

MIDDLESBROUGH COUNCIL

Report of:	Chief Executive
Relevant Executive Member:	Mayor
Submitted to:	Executive
Date:	30 April 2025
Title:	Resetting the Council's Approach to Transformation and Delivery of the Council Plan
Report for:	Decision
Status:	Public
Council Plan priority:	Delivering Best Value
Key decision:	Yes
Why:	Decision(s) will incur expenditure or savings above £250,000
Subject to call in?:	Yes
Why:	Executive decision

Executive summary

That Executive:

- **NOTES** that the transformation of Council services remains critical to achieving service improvements from a lower cost base to stabilise the council's financial position and achieve financial sustainability over the medium to long term.
- **AGREE** the proposed changes to the structure of transformation themes as outlined below.
- **AGREE** the realignment of transformation themes with the Council Plan 2024-27.
- **AGREE** the recruitment of a Head of Transformation.
- **AGREE** the establishment of a Continuous Improvement Team.

1. Purpose

- 1.1 Middlesbrough Council's transformation programme was established in the report to Council, "Approach to Transformation of Middlesbrough Council" dated 27 March 2024. The report set out the proposed direction of travel in relation to the Council's Recover, Reset, Deliver transformation programme.
- 1.2 Though improved, the Council's financial position remains challenging. It is still true that the Council must change the way it delivers services and engages with the community, to reduce costs, maintain return on investment and improve outcomes for residents.
- 1.3 Having progressed the initial transformation themes for approximately one year this report, while remaining true to the initial report described above, highlights proposed changes to the transformation themes to reflect our current needs; priorities and requirement to harmonise more effectively with the Council Plan 2024-27.

2. Recommendations

- 2.1 That the Executive
 - Notes that the transformation of Council services remains critical to achieving service improvements from a lower cost base to stabilise the council's financial position and achieve financial sustainability over the medium to long term.
 - Agrees the proposed changes to the structure of transformation themes as outlined below.
 - Agrees the realignment of transformation themes with the Council Plan 2024-27.
 - Agrees the recruitment of a Head of Transformation.
 - Agrees establishment of Continuous Improvement Team.

3. Rationale for the recommended decision(s)

- 3.1 The past year has been one of building necessary foundations for Middlesbrough Council. We have faced significant challenges head-on, making difficult but necessary decisions to secure our financial future. The lifting of the Government's Best Value Notice marked a significant milestone in our journey - not just as a technical achievement, but as recognition of the hard work and dedication shown by everyone across the organisation. Middlesbrough Council stands at a pivotal moment in its history; the decisions we make and the actions we take over the next three years will shape our town's future for generations to come. We have a unique opportunity to transform Middlesbrough into a place where everyone can thrive, and we must therefore ensure absolute focus on delivery of the Council Plan.

4. Background and relevant information – Refreshing our approach to Transformation.

- 4.1 In the report of 27 March 2024 titled Approach to Transformation of Middlesbrough Council, the organisation's structure for our initial phase of transformation was established and this identified the key thematic areas for transformation as being:

- Adults
- Children's
- Property
- Customer
- Place-Based Services
- Target Operating Model and Core Services

4.2 A programme Board, led by a member of the Leadership team was established for each of the thematic areas and a portfolio of transformation projects was initiated. The thematic programme boards worked alongside the PMO and fed into the Corporate Transformation Board, chaired by the Chief Executive, to co-ordinate progress across the Council.

4.3 Why Update Our Approach and Transformation Portfolio?

4.4 At the outset of the transformation programme, the acuity of the Council's financial challenge compelled us to minimise financial risk in all activities; in practice this meant there were limitations on our ability to take the managed risks that accompany the fundamental transformation of service delivery. Our current portfolio therefore contains over sixty initiatives, many of which are important continuous improvement activities or savings rather than fundamental transformation. This distinction matters because:

- **True transformation** changes how we operate at a fundamental level - redesigning services around residents' needs, adopting new ways of working, and shifting from reactive to preventative approaches – a clear focus on the delivery of outcomes for our community.
- **Continuous improvement** enhances existing services and processes - making them more efficient, responsive, and cost-effective within our current ways of working.

4.5 Both transformation and continuous improvement are vital to our success; together, they form a comprehensive approach to delivering both immediate needs and long-term change. By separating them, we can:

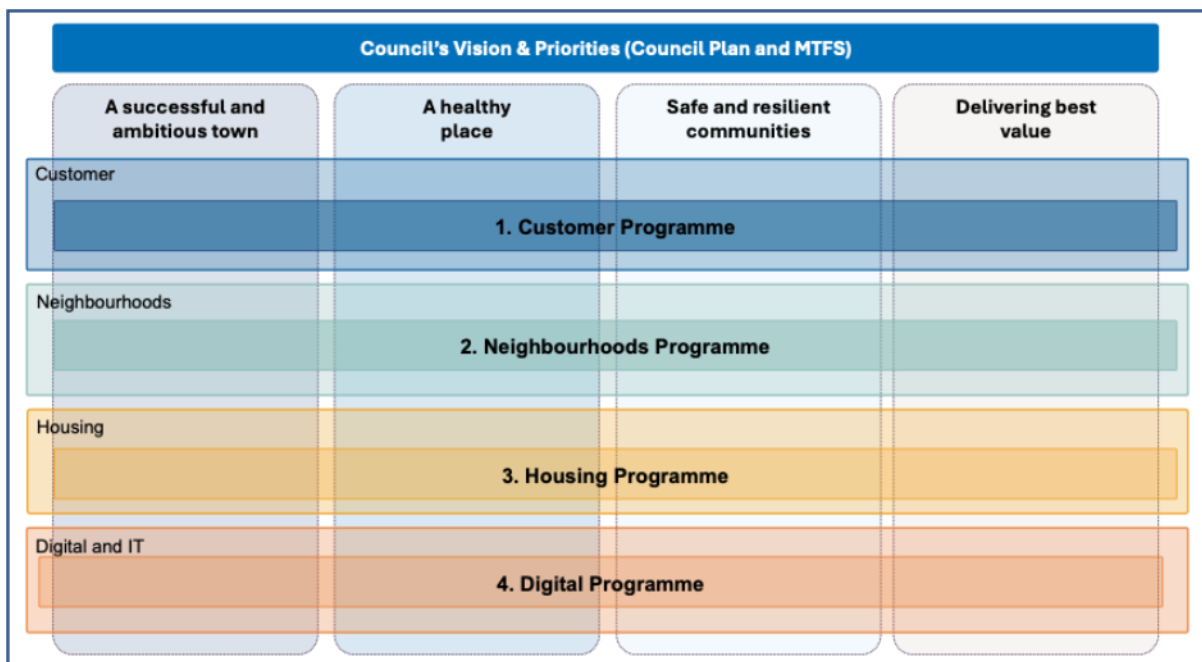
- Focus our transformation expertise on major, cross-cutting changes.
- Ensure day-to-day continuous improvement continues with appropriate oversight.
- Make the best use of our limited resources.
- Deliver both immediate savings and long-term sustainability.
- Communicate a clear and compelling narrative to partner organisations, staff, and our communities.

4.6 **Transformation Lead:** In line with discussions with both the now stood down Middlesbrough Independent Improvement Advisory Board (MIAB) and the LGA Corporate Peer Challenge team, there is a recognised need for an additional "Transformation Lead" role working to the Director of Finance and Transformation; this role is anticipated for identifying the inter-dependencies and opportunities across the transformation themes, to act effectively as a "design authority" to ensure all elements of the transformation programme remain connected and consistent with our aims and plans. It is proposed therefore that this role will be put in place for an initial two year period using Flexible Use of Capital Resource (FUoCR) funding. The post will be

directly managed by the Director of Finance and Transformation but with a “dotted line” to the Chief Executive. This role will be subject to Job Evaluation but an approximate annual cost of £85,881 plus “on costs” is anticipated.

4.7 Our Four Strategic Transformation Programmes

- 4.8 It is therefore proposed that our reset Transformation Portfolio will focus on four key programmes that directly support delivery of the vision articulated in our Council Plan 2023-27 - making Middlesbrough a thriving, healthier, safer, and more ambitious place.
- 4.9 The Transformation Programme can be seen graphically in the following diagram; in future the programme boards for the now four transformation themes will work with the PMO’s established Programme and Project Management Framework (PPMF) to measure the progress of transformation not principally in financial terms but with central focus on progress against the priorities of the Council Plan. A strong financial focus remains fundamental and critical, but we are led by the Council Plan.



- 4.10 **Customer Programme:** This programme will revolutionise how people access our services by creating a consistent experience across all contact channels. We will improve digital services while ensuring support remains available for those who need it.

How this supports our vision and priorities:

- **A Healthy Place:** Creates easier access to early help and prevention services for families and adults, particularly in our most disadvantaged areas. Enables earlier identification of vulnerability through joined-up customer information.
- **Delivering Best Value:** Reduces duplication and inefficiency by creating a single view of customer interactions, allowing us to resolve more queries at first point of contact and reduce costs while improving satisfaction.

- **A Successful and Ambitious Town:** Makes it easier for businesses to access planning, licensing, and regulatory services, streamlining processes to support economic growth and inward investment across Middlesbrough.

4.11 **Neighbourhoods Programme:** This programme will develop new ways of working in our communities, bringing services closer to residents, and addressing issues before they escalate. We will create better ways for residents to shape local priorities.

How this supports our vision and priorities:

- **Safe and Resilient Communities:** Transforms how we tackle anti-social behaviour, environmental crime, and community safety issues by coordinating our enforcement, community protection and environmental services at a neighbourhood level. Enables faster response to local concerns through neighbourhood teams with the right authority to act.
- **A Healthy Place:** Connects vulnerable residents to community support networks and activities that improve physical and mental wellbeing, focusing particularly on our most disadvantaged areas - a key passion for our Mayor. Works with local health partners to target preventative services in areas with the poorest health outcomes.
- **A Successful and Ambitious Town:** Coordinates local environmental improvements, from street cleanliness to green spaces, creating attractive neighbourhoods that support community pride and make areas more appealing for investment.

4.12 **Housing Programme:** This programme will take a fresh approach to meeting local housing needs, from improving existing homes to developing new properties. We will ensure we have the right mix of housing across the borough to support our wider ambitions. This programme is a development of the initial Property transformation theme - experience of the last year, and particularly feedback from the recent Local Government Association Corporate Peer Challenge, has highlighted the centrality of housing in transforming support for our communities and it is therefore appropriate for it to become a key transformation theme.

How this supports our vision and priorities:

- **A Successful and Ambitious Town:** Accelerates housing development on key sites, driving economic growth through construction activity while providing homes that attract and retain skilled workers. Coordinates activity with Middlesbrough Development Corporation to maximize economic benefits through strategic site development - a key priority for economic growth and inward investment.
- **Safe and Resilient Communities:** Transforms our approach to supported housing for vulnerable adults and temporary accommodation for homeless households, creating dignified, appropriate living spaces that promote independence and wellbeing.
- **Delivering Best Value:** Reduces our current £4.3m spend on temporary accommodation through more cost-effective provision and better prevention. Creates coordinated approach to housing provision across services, reducing duplication and improving outcomes.

4.13 **Digital Programme:** This enabling programme will ensure we have the technology, systems and modern ways of working needed to serve our residents effectively. This

is not just about innovative technology – it is about using digital solutions to transform how we deliver services.

How this supports our vision and priorities:

- **Delivering Best Value:** Replaces outdated legacy systems with modern, integrated solutions that reduce maintenance costs and manual processing. Enables automation of repetitive tasks, freeing staff to focus on complex cases and preventative work. Provides the technology foundation for all our transformation programmes.
- **A Successful and Ambitious Town:** Creates the digital infrastructure needed to attract technology businesses and support innovation, directly supporting economic growth and skilled employment. Enables smart city initiatives that improve the experience of living, working, and investing in Middlesbrough.
- **Safe and Resilient Communities:** Implements integrated case management systems across social care, housing, and community safety, enabling earlier identification of vulnerability and better coordinated support for our most at-risk residents.

4.14 Continuous Improvement and Former Transformation Themes.

4.15 The projects making up the former transformation themes (Adult Social Care; Children's Social Care and Target Operating Model and Core Services) will continue to be monitored with the same degree of rigour, resource, and reporting by the PMO and with the oversight of the Corporate Transformation Board. The projects within Adult Social Carer and Children's Services are critical to the Council's financial sustainability but the activity taking place is qualitatively different from the core transformation themes that will bring about significant shifts in the way the Council engages with our communities. The work projects within Adult Social Care and Children's Social Care are incremental improvement and governed in large part by their respective improvement plans. Responsibility for the continuing development of the Target Operating Model will revert to the Director of Finance and Transformation with delivery of this project being the responsibility in practice of the Transformation Lead.

4.16 Continuous Improvement Team: The first year of the transformation programme has demonstrated the extent to which we have relied on "buying in" expertise and capacity to support the development of transformation and improvement work. Much of this development capacity would have been normal within a Local Authority of Middlesbrough's size in former years but has been stripped out as a cost saving measure. It is therefore proposed to establish a Continuous Improvement Team of four staff members funded initially for two years using Flexible Use of Capital Receipts (FUoCR) funding.

4.17 The continuous improvement team will initially work to the Chief Executive while a "proof of concept" is established; the team will be deployed to short-term projects within the organisation where there is an identified need to tackle a particular set of challenges but the service area lacks the capacity to progress the issue quickly themselves. The team's role will be to work with the service area to analyse a particular problem then devise a proposed solution. If the proof of concept is successfully demonstrated then it is anticipated these roles, currently under development, will

become part of the permanent establishment. Although subject to Job Evaluation, it is anticipated that the team members will be employed at approximately L Grade with a senior on M grade; it follows from this that the team will require an annual commitment of approximately £173,842 plus “on costs”.

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

- 5.1 In principle the transformation portfolio could remain as initially established however the nature of the projects with Adult Social Care and Children’s Social Care are predominantly in the nature of incremental service improvements in line with their respective improvement plans. This is no less important than transformation but is qualitatively different from the narrative and communication plan that will be developed to support the reset transformation themes.

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

Topic	Impact
Financial (including procurement and Social Value)	The financial implications related directly to the reset of the transformation programme are referred to within the report: the Transformation Lead role is anticipated to cost approximately £85,881 per annum (subject to job evaluation) plus on-costs and the Continuous Improvement Team is anticipated to cost approximately £173,842 per annum (subject to job evaluation) plus on-costs. The principles for the funding of transformation expenditure more broadly were agreed by Council (Flexible Use of Capital Receipts Strategy) on 26 March 2025.
Legal	The continuing implementation of the transformation governance arrangements will enable the Council to deliver planned transformation within the resources available to it, and continue to meet its various statutory duties, including the overarching Duty of Best Value.
Risk	The thematic programmes within the Transformation Portfolio will continue to be cross-referenced against the Council’s Strategic Risk Register to reduce the risk of impacting negatively on the Council’s ability to achieve the ambitions set out in the Council Plan and to reduce risk of failure to achieve a balanced budget.
Human Rights, Public Sector Equality Duty, and Community Cohesion	The reset of the transformation programme does not directly affect the delivery of services. PSED and Impact Assessments will be undertaken as part of individual actions under the umbrella of the programme.
Climate Change / Environmental	No impact has been identified on Climate Change or environmental issues
Children and Young People Cared for by the Authority and Care Leavers	No detrimental impact on these individuals is identified; improving access to information; services and support through the Customer transformation theme should reduce barriers for all members of our communities.
Data Protection	There are no identified concerns that the reset of the transformation could impact on data protection or GDPR.

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

Action	Responsible Officer	Deadline
Establishment of reset Programme Boards	Director of Finance and Transformation	31 May 2025
Recruit Head of Transformation	Director of Finance and Transformation	30 June 2025
Establish Continuous Improvement Team	Chief Executive	30 June 2025

Appendices

1	None
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Background papers

Body	Report title	Date
Council	Approach to Transformation of Middlesbrough Council	27 March 2024
Executive	Transformation: Governance Arrangements	13 March 2024
Council	Flexible Use of Capital Receipts (FUoCR) Strategy – 2025/26	26 March 2025

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