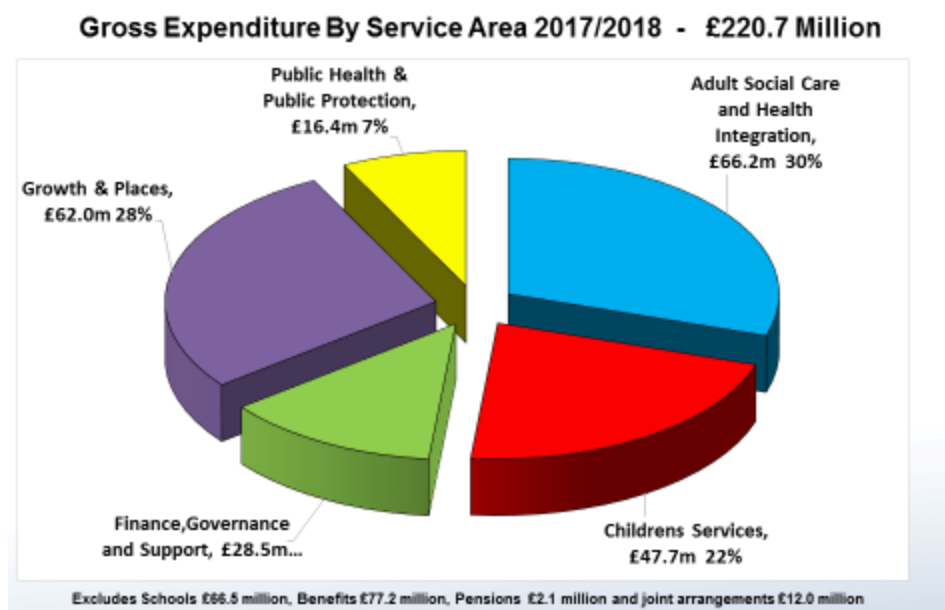


**EXECUTIVE MEMBER REPORT TO COUNCIL  
24 JANUARY 2018**

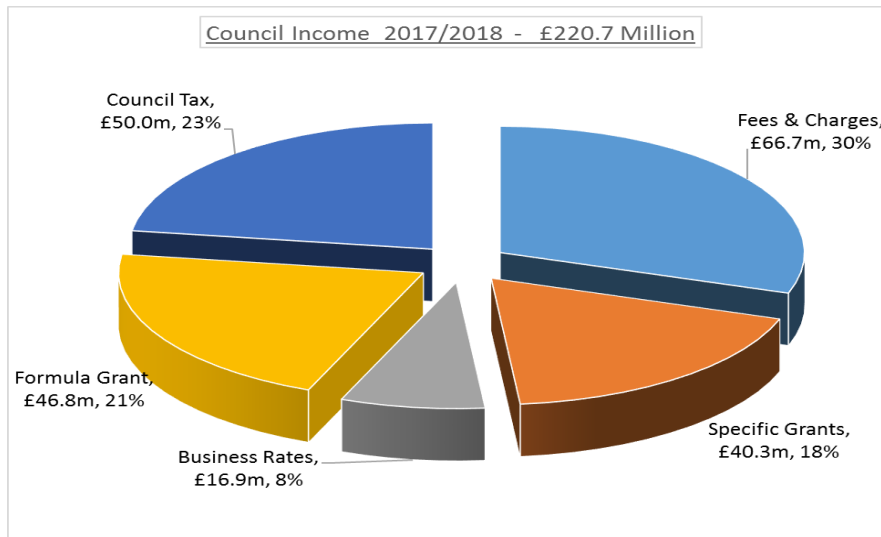
**FINANCE**

**Funding of Local Government**

1. The Local Government Association have released new analysis of how local authority spending will be broken down in the future, predicting less and less being available for 'non-care' services.
2. They predict that for every £1 of council expenditure, including council tax collected by councils in 2019-20, 60p will be spent on caring for the elderly, vulnerable adults, and vulnerable children. This is up from 41p in 2010-11. By contrast, 1p in every £1 will be spent on street cleaning and flood defences, 5p in every £1 will be spent on road maintenance and street lighting and just under 5p in every £1 will be left to fund all libraries, leisure centres, parks, museums and arts.
3. As can be seen from the chart below, currently in Middlesbrough, 44% of expenditure is used to fund Adult Social Care and Children's Services



4. The Local Government Association have predicted that nationally people will see a decline in services such as street cleansing, parks, libraries etc. over the next few years as more funding needs to be diverted to care for the elderly, vulnerable adults and children. In Middlesbrough we are seeking to minimise this impact as is demonstrated in the Strategic Priorities and Budget Proposals contained in the Strategic Planning report, currently under consultation.
5. The LGA are predicting a £5.8 billion gap in funding by 2020
6. The government has been lobbied to increase funding for local authorities to fund these vital services and also to fund the national pay award.
7. In December 2017, the Government's response was to announce that local councils can increase their general council tax by a further 1%. Communities Secretary Sajid Javid said that this would give councils "the independence they need to help relieve pressure on local services".
8. Conservative Chair of the Local Government Association, Lord Porter however said "Years of unprecedented central government funding cuts have left many councils beyond the point where council tax income can be expected to plug the growing funding gaps they face".
9. In Middlesbrough the additional 1% increase if agreed in March, would raise £494,000 per year, whereas the cost of the pay award far exceeds this. Even though Middlesbrough already pays the Living Wage Foundation rate as a minimum, which is above the national minimum rate, the additional cost of the pay offer will be a total of £2.1 million over a two-year period (2018/19 and 2019/20). The vast majority of members in Middlesbrough supported the motion for an improved and much deserved pay award for staff but also like many other authorities called upon central government to fund it in order that the burden would not be passed on to local tax payers.
10. As can be seen from the chart below, Council Tax amounts to just 23% of our current income. Areas like Middlesbrough and other North East councils receive less for a 1% Council Tax increase than the affluent areas of the South with larger proportions of higher council tax banded properties and higher Council Tax Bases.
11. In Middlesbrough Council Tax for 2017/18 amounts to £50million, whereas the cost of caring for the elderly and other vulnerable adults alone is over £66million and if combined with the cost of Children's Services is nearly £97million. Therefore, income from Council Tax barely covers half of what is spent on these services.



12. Budget proposals for this year include budget savings of a further £5.8million for 2018/19 and amongst further reductions in government funding.

### **Business Rates Retention.**

13. I reported to the last meeting of Council that while the Government remains committed to a staged removal of the Revenue Support Grant and expecting local authorities to raise funds locally through Council Tax and Business Rates, they had dropped their proposal to allow councils to retain 100% of Business Rate income (currently 50% is retained locally with 1% going to the Fire Authority).

14. In December 2017 the Communities Secretary announced a proposal for this to be increased to just 75% instead of 100% by 2020/21. The LGA continue to call for 100% Business Rates retention.

## **HR**

### **HR Pay System - Phase 2**

15. The Staff Portal was released to 1300 'new users' on 14<sup>th</sup> December 2017. The IT-Helpdesk is experiencing a steady demand from users requiring support logging in for the first time. It has been identified that in excess of 550 new users have accessed the system on a frequent basis in the previous 3 weeks, which is a very positive start. New users are being encouraged to develop confidence logging in and navigating the portal before being asked to submit pay claims for overtime/additional hours in February.

16. Design and build of the online recruitment system is well underway in preparation for the move the current one in March 2018. This brings with it significant opportunity to improve existing business processes.

17. 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.

18. The Business Case for Phase 3 of the project which includes Talent Management, Learning and Development and Performance Management is under discussion.

### **People Strategy**

19. Activity within our People Strategy Implementation plan is still in progress and will be managed in line with Project Management Office standards.

### **Induction**

20. The third induction event took place on 13<sup>th</sup> December with approximately 28 new starters in attendance. As reported last month we continually seek and respond to feedback from delegates and have again reformatted the welcome event. The feedback received this month was exceptional so we plan to keep this format moving forward. We will not hold a welcome event in January due to the small numbers of new starters.

### **Business Partner Upskilling**

21. We have identified that 'Business Partner Upskilling' will support Finance, Governance and Support to better understand service area needs within the Council, which will improve how they support these services.

### **Recruitment**

22. The Recruitment eLearning module has been launched and will be supported by a skills workshop for those managers who would like more help. Changes to the recruitment process continue with streamlining of documentation and associated processes in preparation for the move to iTrent.

### **Refreshed Middlesbrough Manager Profile**

23. HR have completed the work on a proposal to refresh the standards and requirements of our Middlesbrough Manager population. This profile will provide LMT and all Managers with clear expectations continuing to develop behaviours, skills and attributes for our management population.

### **360 Degree feedback**

24. It has been agreed that HR will conduct a 360 degree process for all our service managers. The purpose of this intervention is to inform on current performance and indicate any development needs. Once this process has been completed HR will review whether the 360 degree feedback process can be rolled down to all management layers in some form as this could be instrumental in helping us to achieve our ambition to be listed in the Sunday Times Best Companies 2020.

## **Appraisal / Frequent Feedback Update**

25. Qualitative data was sought from staff on the new appraisal system via the communication survey in November. There was an overwhelmingly positive response with 75% of respondents finding it useful. It is recognised that further work is needed to increase the positive response rate so that all staff who receive an appraisal find it useful. Work is still being carried to check that regular frequent feedback meetings are happening.

## **Scanning of Personnel Files**

26. All current employee files have now been scanned into Objective (information management system) and the team are now scanning 'Leavers' files back to 1<sup>st</sup> April 2016.

## **Staff Health Survey**

27. As part of the Extra Life initiative that the Council has signed up to a Staff Health Survey of the organisation is required. The survey went out to all staff via the staff portal on 3<sup>rd</sup> January 2018 and will run to 31<sup>st</sup> January. The results will help shape an action plan for health and wellbeing activities and inform a series of planned events, targeted activities and campaigns throughout the coming year. The new users of the staff portal are being actively encourage to complete the survey to help familiarise themselves with using the staff portal. The Trade Unions, Health Champions and Mental Health First Aiders are all providing support in encouraging completion of the survey.

## **Annual Staff Satisfaction Survey:**

28. It is now planned to carry out the annual staff satisfaction survey in February to allow a break between the two surveys. The annual staff survey will focus on staff satisfaction, engagement and provide baseline information against which progress on the embedding of the culture and values of the organisation can be measured year on year.

## **Young Local Authority of the Year**

29. For the second year running, the council will be entering a team for the Young Local Authority of the Year. This is a national competition held in Lancaster in February. The competition is aimed at enhancing the professional development of people in the early stages of their career in local government. Eight nominations were received from across the organisation and, following a selection process including a short presentation to the Leadership Management Team, Charlotte Nicols (Head of Culture) and Jade Stainthorpe (Programme Office Co-ordinator) will represent the council.

## **Employee Engagement**

30. As part of the work to embed our Values the Employee Engagement Working Group, chaired by the Chief Executive, has been looking at a range of initiatives that will help improve staff engagement to create a more vibrant and happy working environment. One of these initiatives is around how we recognise staff for

the great work they do. One of the proposals “Stars of the Month” was recently implemented. This will be a monthly feature allowing the Chief Executive to publicly thank staff who have been recognised by our managers as really demonstrating our Values.

## **ICT**

### **Disaster Avoidance and Resilience**

31. As reported previously, ICT Services have now completed the commissioning of the new data centre at Resolution House, complementing the data centre located at Melrose House and providing the Council with the appropriate level of ICT resilience for the Councils business critical applications.
32. It is vital that this new resilience is tested regularly to ensure that both the technology and the people behind it understand what to do in an emergency. To that end on the weekend of the 25<sup>th</sup> & 26<sup>th</sup> of November, ICT successfully tested the resilience of the data centres. A main power failure power failure was simulated at each site, in order to test the onsite generators. The team also simulated the loss of an entire data centre, in order to be assured the remaining one could run all of the Councils key business applications. The tests were successful and will help further refine the ICT Disaster Recovery plans.

### **PSN (Public Sector Network)**

33. As previously reported ICT Services have recently undergone a rigorous audit commissioned by the Cabinet Office in order to achieve PSN (Public Sector Network) compliance. This accreditation demonstrates the robustness of the Councils approach to ICT security and ultimately grants access to the Cabinet office/DWP (Department of Work and Pensions) network – vital to the Revenues & Benefits Service. After a detailed external audit of our approach to security ICT Services were awarded compliance on 28<sup>th</sup> November 2017.

### **ICT Restructure Complete**

34. Whilst ICT Services relies heavily on the use of technology, it is nothing without its people. Following the appointment of a new HoS in March 2017 and the launch of the new ICT Strategy, it was vital to ensure the structure and roles within the service aligned to the delivery of the Strategy which in turn supports the Councils Strategic Plan and the delivery of the Mayors vision. Working closely with HR and the Unions an innovative redesigned structure was presented and subsequently approved by LMT in September 2017. After detailed staff consultation the new structure went live on the 1<sup>st</sup> of December ensuring the roles and teams are now fit for purpose and staff whose salary did not reflect their new responsibilities (over 90% of ICT staff were on former Mouchel/Kier terms) now benefited from Middlesbrough Council terms and conditions, all within the existing revenue budget.

## **ICT Refresh Programme**

35. In order to ensure that Directorates across the Authority enjoy high levels of ICT availability and reliability, ICT undertake a continuous programme of updating existing hardware and software as well as replacing out of date technology. To that end the Infrastructure Team are in the process of replacing major components of the network "Distribution Switches" across the central campus buildings (Municipal Buildings, Town Hall and Middlesbrough House) as the current infrastructure nears the end of its life. This will ensure the network remains fit for purpose and able to adapt to future demands. As always this work will be completed with the minimum of disruption to our users.

## **Missed Bin Collections**

36. The Missed Collection Service (for Waste Services) has also been updated allowing residents to submit one request, regardless of the type of bin (refuse/recycling/green waste) missed. Previously residents had to submit individual requests for each bin type, wasting time and causing frustration and complaints.

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