

EXECUTIVE MEMBER REPORT TO COUNCIL 1 NOVEMBER 2017

Statement of Accounts 2016/17

1. The external auditor issues an opinion on whether the financial statements give a “true and fair view” of the financial position for the year and whether the accounts have been “properly prepared”; and also an opinion on the Council’s arrangements for securing economy, efficiency and effectiveness (Value for Money) in the use of resources.

Financial Statements

2. The council’s external auditors, EY, once again issued a positive, unqualified opinion on the financial statements and concluded that ‘the statement of accounts provide a true and fair view of the financial position of the authority at 31 March 2017 and its income and expenditure for the year ended 31 March 2017.’ They concluded that the Chief Finance Officer has:

- Selected suitable accounting policies and then applied them consistently.
- Made judgements and estimates that were reasonable and prudent.
- Complied with the local authority Code.

And also

- Kept proper accounting records which were up to date.
- Taken reasonable steps for the prevention and detection of fraud and other irregularities.

3. Contrary to the impression given in some quarters, the financial statements for 2016/17 were not qualified, nor as far back as our records go have they ever been.

Value for Money

4. Deloitte, our then auditors, issued a qualified opinion in September 2015 on Value for Money for the 2014-15 financial year. Their qualification was based on three grounds:
 - project management arrangements;
 - capital programme monitoring; and
 - Governance arrangements for the disposal of properties.
5. I am pleased to report that this latest and other recent audit reports have acknowledged the real progress made and EY are now satisfied in relation to two of the three areas for which they had concern and have removed the qualification for both project management arrangements and capital programme monitoring.

6. Members may also recall from my recent report to Council, the positive feedback we have received recently both in audit reports and from the recent Peer Review on our governance arrangements.
7. EY did however conclude that while progress has continued to be made, some improvements in relation to asset disposal governance arrangements were not fully embedded by the end of March, the period on which they base their opinion. They have also acknowledged a number of actions have continued to be made and have been completed since then and the direction of travel is undoubtedly positive.
8. Much of the progress has involved the successful delivery of the Council Improvement Plan, which I have referred to in my recent reports to Council and which came about largely through areas of concern the Council had highlighted itself.
9. In December 2016, I presented a new Asset Disposal Policy, with more robust arrangements to the Executive.
10. A key element also involved a restructure within the Council, bringing together the responsibilities for finance and governance, creating a single point of accountability.
11. This and further work is aimed at achieving an unqualified opinion in this respect in 2017/18.
12. The qualification relates to having processes in place and at no point in this or previous reports has any evidence been found of wrongdoing or criminality by officers or members.
13. EY have based their audit around the National Audit Office guidance that requires a judgement on whether there are “proper arrangements” to secure economy, efficiency and effectiveness. The judgement is not about the value for money of individual transactions.

Council Website

14. At a recent Member workshop on 12 September, a councillor asked if we were able to report on the profile of those who accessed services online and the number of MyMiddlesbrough user accounts held by ward and age bracket. Below is some information on usage with highlighted below the top three age brackets and ward coverage of MyMiddlesbrough account holders.

Age bracket	Accounts held
18 – 24	1,868
25 – 34	5,308
35 – 44	3,774
45 – 54	3,265
55 – 64	2,522
65+	3,415
TOTAL	20,152

Ward	Adult Population	Account Holders	Account holders with age added to profile
Acklam	4,754	882	859
Ayresome	4,752	784	770
Berwick Hills and Pallister	6,928	1,301	1,270
Brambles and Thorntree	6,501	1,207	1,178
Central	9,663	1,828	1,800
Coulby Newham	7,184	1,301	1,265
Hemlington	5,104	1,021	1,001
Kader	4,378	715	698
Ladgate	4,338	750	730
Linthorpe	5,282	957	944
Longlands and Beechwood	8,148	1,323	1,296
Marton East	4,140	974	957
Marton West	4,402	745	731
Newport	9,052	1,658	1,626
North Ormesby	2,428	514	503
Nunthorpe	4,089	658	649
Park	7,669	1,695	1,656
Park End and Beckfield	6,263	1,155	1,127
Stainton and Thornton	1,966	398	392
Trimdon	3,833	714	700
TOTAL	110,874	20,580	20,152

HR

People Strategy:

15. The People Strategy 2017/19, referred to in my earlier reports, was launched this month. HR are now focusing on the Implementation Plan to ensure commitments within the Strategy are underway. Two project teams will be set up to focus on two work streams i.e. leadership and management actions to embed the strategy and Operational HR/OD actions to enable the strategy. Progress will be monitored through the Project Board.

Induction

16. The first Welcome to Middlesbrough Council Induction event was held this month and it was a great success. Being our first one there were some timing issues (which is normal for a first attempt) but it was generally met with positivity and enthusiasm by the attendees. 85 new starters attended the event. HR held a debrief session to identify where we can improve.

17. HR are currently reviewing statistics on how our induction portal is being utilised and have decided to run more manager briefing sessions to ensure all managers are aware of their responsibilities to ensure new starters have a positive experience when joining us.

Recruitment

18. HR are making progress with the project team who were set up to improve how we can better attract talent into Middlesbrough Council and to review processes. They

are reviewing how we create and market our brand as a “good employer” and ensure we are utilising social media positively to attract a wider audience and skills to our workforce. We have refreshed our LinkedIn Profile page and Twitter accounts to advertise jobs, create and enhance our “brand” awareness and will continue to work on how we attract a wider pool of talent.

Engagement Videos

19. Staff engagement videos were successfully launched this month. Each directorate now has a video which outlines the fantastic service they deliver and features staff working within the directorate. The engagement videos are an output of a project led by us with an ambition to connect or reconnect staff with what we do as a Council. This is expected to instil a sense of pride and improve engagement of our workforce, ultimately leading to better customer service. We used footage from all the Directorate videos to build an overarching corporate video which will be used to recruit and induct new starters. This can be viewed on the intranet-it can be seen as members first launch the internet via their Council device and is well worth watching.

Values Launch

20. HR have been actively involved in the creation and design of the new corporate values which are;

- Passionate about Middlesbrough
- Creative in our thinking
- Collaborative in our approach
- Focussed on what matters
- Integrity at our heart

21. HR will continue to work closely with other areas of the Council to embed these values into our organisation. The objective is to improve and enhance our culture so that Middlesbrough Council is a great place to be. The poster “stars” are staff members who naturally shone with enthusiasm and positivity in the engagement videos and we plan to refresh posters with new “stars” as they are identified through a nomination process.

Appraisal Update

22. Appraisal meetings have taken place during March and April. Employees will then have a minimum of 3 further feedback meetings with their manager during the course of the year. Access to the learning system, Middlesbrough Learns, during the appraisal period increased by 42%, which is the highest level of access since it was introduced.

23. The completion rate was 99% for those appraisals that were due to be carried out in March/April. The number of employees determined as Underachieving was 0.8%, these have been followed up with line managers by the HR Business Partners to ensure that employee performance is being managed appropriately. The rate of employees determined to be Overachieving was 2.4% and there has been some moderation by the HR Business Partners to ensure that performance is being consistently assessed.

24. Spot checks will be carried out by internal Audit to ensure that frequent feedback meetings are taking place and HR will follow up with service managers who have a more fluid appraisal cycle to ensure that they are scheduling in appraisals and frequent feedback with their staff.

25. Qualitative data will be sought from staff on the new appraisal system well in advance of the next round of appraisals so that any identified issues can be addressed.

HR Pay System - Phase 2

26. The HR pay system is complete pending system testing. The ICT Service has built an infrastructure in which the Employee Self-Serve platform can be used as an Employee Portal in which all council employees can access the Council network over the web. A significant amount of engagement with managers and employees has been carried out and will continue throughout Phase 2 to ensure that business change is managed appropriately.
27. User Acceptance Testing commences on 28th September. The first system release will be to all Middlesbrough Managers in October 2017, this will include People Manager and the Employee Portal. This will be followed by the release of the Employee Portal to existing Council Network users in mid-November and the release to non-current Council networked employees in December.
28. Build on the Recruitment module will commence in December 2017 for an April 2018 Go Live.

Apprentices

29. A report was agreed on 31st August to introduce the recognition of continuous service for apprentices who are contracted with Middlesbrough Council. The proposal followed a suggestion received via the Staff Suggestion Scheme. The suggestion is supported by the Employee Engagement Working Group.
30. The recognition of the continuous service of apprentices will support the ambitions of the council to be recognised as a good employer and contributes to the Mayor's Vision of improving the opportunities for all who live and work in Middlesbrough.
31. The recommendations of the report are to be implemented with an effective date of 6 April 2017.

Leave and Policy Changes.

32. A number of changes to better support our staff and promote Middlesbrough as an 'employer of choice' have been agreed. Changes to the Leave Policy included:
- Previous Carer Leave (up to 5 Days) changed to Discretionary Leave and available for all staff to deal with emergency situations
 - Introduction of Special Carer Leave for identified carers (up to 5 days)
 - Change of name of Terminal Illness Leave to Exceptional Carer Leave facilitating up to 12 weeks leave for end of life care.
 - Increase in Bereavement Leave from 5 days to up to 10 days with additional discretion to increase depending on the family relationship
33. Our work on reviewing current procedures has included a review of the application of bank holidays and annual leave for new employees/leavers. Again, these should have a positive impact on employees and our attractiveness as an employer:
- Previously 8 days bank holiday were applied regardless of how many bank holidays fell within the holiday year (pro rata'd for those not working full-time). The new approach applies the relevant number of bank holidays that

occur within the year, which will be more or less depending on when the Easter bank holiday falls.

- Previous annual leave did not recognise entitlement for starting / leaving mid-month. The new approach means actual entitlement is pro-rata'd from the start date within the month or up to the date of leaving.

Fostering, Special Guardianship and Kinship Carers Policy

34. We recognise the important contribution foster carers, special guardians and kinship carers make to society and to the lives of children in need or in care. To underline our commitment to supporting any staff member who takes on one of these roles, we will allow time and flexibility to facilitate training and required formal appointments. It has been agreed to introduce leave to support those who are, or are planning to be, foster carers and those who take on children under special guardianship or kinship carer roles.

ICT Services

Agile Working

35. At the end of September 2017 the ICT work stream of the Agile Working Project, the success of which has been reported on in previous reports to Council, will be formally closed and the project team demobilised. All future Agile Working requests will be fulfilled by the ICT Service Desk using the same processes employed by the project team.

Disaster Avoidance and Resilience

36. Following the successful work in August of relocating one of the 2 CORE network switches from Melrose House to Resolution House, in September ICT Services began the hardware installation of the new Virtual Server environment, SAN storage and backup infrastructure. The new hardware has been installed across both Data Centres (Melrose House and Resolution House) with each site having the capacity to run all critical virtual servers in the event of a disaster. Now that the hardware install is complete, ICT Services will begin the process of migrating all virtual servers off the old virtual environment and onto the new, all of which will be done with minimal disruption to users. It is anticipated that the migrations will be completed by the end of November 2017.

PSN (Public Sector Network) submission

37. The Council's current PSN (Government Code of Connection) certification expires on 21st October 2017, and our application for annual compliance renewal was submitted Friday 15th September, in line with Government guidelines. The submission has been acknowledged and validated and ICT are in the process of answering a couple of clarification queries. It normally takes around 4 weeks from submission for the Government to complete the process and inform us of the outcome.

Mobile Phones – Transition from Vodafone to EE

38. The Mobile Phone Transition Project continues to progress well. Phase 3 commenced in August and a second tranche is in progress now for those who have email on their own phone or a Council phone. By mid-September 870 phones had been replaced and another 40 are booked to be replaced by end of September. A number of staff who had Council phones have opted to move to email on their own personal phones – this transition is also taking place during Phase 3.

Child Protection Information Sharing

39. ICT have been working with Children's Services to implement the Child Protection Information Sharing system which is commonly known as CP-IS. This is a national initiative which will improve information sharing between Children's Social Care and secondary health services by alerting social workers when someone with potential child protection issues has accessed a secondary health care setting. Although James Cook have not completed the installation yet there are a number of hospitals in the surrounding area and nationally that are live. The implementation was completed on 27th September and once initial tests have been completed, we will begin to receive notifications.

Boho

40. ICT Services took on support for the ICT infrastructure for Boho buildings 1 & 5, with effect from 1st September 2017. As part of taking these buildings on they are looking at increasing the resilience to the buildings in the coming months so that the businesses located in them have more robust connections to the network and internet.

**NICKY WALKER
EXECUTIVE MEMBER FOR FINANCE AND GOVERNANCE**