

## EXECUTIVE MEMBER REPORT TO COUNCIL FRIDAY March 15<sup>th</sup> 2019

### 4-year Performance

1. Corporate governance has improved significantly during this administration.
2. Members will recall that the Local Government Association (LGA) was commissioned by the Council to deliver an independent Corporate Peer Review of our arrangements, which was undertaken in January 2016.
3. The Peer Review confirmed our thinking on key areas for improvement, and in the subsequent years we have delivered major improvements in respect of:
  - strategic and medium-term financial planning;
  - programme and project management;
  - change programme management;
  - integrated finance, performance and risk reporting;
  - capital programme management; and
  - asset disposals.
4. Our improvement was acknowledged by the LGA in its follow-up visit (July 2017), and in a number of consistently positive internal audit reports since that time. Members are reminded that the Council received an unmodified value for money conclusion from its external auditor for the 2017/18 year.
5. These improvements in our corporate governance have directly supported the significant local developments and improvements in service performance that we have all seen in the past four years, and which are outlined in the revised version our Strategic Plan for 2019-2022 to be considered at today's meeting of Council.
6. In particular, members will note the great success of our Investment Prospectus, which, in developing our city centre and key employment sites around Middlesbrough, has already delivered £194m of inward investment and over 1,000 new jobs to date, with much more planned in future years. As a result, Middlesbrough is now being recognised nationally and internationally for its progress and investment potential.
7. Within the Investment Prospectus we are also working with a range of partners to deliver the largest house-building programme in Middlesbrough's recent history, and associated infrastructure improvements to road and rail. This in turn has a positive impact on the Council's finances with a cumulative impact of over £5million Council Tax without which further cuts totalling this amount would have needed to have been made.
8. Aside from this, our level of performance overall has remained high over the past four years against the stretching targets we set ourselves – we consistently achieve our 80% of our priorities annually. We have maintained a high level of performance within adult

social care, and have worked with schools to deliver improvements in educational attainment and to plan and invest to consistently exceed national average levels in future years.

9. Our strengthened governance has also enabled us to identify where we must focus our efforts to deliver sustained performance improvements in future years. Alongside the majority of Northern cities and towns we continue to face significant challenges around local employment, household income, health inequality and crime. Our Social Regeneration Prospectus, approved by the Executive in January 2019, sets out an innovative and integrated approach to addressing these issues, and our revenue and capital budgets, again considered at last week's meeting of Council, provides appropriate resources to deliver on these commitments. This is in addition to the significant resources previously agreed to deliver our Believe in Families transformation programme for children's social care.
10. While corporate governance is of critical importance, it is also important to maintain an equal focus on people – our customers, our partners and our employees.
11. In the past four years we have reaffirmed our commitment to customer excellence and to developing and supporting our employees, while developing digital services. While, as previously reported to members, there is more work to do to get digital right in all areas, it is important to note that there is a significant appetite for services of this kind:
  - over 35,000 of our residents are now using our online MyMiddlesbrough accounts to report issues and to apply and pay for services; and
  - over 66% of employees now have the ICT to enable them to work at any location.
12. The Council has in recent times made structural changes to allow it to better support the delivery of digital in future years.
13. This administration has also been characterised by an ongoing increase in joint working with our partners, including Cleveland Police, Redcar and Cleveland Borough Council, South Tees Clinical Commissioning Group, Teesside University and Middlesbrough Voluntary Development Agency, which will be central to achieving our aims in future years.
14. Overall then, we are well-prepared to deliver on our strategic priorities in the coming years, subject to there being no significant and long-term shocks to the national and local economy, and to the Council receiving a fair funding deal from central government.
15. Clearly, neither of these risks can be discounted at present. An update on Brexit is considered by Council at today's meeting, and it is important to note that the risks to the national and (in particular) the North East economy.

## Finance

### 4-year Finance

16. Government funding for local government as a whole has fallen substantially since 2010. Since changes were made to the Local Government Finance System in 2013/14 Middlesbrough Council has suffered a significant reduction in Government funding, with a reduction of £42.4m (52%) from £81.2m received in 2013/2014 to £38.8m in 2019/2020.

### Budget Performance

17. It is worthy of note that for each of the three years concerned, the Council has delivered within budget, with a variation of less than one percent against budget and overall a variation of 0.28% over the 3-year period. This is illustrated in the table below, in which figures are again taken from reports available on the Council website.

	Budget	Actual	Savings against Budget	Variation
	£000s	£000s	£000s	Percent
2015/16	119,918	119,441	477	0.40%
2016/17	115,912	115,696	216	0.19%
2017/18	113,669	113,382	287	0.25%
Totals	349,499	348,519	980	0.28%

### Saving Delivery

18. The following table reflects a 96% delivery against, what are deliberately challenging, savings targets over the 3-year period. A period in which nearly £36million of savings have been delivered

	Target	Actual	Percent
	£000s	£000s	Delivered
2015/16	14,069	13,406	95%
2016/17	14,100	13,637	97%
2017/18	9,207	8,829	96%
Totals	37,376	35,872	96%

### Impact of Savings on Services

19. The following table represents the amount of savings agreed in each of the four years' annual Revenue Budget considered to have an impact on front line service delivery, overall only 21% of budget cuts were classified as affecting front line services.

	<b>Target</b>	<b>No effect-front line</b>	<b>Potential Effect Front line</b>	<b>% Effect Front line</b>
		<b>Service Delivery</b>	<b>Service</b>	<b>Service</b>
	<b>£m</b>	<b>£m</b>	<b>£m</b>	
2016/17	14.1	11.057	3.043	22%
2017/18	10.178	7.685	2.493	24%
2018/19	6.934	5.231	1.703	25%
2019/20	9.908	8.312	1.596	16%
<b>TOTAL</b>	<b><u>55.189</u></b>	<b><u>43.341</u></b>	<b><u>11.848</u></b>	<b><u>21%</u></b>

I would like to thank all officers and members who have helped in delivery this level of performance in the light of severe cuts in funding over the last four years.

## Revenues and Benefits

### TUPE Transfer of Staff

20. I am pleased to announce that following the TUPE transfer staff are now settled and fully embracing life within Middlesbrough Council.

### Customer Services Excellence

21. I had the pleasure of attending the Revenues and Benefits Customers Services Excellence Re-Accreditation assessment. The service have held the award since 1998, each year having to demonstrate a year on year improvement. This year the service was awarded compliance plus in 7 areas demonstrating that the service is delivering 'elite' customer excellence in service delivery to the resident of Middlesbrough.

### Universal Credit

22. I continue to have monthly meetings with officers on the roll out of the government's Universal Credit. Currently no data on numbers of Universal Credit cases in Middlesbrough, numbers sanctioned, claims failed etc. is available from DWP. However, the Benefit Service is aware that the numbers of residents requiring digital support from the Council are 3-4 times higher than the DWP's anticipated levels. From 1 April 2019, the Government have awarded a contract to the Citizens Advice Bureau to provide Universal Support. This replaces the Digital and Personal Budgeting Support which was previously carried out by Local Authorities. At the time of writing, the Bureau have given no indication of how or where this support will be delivered. This will need to be clarified by them as a priority given the significant number of residents who

currently receive support from the Council's Benefit Service in the Customer Contact Centre. Officers are currently liaising with the Bureau as a priority.

## **HR**

### **Community Bank and Staff Savings:**

23. A community bank operator has been appointed and the South Tees Community Bank is now operational and will have a town centre base within a few weeks. As well as offering affordable loans to the residents of Middlesbrough, the Community Bank has partnered with Middlesbrough Council to offer a payroll savings service, as a benefit for Council staff. Members of the Community Bank team have been onsite in February to promote the new payroll deduction saving scheme.

### **Appraisals**

24. Annual appraisals take place during March and April to enable a timely review of past performance and appropriate planning of objectives for the coming year. Our Values are a critical element of our strategy to create a brighter future for Middlesbrough and they are at the heart of everything we do. Employees will be appraised against the Living our Value Framework with performance measured against the 5 Corporate Values and associated behaviours. The outcome information will be reported centrally to HR in June.

### **Leavers and Movers Process**

25. A new process has been developed for employees leaving the organisation or who are moving departments. It is recognised that the off-boarding process is an important part of the employee lifecycle and should be used to ensure an employee leaves their position within the organisation on good terms and under the best possible circumstances.
26. Part of the new process includes a Face-to-Face Exit Conversation for leavers and movers and an optional online Leavers Questionnaire for those exiting the organisation. HR will monitor the information received and it will provide an opportunity to find out what the Council is doing well and where improvements can be made. The new process is due to be launched in March.

### **Recruitment Website:**

27. Work is underway to improve the Council's recruitment pages on the internet. The aim is to attract candidates, maintain their interest and capture their attention on their visit to the site. The new pages will promote the benefits for working for Middlesbrough Council, highlight the local area / Tees Valley and the offer of retail, restaurants, arts and entertainment, convenient transport links and lower price housing. It is envisaged that the new recruitment website will be released during April.

### **Annual Equality and Inclusion Monitoring Report**

28. Following being considered by me at an individual decision making meeting, the

annual report has been published on the Council's website. The report combines the annual report on the Council's workforce composition and compliance with the Equality Act 2010 together with equality and inclusion information on the local population.

29. The report sets out a picture of the town, using the range of equality and inclusion datasets available to compare it to the composition of the Council's workforce and provide information on how the Council complies with the Equality Act 2010. The report also outlines the steps that have been taken and those that will be taken over the next twelve months to improve equality and inclusion outcomes for the organisation's workforce and the town, where required.

## **ICT**

### **New Civic Centre**

30. With just over six months until the new Civic Centre is handed over to the Council for fit-out, ICT are actively supporting this corporate programme of work on a number of fronts. In initial Wi-Fi surveys are planned to commence in August and ICT are busy assessing the devices that will be used by staff moving into the building in spring 2020, ensuring they are able to take full advantage of the new ways of working the building itself will offer. Wi-Fi surveys will ensure the building will have maximum signal coverage for the Council's corporate and guest Wi-Fi networks allowing staff to work in a flexible and agile manner, regardless of location.

### **Hot Topic – Investment in IT Technologies**

31. During November 2018, the Tees Valley Audit and Assurance Services (TVAAS) invoked a "Hot Topic – Investment in IT Technologies" Audit with ICT Services. TVAAS used a testing programme to identify if the Council had robust processes in place to identify technological threats and opportunities. Also, to ensure there was an effective control environment that kept pace with digitalisation. Innovation is crucial to the Council's success and ICT were asked to provide evidence to demonstrate that Innovation is evaluated in the short, medium and longer term to ensure that the ICT service continues to be responsive to the Council's demands. Following investigations undertaken by TVAAS, on 5/2/19 ICT received a very positive and encouraging final report awarding a 'Strong' Control Environment with no recommendations.

### **Wi-Fi Upgrade**

32. ICT Services have completed a major upgrade to the infrastructure and security systems that underpin the Council's corporate and Guest Wi-Fi services. As well as delivering maximum protection and security, the new system offers a simplified logon process and a more flexible service. Colleagues in the Town Hall are now able to offer Wi-Fi as a service to those hiring space for various events as well as acts and band performing at the Town Hall. Overall a much better user experience for our citizens and visitors to the Council's central campus buildings.

Nicky Walker  
Executive Member for Finance and Governance