

MIDDLESBROUGH COUNCIL	
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Report of:	Chief Executive - Erik Scollay
Relevant Executive Member:	Elected Mayor of Middlesbrough - Chris Cooke Executive Member for Finance - Councillor Nicky Walker
Submitted to:	Executive
Date:	8 April 2026
Title:	Performance and Financial Management Policy and Programme and Project Management Policy - Review
Report for:	Decision
Status:	Public
Council Plan priority:	Delivering Best Value
Key decision:	No
Why:	Decision does not reach the threshold to be a key decision
Subject to call in?	Yes
Why:	Non-urgent decision

Proposed decision(s)	
That Executive:	
<ul style="list-style-type: none"> • APPROVES the Performance and Financial Management Policy • APPROVES the Programme and Project Management Policy • APPROVES the Directorate Business Plan development plans as set out at paragraphs 4.4 to 4.8. 	

Executive summary	
<p>The Council Plan is the organisation's overarching business plan for the medium-term and sets the vision and priorities for the Council.</p> <p>This report proposes agreement of a Performance and Financial Management Policy, which sets out how the Council will ensure that arrangements are in place to:</p> <ul style="list-style-type: none"> - Align directorate and workforce activities and performance focus with the Council Plan 	

- Provide a holistic view of performance, financial resources and risk to enable the Council to identify and address underperformance and risks and maximise its ability to deliver the Council Plan vision.

This report also seeks approval of planned development of Directorate Business Plans during 2026/27 which will include development and implementation of a template that will be used to capture the key business information of each Directorate and clearly set out their contributions to the Council Plan, key activities and functions to be delivered by them and the Key Performance Indicators that will be used to assess the impact of that activity.

There will be times when the Council still needs to take significant change activity, as part of its commitment to continuous improvement. Where this activity is likely to be particularly complex, innovative or carries significant risks and / or costs, the Council will put additional governance in place to deliver this. It will use the proposed Programme and Project Management Policy to do this. This report seeks approval of that policy.

1. Purpose of this report and its contribution to the achievement of the Council Plan priorities

- 1.1 The purpose of this report is to ensure the Council puts in place the necessary arrangements to enable it to maximise delivery of the Council Plan within a proportionate and robust governance framework. It aims to ensure the Council Plan is fully embedded within the Council’s Performance Management arrangements, creating a clear ‘golden thread’ from the Council Plan, through Directorate Business Plans, wider plans, and other policies and strategies, down to the appraisal objectives of individual officers.
- 1.2 Approval of the Programme and Project Management Policy will also support delivery of the Council Plan by providing a governance framework that will support delivery of time limited project activity that has been identified as necessary to improve outcomes and / or ensure ongoing compliance with legislative requirements and good practice.

Our Priorities	Summary of how this report will support delivery the Council Plan
A successful and ambitious town	The refreshed Council Plan sets out the outcomes that will be achieved to deliver its vision. This report will ensure the Council has effective arrangements in place to drive achievement of that vision.
A healthy place	
Safe and resilient communities	
Delivering best value	

2. Recommendations

- 2.1 That the Executive:
 - **APPROVES** the Performance and Financial Management Policy
 - **APPROVES** the Programme and Project Management Policy.
 - **APPROVES** the Directorate Business Plan development plans as set out at paragraphs 4.4 to 4.8.

3 Rationale for the recommended decision(s)

- 3.1 The proposed decisions will support the Council to be able to maximise its delivery of the Council Plan within a performance management approach that embeds a culture of continuous improvement. They will also provide a framework to ensure the Council is well placed to be able to deliver time limited project activity. Both will support a long term, sustained improvement in outcomes, within an approach that demonstrates good governance, accountability and transparency.

4. Background and relevant Information

Performance and Financial Management Policy

- 4.1 The previous Performance Management Policy of the Council has been amended to set out how the Council will ensure that Performance, Finance and Risk will be considered within one process.
- 4.2 There are a number of benefits that the Council will aim to achieve from this integrated approach, including:
- Strategic oversight and reporting that provides a holistic view of performance and risk, focussed on delivery of the Council Plan ambitions.
 - Providing one view of key areas that enables the council to have a clear line of sight on outcomes being delivered, the financial resources being spent on achieving those outcomes and the risks the organisation is managing
 - Supporting improved transparency by presenting performance information alongside financial and risk information
 - Reducing the risk of siloed decision making in the three disciplines and improving the Council's ability to identify pressures and opportunities through presentation of data on both performance and finance and risk within one process
- 4.3 The draft Performance and Financial Management Policy is attached to this report at Appendix 1. It has been designed to support a proportionate, outcome focussed, forward looking approach to performance, financial and risk management.

Performance and Financial Management cycle

- 4.4 If agreed, the new policy will be implemented during 2026/27, and a supporting performance and financial management cycle will be put in place to ensure compliance with it. This will be supported by the re-establishment of Directorate Business Plans, which will be developed during 2026/27 and then refreshed on a yearly basis, aligned to follow the refresh cycle of the Council Plan.
- 4.5 The Directorate Business Plans, once fully in place, will support transparent and open performance, financial and risk management by setting out:
- An overview of the key functions delivered by a Directorate
 - A summary of its past performance
 - Information on its key plans for the next 12 months
 - Information on the Key Performance Indicators that the Directorate will be tracking to assess the impact of its planned activities

- Information on supporting strategies that are in place to enable the Directorate to deliver its ambitions and the Directorate's contribution to those strategies.
- 4.6 The Plans will be intended to provide a summary of Directorates past performance and future focus. They will be a vehicle for them to be able to articulate their contributions to the Council Plan and other directorate priorities, within a proportionate model that is focussed on a clear set of priorities.
- 4.7 The Plans will be aligned with the principles set out in the Performance and Financial Management Policy, which are:
- The Council's approach to performance management will be proportionate and focussed on its key objectives which are achieving our Council Plan objectives, statutory obligations and compliance with national frameworks
 - we will integrate consideration of performance, finance and risk
 - there will be clear accountability, ownership and defined responsibilities
 - we will use evidence-based measures and indicators to measure progress and support a culture of learning and continuous improvement
 - there will be regular, transparent reporting that provides insight driven analysis that will be used to assess performance and identify corrective action
 - all our objectives will be SMART and interlink, from top to bottom; and
 - we have robust systems in place to proactively manage performance with pathways to escalate underperformance, financial pressures and worsening risk.
- 4.8 Members will start to see the impact of this policy within reporting from the end of Quarter One 2026/27, however it is anticipated that it may take some time to fully develop Business Plans for the first year and to embed them into the organisation fully.

Programme and Project Management Policy

- 4.9 The Programme and Project Management (PPM) Policy, attached to this report at Appendix 2, is required to be reviewed every three years. It sets out a corporate approach to portfolio, programme and project management, to ensure there is an effective, consistent and joined-up approach across the organisation.
- 4.10 The review of the policy is timely and aims to ensure PPM arrangements align with the principles of the proposed new integrated approach to managing performance, finance and risk and delivery of the Council Plan.
- 4.11 The PPM policy is underpinned by a Programme and Project Management Framework (PPMF), that provides direction on programme and project governance arrangements, the programme and project lifecycle and gateway process, and a standardised set of project templates. Following agreement of this policy, this will be updated during 2026/27 to align with the new policy.
- 4.12 A project categorisation tool, aligned with the Council's risk appetite, is used to determine the level of project and ensure the governance arrangements applied are proportionate to scale, cost, risk and benefit.
- 4.13 This has been updated to reflect that the governance of programmes and projects should be deployed for strategic, high-value, high risk, complex change activity.

4.14 Low-risk, simple one-off tasks will be managed as Business As Usual, managed within Directorate Business Plans.

5. Ward Member Engagement if relevant and appropriate

5.1 Not applicable.

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

6.1 The Council could choose to continue to have a separate approach to performance and financial budget management and reporting, however this is not recommended as it would reduce its ability to identify trends earlier that need either correcting or exploiting to improve outcomes.

6.2 The Council could keep the current project thresholds and PPM governance arrangements, but this is not recommended as they would not align with the new performance and financial management approach or support the principles of Best Value.

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

Topic	Impact
Financial (including procurement and Social Value)	<p>The policies strengthen the Council’s governance arrangements to ensure it can maximise delivery of its Council Plan ambitions within a sustainable Medium Term Financial Plan. Integration of performance and finance into a single reporting cycle will support earlier identification of variances, emerging pressures and opportunities, enabling corrective action to be taken at pace.</p> <p>Financial considerations are embedded throughout the Programme and Project Management Policy, ensuring that all programmes and projects are assessed for affordability, value for money and deliverability before approval. The strengthened governance arrangements will also support improved procurement planning and enhance the Council’s ability to embed Social Value in commissioning and delivery activity.</p>
Legal	<p>Implementation of the Performance and Financial Management Policy and the Programme and Project Management Policy provide a framework that the Council can use to demonstrate ongoing compliance with the Best Value Duty.</p>
Risk	<p>The Performance and Financial Management Policy will ensure that risk is considered consistently, providing one view of key areas that enables the council to have a clear line of sight on outcomes being delivered, the financial resources being spent on achieving those outcomes and the risks the organisation is managing.</p> <p>Agreement of these policies will positively impact on all risks within the Strategic Risk Register. It will be particularly relevant to the following risks:</p> <p>SR01 – Failure to maintain a balanced budget and MTFP SR09 – Corporate Governance arrangements are not fit for purpose.</p>
Human Rights, Public Sector Equality Duty and Community Cohesion	<p>Impact assessments have been completed for both policies. They found that:</p> <p>The Performance and Financial Management Policy will have a positive impact by embedding a robust and consistent approach to performance management that includes routine consideration of outcomes for people with protected characteristics and clear arrangements for identifying and addressing areas of inequality.</p> <p>The Programme and Project Management Policy will have a positive impact by ensuring that all programmes and projects follow a structured methodology that includes early equality impact consideration, appropriate engagement and clear governance arrangements to support improved outcomes for communities.</p>

Reducing Poverty	The Council Plan has within it a commitment to ensure tackling poverty is at the heart of everything the Council does. These two policies provide a governance framework for their disciplines which will be used to ensure that commitment can be delivered within the performance and project management arrangements of the Council.
Climate Change / Environmental	The policies will have a positive impact on climate change and environmental objectives by ensuring that relevant data on environmental performance is monitored and reported consistently.
Children and Young People Cared for by the Authority and Care Leavers	These two policies provide a governance framework for their disciplines which will be used to ensure that commitment can be delivered within the performance and project management arrangements of the Council.
Data Protection	The policies reinforce the Council's existing data protection and information governance requirements by ensuring that data used for performance reporting, programme development and project delivery is handled in accordance with UK GDPR and the Council's Data Protection Policy.

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

Action	Responsible Officer	Deadline
Reflect the Performance and Financial Management Policy within an integrated performance and financial outturn report from the end of Quarter One 2026/2027	Head of Chief Executive's Department and the Section 151 Officer	30 September 2026

Appendices

1	Performance and Financial Management Policy
2	Performance and Financial Management Policy Impact Assessment Level 1
3	Programme and Project Management Policy
4	Programme and Project Management Policy Impact Assessment Level 1

Background papers

Body	Report title	Date
Executive	Council Plan 2024-27	28 February 2024
Executive	Council Plan 2026-29	3 December 2025

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