



Department for Levelling Up,  
Housing & Communities

Tony Parkinson  
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24 January 2023

**Middlesbrough Council Best Value Notice issued on 24 January 2023**

The Department expects authorities to identify and implement arrangements to secure continuous improvement and acknowledges the steps you have taken to identify the serious issues at Middlesbrough and the action plan that you have put in place to address these. However, ministers remain concerned as to Middlesbrough's capacity to comply with its Best Value Duty under the Local Government Act 1999. The Parliamentary Under Secretary of State has therefore made the decision to issue Middlesbrough with this Best Value Notice.

This Best Value Notice ("Notice") is a formal notification that the Department has concerns regarding an authority and is a request that the authority engages with the Department to provide assurance of improvement. This Notice is issued outside the statutory powers held by the Secretary of State 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. However, 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.

This Notice is issued following:

- Serious concerns highlighted by the external auditor, published in July 2022, around governance arrangements.
- Cultural and governance issues further investigated in the CIPFA review published in September 2022.

Given the seriousness of the issues identified, a failure to deliver the level of change required at sufficient pace would be very concerning. I am therefore setting out the Department's expectations of your Authority in providing assurance of progress.

We expect:

- You to continue in your efforts to deliver against your agreed action plan, accepted at full Council on 30 November 2022, at pace and meet the set milestones, also setting out clearly how success will be measured.

- That you will continue in your efforts to implement cultural change, particularly in relation to the relationships between officers and members, and that this will be an important focus of the Improvement Board.
- To complement existing engagement between the Authority and the Department, we expect that contact at working level should occur on a quarterly basis initially, recognising that this may change according to need over time. We expect any requests for information to be fully and promptly met. The Department will also look to the Governance Improvement Board for assurance on your Authority's plan and its delivery as part of our engagement on this matter.

Whilst your Authority may continue to receive and be awarded government funding whilst under this Notice, we would emphasise that receipt of funding does not indicate the Department's broader view of the performance of the Authority, nor would it indicate any change in the status of this Notice, with individual funding programmes being managed and assured independently by their respective departments.

This Notice will remain in place for 12 months, after which time, should the Department deem it necessary to continue to seek assurance through such a Notice, the Notice will be reissued. The Notice may be withdrawn or escalated at any point based on the available evidence.

It is important to ensure transparency in relation to the challenges faced by local authorities and the Department's engagement on these issues. A copy of this Notice will therefore be published on gov.uk. I encourage you to make a copy of this letter available on Middlesbrough's website and to share a copy with the Governance Improvement Board, the full Council and the Audit Committee. In line with this, we will notify your external auditor of this action.

Separately to this Notice, I would encourage you to continue your engagement with the Local Government Association, making use of the full range of support they have to offer.

A member of my team will be in touch with you to arrange further engagement. I look forward to receiving updates on your progress.

Yours Sincerely,

Max Soule  
Deputy Director, Local Government Stewardship