

**EXECUTIVE MEMBER REPORT TO COUNCIL
20th JUNE 2018**

FINANCE

Budget & Balanced Scorecard 2017/18

1. In May I took a report to the Executive which set out the outturns against the Council's revenue and capital budgets and the performance against targets at year end 2017/18. Below are some of the highlights within the report which also identifies key areas of risk and actions to address particular issues.

Budget

2. Following the transfer to reserves of largely one-off, in-year savings the end of year position was a £113,382,000 spend against a £113,669,000 budget. The savings of £287,000 represent a variation of just a quarter of 1% (0.25%) of the budget, demonstrating the effectiveness of the Council's financial management. Further narrative on key variances from budget are contained in the report. The following table sets out the end of year position by directorate:

Department / Directorate	Full Year Budget £'000s	Full Year Outturn £'000s	Over/(under) spend £'000s
Growth and Place	27,785	27,870	85
Public Health and Public Protection	120	(8)	(128)
Children's Services	32,872	34,132	1,260
Adult Social Care and Health Integration	35,511	35,106	(405)
Finance, Governance and Support	9,769	9,686	(83)
Central costs	7,612	6,596	(1,016)
Revenue outturn	113,669	113,382	(287)

Savings

3. A total of £8,829,000 of savings were delivered in 2017/18, with 96% of the target delivered at year end.

Department / Directorate	2017/18 target £'000s	Delivered £'000s	Over/(under) delivery £'000s
Growth and Place	1,712	1,334	(378)
Public Health and Public Protection	1,342	1,342	0
Children's Services	397	397	0
Adult Social Care and Health Integration	4,317	4,317	0
Finance, Governance and Support	1,439	1,439	0
Total savings delivery	9,207	8,829	(378)

Capital

4. With the extension of the Council's Investment Strategy to 2020/21, the Council is now investing £95m of its own one-off capital resources in growing the town's economic base, driving financial self-sufficiency via growth in revenue from Council Tax, Business Rates and income from commercial activity, and transforming how the Council delivers its services. This in turn minimises service reductions and job losses over this period which sees further slashes to central government support and an expectation by government that councils will raise money locally to plug the gap that this leaves. This investment is intended to attract a total of £625m of third party investment into Middlesbrough and its infrastructure, supporting major regeneration schemes outlined in the Investment Prospectus, such as:

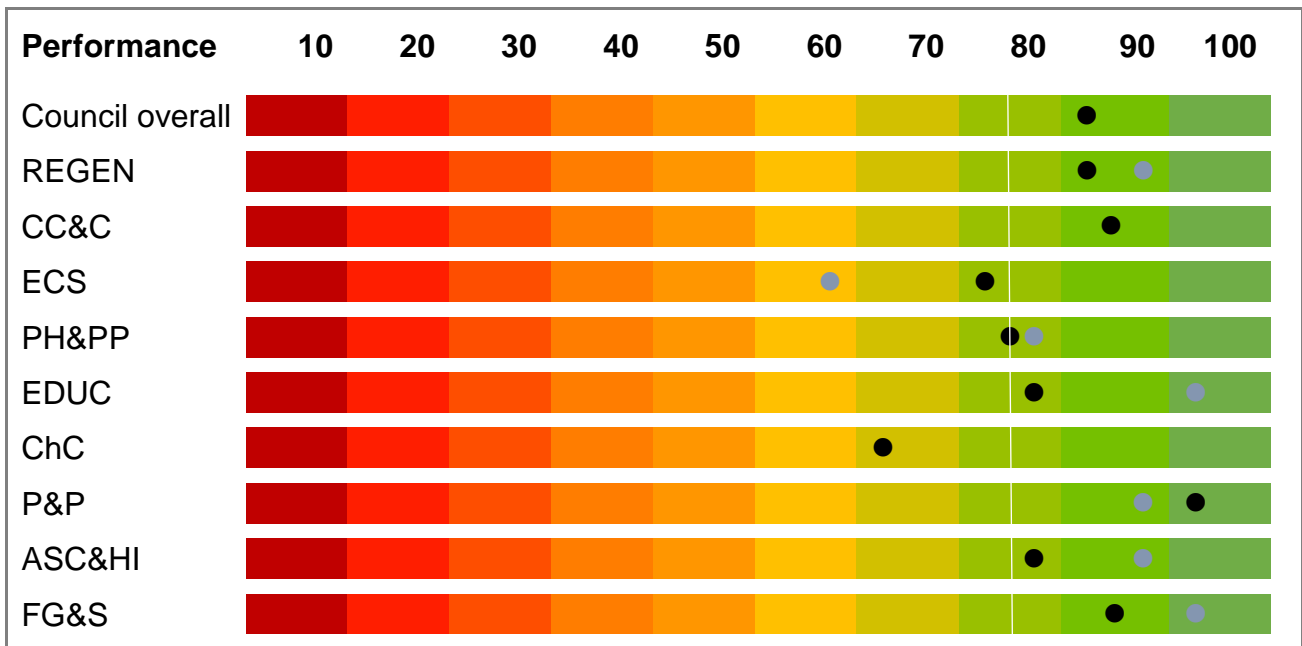
- the Snow Centre development in Middlehaven;
- the development of a premier office development in Centre Square;
- the refurbishment of Middlesbrough Town Hall;
- Tees Advanced Manufacturing Park;
- the development of Middlesbrough's rail and road connectivity; and
- the development of new housing in the town.

5. The table below summarises the capital outturn position for 2017/18 of £34.730m against this revised 2017/18 budget of £37.652m, or 92% of the revised budget, reflecting some re-profiling across the four year strategy period. Compared with the budget set at the start of the year of £33.757m, this position represents a 3% over delivery against the Council's initial assumptions for 2017/18

Department / Directorate	Revised 2017/18 Budget £'000	2017/18 Full Year Outturn £'000	2017/18 Over/ (under) spend £'000
Regeneration	14,970	14,077	(893)
Culture, Communities and Communications	6,186	6,120	(66)
Environment and Commercial Services	5,400	5,549	149
Public Health and Public Protection	485	528	43
Education	3,209	2,861	(348)
Children's Care	323	293	(30)
Prevention and Partnerships	315	313	(2)
Adult Social Care and Health Integration	3,114	2,185	(929)
Finance, Governance and Support	3,650	2,804	(846)
Total	37,652	34,730	(2,922)

Performance

6. The Council overall and seven of nine Directorates, exceeded the corporate standard of meeting 75% or more of performance targets at year-end. Performance is summarised in the table below, with explanations of major variances from non-financial targets and mitigating activity are set out in the report:



HR

Induction

- Over 300 new starters have attended the corporate induction welcome event with feedback still being extremely positive. We will move the event to the newly refurbished Town Hall from June so staff can experience the fabulous new venue.

Academies

- HR have commenced the nomination process for the second intake of our Leadership and First Line Manager Academies. They plan to run two Academies a year. Both academies are accredited by Institute of Leadership & Management at level 3 & 5

Customer Excellence

- HR continue to ensure the customer is at the heart of everything we do and have commenced a mandated roll out of a new customer excellence eLearning module. The module is a reminder of the content covered in last year's Customer Excellence initiative and now includes the link between providing a great customer experience and our values.

Appraisal / Frequent Feedback Update

- The Annual Appraisal window is now closed and a summary report will be provided to LMT ensuring compliance across the organisation including the results from those managers with large groups of employees who were given a rolling year programme for completion of appraisals last year. There will be a process of validating outcomes by the HR Business Partners for those employees considered as Over Achieving or Under Achieving.

Annual Staff Awards

11. The Annual Staff Awards submissions closed on the 25th May. There has been an excellent response this year with 113 entries, compared to 75 last year. There are 92 nominations for the main categories, 4 nominations for Volunteer of the Year and 17 nominations for the new award of Apprentice of the Year. The awards event will be held in the Town Hall on Friday, 13th July.

Annual Staff Satisfaction Survey

12. The responses to the annual survey have been collated and analysed. Overall the results are very positive and, where comparison is possible with previous surveys, results have generally improved. There is still a need to increase response rates, although there was an increase to 38%, from 35.1% (Short Survey) in 2016/17, and from 27.6% (Long Survey) in 2015/16. There is a strong correlation between the number of employees in a Directorate, with higher response rates in smaller Directorates.
13. Some of the most encouraging findings were that 97% of respondents recognise their role in delivering excellent customer service and 93% know what our Values are. 93% are willing to give extra effort to help the Council succeed and 90% enjoy and feel proud about the work they do for the Council. 90% state their manager treats them with respect (of which 50% strongly agreed) and 82% are very satisfied working for the Council (only 4% express dissatisfaction). Over 80% agree their manager cares about employee well-being, handles personal issues satisfactorily, is open to suggestions and is trustworthy. 80% agree they understand the importance of their role in achieving the Mayor's Vision for 2025 and the Council's priorities and almost 80% of staff responded positively to the questions included in the Leadership section.
14. There are still areas for improvement and work to be done to address issues such as 10% of respondents stating they are unable to maintain a reasonable balance between work and home life. Also the relatively high 'Neutral' response to the questions around senior managers demonstrating ownership of the Values
15. Staff were asked to answer 'Yes/No' to the statement "Employees are treated equally regardless of age, gender, ethnicity, disability, religion or belief, sexual orientation" and to comment on the reasons for their response. 57 respondents (5%) answered 'No'. Of these, 13 did not specify why and 23 stated issues other than the protected characteristics. The main reasons given were Gender (16%) and Age (11%), the latter mainly related to perceived different treatment because of young age.
16. Progress has been made with communications. 81% agreed they felt informed about what is happening in the Council (compared to 46% in 2012/13; 54% in 2015/16). There was a slight reduction in the overall satisfaction score in working for the Council down to 34.4% (from 37.2% in 2016/17). This is largely explained by a rise in the number of 'Neutral' responses to this question.
17. The vast majority of respondents (98%) are aware of their responsibilities for health and safety and how to report an incident. Questions were asked about appraisals with 17% respondents stating they had not received an appraisal in the

last twelve months. More work is being carried out to better understand this response and will feed into the work on analysing the latest round of appraisals.

18. Finally, staff were asked to suggest 'what makes Middlesbrough Council a place where people want to work' (555 comments were received) and then 'what can Middlesbrough Council do to make this an even better place to work' (565 comments received). These suggestions have been grouped by the themes that emerged. The highest number of positive comments were around flexible working/agile working/work life balance. The most comments with regard to improvements were around the accommodation/facilities/office moves.
19. The survey findings and comments will be shared with the Members and Trades Unions at Works Council as well as Employee Engagement, Equality and Inclusion groups.
20. Action plans will be produced at both corporate and Directorate level, following meetings with Directors and Heads of Service to consider their findings in more detail.

Staff Health Survey

21. This was the first detailed health survey of the Council's workforce. A report has been compiled detailing the most significant findings and proposing a number of recommendations. The recommendations are grouped into a number of themes that also take account of the highest reasons for sickness absence. The findings and recommendations will be shared with members and the Trade Unions at the next Works Council.

ICT Update

Star of the Month - Middlesbrough Town Hall Makeover in 129 years

22. This month Dave Warwick was recognised for his contribution in ensuring that for the very important grand opening, of the Town Hall, customers could pay for drinks at the bar by debit card. There was a collaborative team effort by ICT Services, Cultural Services and Finance ensuring the Town Hall opened with a state of the art Electronic Point of Sale system in early May. Dave Warwick led the ICT work stream with Rob Guest and Jan Guinan, co-ordinating the approach, overcoming technical challenges to ensure customers had a refreshing start to the grand opening with the ability to pay for drinks with their debit cards. The system, which also facilitates stock control and onscreen marketing of up and coming events was implemented at very short notice and all concerned can be justifiably proud of their work.

The Joint Public Health Service (Redcar and Cleveland Borough Council & Middlesbrough Council)

23. A Joint Public Health Service has been successfully implemented and mobilised with the support of ICT who provided the appropriate devices and infrastructure.
24. The project involved close working relationships with both borough council's support functions (HR, Organisational Development, Legal, Communications & Marketing, ICT Services, Information Governance, Facilities Management) to

ensure that the merging of the two services was managed and communicated appropriately and in line with statutory and organisational policies and procedures

Customer Relationship Management (CRM) Update

25. ICT Services continue to support improvements to Councils CRM (Customer Relationship Management) system Firmstep based on feedback from Services areas and residents of Middlesbrough.

- Development work has been completed to streamline the reporting functions and improve performance for the online Customer.
- The Bulky Waste solution has been redeveloped to fix issues and significantly improve the back office workflow providing a more efficient process for the online customer. The new solution is due to be implemented in mid-June.
- ICT Services have been working collaboratively with the complaints team to design a new system which is due to be developed and implemented by the beginning of July.

Regional Adoption Agency

26. As part of the creation of the Regional Middlesbrough Council Social Care Adoption Staff have transferred to the Regional Adoption Agency. ICT Services have worked collaboratively with Stockton IT to provide a secure method of access into the Middlesbrough Council network that allows RAA staff to connect to the IT systems.

Staff Awards Submission

27. In recognising the significant contribution the ICT staff have made to the delivery and improvement of services across the Directorates, ICT have put forwards three entries for this year's staff awards:

- Young Apprentice of the Year – Ryan Johnson
- Out technical support for the iTrent system
- The design and construction of the Councils new ICT Data Centre at Resolution House

LEGAL

Proposed Merger of Coroners' Services

28. There is a current consultation exercise, being run by the Ministry of Justice, in relation to the proposal to merge the Teesside and Hartlepool coroner areas. This proposal, would see the Senior Coroner for Teesside (and currently Acting Senior Coroner for Hartlepool) slotted into the Senior Coroner role for the merged area, and would see the majority of matters dealt with through the current Teesside office, but with appropriate Hartlepool inquests remaining in Hartlepool. Following the conclusion of the consultation exercise, the Lord Chancellor, in consultation with the Chief Coroner, will determine whether to progress with the merger, and will lay an Order before Parliament on that basis.

