

MIDDLESBROUGH COUNCIL
OVERVIEW AND SCRUTINY BOARD

AGENDA ITEM 5

12 DECEMBER 2017

BUDGET AND BALANCED SCORECARDS: QUARTER TWO 2017/18

**JAMES BROMILEY: STRATEGIC DIRECTOR OF
FINANCE, GOVERNANCE AND SUPPORT**

PURPOSE OF THE REPORT

1. To advise Overview and Scrutiny Board of expenditure against the Council's revenue and capital budgets, and its performance overall at Quarter Two 2017/18, and provide a position statement in respect of Treasury Management and General Reserves.

SUMMARY OF RECOMMENDATIONS

That Overview and Scrutiny Board:

2. Notes Executive's approval to reduce the transfer of project savings into the Social Care Demand Risk reserve from £712,000 to £501,000, and to transfer £640,000 of projected savings within Public Health and Public Protection into the Public Health Reserve; and the resulting projected revenue position at Quarter Two 2017/18, namely a budget underspend of £42,000 (or 0.04%).
3. Notes Executive's approval of a revised Investment Strategy for the period to 2020/21 (at Appendix 1), and projected capital expenditure of £36.552m against the revised budget of £34.881m in 2017/18 (or 105% of the budget).
4. Notes the Council's borrowing at 30 September 2017 of £142.2m, and its forecast Reserves at 31 March 2018 of £40.2m, of which £13.1m are General Reserves.
5. Notes the performance of Directorates at Quarter Two 2017/18 (Appendix 2), the consolidated action plan responding to all issues identified in the report (Appendix 3), and the Council's updated strategic risk register (Appendix 4).
6. Considers issues raised by the report in the ongoing development of the scrutiny work programme, as appropriate.

EXECUTIVE SUMMARY

- Quarter Two monitoring continues to project a very strong set of performance results for the Council in 2017/18.
- The following table shows the overall revenue position at Quarter Two 2017/18 before and after transfers to Reserves and Provisions. After approved transfers to Reserves and Provisions there is a projected budget underspend of £42,000 (or 0.04%), which continues the trend of minimal variance and again demonstrates that the revised financial management processes introduced during 2016/17 are working effectively.

	£'000
Projected Outturn Position before transfers to Reserves and Provisions	(1,183)
Transfers to Reserves and Provisions	
Adult Social Care savings to Social Care Demand Risk Reserve	501
Public Health savings to Public Health Reserve	640
Reported Projected Outturn Position	(42)

- In line with good practice, the Council has reviewed and updated its Investment Strategy for the period to 2020/21, and projected capital expenditure at Quarter Two was £36.552m against the revised budget of £34.881m in 2017/18 (or 105% of the budget), reflecting early delivery and some minor reprofiling across the strategy period, with an increase in externally funded and revenue funded projects.
- The Council's borrowing stood at £142.2m at 30 September 2017, increasing from £120.4m at Quarter One to fund both the general cashflow position of the Council and capital programme borrowing requirements, in line with expectations.
- The Council's projected Reserves at 31 March 2018 are £40.2m comprising of £13.1m of General reserves, £20.5m of reserves earmarked for specific purposes, and £6.6m of school reserves. This is in line with the agreed approach of the Council to reduce reserves in a planned manner in order to smooth out savings requirements across the Medium-Term Financial Plan period, and to fund investment.
- Service performance has improved from Quarter One, with eight of nine Directorates, and the Council overall, exceeding the corporate standard of meeting 75% or more of targets, reflecting developing plans to promote social regeneration, and the impact of plans to address longer-term performance issues, showing that the Council is taking clear action to tackle performance issues.
- A key risk to the Council at present remains the potential impact on of Brexit on the national economy and economic growth locally. It is anticipated that the implementation of Council's Investment Prospectus and associated initiatives will positively impact on the probability of Middlesbrough being disproportionately affected by an economic downturn.
- A new risk emerged in Quarter Two relating to the impact of funding reductions on the Council's principal statutory partners impacting on delivery of shared services. Discussions with partners will continue throughout 2017/18 to mitigate this risk, and will be a key driver of the Partnerships and Integration theme of Phase 3 of the Council's Change Programme.

BACKGROUND AND EXTERNAL CONSULTATION

Background

7. This report summarises the performance of the Council at Quarter Two 2017/18, including:

- a revenue budget forecast and progress update on savings delivery;
- issues for the Medium-Term Financial Plan arising from the above;
- a capital budget forecast and progress on capital schemes;
- position statements in relation to the Council's borrowing and its reserves;
- overall performance, as reflected in Balanced Scorecards;
- a consolidated action plan addressing performance issues raised; and
- the Council's current Strategic Risk Register.

2017/18 revenue budget projection

8. At the end of Quarter Two, revenue budget expenditure for 2017/18 was projected to be £113.627m, an underspend of £42,000 (0.04%), following Executive approval of a reduced transfer of £501,000 to the Social Care Demand Risk Reserve, and £640,000 to the Public Health Reserve at its meeting of 21 November 2017. The following table summarises the position by Department / Directorate.

Department / Directorate	Full Year Budget £'000s	Full Year Forecast £'000s	Over/(under) spend £'000s
Growth and Place	27,409	27,952	543
Public Health and Public Protection	(243)	(342)	(99)
Children's Services	33,494	33,783	289
Adult Social Care and Health Integration	36,363	36,334	(29)
Finance, Governance and Support	8,974	8,735	(239)
Total service outturn	105,997	106,462	465
Central costs and contribution to Reserves	7,672	7,165	(507)
Revenue outturn	113,669	113,627	(42)

9. The following table summarises projected delivery of approved savings required to deliver a balanced budget in 2017/18, with 95% of savings forecast to be achieved at Quarter Two.

Department / Directorate	2017/18 target £'000s	Projected delivery £'000s	Over/(under) delivery £'000s
Growth and Place	1,712	1,284	(428)
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 projected savings delivery	9,207	8,779	(428)

10. The explanations for major variances, and how these will be mitigated where appropriate, have been agreed with Departments / Directorates, and are summarised below.

Growth and Place: projected overspend £543,000

Growth and Place	Full Year Budget £'000s	Full Year Forecast £'000s	Over/(under) spend £'000s
Economic Development and Infrastructure	3,610	3,632	22
Culture and Communities	6,162	6,162	0
Environment and Commercial Services	17,637	18,158	521
Revenue Outturn	27,409	27,952	543

11. **Economic Development and Infrastructure:** As previously reported, there is a projected overspend within Transport and Infrastructure, standing at £133,000 at the end of Quarter Two. This is due mainly to an under achievement of income across the service, including a projected decrease in income from Decriminalised Parking Enforcement of £33,000. A revised Parking Strategy is being developed to address this and other issues, and will be brought forward in due course. This pressure is largely mitigated by savings across budgets within Economic Development and Infrastructure, and the Directorate will identify further mitigating savings during 2017/18 to prevent an overspend at year-end.
12. **Culture and Communities:** The projected overspend on the Marketing and Communications budget increased from £88,000 at Quarter One, to £102,000 at the end of Quarter Two, resulting mainly from a shortfall in income, which cannot realistically be achieved with the current staffing structure and mix of events. A revised structure for the team will be agreed in Quarter Three, and a three-year approach to events will be presented to Executive later in 2017/18. These actions will balance the need to deliver greater impact and address underlying budget issues. Until these actions are implemented in 2018/19, the gap will be mitigated by vacancy savings, and by delaying / rescaling activities across other parts of the Directorate.
13. **Environment and Commercial Services:** The projected overspend on the Passenger Transport Service budget increased from £149,000 at Quarter One, to £205,000 at the end of Quarter Two. This is due to a shortfall in the achievement of savings targets, and continued increased demand. £80,000 of the pressure relates to the increased cost of the taxi tender for 2017/18. LMT will consider a report on these issues in Quarter Three. The pressure is partly mitigated by projected staff savings of (£50,000) within Area Care. Work continues to review service provision with a view to maximising savings, and this will be reported at Quarter Three.
14. As previously reported a significant overspend, currently projected to be £702,000, is forecast on the property running costs budgets, with £514,000 due to buildings, which were expected to have closed, but which currently remain open (Vancouver House and Southlands Centre). This pressure is partially mitigated by income from the properties. Additionally, £100,000 of the overspend relates to an ongoing pressure of increased costs of business rates for Council buildings. It is proposed that funding is provided for this within the MTFP. This pressure has been partially mitigated by net savings of (£119,000) within Strategic Asset Management, mainly on Asset Management and Carbon Reduction budgets. A report on the future of Southlands Centre will be submitted to Executive Property Sub-Committee later in 2017/18. Plans are underway to relocate all Council staff from Vancouver House into Middlesbrough House and Civic Centre, and to transfer the building to the new owners, by no later than March 2018. Kier staff will remain in occupation of floors four and five as part of the disposal agreement with the prospective purchaser.

15. An overspend of £116,000 is currently forecast on Ayresome Industries, which is an ongoing pressure from a shortfall in income generation. The position has worsened since Quarter One, due to a fall in stock valuations, and a loss of staff funding. The provisional 2018/19 Budget report, considered by Council on 6 December 2017, addresses the future of the Ayresome Industries operation.
16. The above pressures have been partly mitigated by forecast savings within other areas of Property and Commercial Services, particularly Pest Control (£53,000), Bereavement Services (£60,000), Building Cleaning (£70,000), and Building Maintenance (£84,000). A further saving of (£74,000) is projected on the Management budget, due to a Head of Service post being vacant for the full financial year. The Directorate will endeavour to identify further mitigating savings in order to balance these pressures, and prevent an overspend at year-end.

Public Health and Public Protection: projected underspend (£99,000)

Public Health and Public Protection	Full Year Budget £'000s	Full Year Forecast £'000s	Over/(under) spend £'000s
Revenue Outturn	(243)	(342)	(99)

17. As reported at Quarter One, Public Health budgets were analysed during in Quarter Two with a view to declaring savings where appropriate, and an underspend of (£640,000) was projected at the end of the quarter. There are projected savings of (£200,000) within the Prevention and Early Intervention budget for substance misuse, based on the assumption that the *Beyond Successful Completion* project will not be implemented within this financial year. However, talks are continuing between the Directorate and the Council's commissioning team to agree a proposal that could enable the project to commence in 2017/18, and should this occur the savings in 2017/18 will reduce accordingly. There have also been contractual savings of (£82,000) on the sexual health and contraception budget, (£60,000) on the Stop Smoking Service due to lower take-up of the Service, and other general savings of (£71,000). Treatment-related costs are activity and demand-led, and the outturn projection is based on current trends. Demand is subject to significant fluctuation, and savings may therefore vary by the end of the financial year. There is also a projected saving of (£99,000) on the Public Protection budget, mainly due to staff savings across the service.

Children's Services: projected overspend £289,000

Children's Services	Full Year Budget £'000s	Full Year Forecast £'000s	Over/(under) spend £'000s
Education	379	379	0
Children's Care	30,198	30,497	299
Prevention and Partnerships	2,917	2,907	(10)
Revenue Outturn	33,494	33,783	289

18. **Education:** As reported at Quarter One, a saving of (£105,000) is projected due to the Council receiving more Education Services Grant for 2017/18 than assumed at budget setting. This will be a one-off saving, in advance of an anticipated reduction in the grant from 2018/19 onwards. In addition, there are other projected one-off savings totalling (£195,000), mainly arising from staff vacancies within the Achievement and Special Educational Needs budgets.

19. However, the above savings are offset by a predicted pressure of £300,000 on Looked After Children Pupil Premium costs. This is due to the employment of a number of agency staff to complete, with schools, personal education plans for Looked After Children, and also to provide additional one-to-one support and alternative provision within schools for a number of LAC, as required by Ofsted. A review of this service is currently being undertaken by the new Head of Virtual School, with a view to reducing as far as possible the pressure for 2017/18, and mitigating any potential shortfall in future years.
20. **Children's Care:** It is currently projected that the £1.5m funding provided to Children's Care for 2017/18 for demand led pressures will be fully utilised. There are also additional pressures within the service, with an overspend of £299,000 projected at the end of Quarter Two. These pressures are unrelated to the position in respect of Looked After Children.
21. It is projected that £678,000 of demand funding will be used for Residential Care placements and £474,000 for Independent Fostering Agency placements.
22. While the number of active placements remained static (at 55), the cost of three recent placements have outweighed ongoing work to reduce placement costs and increase contributions from health partners, resulting in an overall increase in projected costs of £52,000 at Quarter Two. Active budget monitoring of these areas will continue throughout 2017/18.
23. The number of Independent Fostering Agency (IFA) placements decreased at Quarter Two (to 142 active placements, from 159 at Quarter One) and it is currently forecast that £474,000 of the demand funding will be used for IFA placements – a reduction of £111,000 from the Quarter One projection. This was however offset by the resulting increased utilisation of In-house Fostering, with costs rising to £95,000 in the quarter.
24. The remaining £253,000 of demand funding will be utilised to support the Adoption service, which projected an overspend of £390,000 at Quarter Two. The pressure relates largely to one-off adoption payments to agencies and other local authorities for children which are planned to be adopted by the end of 2017/18, and has increased significantly from the £200,000 reported at Quarter One as it is now intended to process all adoptions currently within the Council's system before the Regional Adoption Agency commences in April 2018 (as per the report on this issue at this meeting). Clearly this will benefit the children involved, and should also produce savings in future years. The remaining £70,000 pressure mainly relates to an increase in adoption allowances due to the increased number of placements.
25. There is an increased projected pressure of £679,000 on the Resources service (15% over budget), which provides services to children with disabilities and their families, and family support to prevent children becoming looked after. Included in this is a pressure totalling £210,000 (10% over budget) in respect of in-house Children's Homes and Gleneagles, as a result of increased staffing to manage particularly complex young people and staff sickness. It also includes a £290,000 pressure (126% over budget) on Short Breaks respite agency costs and trips, due to increased demand. The Directorate continues to review these services to identify potential efficiencies and so avoid pressures in future years.

26. The above pressures are partly mitigated by projected savings of (£158,000) on social worker salary costs due to staff not being at the top of the career grade, and savings of (£359,000) due to staff vacancies, early achievement of proposed 2018/19 savings from supplies and services and contracts, and the receipt of unbudgeted grant income.

27. By 2018/19, it is anticipated that significant savings will be achieved by this Directorate in order to balance the Council's budget. Children's Services is currently implementing a new model of practice, based on enhanced collaboration and a restorative practice approach – the Believe in Families programme. Significant resources have been allocated from the Change Fund to support this important cultural change within the department, which it is anticipated will yield improved outcomes and budgetary savings over time. However, if the savings anticipated were not to be delivered and / or if the requirement for demand growth funding were to rise, then fundamental changes to the Council's budget strategy and MTFP would be required. Monitoring of progress against expenditure trends and transformation plans within Children's Care will therefore be accorded the highest priority going forward.

28. **Prevention and Partnerships:** A small saving of (£10,000) was projected at the end of Quarter Two, mainly due to staff savings.

Adult Social Care and Health Integration: projected underspend (£29,000)

Adult Social Care and Health Integration	Full Year Budget £'000s	Full Year Forecast £'000s	Over/(under) spend £'000s
Revenue Outturn	36,363	36,334	(29)

29. One-off supplies and services savings of (£54,000) and staff vacancy savings of (£391,000) have been identified, offset by the previously-reported pressure of £125,000 from a loss of rental income for Sandringham House, following the decision taken by Tees, Esk and Wear Valley NHS Trust to vacate.

30. A net reduction on care package costs, signposting low-needs service users to other agencies, and ensuring health contributions to care packages are maximised, has resulted in a projected saving of (£210,000) for 2017/18 at the end of Quarter Two. An action plan has been developed to ensure additional scrutiny of decision-making, including implementing a daily panel to review care package approvals, reviewing high cost care packages, ensuring in-house provision is maximised, and maximising prevention services.

31. Due to the uncertainty around future needs, Executive agreed on 21 November 2017 to transfer £501,000 of the overall projected savings into a Social Care Demand Risk reserve, rather than the £712,000 agreed at Quarter One.

Finance, Governance and Support: projected underspend (£239,000)

Finance, Governance and Support	Full Year Budget £'000s	Full Year Forecast £'000s	Over/(under) spend £'000s
Revenue Outturn	8,974	8,735	(239)

32. *Financial Services:* There is a projected saving of (£70,000), mainly from staffing savings arising from the implementation of a service review.

33. *Human Resources*: One-off staffing savings of (£48,000) are projected, mainly due to staff being seconded to the HR Pay project, and their posts not being fully backfilled.

34. *Legal and Democratic Services*: The service continued to project an overspend at Quarter Two, though this has reduced from £290,000 at Quarter One to £125,000 due to further staffing reductions, and a reduction in childcare cases. LMT will consider the future operating model for legal services in due course.

Central costs: projected underspend (£507,000)

Central costs	Full Year Budget £'000s	Full Year Forecast £'000s	Over/(under) spend £'000s
Revenue Outturn	7,672	7,165	(507)

35. A saving of (£448,000) is forecast on the General Fund due to increased costs of domiciliary care being offset against one-off funding sources. Additionally, (£101,000) of income has been received relating to New Homes Bonus Returned Fund, and a further (£76,000) relating to the ring-fenced surplus on the Emergency Planning Service from Hartlepool Council, neither of which were budgeted. These savings are offset by claims on the Pay and Prices element of this budget and other commitments on the Fund.

36. A saving of (£250,000) is projected on the Capital Financing budget from the Council taking the opportunity to borrow at lower-cost short-term interest rates.

37. There is also a projected saving of (£90,000) on the Added Years Pensions Increases budget due to a reduction in ex-employees entitled to this payment.

Medium-Term Financial Plan

38. Quarter Two monitoring identified the following issues for consideration within the update of the MTFP to be included in the 2018/19 Budget setting report, to be considered by Executive on 20 February 2018:

- the Capital Financing budget;
- the Added Years Pensions Increases budget;
- the Passenger Transport Service;
- Legal Services; and
- the Resources Service within Children's Care.

2017/18 capital budget projection

39. The Council continues to invest in the development of the town to create a *Fairer, Safer, Stronger* Middlesbrough by 2025. Delivering the Investment Strategy on time is a crucial part of the MTFP, delivering both physical benefits to the town, and an improved financial position for the Council through achieving efficiency savings and increasing the town's economic base.

40. Following review in Quarter One, Executive agreed a revised Investment Strategy on 5 September 2017. The table below shows projected capital expenditure at Quarter Two of £36.552m against the revised 2017/18 budget of £34.881m, or 105% of the budget, reflecting accelerated delivery of the Programme and some re-profiling across the

Council's four-year Investment Strategy period, together with an increase in externally funded and revenue funded projects. This represents better than expected progress to date, reflecting the success of the Council's new Programme and Project Management Framework.

Department / Directorate	Revised 2017/18 Budget £'000	2017/18 Full Year Forecast £'000	2017/18 Over/ (under) spend £'000
Economic Development and Infrastructure	13,056	14,016	960
Culture and Communities	5,673	5,993	320
Env. and Commercial Services	5,363	5,970	607
Public Health and Public Protection	485	485	0
Education	2,917	3,112	195
Children's Care	425	425	0
Prevention and Partnerships	117	315	198
Adult Social Care and Health Integration	3,036	3,005	(31)
Finance, Governance and Support	3,809	3,231	(578)
Total	34,881	36,552	1,671

41. Proposals for further reprofiling following the Quarter Two review, and explanations for major variances, agreed with Departments / Directorates, are set out below. A revised Investment Strategy for the period to 2020/21, agreed by Executive on 21 November 2017, is at Appendix 1.

42. **Economic Development and Infrastructure:** The overall programme has increased by £469,000, due to a grant received from the Tees Valley Combined Authority for initial phases of a series of improvements to the non-Trunk road section of the A66 corridor between the A19 and A171 Cargo Fleet Lane that form critical parts of the Strategic Road and Key Route Network for the area.

43. The following schemes have been re-profiled within the Investment Strategy:

- *Housing Delivery Vehicle:* £185,000 moved to 2018/19, as there are no current plans for further property acquisitions in North Ormesby following Executive approval of the report on Improving North Ormesby on 11 July 2017.
- *Gresham Phase 2a:* £159,000 brought forward from 2018/19, due to the completion of five property acquisitions not previously expected to be completed in 2017/18, and to cover costs incurred on site investigations, property security and preventing parking on grassed areas.
- *Town Centre Investment Pot:* £537,000 brought forward from 2018/19 to accelerate investment in the town centre, principally in respect of public realm improvements.

44. In addition, £778,000 of the Highways Infrastructure Section 106 block budget has been transferred to the Stainton Way \ Dixon Bank Junction scheme, which has a total cost of £1,600,000 and is due for completion in 2018/19. This will ensure that the scheme is fully-funded from Section 106 resources.

45. **Culture and Communities:** £320,000 of funding has been transferred from the Town Hall Lighting Scheme originally planned for 2018/19 to the 2017/18 Town Hall Development Project due to increased costs on this project over and above the agreed contingency budget, arising from greater than expected levels of asbestos in the building, alterations to damp proofing, the requirement for new windows in the crypt, and the discovery of terrazzo flooring on site. This means that the original scheme for

the Town Hall Lighting Scheme will no longer proceed as planned. An alternative scheme will be developed, subject to external funding being secured.

46. **Environment and Commercial Services:** As agreed by the Executive Member for Environment and Commercial Services on 5 July 2017, the overall programme has increased by £520,000 (£260,000 in 2017/18 and in 2018/19), with the addition of the scheme to upgrade the Crematorium. The works will include constructing canopies above the waiting areas for each chapel, essential structure works to the Chapel of Rest, and internal refurbishment of both St. Hilda's Chapel, and the Chapel of Rest, and are expected to commence in April 2018.

47. The following scheme has been re-profiled within the Investment Strategy:

- *Building Investment Programme:* £347,000 brought forward from 2018/19, due to the demand for works to be carried out in 2017/18, mainly in Middlesbrough House.

48. **Education:** A scheme has been added to the Investment Strategy to improve the main entrance of Abingdon Primary School. The scheme will be fully-funded by the school, at a cost of £117,000 (£105,000 in 2017/18, and £12,000 in 2018/19).

49. **Prevention and Partnerships:** Grant funding of £198,000 has been received from the Department for Education to implement 30 hours childcare provision at Linthorpe Primary School and Great Expectations Nursery.

50. **Finance, Governance and Support:** The following schemes have been re-profiled within the Investment Strategy:

- *ICT Infrastructure:* £115,000 moved to future years to facilitate improvement of the Revenues and Benefits systems used by Kier. No further upgrades are planned in 2017/18.
- *Replacement Server / SAN / Networking:* £463,000 moved to 2018/19 as upgrades to servers and infrastructure of back up sites in Melrose House and Resolution House will not now take place in 2017/18.

Treasury Management

Borrowing position

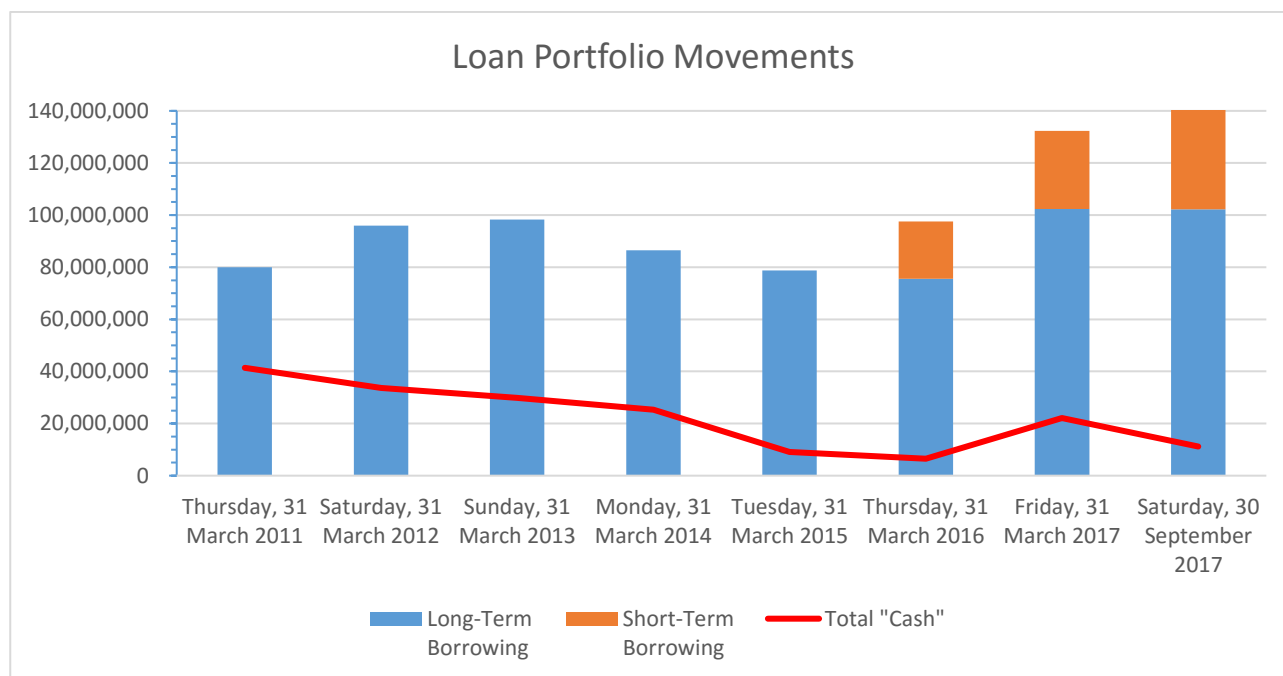
51. The balance of borrowing at 30 September 2017 was £142.2m (comprising £102.2m long-term, and £40m short-term borrowings), an increase of £21.8m since 30 June 2017, due mainly to increased short-term borrowing to fund both the general cashflow position of the Council, and capital programme borrowing requirements, in line with expectations.

Borrowing limits

52. On 1 March 2017, Full Council approved borrowing of up to a maximum of £211.1m during this financial year (the Authorised Limit). At no time during Quarter Two was either the Operational Borrowing Limit (£189.4m), or the Authorised Limit, reached.

Loan Portfolio Trend

53. The graph below illustrates the change in the Council's cash and loan position in recent years. Since 2011, cash balances have been run down to fund the capital programme, without additional borrowings, resulting in the drawdown of short-term loans, in line with expectations and MTFP assumptions.



Reserves and Provisions

54. As part of proper financial planning, the Council holds a level of reserves and provisions as a safety net against unexpected expenditure, and to provide for anticipated events with financial implications. As part of the Strategic Plan 2016-20, it was determined that the Council's overall level of reserves and provisions could be safely reduced in order to smooth out future savings requirements and to fund investment.

55. The following table sets out a summary of the Council's opening balance of reserves and provisions at the start of 2017/18, and the forecast position at the end of 2017/18.

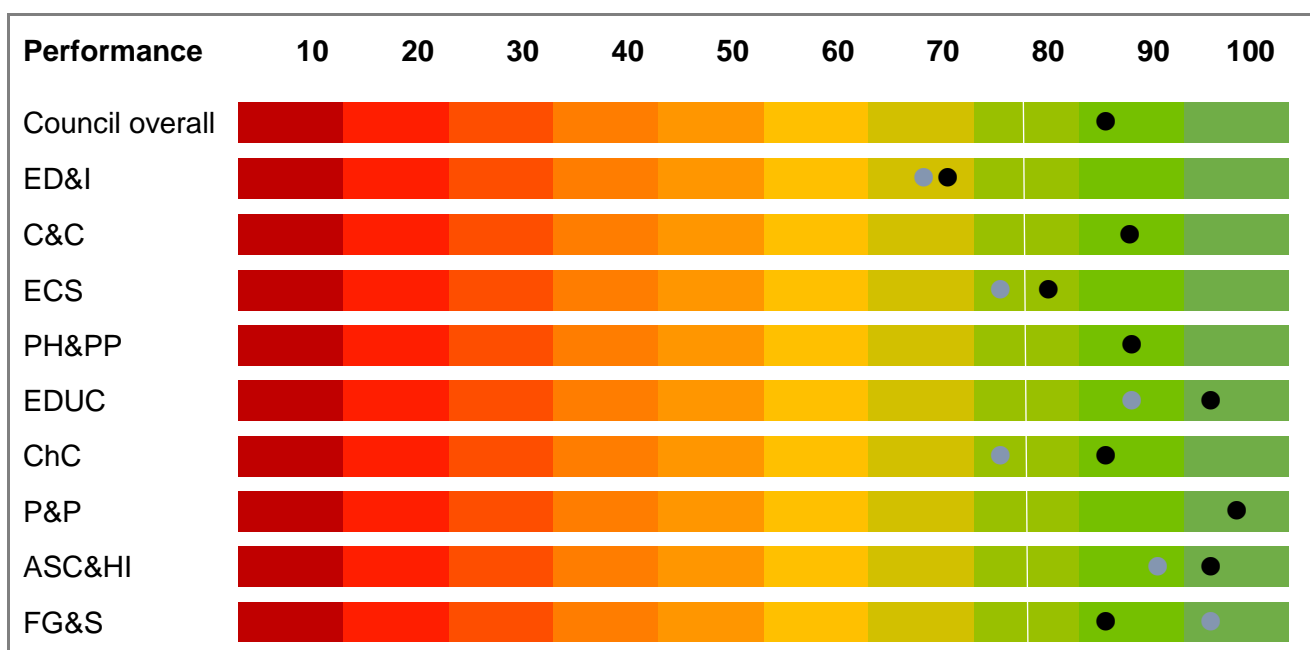
Reserves and Provisions	Opening Balance £'000s	Forecast Use in Year £'000s	Additional Contributions £'000s	Transfers to General Fund £'000s	Forecast Balance at Year End £'000s
General Fund	14,466	(1,453)	42	0	13,055
Earmarked for specific purposes					
Business Rates Appeal Reserve	3,478	0	331	0	3,809
Change Fund	1,398	(878)	910	0	1,430
Public Health Ring Fenced Reserve	1,662	(1,509)	640	0	793
Investment Fund	3,217	0	0	0	3,217
Insurance Fund	277	0	0	0	277
Social Care Demand Risk Reserve	0	0	501	0	501
School Achievement Reserve	2,000	(500)	0	0	1,500
Other Reserves & Provisions	9,552	(540)	15	0	9,027

Reserves and Provisions	Opening Balance £'000s	Forecast Use in Year £'000s	Additional Contributions £'000s	Transfers to General Fund £'000s	Forecast Balance at Year End £'000s
	21,584	(3,427)	2,397	0	20,554
School reserves	6,552	0	0	0	6,552
Total	42,602	(4,880)	2,439	0	40,161

56. The Council's reserves policy will be reviewed in line with the updated MTFP during the year, and be subject to Council approval.

Performance at Quarter Two 2017/18

57. The Council's overall performance at Quarter Two 2017/18 has improved from Quarter One, with eight of nine Directorates, and the Council overall, currently projected to exceed the corporate standard of meeting 75% or more of performance targets. Directorate Scorecards are attached at Appendix 2. Performance is summarised in the table below, with explanations of major variances from non-financial targets and mitigating activity are set out in the following paragraphs.



● Current position ● Last quarter (where different)

58. **Economic Development and Infrastructure:** Performance improved marginally at Quarter Two, with projected revenue outturn and working time lost to sickness absence improving from the Quarter One position. Key housing building measures remain on broadly on target, and an Investment Prospectus totaliser was developed in Quarter Two, providing for improved profiling and reporting of these measures going forward.

59. As reported at Quarter One, four actions in the Directorate Delivery Plan for 2017/18 will slip to future years:

- commencement of disposal of Newham Hall site, due to a review of disposal options and the ongoing development of delivery models to maximise return from

the site – the delay brings minimal impact as no new housing was projected from this site in the current MTFP period;

- planning approvals for 1) Stainton Way and 2) Ladgate Lane to Longlands works, with the former due to the need for further discussions with Highways England, which have now concluded, and the latter to the need to undertake further modelling in response to changes in the housing growth programme – again there is no MTFP impact from these changes; and
- submission of new Local Plan, which is now expected in July 2018, due to the need to consider recently-published Government guidance on housing need – again there is no material impact from this change.

60. **Culture and Communities:** Performance overall remained unchanged at Quarter Two, with the major performance issue relating to the continued increase in anti-social behaviour in the town, with incidents projected to exceed the 2016/17 figure and the 2017/18 target. The pattern across the town is mixed, with Quarter Two showing significant increases in areas such as Central, Newport and Trimdon wards, alongside reductions in nine other wards. However, it should be noted that North Ormesby had the largest decrease in ASB of any ward, resulting from major multi-agency work and the Landlord Licencing scheme. The overall increase in ASB is, however, a national issue, mirroring the recent increase in reported crime in the UK. Cleveland Police have reported a force-wide increase in ASB since March 2017. To respond to this rise, the Council is currently working closely with the police on proposals to move to a jointly-managed service around enforcement, with an initial trial currently underway in the town centre. If successful, this approach will be rolled out across the town. A report on this issue is scheduled for Executive consideration in February 2018.

61. **Environment and Commercial Services:** Performance improved marginally at Quarter Two, with many measures to be updated in the third quarter. It is still anticipated that the recycling rate will again narrowly fail to achieve the 35% target in 2017/18, partly linked to residential growth in the town. The Directorate is evaluating options to improve the recycling rate, and will report options to Executive later in 2017/18.

62. **Public Health and Public Protection:** Performance overall remained unchanged at Quarter Two. The main performance issues relate to health inequalities at a population level, demonstrated by lower than average life expectancy and continuing health inequalities within the town. The latest figures show a reduction in smoking prevalence and early deaths from all causes in the town, suggesting that intermediate outcomes of this type are improving. The Council has put in place a Prevention Strategy underpinned by the new Live Well Centre service offer to deliver a step change in public health in future years.

63. **Education:** Performance improved at Quarter Two, as a result of improvements in financial indicators. Provisional results reported at Quarter One demonstrated increased attainment across all measures, and a narrowing of the gap to national average in many cases. As previously reported, Executive has agreed a programme plan for the £2m of Council investment in school improvement, which it is expected will eradicate the remaining gap in future years, and an update on this is due at Executive in Quarter Three.

64. **Children's Care:** Performance improved at Quarter Two, with Child Protection Plan and LAC rates both falling in the quarter. Targets for both of these measures have now

been re-set to reflect a 5% p.a. reduction, reflecting the direction of travel of the Believe in Families programme. Following this change, CPP falls within target range, and LAC just outside, with a net reduction of 38 Looked After Children required to meet the target at year-end.

65. **Prevention and Partnerships:** Performance overall remained unchanged at Quarter Two. The rate of proven reoffending among young offenders improved from Quarter Four 2016/17 to Quarter One 2017/18 (the latest information), and is now on target. The two key issues identified within the Scorecard and to be addressed by the Directorate relate to the effectiveness of Stronger Families casework, which will be reviewed as part of the Believe in Families programme, and the continuing rise in teenage conceptions, which will be explored in conjunction with Public Health and Public Protection, with findings reported to Executive at Quarter Three.
66. **Adult Social Care:** Performance improved at Quarter Two, with interrelated reablement and residential care measures improving from an Amber position at Quarter One to Green at Quarter Two, as anticipated.
67. **Finance, Governance and Support:** Performance fell at Quarter Two, with three measures moving from Green at Quarter One to Red. The average number of days for processing a change of circumstances for Housing Benefit, increased to 15.95 days from 10.04 at Quarter One, due to the processing of a significant caseload backlog, resulting from lower than anticipated self-serve by customers, and from a suspension of the online application module last year owing to security issues. Processing backlog inevitably results in a significant increase in the average number of days taken to process claims. The Council has agreed an improvement plan with Kier, which is anticipated will reduce the backlog from approximately 3,500 cases to 600, and bring performance back on track by the end of 2017/18. It should be noted that any client at risk of detriment as a result of this issue is prioritised.
68. Three actions in the Directorate Delivery Plan for 2017/18 have been amended:
- the removal of VFM qualifications on the Statement of Accounts was only partly-achieved, with further embedding of new arrangements for asset disposals required in 2017/18;
 - the transfer of pension assets to a new Investment Management Company will not now take place until summer 2018; and
 - the Middlesbrough Community Bank will not now launch in 2017/18, as a result of a decision to jointly procure the service with Redcar and Cleveland Borough Council, and a recent opportunity to bid for significant funding from the SSI taskforce to support the project. The anticipated launch date is now Quarter Two 2018/19.
69. The position in respect of in-year collection of Business Rates has improved since Quarter One, but Council Tax collection moved further from target at Quarter Two. In July 2017, Executive agreed to a gain share arrangement with Kier to improve the 2017/18 collection rate. The recruitment and training of staff to fill the eight temporary posts agreed has only just completed, and as such the rate is only expected to improve in the second half of the financial year. Executive will consider a revised Council Tax Support scheme at this meeting, which will have the effect of reducing the tax burden on those least able to pay, and improve the collection rate in 2018/19.

70. Other key measures in the Scorecard remain Green, with transactions undertaken via the Council's website continuing to rise in line with the Council's Customer Strategy, increasing by 45% in Quarter Two.

71. **Crosscutting:** Lost productivity from sickness absence increased to 4.42% at Quarter Two from 4.17% at Quarter One, below the target for 2017/18 of 4.69% but higher than performance at Year End 2016/17 (4.26%). Work continues to address this issue, with LMT agreeing to implement an Extra Life programme to encourage employee health improvements within a workplace setting. This will be launched in Quarter Three, with Directorate action plans in place by the end of 2017/18.

Next steps

72. An updated action plan from budget and performance monitoring is at Appendix 3. Progress on these actions will be reported to Executive at Quarter Three.

Strategic Risk Register

73. In line with the Council's Risk Management Framework, the Council's Strategic Risk Register was reviewed in the quarter, and is attached at Appendix 4 for information. The key risk at present remains the potential impact of Brexit on the national economy and economic growth locally. It is anticipated that the implementation of Council's Investment Prospectus and associated initiatives will positively impact on the probability of Middlesbrough being disproportionately affected by an economic downturn.

74. One risk has been added to the Strategic Risk Register since Quarter One, relating to the impact of funding reductions on the Council's principal statutory partners impacting on delivery of shared services. Discussions with partners will continue throughout 2017/18 to mitigate this risk, and will be a key driver of the Partnerships and Integration theme of Phase 3 of the Council's Change Programme.

IMPACT ASSESSMENT

75. Not applicable.

OPTION APPRAISAL / RISK ASSESSMENT

76. Not applicable.

FINANCIAL, LEGAL AND WARD IMPLICATIONS

77. **Financial** – the financial implications of Quarter Two monitoring are set out within the main body of the report.

78. **Ward Implications** – while the performance activity described in this report will impact differently across wards, there are no specific ward implications from the recommendations.

79. **Legal Implications** – the recommendations are consistent with and will promote the achievement of the Council's legal duty to achieve Best Value.

RECOMMENDATIONS

That Overview and Scrutiny Board:

80. Notes Executive's approval to reduce the transfer of project savings into the Social Care Demand Risk reserve from £712,000 to £501,000, and to transfer £640,000 of projected savings within Public Health and Public Protection into the Public Health Reserve; and the resulting projected revenue position at Quarter Two 2017/18, namely a budget underspend of £42,000 (or 0.04%).
81. Notes Executive's approval of a revised Investment Strategy for the period to 2020/21 (at Appendix 1), and projected capital expenditure of £36.552m against the revised budget of £34.881m in 2017/18 (or 105% of the budget).
82. Notes the Council's borrowing at 30 September 2017 of £142.2m, and its forecast Reserves at 31 March 2018 of £40.2m, of which £13.1m are General Reserves.
83. Notes the performance of Directorates at Quarter Two 2017/18 (Appendix 2), the consolidated action plan responding to all issues identified in the report (Appendix 3), and the Council's updated strategic risk register (Appendix 4).
84. Considers issues raised by the report in the ongoing development of the scrutiny work programme, as appropriate.

REASONS

To provide an integrated and comprehensive overview of performance within the Council and provide assurance that mitigating actions are in place to address underperformance.

CONTACT: Paul Stephens, Head of Performance and Partnerships

Ian Wright, Head of Financial Planning and Support

TEL NO: 01642 729223 / 729230

EMAIL: paul_stephens@middlesbrough.gov.uk

Address: Civic Centre, Middlesbrough, TS1 2QQ

Website: www.middlesbrough.gov.uk

Appendix 1: Revised Investment Strategy to 2020/21

	Total Funding Required						Council Funding £000's	External Funding £000's
	2016/17 final £000's	2017/18 Q2 £000's	2018/19 £000's	2019/20 £000's	2020/21 £000's	TOTAL £000's		
Economic Development & Infrastructure								
Town Centre Related Projects	731	1,482	791	172	-	3,176	3,166	10
Teesside Media & Innovation Village	-	-		500	-	500	500	-
Middlehaven Related Projects	1,976	6,314	3,848	-	-	12,138	4,119	8,019
Hemlington Grange Projects	718	426	446	3,000	-	4,590	2,590	2,000
Housing Growth	64	236	1,200	500	-	2,000	2,000	-
Beacon Becks Phase 2	3	41	-	-	-	44	-	44
Capitalisation Of Major Schemes Salaries	140	140	140	140	-	560	560	-
Affordable Housing Via Section 106	-	-	-	5,524	-	5,524	830	4,694
Highways Infrastructure Development Section 106	90	-	127	-	-	217	-	217
Highways Infrastructure \ Maintenance	1,234	961	-	-	-	2,195	2,175	20
Town Centre Improvements Public Realm	86	-	-	-	-	86	86	-
Swedish Mission Site S106 Works	-	-	24	-	-	24	-	24
Street Lighting (Invest To Save)	2,396	104	-	-	-	2,500	2,500	-
Lower Bus Platforms	25	15	-	-	-	40	-	40
Ladgate Lane Cycle Paths	10	-	-	-	-	10	-	10
Stainton Way Dixon Bank Junction - Section 106	72	250	1,278	-	-	1,600	-	1,600
Acklam \ Hall Drive Improvements - Section 106	-	50	-	-	-	50	-	50
The Big Screen	-	-	20	480	-	500	500	-
Grove Hill J V Projects	136	169	-	-	-	305	-	305
Gresham Projects	2,292	533	1,920	2,015	-	6,760	6,760	-
House To Home	212	54	-	-	-	266	231	35
Housing Delivery Vehicle (S106)	295	280		385	-	960	-	960
Empty Homes 2015 To 2018	5	32	96	436	-	569	-	569
Local Transport Plan	2,191	2,460	-	-	-	4,651	-	4,651
NPIF A66 Expansion Joints & Resurfacing	-	469	-	-	-	469		469
Total Economic Development & Infrastructure	12,676	14,016	9,890	13,152	-	49,734	26,017	23,717

	Total Funding Required						Council	External
	2016/17 final	2017/18 Q2	2018/19	2019/20	2020/21	TOTAL	Funding	Funding
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Culture & Communities								
Libraries IT Software Upgrade	-	7	-	-	-	7	7	-
Acklam Library (Section 106)	-	10	-	-	-	10	-	10
Town Hall Venue Development	1,139	5,621	-	-	-	6,760	3,077	3,683
Town Hall HLF \ Arts Council Project	821	190	300	-	-	1,311	811	500
Town Hall Lighting Scheme	-	-	90	-	-	90	410	(320)
Cultural Transformation	-	-	-	2,000	-	2,000	1,000	1,000
Captain Cook Museum	460	40	-	-	-	500	-	500
Social Regeneration	-	125	125	125	125	500	500	-
Total Culture & Communities	2,420	5,993	515	2,125	125	11,178	5,805	5,373

	Total Funding Required						Council	External
	2016/17 final	2017/18 Q2	2018/19	2019/20	2020/21	TOTAL	Funding	Funding
Environment & Commercial Services	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Stewart Park Heritage Lottery Fund Delivery Stage (Ph2)	23	-	-	-	-	23	(169)	192
Section 106 Schemes	116	30	-	-	-	146	98	48
Play Facilities	309	-	-	-	-	309	309	-
Purchase of New Vehicles	1,452	1,485	1,489	1,489	-	5,915	5,915	-
Capitalisation of Wheeled Bin Replacement	100	100	100	100	-	400	400	-
Capitalisation of Street Furniture/Dog Fouling & Litter Bins	55	55	55	55	-	220	220	-
Capitalisation of Highways Maintenance	275	262	275	275	-	1,087	1,087	-
Cargo Fleet Investment	180	-	-	-	-	180	180	-
Purchase of Former County Depot	-	371	-	-	-	371	371	-
Property Services Building Investment	290	290	290	290	-	1,160	1,160	-
Playground Equipment	25	25	-	-	-	50	50	-
Parks Improvement	40	40	-	-	-	80	80	-
Bereavement Services	129	53	-	-	-	182	182	-
Middlesbrough Sports Village	45	85	-	-	-	130	(274)	404
Nunthorpe Playing Fields S106	-	-	100	-	-	100	-	100
Prissick Sports (S106)	54	-	-	-	-	54	4	50
Bonnygrove Park & Fairy Dell S106	12	-	-	-	-	12	-	12
Waste Disposal Plant Investment	-	-	2,655	-	-	2,655	2,655	-
Crematorium Works	-	260	260	-	-	520	520	-
Invest to Save Carbon Reduction	37	-	-	-	-	37	37	-
Members Small Schemes	44	106	60	60	-	270	270	-
Leisure Investment	-	200	-	-	-	200	200	-
Linthorpe Kitchen	80	-	-	-	-	80	80	-
Property Asset Investment Strategy	2,557	2,253	785	1,350	-	6,945	6,923	22
Town Centre Accommodation Strategy	-	80	920	-	-	1,000	1,000	-
Hemlington CAT	-	275	25	-	-	300	300	-
Total Environment & Commercial Services	5,823	5,970	7,014	3,619	-	22,426	21,598	828

	2016/17 final	2017/18 Q2	2018/19	2019/20	2020/21	TOTAL		Funding	Funding
	£000's	£000's	£000's	£000's	£000's	£000's		£000's	£000's
Public Health & Public Protection									
Health & Wellbeing Hub	809	121	-	-	-	930		630	300
Leisure Trust Investment	1,979	364	-	-	-	2,343		2,343	-
Total Public Health & Public Protection	2,788	485	-	-	-	3,273		2,973	300
	Total Funding Required							Council	External
	2016/17 final	2017/18 Q2	2018/19	2019/20	2020/21	TOTAL		Funding	Funding
	£000's	£000's	£000's	£000's	£000's	£000's		£000's	£000's
Education									
Block Budget (Grant) Devolved Formula Capital	-	-	-	202	-	202		-	202
CERA - Capital Improvements (capital expenditure revenue allocation - DSG funded)	-	-	-	1	-	1		1	-
Block Budget (MBC COPR) Supported Capital Expenditure Formula Funding	-	-	-	130	-	130		130	-
Block Budget (Grant) School Condition Allocation	-	-	-	905	-	905		-	905
Schemes in Private Nurseries	13	-	-	-	-	13		-	13
Schemes in Maintained Primary Schools	1,343	2,473	1,720	185	-	5,721		1,547	4,174
Schemes in Primary Academies	169	18	-	-	-	187		58	129
Schemes in Maintained Secondary Schools	24	66	-	-	-	90		24	66
Schemes in Secondary Academies	115	20	-	-	-	135		-	135
Schemes in Special Schools	347	436	375	-	-	1,158		1,095	63
Early Years - Park House	7	5	-	-	-	12		12	-
Capitalisation of Salary Costs	94	94	94	94	-	376		235	141
Lingfield Farm - Main Building	30	-	-	-	-	30		30	-
Cleveland Unit Child Development Centre (CUCDC) at JCUH-Sensory Garden	1	-	-	-	-	1		1	-
BSF - Trinity RC College - Road Access	28	-	-	-	-	28		-	28
Total Education	2,171	3,112	2,189	1,517	-	8,989		3,133	5,856

	Total Funding Required							Council	External
	2016/17 final	2017/18 Q2	2018/19	2019/20	2020/21	TOTAL		Funding	Funding
	£000's	£000's	£000's	£000's	£000's	£000's		£000's	£000's
Children's Care									
Securing Services for Children with Complex Needs	-	425	-	-	-	425		-	425
Total Children's Care	-	425	-	-	-	425		-	425
	Total Funding Required							Council	External
	2016/17 final	2017/18 Q2	2018/19	2019/20	2020/21	TOTAL		Funding	Funding
	£000's	£000's	£000's	£000's	£000's	£000's		£000's	£000's
Prevention & Partnerships									
Block Budget (Grant) EFA Early Years 2 Year olds Entitlement (Trajectory Project)	-	-	5	-	-	5		-	5
Early Years - The Avenue Primary - Update Outdoor Play Area	-	2	-	-	-	2		-	2
Early Years - Hemlington Initiative Centre / Rosendale - Cont. to Bldg. Renovation	-	32	-	-	-	32		-	32
Green Lane - EY/KS1 extension and internal alterations project	-	83	-	-	-	83		-	83
Linthorpe Primary - expansion of family centre & develop outdoor space		156				156			156
Great Expectations		42				42			42
Total Prevention & Partnerships	-	315	5	-	-	320		-	320

	Total Funding Required						Council	External
	2016/17 final	2017/18 Q2	2018/19	2019/20	2020/21	TOTAL	Funding	Funding
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Adult Social Care & Health Integration								
Chronically Sick & Disabled Persons Act - All schemes	488	649	647	610	-	2,394	2,374	20
Disabled Facilities Grant - All schemes	1,437	2,170	2,232	2,177	-	8,016	940	7,076
Capitalisation of Staying Put Salaries	50	50	50	50	-	200	200	-
Home Assistance Loan	34	73	117	-	-	224	184	40
Home Loans Partnership (formerly 5 Lamps)	1	-	47	-	-	48	-	48
Small Schemes	264	63	-	-	-	327	-	327
Total Adult Social Care & Health Integration	2,274	3,005	3,093	2,837	-	11,209	3,698	7,511

	Total Funding Required						Council	External
	2016/17 final	2017/18 Q2	2018/19	2019/20	2020/21	TOTAL	Funding	Funding
Finance, Governance & Support	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
WAN	24	-	-	-	-	24	24	-
Information Portal	8	-	-	-	-	8	8	-
E-mail Exchange	24	-	-	-	-	24	24	-
Integrated Children's Systems	4	-	-	-	-	4	4	-
Enterprise Agreements	57	57	30	30	-	174	174	-
WIFI - Town Hall / Civic Centre	53	11	-	-	-	64	59	5
CRM	367	267	205	-	-	839	839	-
Town Hall Data Centre Build	628	227	-	-	-	855	855	-
Network Refresh	2	90	-	-	-	92	92	-
Unified Comms/VOIP Upgrade	62	-	-	-	-	62	62	-
Internet Upgrade	28	-	-	-	-	28	28	-
Switch Upgrade	63	-	-	-	-	63	63	-
Scanning	35	100	-	-	-	135	135	-
Customer First	275	12	-	-	-	287	287	-
Core Refresh	-	926	-	-	-	926	926	-
Lights On	554	553	324	360	-	1,791	1,791	-
Agile Working	326	74	-	-	-	400	400	-
IKEN	49	-	-	-	-	49	49	-
LCS Development Capture	39	21	-	-	-	60	60	-
Business Intelligence	146	74	-	-	-	220	220	-
Replacement Server/SAN/Networking	-	-	463	-	-	463	463	-
Agresso	63	-	-	-	-	63	63	-
HR Pay	438	82	-	-	-	520	520	-
ICT Infrastructure	100	100	215	215	-	630	630	-
Tees Valley Broadband	67	-	-	-	-	67	67	-
Derisking Sites	163	637	400	100	-	1,300	1,300	-
Total Finance, Governance & Support	3,575	3,231	1,637	705	-	9,148	9,143	5

	Total Funding Required						Council	External
	2016/17 final	2017/18 Q2	2018/19	2019/20	2020/21	TOTAL	Funding	Funding
All Directorates	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
	31,727	36,552	24,343	23,955	125	116,702	72,367	44,335
Total All Directorates	31,727	36,552	24,343	23,955	125	116,702	72,367	44,335

Appendix 2: Balanced Scorecards – Quarter Two 2017/18

Guide to the Balanced Scorecards model

How KPIs are identified

- The Customer and Business quadrants of Balanced Scorecards comprise primarily performance indicators prioritised for improvement by Directorates, in line with their Directorate Delivery Plans, which set out how they will develop in the medium-term to support the achievement of the 2025 Vision for Middlesbrough. Several standard measures are also included within **all relevant** Scorecards to ensure that key corporate priorities are delivered. These are as follows:

Standard measure	Associated corporate priority	Target
Projected achievement of Strategic Plan actions	Delivering the Strategic Plan / major projects	80%
Projected achievement of risk mitigation activity	Improving risk management	90%
Projected expenditure of revenue budget and attainment of savings targets	Balancing the budget by delivering agreed savings	100%
Projected expenditure of capital budget	Improving programme and project management	95%
Employees with appraisals completed by 30 April deadline	Embedding the Middlesbrough Manager and Employee Frameworks	95%
% working time lost to sickness absence and employees satisfied with working in their service area	Improving employee health and wellbeing	4.69% & 80%

How targets are set

- Targets for non-standard measures are set by Directorates, in view of (i) position against regional and national averages, where relevant, and (ii) ambitions for the development of services as set out in Directorate Delivery Plans. All targets must be SMART (Specific, Measurable, Achievable, Realistic and Time-bound).

How performance is RAG-rated

- Performance against target is traffic-lighted as follows:

At or better than targeted performance	Green
Within 5% of target	Amber
More than 5% from target	Red

- Trend is also traffic lighted to demonstrate whether direction of travel is positive or negative. The following table shows this applied using targets within the Customer quadrant of the (then) Outcome 2 Scorecard for Quarter One 2016/17:

Measure	Last	Target	Current	Period	Trend	Benchmark
C Number of households accepted as homeless	15 (Q4 15/16)	21.25	25	Q1 16/17	▲	N/A
C Troubled Families w/ sustained and measured positive outcomes	New PI	30	50	Sept 15	N/A	N/A
C Children in Need referrals resulting in CAF step-downs	61 (Q4 15/16)	25	37	Q1 16/17	▼	N/A
C Children meeting Early Years 'good' measure – gap to national average	New PI	New PI	-9%	2016 (Prov.)	New PI	N/A
C 16-18 year olds not in education, employment or training (NEET)	7.7% (2014/15)	8.7%	6.9%	2015/16	▼	ENG: 4.2%
C Anti-Social Behaviour incidents – gap to national average	New PI	New PI	Due Q2	Quarterly	New PI	Due Q2
C Domestic Violence incidents – gap to national average	New PI	New PI	Due Q2	Quarterly	New PI	Due Q2

How the Scorecards are developed

- RAG rated performance is then converted into scores, as follows:

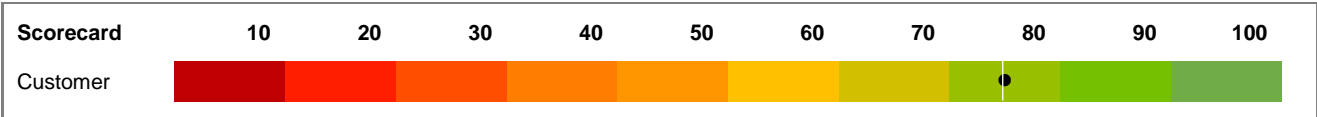
At or better than targeted performance	Green	= 2 points
Within 5% of target	Amber	= 1 point

More than 5% from target	Red	= 0 points
--------------------------	-----	------------

6. The following table shows this applied using the same targets within the Outcome 2 Scorecard, giving a total score and percentage for the quadrant.

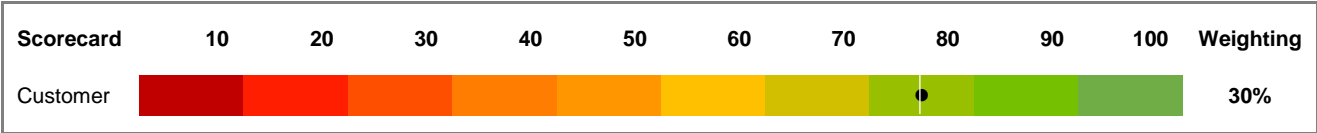
Measure	Last	Target	Current	Period	Trend	Benchmark	
C	Number of households accepted as homeless	15 (Q4 15/16)	21.25	0 pts	Q1 16/17	▲	N/A
C	Troubled Families w/ sustained and measured positive outcomes	New PI	30	2 pts	Sept 15	N/A	N/A
C	Children in Need referrals resulting in CAF step-downs	61 (Q4 15/16)	25	2 pts	Q1 16/17	▼	N/A
C	Children meeting Early Years 'good' measure – gap to national average	New PI	New PI	-	2016 (Prov.)	New PI	N/A
C	16-18 year olds not in education, employment or training (NEET)	7.7% (2014/15)	8.7%	2 pts	2015/16	▼	ENG: 4.2%
C	Anti-Social Behaviour incidents – gap to national average	New PI	New PI	-	Quarterly	New PI	Due Q2
C	Domestic Violence incidents – gap to national average	New PI	New PI	-	Quarterly	New PI	Due Q2
			Total	6/8			
				75%			

7. This overall performance figure for the quadrant is summarised within the Scorecard in 'thermometer' format, to provide a graphical indication of the current position, as follows:



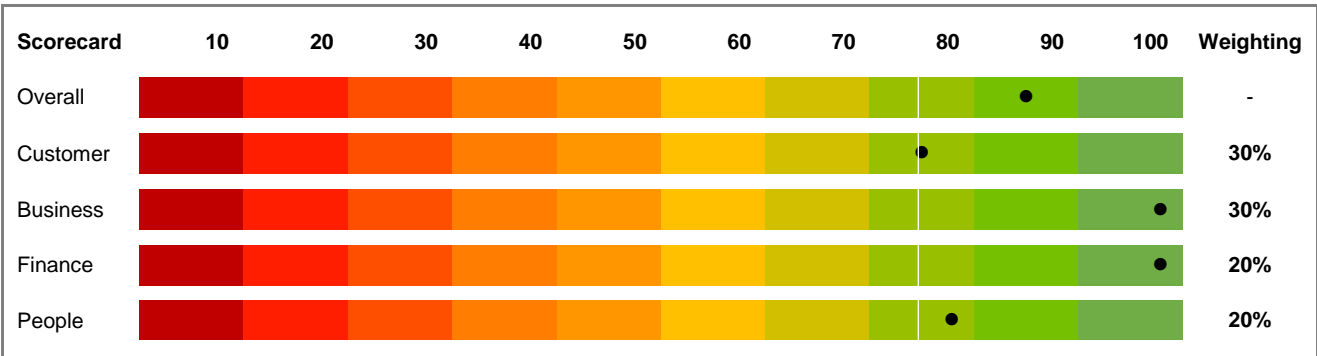
8. Each quadrant is then weighted to reflect the respective priority of each to overall performance for the area, as identified in the Strategic Plan and Directorate Delivery Plans. Weighting will be agreed with appropriate Executive Members. For example, the Finance quadrant would be more heavily weighted in Directorates contributing most to budget savings targets. Directorates largely focused on Customer / Business quadrants would place a greater weighting on these. Weightings may change each year, according to priorities.

9. In this example, Outcome 2 has allocated the Customer quadrant a weighting of 30% to the overall total.

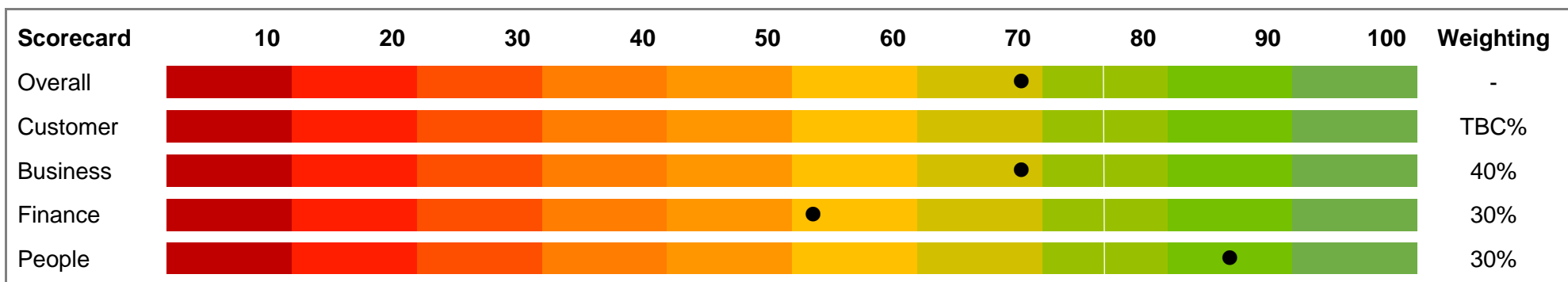


10. This means that a maximum score of 100% in this specific quadrant would contribute a maximum of 30% to the overall Scorecard. As it is, the quadrant scored 75% at Quarter One, contributing 22.5% to the overall score.

11. The same approach is applied to all quadrants, giving a total overall score for the Scorecard.

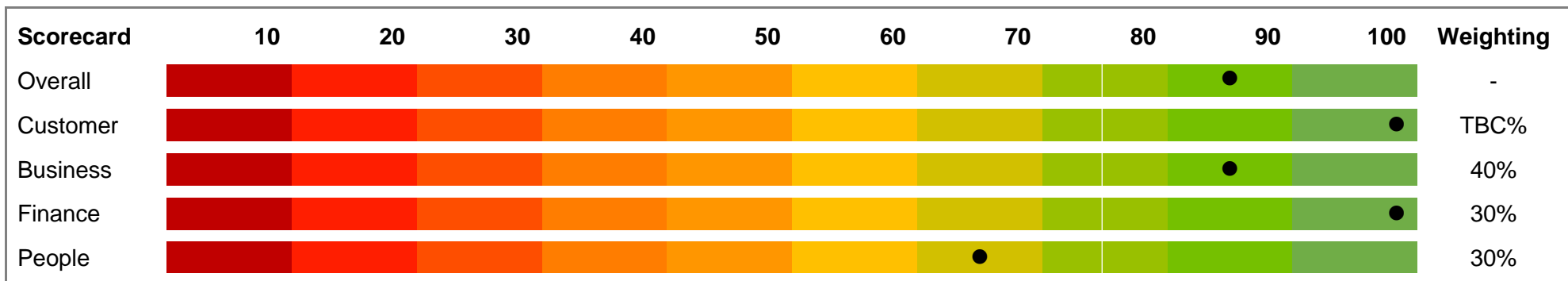


Economic Development and Infrastructure



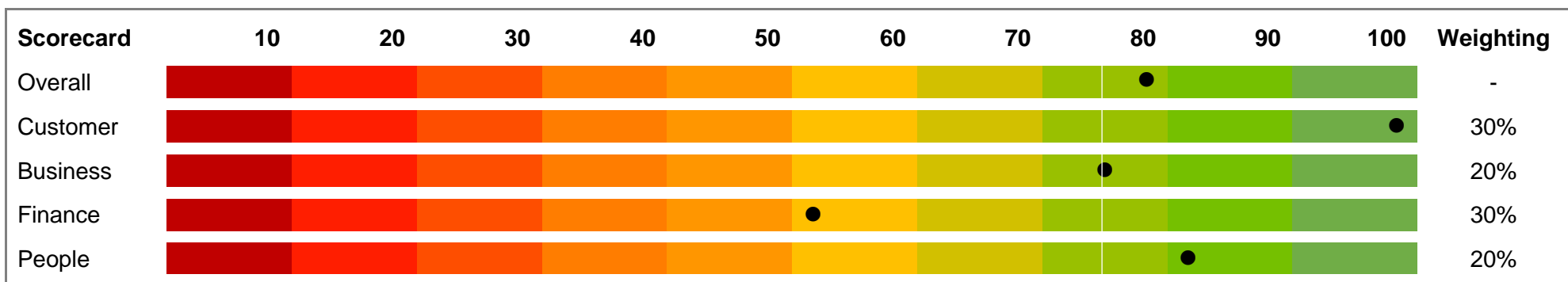
Measure	Last	Target	Current	Period	Trend	Benchmark	
C Customer quadrant to be added in Q3 2017/18 – Scorecard weightings will then be redistributed.							
B	Local gross weekly pay as %age of the NE average	97.15 (2016)	98.1%	Due Q3	2017	▲	NE: £492.20
B	Economically active people in Middlesbrough in employment	65.6% (2016)	66.75%	64.9%	Yr to Mar 17	▼	NE: 69.8%
B	New homes delivered (gross)	98 (Q1 16/17)	180	177	Q2 17/18	▼	N/A
B	New homes built Council Tax Band D and above	40 (Q1 16/17)	75	102	Q2 17/18	▲	N/A
B	Homes empty for over six months	939 (Q1 16/17)	950	922	Q2 17/18	▼	N/A
B	Growth in Middlesbrough's Business Rates base	New PI	New PI	Due Q3	Quarterly	New PI	Due Q3 17/18
B	Occupancy rate within town centre retail units	87% (Q1 16/17)	85%	87%	Q2 17/18		N/A
B	Projected achievement of Directorate Delivery Plan actions	71% (Q1 16/17)	80%	71%	Q2 17/18		Council: 86%
B	Projected achievement of risk mitigation activity	100% (Q1 16/17)	90%	92%	Q2 17/18	▼	Council: 93%
F	Projected expenditure of revenue budget	103% (Q1 16/17)	100%	101%	Q2 17/18	▼	Council: 99.96%
F	Projected attainment of savings targets	0% (Q1 16/17)	100%	0%	Q2 17/18		Council: 95%
F	Projected expenditure of capital budget	98% (Q1 16/17)	95%	107%	Q2 17/18	▲	Council: 105%
P	Employees with appraisal for current financial year	69% (2016/17)	95%	100%	2017/18	▲	Council: 99%
P	Working time lost to sickness absence	5.1% (Q1 16/17)	4.33%	4.35%	Q2 17/18	▼	Council: 4.42%
P	Employees satisfied with working in their service area	76% (2015)	70%	80%	2016	▲	Council: 85%

Culture and Communities



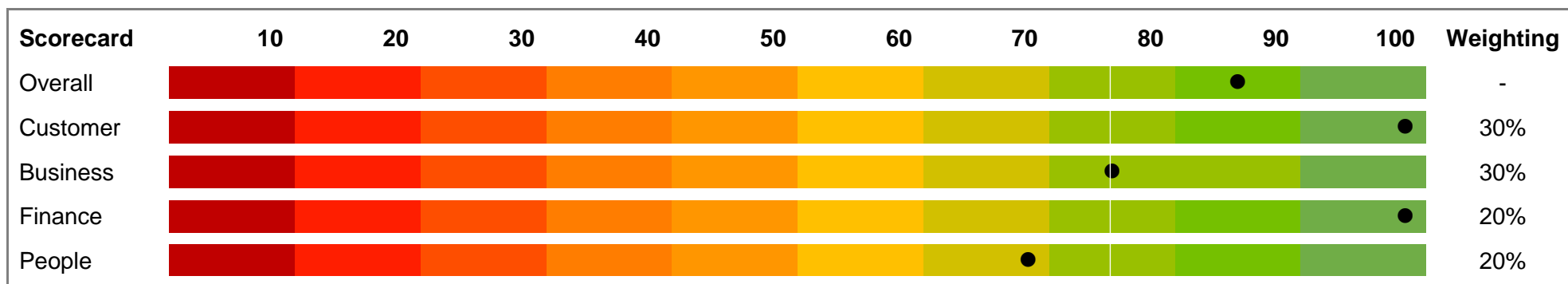
Measure	Last	Target	Current	Period	Trend	Benchmark
C Average customer rating of Marketing and Communications	70.7% (2016/17)	70%	83%	2017/18	▲	Council: 82.5%
B Number of households accepted as homeless	5 (Q1 17/18)	37.5	9	Q2 17/18	▼	N/A
B Participation in cultural events	New PI	New PI	Due Q3	New PI	New PI	N/A
B Effectiveness of Marketing and Communications (measure TBD)	New PI	New PI	Due Q3	New PI	New PI	N/A
B Anti-Social Behaviour incidents (target 5% reduction)	3,518 (Q1 17/18)	6,261	7,000	Q2 17/18	▲	N/A
B North East asylum seekers housed in Middlesbrough	18.5% (Q1 17/18)	27.5%	17.9%	Q2 17/18	▼	UK rank # 4
B Success rates on Community Learning skills programmes	86.2% (Q1 17/18)	85.5%	86.5%	Q2 17/18	▲	N/A
B Projected achievement of Directorate Delivery Plan actions	83% (Q1 17/18)	80%	83%	Q2 17/18	▬	Council: 86%
B Projected achievement of risk mitigation activity	100% (Q1 17/18)	90%	100%	Q2 17/18	▬	Council: 93%
F Projected expenditure of revenue budget	100% (Q1 17/18)	100%	100%	Q2 17/18	▬	Council: 99.96%
F Projected attainment of savings targets	100% (Q1 17/18)	100%	100%	Q2 17/18	▬	Council: 95%
F Projected expenditure of capital budget	100% (Q1 17/18)	95%	106%	Q2 17/18	▲	Council: 105%
P Employees with appraisal for current financial year	79% (2016/17)	95%	100%	2017/18	▲	Council: 99%
P Working time lost to sickness absence	4.92% (Q1 17/18)	3.52%	4.28%	Q1 17/18	▼	Council: 4.42%
P Employees satisfied with working in their service area	83.2% (2015)	70%	92%	2016	▲	Council: 85%

Environment and Commercial Services



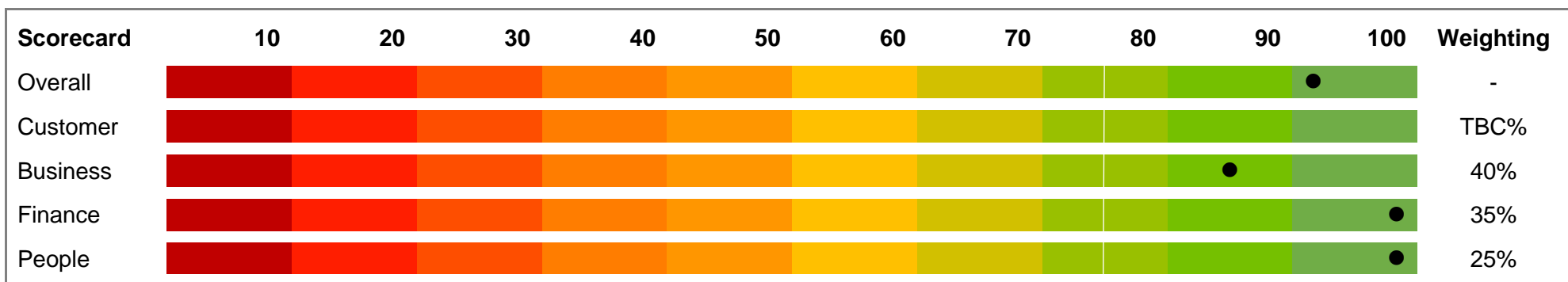
Measure	Last	Target	Current	Period	Trend	Benchmark
C Satisfaction with cleanliness of streets	New PI	70%	Due Q3	New PI	New PI	N/A
C Satisfaction with waste and recycling collections	New PI	70%	Due Q3	New PI	New PI	N/A
C Average customer satisfaction with managed buildings and space	New PI	70%	Due Q3	New PI	New PI	N/A
C Average customer satisfaction with commercial services	New PI	70%	Due Q3	New PI	New PI	N/A
C Average customer rating of support services	74.9% (2016/17)	70%	78.4%	2017/18	▲	Council: 82.5%
B Environment Customer Service Promises achieved	New PI	90%	TBC	Q3 17/18	N/A	N/A
B Household waste sent for reuse, recycling and composting (annual projection)	34% (2016/17)	35%	34%	2017/18	▬	UK 2015: 43.9%
B Streets meeting Keep Britain Tidy standards	90.5% (2016/17)	90%	Due Q3	2017/18	N/A	N/A
B Occupancy rate in commercial portfolio	95% (Q1 17/18)	88%	95%	Q2 17/18	▬	N/A
B Projected achievement of Directorate Delivery Plan actions	100% (Q1 17/18)	80%	100%	Q2 17/18	▬	Council: 86%
B Projected achievement of risk mitigation activity	85% (Q1 17/18)	90%	86%	Q2 17/18	▲	Council: 93%
F Projected expenditure of revenue budget	103% (Q1 17/18)	100%	103%	Q2 17/18	▬	Council: 99.96%
F Trading performance of commercial services (projected)	New PI	+8% p.a.	Due Q3	Q3 17/18	New PI	N/A
F Projected attainment of savings targets	51% (Q1 17/18)	100%	51%	Q2 17/18	▬	Council: 95%
F Projected expenditure of capital budget	101% (Q1 17/18)	95%	111%	Q2 17/18	▲	Council: 105%
P Employees with appraisal for current financial year	88% (2016/17)	95%	93%	2017/18	▲	Council: 99%
P Working time lost to sickness absence	3.88% (Q1 17/18)	4.58%	4.49%	Q2 17/18	▲	Council: 4.42%
P Employees satisfied with working in their service area	81% (2015)	70%	88%	2016	▲	Council: 85%

Public Health and Public Protection



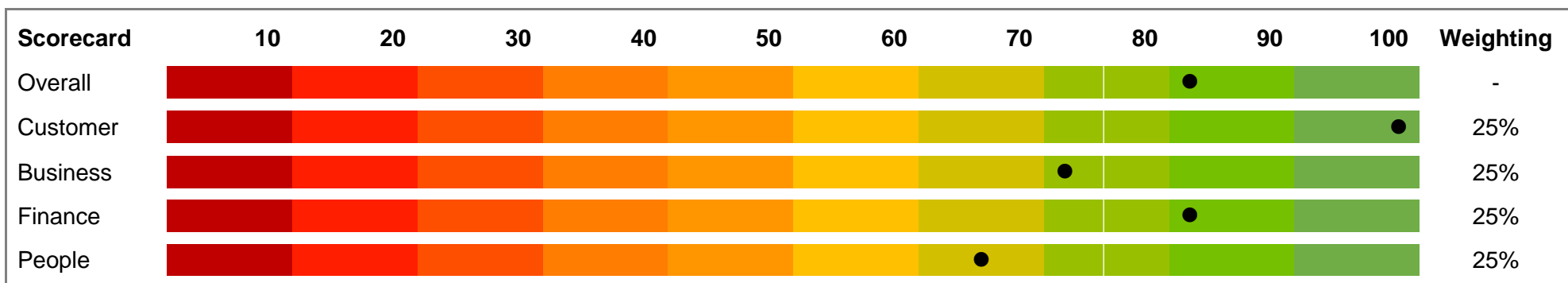
Measure	Last	Target	Current	Period	Trend	Benchmark
C Average satisfaction of clients with Public Health commissioned services	89.1% (Q1 17/18)	85%	89.8%	At Q2 17/18	▲	N/A
C Satisfaction of business with local authority regulation services	89.2% (Q1 17/18)	90%	93.8%	Q2 17/18	▲	N/A
B Healthy life expectancy (males) – gap to national average (years)	-5.7 (2012-14)	-5.6	-4.6	2013-15	▼	ENG: 63.4 (2013-15)
B Healthy life expectancy (females) – gap to national average (years)	-2.7 (2012-14)	-2.6	-4.3	2013-15	▲	ENG: 64.1 (2013-15)
B Healthy life expectancy (males) – gap most: least affluent wards (years)	14.2 (2011-13)	-11.6	12.9	2012-14	▼	N/A
B Healthy life expectancy (females) – gap most: least affluent wards (years)	10 (2011-13)	-11.9	12	2012-14	▲	N/A
B Early deaths from all causes (standardised mortality <75)	484 (2012-14)	484	478	2013-15	▲	ENG: 335 (2013-15)
B Smoking prevalence within Middlesbrough	New PI	19.8%	17.1%	At Jul 2017	New PI	N/A
B KPIs performance within PH commissioned service contracts	87.5% (Q1 17/18)	85%	93.75%	Q2 17/18	▲	N/A
B Attendances at Leisure Centres	221,851 (Q1 16/17)	409,428	446,010	Q2 17/18	▲	N/A
B Projected achievement of Directorate Delivery Plan actions	100% (Q1 17/18)	80%	100%	Q2 17/18		Council: 86%
B Projected achievement of risk mitigation activity	100% (Q1 17/18)	90%	100%	Q2 17/18		Council: 93%
F Projected expenditure of revenue budget	100% (Q1 17/18)	100%	141%	Q2 17/18	▲	Council: 99.96%
F Projected attainment of savings targets	100% (Q1 17/18)	100%	100%	Q2 17/18		Council: 95%
F Projected expenditure of capital budget	100% (Q1 17/18)	95%	100%	Q2 17/18		Council: 105%
P Employees with appraisal for current financial year	92% (2016/17)	95%	100%	2017/18	▲	Council: 99%
P Working time lost to sickness absence	4.52% (Q1 17/18)	1.51%	2.79%	Q2 17/18	▼	Council: 4.42%
P Employees satisfied with working in their service area	83% (2015)	70%	75%	2016	▼	Council: 85%

Education



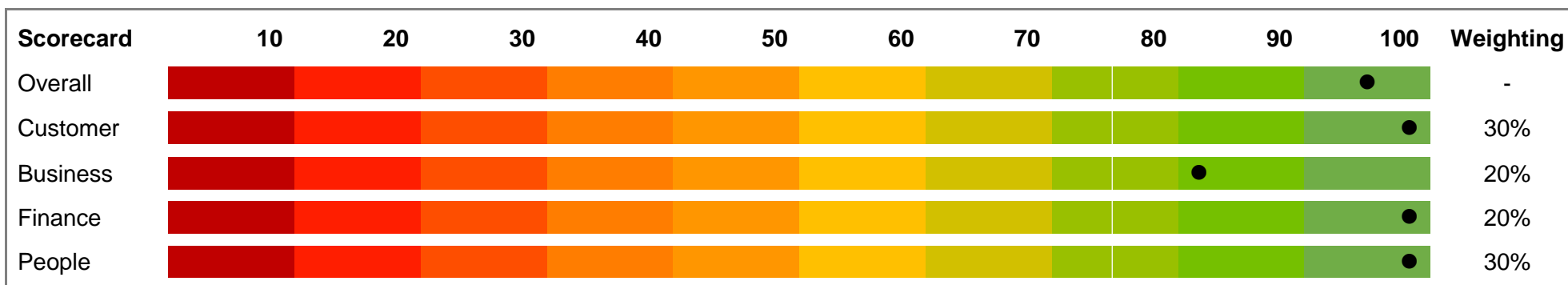
Measure	Last	Target	Current	Period	Trend	Benchmark	
C	Customer quadrant to be added in Q3 2017/18 – Scorecard weightings will then be redistributed.						
B	Children meeting Early Years 'Good Level of Development' measure	60.3% (2015/16)	64.8%	63.2%	2016/17 (Prov.)	New PI	ENG: 70.7%
B	Pupils attending a school judged 'Good' or better by Ofsted	85% (Jun 17)	82%	87%	At Sep 17	▲	ENG: 89%
B	Yr 1: Expected standard in phonics de-coding	74% (2015/16)	76.8%	76.1%	2016/17 (Prov.)	▲	ENG 81%
B	KS1: Expected standard in reading	67% (2015/16)	69.3%	67.7%	2016/17 (Prov.)	▲	ENG: 75.6%
B	KS1: Expected standard in writing	57% (2015/16)	60.2%	61.6%	2016/17 (Prov.)	▲	ENG: 68.3%
B	KS1: Expected standard in maths	65% (2015/16)	67.8%	69.5%	2016/17 (Prov.)	▲	ENG: 75.2%
B	KS2: Expected standard in reading, writing and maths	New PI	50.4%	60.4%	2016/17 (Prov.)	N/A	ENG: 61%
B	KS4: %age achieving threshold in English and maths	54.9% (2015/16)	55.2%	57.9%	2016/17 (Prov.)	▲	ENG: 58.5%
B	Attendance rate in secondary schools	New PI	94.8%	93.1%	2015/16	New PI	ENG: 94.8%
B	Education Health & Care Plans completed within 20 weeks	98.2% (Jan-Jun 17)	70%	93.7%	Jan-Sep 2017	▲	ENG: 55.65% (2016)
B	Projected achievement of Directorate Delivery Plan actions	92% (Q1 17/18)	80%	92%	Q2 17/18		Council: 86%
B	Projected achievement of risk mitigation activity	91% (Q1 17/18)	90%	100%	Q2 17/18	▲	Council: 93%
F	Projected expenditure of revenue budget	72% (Q1 17/18)	100%	100%	Q2 17/18	▼	Council: 99.96%
F	Projected attainment of savings targets	100% (Q1 17/18)	100%	100%	Q2 17/18		Council: 95%
F	Projected expenditure of capital budget	85% (Q1 17/18)	95%	107%	Q2 17/18	▲	Council: 105%
P	Employees with appraisal for current financial year	78% (2016/17)	95%	100%	2017/18	▲	Council: 99%
P	Working time lost to sickness absence	3.64% (Q1 17/18)	3.81%	2.78%	Q2 17/18	▼	Council: 4.42%
P	Employees satisfied with working in their service area	85% (2015)	70%	88%	2016	▲	Council: 85%

Children's Care



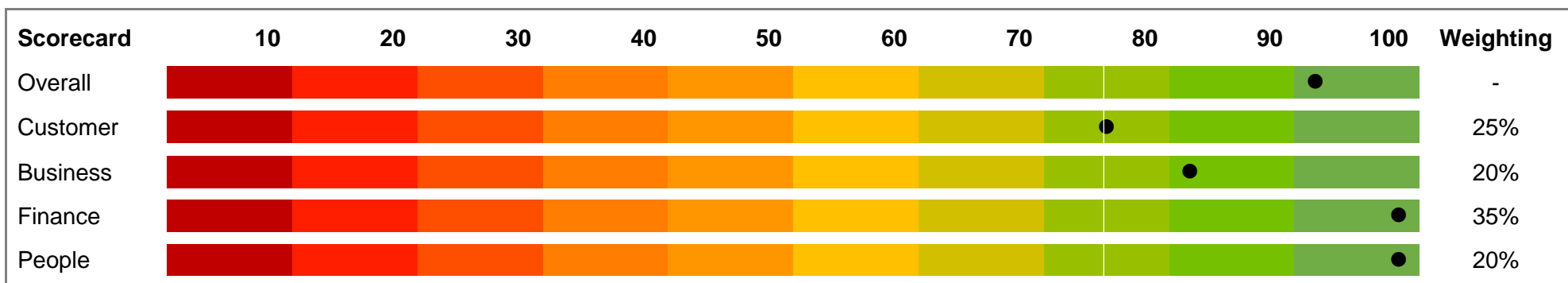
Measure	Last	Target	Current	Period	Trend	Benchmark
C Customer satisfaction with Children's Care	New PI	70%	70%	Q2 17/18	New PI	N/A
B Actual demand as % of predicted demand	New PI	95.3%	92.7%	Q1 17/18	New PI	N/A
B Number of referrals to Children's Care	561 (Q1 17/18)	1,250	1,206	Q2 17/18	▲	N/A
B LAC rate per 10,000	148.5 (Q1 17/18)	130.6	142	Q2 17/18	▼	Family Group: 98.2 (2015/16)
B LAC – Residential placements within Middlesbrough	85.1% (Q1 17/18)	55%	85.1%	Q2 17/18		N/A
B CPP rate per 10,000	77.7 (Q1 17/18)	81.6	77.4	Q2 17/18	▼	Family Group: 61.4 (2015/16)
B LAC cases reviewed within required timescales	60% (Q1 17/18)	75%	65.4%	Q2 17/18	▼	N/A
B Continuous assessments completed within 45 working days	76% (Q1 17/18)	90%	70.5%	Q2 17/18	▼	N/A
B Caseload per social worker	19.4 (Q1 17/18)	21	19.7	Q2 17/18	▲	N/A
B Projected achievement of Directorate Delivery Plan actions	67% (Q1 17/18)	80%	83%	Q2 17/18	▲	Council: 86%
B Projected achievement of risk mitigation activity	95% (Q1 17/18)	90%	100%	Q2 17/18	▲	Council: 96%
F Projected expenditure of revenue budget	100% (Q1 17/18)	100%	101%	Q2 17/18	▲	Council: 99.96%
F Projected attainment of savings targets	100% (Q1 17/18)	100%	100%	Q2 17/18		Council: 95%
F Projected expenditure of capital budget	100% (Q1 17/18)	95%	100%	Q2 17/18		Council: 105%
P Employees with appraisal for current financial year	76% (2016/17)	95%	100%	2017/18	▲	Council: 99%
P Working time lost to sickness absence	6.53% (Q1 17/18)	5.73%	6.31%	Q2 17/18	▼	Council: 4.42%
P Employees satisfied with working in their service area	88% (2015)	70%	90%	2016	▲	Council: 85%

Prevention and Partnerships



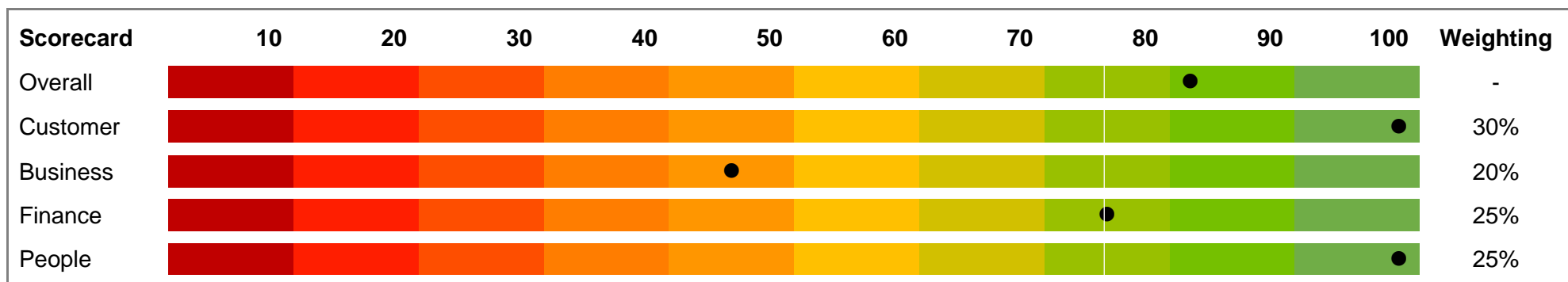
Measure	Last	Target	Current	Period	Trend	Benchmark
C Customer satisfaction with Stronger Families	98.5% (Q1 17/18)	80%	99.4%	Q2 17/18	▲	N/A
C Victims of youth crime satisfied with the service	New PI	70%	Due Q3	Q3 17/18	New PI	N/A
B Children identified for nursery readiness interventions engaged	81.1% (Q1 17/18)	65%	94.3%	Q2 17/18	▲	N/A
B MBC Early Help assessments active	282 (Q1 17/18)	250	344	Q2 17/18	▲	N/A
B Stronger Families casework resulting in positive outcomes	New PI	80	61	Q2 17/18	New PI	N/A
B Troubled Families w/ sustained and measured positive outcomes	152 (Q1 17/18)	50	75	Q2 17/18	▲	N/A
B Rate of proven re-offending by young offenders	1.58 (Q4 16/17)	1.16	0.5	Q1 17/18	▼	N/A
B U18 conceptions rate per 1,000	34.2 (Q4 15/16)	29.9	45.5	Q1 16/17	▲	ENG: TBC
B 16-17 year olds not in education, employment or training (NEET)	6.6% (2016/17)	<6.6%	5.9%	Dec 16-Feb 17	▼	ENG: 2.9%
B 16-17 year olds with suitable offer of learning	96.8% (Q1 17/18)	94%	96.8%	Q2 17/18	▬	ENG: 94.5%
B Projected achievement of Directorate Delivery Plan actions	80% (Q1 17/18)	80%	85%	Q2 17/18	▲	Council: 86%
B Projected achievement of risk mitigation activity	100% (Q1 17/18)	90%	100%	Q2 17/18	▬	Council: 93%
F Projected expenditure of revenue budget	100% (Q1 17/18)	100%	100%	Q2 17/18	▬	Council: 99.96%
F Projected attainment of savings targets	100% (Q1 17/18)	100%	100%	Q2 17/18	▬	Council: 95%
F Projected expenditure of capital budget	100% (Q1 17/18)	95%	270%	Q2 17/18	▲	Council: 105%
P Employees with appraisal for current financial year	N/A	95%	100%	2017/18	N/A	Council: 99%
P Working time lost to sickness absence	2.46% (Q1 17/18)	4.87%	3.34%	Q2 17/18	▲	Council: 4.42%
P Employees satisfied with working in their service area	N/A	70%	Due Q4	2017	N/A	Council: 85%

Adult Social Care and Health Integration



Measure	Last	Target	Current	Period	Trend	Benchmark
C Service users stating that services have made them feel safe and secure	91% (2015/16)	90%	90%	2016/17	▼	ENG 15/16: 85.4%
C Social care-related quality of life (/24)	19.8 (2015/16)	20	19.8	2015/16		ENG 15/16: 19.1
B Actual demand as % of predicted demand	New PI	New PI	77.78%	Q1 17/18	New PI	N/A
B Number of contacts with Adult Social Care	2,533 (Q1 17/18)	New PI	3,250	Q2 17/18	New PI	N/A
B Social Care clients receiving Self-Directed Support	100% (Q1 17/18)	100%	100%	Q2 17/18		ENG 15/16: 86.9%
B 65+ year olds still at home 91 days after discharge into reablement / rehab	76.36% (Q1 17/18)	80%	76.7%	Q2 17/18	▲	ENG 15/16: 75.7%
B People in a permanent nursing or residential setting per 100,000	855 (Q1 17/18)	<854	861	Q2 17/18	▲	N/A
B Permanent admissions to residential / nursing care homes per 100,000	67.88 (Q1 17/18)	130	117	Q2 17/18	▼	ENG 15/16: 260
B Delayed transfers of care from hospital per 100,000 attributable to ASC	1.86 (Q1 17/18)	4.1	2.75	Q2 17/18	▲	ENG 15/16: 4.7
B %age of reablement episodes achieving identified goals	74.28% (Q1 17/18)	75%	75%	Q2 17/18	▲	N/A
B Projected achievement of Directorate Delivery Plan actions	100% (Q1 17/18)	80%	100%	Q2 17/18		Council: 86%
B Projected achievement of risk mitigation activity	100% (Q1 17/18)	90%	88.8%	Q2 17/18	▼	Council: 93%
F Projected expenditure of revenue budget	100% (Q1 17/18)	100%	100%	Q2 17/18		Council: 99.96%
F Projected attainment of savings targets	100% (Q1 17/18)	100%	100%	Q2 17/18		Council: 95%
F Projected expenditure of capital budget	111% (Q1 17/18)	95%	99%	Q2 17/18	▼	Council: 105%
P Employees with appraisal for current financial year	82% (2016/17)	95%	100%	2017/18	▲	Council: 99%
P Working time lost to sickness absence	4.65% (Q1 17/18)	6.68%	5.24%	Q2 17/18	▲	Council: 4.42%
P Employees satisfied with working in their service area	90% (2015)	70%	87%	2016	▼	Council: 85%

Finance, Governance and Support



Measure	Last	Target	Current	Period	Trend	Benchmark
C Average customer rating of support services	81% (2016/17)	70%	84.3%	2017/18	▲	N/A
C Elected member satisfaction with support services	New PI	70%	100%	Q4 16/17	New PI	N/A
B Service transactions undertaken via MBC website	27,401 (Q1 17/18)	53,500	67,468	Q2 17/18	▲	N/A
B ICT transactions undertaken via digital service desk	New PI	New PI	Due Q3	Q3 17/18	New PI	N/A
B Housing Benefit – average days to process changes of circumstances	10.04 (Q1 17/18)	13	15.95	Q2 17/18	▲	N/A
B Council Tax collected in-year	27.91% (Q1 17/18)	55.53%	53.12%	Q2 17/18	▲	ENG: 97.1% (2015/16)
B Business Rates collected in-year	31.89% (Q1 17/18)	58.92%	58%	Q2 17/18	▲	ENG: 98.2% (2015/16)
B Teesside Pension Fund – performance against benchmark	New PI	11.1%	10%	Q2 17/18	New PI	N/A
B Projected achievement of Directorate Delivery Plan actions	100% (Q1 17/18)	80%	70%	Q2 17/18	▼	Council: 86%
B Projected achievement of risk mitigation activity	100% (Q1 17/18)	90%	93%	Q2 17/18	▼	Council: 93%
F Projected expenditure of revenue budget	100.5% (Q1 17/18)	100%	93%	Q2 17/18	▼	Council: 99.96%
F Projected attainment of savings targets	100% (Q1 17/18)	100%	100%	Q2 17/18		Council: 95%
F Projected expenditure of capital budget	119% (Q1 17/18)	95%	85%	Q2 17/18	▼	Council: 105%
F % of Council expenditure on local goods and services	30% (Q1 17/18)	25%	44%	Q2 17/18	▲	N/A
P Employees with appraisal for current financial year	77% (2016/17)	95%	99%	2017/18	▲	Council: 99%
P Working time lost to sickness absence	2.25% (Q1 17/18)	3.19%	2.92%	Q2 17/18	▲	Council: 4.42%
P Employees satisfied with working in their service area	76.5% (2015)	70%	81%	2016	▲	Council: 85%

Appendix 3: 2017/18 Budget and performance monitoring – Consolidated action plan

Directorate	Action	Who	When	Progress
Economic Development and Infrastructure	Finalise Housing Growth Strategy programme plan.	Director of ED&I	End Q2 2017/18	Ongoing; completion in Q3.
	Review potential inflationary pressure on electricity and establish position.	Head of Transport and Infrastructure / Financial Planning and Support	End Q2 2017/18	Completed; addressed by delegated virement at Q2.
	Identify further mitigating savings during 2017/18 to prevent an overspend at year-end	Director of Economic Development and Infrastructure	End Q4 2017/18	On target.
Culture and Communities	Review anti-social behaviour target to ensure that this remains SMART.	Head of Stronger Communities	End Q2 2017/18	Completed; measure to be revised for Q3.
	Three year approach to events programming to be presented to Executive in November	Director of Culture and Communities	End Q3 2017/18	On target.
Environment and Commercial Services	Review options to improve recycling rate at report to Executive.	Director of ECS	End Q3 2017/18	On target.
	Review Passenger Transport Service with view to mitigating budgetary pressure.		End Q2 2017/18	Ongoing; completion in Q3.
	Identify further savings to mitigate budget pressures within the Directorate.	Directors of ECS / FG&S	End Q2 2017/18	Ongoing; completion in Q4.
Public Health and Public Protection	Analyse use of Public Health Grant across Directorates to identify future savings.	Directors of PH&PP / FG&S	End Q2 2017/18	Completed; reflected in body of report.
Children's Care	Identify issues relating to timeliness of LAC processes and implement improvement plan.	Director of Children's Care	End Q2 2017/18	Completed; improvements now underway.
	Review value of implementation of Controcc.		End Q2 2017/18	Ongoing; completion in Q3.
Prevention and Partnerships	Review youth reoffending performance and develop / implement improvement plan.	Director of Prevention and Partnerships	End Q2 2017/18	Ongoing; performance on target at Q3.
Finance, Governance and Support	Identify way forward in relation to continuing pressures on Legal Services budget.	Director of FG&S	End Q2 2017/18	Ongoing; completion in Q4.
	Vire income budget from Valuation and Estates to Environment and Commercial Services.	Director of FG&S	End Q2 2017/18	Completed.

Appendix 4: Summary Strategic Risk Register

The Council's Corporate Strategic Risk Register identifies the following as current high and medium level risks to the achievement of the Council's targeted outcomes, given the current controls in place to reduce their probability and impact of their occurrence. Activity to further mitigate risk to the lowest practicable level is set out in this Strategic Plan and supporting risk plans. Risk levels and controls are reviewed on a quarterly basis in line with the Council's Risk Management Strategy.

Risk	Directorates affected	Current risk level			Trend
		Probability	Impact	Score ¹	
Targeted investment within Middlesbrough disproportionately affected by low economic growth (e.g. following Brexit).	ED&I	4	5	20	
Failure to adapt to the new funding model for local government results in a new funding gap.	All	3	5	15	
Funding reductions for statutory partners results in impact on services delivered jointly with the Council.	All	3	5	15	*New*
Qualifications and skills profile of local labour does not match requirements of current employers and / or potential future investors.	ED&I / C&C	3	5	15	
Increased risk of harm to children and young people, in particular due to instability caused by Social Care transformation.	C&C	3	5	15	
Failure to stabilise transient populations within some local communities results in adverse outcomes for children.	C&C	3	5	15	
Reduced outcomes and incurred costs through failure to implement effective strategic and delivery partnerships.	All	3	5	15	
Failure to align Strategic Plan with TVCA plans adversely affects MTFP and Investment Prospectus progress.	All	3	5	15	
Failure to deliver required transformation of services, culture change or savings.	All	3	5	15	
Failure to respond effectively and efficiently to legislative changes places the Council in breach of statutory duties.	All	2	7	14	
Individuals and families in need not provided with effective help at appropriately early stage, resulting in social issues and greater downstream costs to public services.	P&P	2	5	10	

¹ Probability is scored from 1 (rare) to 5 (almost certain), impact from 1 (insignificant) to 7 (extreme). Impact can relate to a range of factors including the achievement of priorities, financial losses and reputational damage. The risk score is P x I, with a maximum score of 35.