGET AND MEDIUM TERM FINANCIAL PLAN 2025/26 AND 2028/29

The Chair remarked this was an annual occurrence and the Council was not in possession of all the information required until the Local Government settlement was announced in early 2025.

It was discussed that while Local Government was expected to receive an increase as part of the settlement, it was unknown how much this would be.

A Member stated they were pleased that additional funding was going to Area Care and wondered if additional waste bins was possible as a result. It was clarified waste bins were paid for from Capital budgets and that requests for bins should be made to the relevant Neighbourhood Manager.

It was also queried if increasing the finance team by nine full-time equivalent posts could be phased, especially as other services were facing budget challenges. The Director of Finance and Transformation agreed this would be examined as part of the budget process. The Chair commented the Council's auditors had stated there was a lack of qualified accountants in the Council.

The Chair thanked the Executive Member for Finance and the Director for Finance and Transformation for their attendance at the meeting.

NOTED

24/51

EXECUTIVE FORWARD WORK PROGRAMME

The Chair introduced the item for the Board's consideration. A copy of the Work Programme was attached at Appendix A and Members were asked to raise any issues they had in relation to any of the items listed.

A Member requested information relating to the item on Levick Court which was scheduled to be considered by Executive on 5 February 2025. Members agreed that clarification was needed on what the objective was for Levick Court.

ORDERED that clarification be sought from the service area about the intentions for Levick Court.

24/52

FORWARD PLAN INFORMATION UPDATES

At the meeting of OSB on 20 November 2024, a query was raised regarding the status of the Executive Forward Plan entry, *Capex Municipal Buildings and Town Hall Roofs*. The Democratic Services officer advised the Board that a response to the query had been provided to OSB via email on 17 December 2024.

NOTED

24/53

SCRUTINY CHAIRS UPDATE

The Chair invited the Chair of the People Scrutiny Panel to provide his update.

The People Scrutiny Panel last met on 16 December 2024 and continued its review of Children Missing Education (CME) with a presentation from The Head of Inclusion around Permanent Exclusion. In addition, Members received an update from the Tees Suicide Prevention Taskforce who updated the Panel on the Tees Suicide Prevention Strategic Plan 2024-2029. The Chair of the Tees Safeguarding Adults Board (TSAB) was also in attendance and presented the TSAB's Annual Report 2023-24.

The Panel's next meeting was scheduled for 20 January 2025 where it would receive information relating to its investigation into CME by inviting representatives from schools to seek their views on this affected their schools.

The Chair invited the Chair of the Place Scrutiny Panel to provide his update.

The Place Scrutiny Panel last met on 2 December at which Members received an update on the Panel's Empty Properties review delivered by the Executive Director of Thirteen group. The Panel also approved the Terms of Reference for the Empty Properties Task and Finish group. An update was received from the Task and Finish Group regarding Home to School Transport and a further meeting on this was planned for the 13 December.

The Chair of the Place Scrutiny Panel also provided an update on progress of the Task and Finish Group looking into Community Cohesion. Members were advised that the Task and Finish Group had met with Mark Davis from the MVDA but had yet to meet with the MP for Middlesbrough and Cleveland Police and Crime Commissioner.

NOTED

24/54

ANY OTHER URGENT ITEMS WHICH, IN THE OPINION OF THE CHAIR, MAY BE CONSIDERED.

The Chair invited a Member of the Board to provide an update on their work regarding Community Councils.

The Board was advised that a meeting had taken place between the Chair of OSB, the Member in question and the Head of Neighbourhoods to understand progress against an on-going review into Community Councils. At the meeting it was apparent that the Head of Neighbourhoods was reviewing funding mechanisms for Community Councils rather than a more general review.

It was agreed that a further meeting be held between the relevant Members of OSB and the Head of Neighbourhoods to further those discussions.

ORDERED that

1. Relevant OSB Members and the Head of Neighbourhoods to meet to progress the review into Community Councils.
2. OSB note the update.