

MIDDLESBROUGH COUNCIL
OVERVIEW AND SCRUTINY BOARD

AGENDA ITEM 4

10 APRIL 2018

BUDGET AND BALANCED SCORECARDS: QUARTER THREE 2017/18

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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 Three 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 the Executive's approval to increase the transfer of project savings into the Social Care Demand Risk reserve from £501,000 to £712,000, to transfer £640,000 of projected savings within Public Health and Public Protection into the Public Health Reserve and £562,000 of projected Capital Financing savings to the Capital Refinancing Reserve at year-end; and the resulting projected revenue position at Quarter Three 2017/18, namely a budget underspend of £7,000 (or 0.01%).
3. Notes the Executive's approval of a revised Investment Strategy for the period to 2020/21 (at Appendix 1), and projected capital expenditure of £37.652m against the revised budget of £36.552m in 2017/18 (or 103% of the budget).
4. Notes the Council's borrowing at 31 December 2017 of £132m, and its forecast Reserves at 31 March 2018 of £13m, along with a further £21.8m of reserves earmarked for specific purposes, and £6.6m of School reserves, making a total of £41.4m, in line with expectations.
5. Notes the performance of Directorates at Quarter Three 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 Three monitoring continued to project a very strong set of performance results for the Council in 2017/18.
- Largely one-off projected savings within Adult Social Care, Public Health and Capital Financing have been identified and the Executive agreed to transfer these to dedicated Reserves at year-end at its meeting of 20 February 2018.
- The resulting revenue budget projection for the year is a 0.01% underspend, demonstrating the effectiveness of the Council's financial management.
- Projected capital expenditure is 103% of the revised annual budget, reflecting delivery of some schemes ahead of schedule, minor reprofiling, and an increase in externally and revenue funded projects.
- The Council's borrowing reduced by 7% in the period and is well within agreed limits. General Reserves are projected to be £13m at year-end.
- Performance levels remain high with the Council projected to exceed the corporate standard of meeting 75% or more of performance targets.
- There are a number of budgetary and performance pressures within Children's Care which were addressed in the review of the Council's Medium-Term Financial Plan presented to Full Council on 7 March 2018.
- These currently represent the main risk to the achievement of the Council's strategic objectives, alongside the potential impact of Brexit on the national economy and economic growth locally.

BACKGROUND AND EXTERNAL CONSULTATION

Background

7. This report summarises the performance of the Council at Quarter Three 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 and savings delivery

8. On 20 February 2018, the Executive approved the following transfers of projected underspends to reserves and provisions at year-end.

	£'000s
Projected outturn position before proposed transfers to Reserves and Provisions	(1,921)
Proposed transfers to Reserves and Provisions	
Adult Social Care savings to Social Care Demand Risk Reserve	712
Public Health savings to Public Health Reserve	640
Capital Financing savings to Capital Refinancing Reserve	562
Reported projected outturn position	(7)

9. Taking into account these proposed transfers, at the end of Quarter Three, revenue budget expenditure for 2017/18 was projected to be £113.662m, an underspend of £7,000 (0.01%), which demonstrates that the revised financial management processes introduced during 2016/17 are working effectively. 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	27,510	27,789	279
Public Health and Public Protection	534	413	(121)
Children's Services	32,765	33,411	646
Adult Social Care and Health Integration	36,363	36,318	(45)
Finance, Governance and Support	8,903	8,841	(62)
Central costs	7,594	6,890	(704)
Revenue outturn	113,669	113,662	(7)

10. The following table summarises projected delivery of approved savings required to deliver a balanced budget in 2017/18, with 96% of savings forecast to be achieved at Quarter Three.

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

11. 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 £279,000

Growth and Place	Full Year Budget £'000s	Full Year Forecast £'000s	Over/(under) spend £'000s
Regeneration	3,695	3,691	(4)
Culture, Communities and Communications	6,162	6,152	(10)
Environment and Commercial Services	17,653	17,946	293
Revenue Outturn	27,510	27,789	279

12. **Regeneration:** The Directorate (formerly Economic Development and Infrastructure) is now projecting an underspend position, an improvement from the £22,000 overspend projected at Quarter Two. Further savings have been identified in order to mitigate the under-achievement of income across the Directorate, in particular within Transport and Infrastructure.
13. **Culture, Communities and Communications:** The projected overspend on the Marketing and Communications budget continued to rise, from £102,000 at Quarter Two to £135,000 at the end of Quarter Three, resulting mainly from a shortfall in income, which cannot realistically be achieved with the current staffing structure and mix of events. Following the appointment of the new Director in 2018/19, a revised structure for the team will be agreed, and a three-year approach to events presented to the Executive. Until the actions are implemented, the gap will be mitigated by vacancy savings, and by delaying / rescaling activities across other parts of the Directorate, which at Quarter Three resulted in a projected underspend of £10,000.
14. **Environment and Commercial Services:** The projected overspend within the Directorate reduced significantly from £521,000 at Quarter Two to £293,000 at Quarter Three. In addition, the Directorate absorbed £220,000 of unforeseen costs relating to an unplanned closure of the Energy from Waste plant for almost two months while a new turbine was fitted. The projected overspend is driven by three main issues:
- *Passenger Transport Service* – the projected overspend on this service grew to £258,000 at Quarter Three, due to continued increased demand, particularly for high cost 'out of county' passengers, and a shortfall in the achievement of savings targets for 2017/18. Since Quarter Two, much work has been done to examine the drivers of demand, and identify possible mitigations. It is now expected that some of the savings from changes to policy and practice can be achieved in 2018/19. Discussions will continue with social care services to model future demand, with a report on this to be considered by LMT in Quarter Four.
 - *Property costs* – the projected overspend on these budgets has reduced from £702,000 at Quarter Two to £630,000 at Quarter Three, with £577,000 of the pressure due to the continued opening of Vancouver House and the Southlands Centre. The pressures are partially mitigated by continued income from the properties. A report on the future of Southlands Centre was submitted to Executive Sub-Committee of Property in Quarter Four. The relocation of staff from Vancouver House into Middlesbrough House and the Civic Centre continues, and will be completed no later than March 2018.
 - *Ayresome Industries* – the projected overspend on this service has reduced from £116,000 at Quarter Two to £96,000 at Quarter Three, and results from a shortfall in income generation. The future of the service was addressed in the Revenue Budget, Council Tax, Medium Term Financial Plan and Prudential Indicators 2018/2019 report to Full Council on 7 March 2018.
15. These pressures are partly mitigated by significant forecast savings within other services within the Directorate, specifically Bereavement Services (£180,000), Strategic Asset Management (£164,000), Building Maintenance (£139,000), Building Cleaning (£70,000), management costs (£54,000), Area Care (£50,000) and Catering (£40,000). The Directorate will endeavour to identify further mitigating savings to address these pressures, with the aim of minimising overspend at year-end.

Public Health and Public Protection: projected underspend (£121,000)

Public Health and Public Protection	Full Year Budget £'000s	Full Year Forecast £'000s	Over/(under) spend £'000s
Revenue Outturn	534	413	(121)

16. Public Health budgets continue to be analysed to identify savings, with an underspend of (£737,000) projected at Quarter Three, breaking down as follows:

- (£195,000) from the likelihood that the *Beyond Successful Completion* substance misuse project will not now be implemented within this financial year;
- (£82,000) from contractual savings on the sexual health and contraception budget;
- (£120,000) on the Stop Smoking Service due to lower take-up of the service;
- other general savings of (£82,000); and
- one-off savings of (£258,000) from contributions received from South Tees CCG and Redcar and Cleveland Borough Council relating to 2016/17.

17. The Executive has agreed that £640,000 of this projected underspend, relating specifically to the Public Health Grant, is transferred into the Public Health reserve at year-end, in accordance with grant conditions. A saving of (£24,000) in Public Protection was also projected, mainly due to staff savings across the service, resulting in an overall projected underspend of (£121,000) at Quarter Three.

Children's Services: projected overspend £646,000

Children's Services	Full Year Budget £'000s	Full Year Forecast £'000s	Over/(under) spend £'000s
Education	365	365	0
Children's Care	29,822	30,646	824
Prevention and Partnerships	2,578	2,400	(178)
Revenue Outturn	32,765	33,411	646

18. The projected overspend for the Department increased significantly from £289,000 at Quarter Two to £646,000 at Quarter Three, driven by pressures within Children's Care. These pressures suggest that it is prudent to allocate further resources to Children's Services at this time, and this issue was addressed in within the Revenue Budget, Council Tax, Medium Term Financial Plan and Prudential Indicators 2018/2019 report to Full Council on 7 March 2018.

19. **Education:** As reported previously, 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 on-off savings totalling (£186,000), mainly arising from staff vacancies within the Achievement and Special Education Needs budgets, and other unbudgeted grant income.

20. However, these savings are offset by a predicted pressure of £291,000 on Looked After Children (LAC) Pupil Premium costs. This is due to the employment of a number of agency staff to complete, with schools, personal education plans for LAC, 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.

21. **Children's Care:** It is currently anticipated that the full £1.5m funding provided for 2017/18 for demand led pressures will be fully utilised, and the projected overspend for the Directorate has increased from £299,000 at Quarter Two to £824,000 at Quarter Three. Major budget pressures include:

- an increased projected pressure on the Resources Service to £746,000 (17% over budget), including £190,000 (9% over budget) in respect of in-house Children's Homes and Gleneagles, as a result of increased staffing to manage particularly complex young people, staff sickness; and a £460,000 pressure (80% over budget) on Short Breaks respite agency costs and trips and direct payments to families, due to increased demand.
- a Deprivation of Liberty Safeguards (DOLS) order directed by the court in November 2017, bringing costs currently estimated to rise to £229,000 by year-end;
- an increase in residential agency active placement costs of £187,000 (though placements have increased by only one in number, from 55 to 56);
- previously reported pressures on the adoption budget, currently projected to be £93,000, from one-off adoption payments to agencies and other local authorities for children planned to be adopted by the end of 2017/18 (which will result in savings in future years); and
- a minor increase in Independent Fostering Agency active placements from 142 to 146, resulting in an increase in costs of £28,000.

22. The above pressures are partly mitigated by projected savings of (£182,000) on social worker salary costs due to staff not being at top of the career grade. Also, net savings of (£296,000) are projected due to staff vacancies, early achievement of proposed 2018/19 savings from supplies and services and contracts, and the receipt of unbudgeted grant income.

23. The Directorate continues to actively monitor budgets, review its services, and work with the corporate commissioning function to identify potential efficiencies and so avoid pressures in future years. As previously reported, the Directorate is currently implementing a new model of practice, based on enhanced collaboration and a restorative practice approach – the *Believe in Families* programme, which has been allocated significant resources from the Change Fund, and is expected to yield improved outcomes and budgetary savings over time. If these savings were not delivered, then fundamental changes to the Council's budget strategy and MTFP would be required. Monitoring of demand, expenditure trends and transformation plans within Children's Care will therefore be accorded the highest priority going forward.

24. **Prevention and Partnerships:** A one-off underspend of (£107,000) on the Prevention budget was projected at the end of Quarter Three, mainly due to savings from staff not yet being at the top of grade following a service review. There is also a one-off in-year saving of (£70,000) on the Troubled Families Grant, due an excess of grant income projected to be received in-year against projected expenditure on activities.

Adult Social Care and Health Integration: projected underspend (£45,000)

Adult Social Care and Health Integration	Full Year Budget £'000s	Full Year Forecast £'000s	Over/(under) spend £'000s
Revenue Outturn	36,363	36,318	(45)

25. Savings equating to (£882,000) are projected at Quarter Three, breaking down as follows:

- (£383,000) from one-off staffing vacancies;
- (£222,000) from a net reduction in care package costs;
- (£105,000) from a reduction in bad debt provision;
- (£90,000) from one-off supplies and services savings; and
- (£82,000) from capitalising the administration of Disabled Facilities Grant.

26. These are 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, leaving a net projected saving of (£757,000).

27. The majority of these savings are one-off, and due to the uncertainty around future social care needs, and the Executive has agreed to transfer £712,000 of the overall projected savings into a Social Care Demand Risk reserve at year-end, rather than the £501,000 proposed at Quarter Two, leaving a projected underspend of (£45,000). 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.

Finance, Governance and Support: projected underspend (£62,000)

Finance, Governance and Support	Full Year Budget £'000s	Full Year Forecast £'000s	Over/(under) spend £'000s
Revenue Outturn	8,903	8,841	(62)

28. The projected underspend within the Directorate reduced from (£239,000) at Quarter Two to (£62,000) at Quarter Three, with one-off savings largely from staffing in financial services (£98,000), Performance and Partnerships (£62,000) and ICT (£87,000) being offset by an increased pressure of £212,000 in Legal Services. LMT will consider the future operating model for this service in Quarter Four.

Central costs: projected underspend (£704,000)

Central costs	Full Year Budget £'000s	Full Year Forecast £'000s	Over/(under) spend £'000s
Revenue Outturn	7,594	6,890	(704)

29. Projected savings for these budgets increased from (£507,000) at Quarter Two to (£704,000) at Quarter Three.

30. A net saving of (£376,000) is forecast on the General Fund. This is mainly due to increased costs of domiciliary care being offset by one-off funding sources; increased

income relating to New Homes Bonus and Business Rates Relief grants; and the ring-fenced surplus on the Emergency Planning Service from Hartlepool Council, none of which were budgeted for. This increased income is offset by claims on the Pay and Prices element of this budget and other commitments on the Fund.

31. A saving of (£812,000) is projected on the Capital Financing budget from the Council having taken the opportunity to borrow at lower cost short-term interest rates during the year. The Executive has agreed to transfer £562,000 of this saving to a Capital Refinancing Reserve at year-end to fund future borrowing.
32. There is also a projected saving of (£78,000) on the Added Years Pensions Increases budget due to a reduction in ex-employees entitled to this payment.

Medium-Term Financial Plan

33. Quarter Three monitoring identified several issues for consideration within the update of the Medium-Term Financial Plan set out within the Revenue Budget, Council Tax, Medium Term Financial Plan and Prudential Indicators 2018/2019 report to Full Council on 7 March 2018. These are the Children's Services; Legal Services; Capital Financing budget; and the Added Years Pensions Increases budget.

2017/18 capital budget projection

34. Over the period to 2020/21 the Council is investing £95m of its own resources in growing the town's economic base, driving financial self-sufficiency via growth in Council Tax, Business Rates and income from commercial activity, and transforming how the Council delivers its services, minimising service reductions and job losses over this period. This investment will support major regeneration schemes outlined in the Middlesbrough Investment Prospectus, such as:
 - the Snow Centre development in Middlehaven;
 - the development of a premier office development in Centre Square;
 - the refurbishment of Middlesbrough Town Hall;
 - Teesside Media and Innovation Village;
 - Teesside Advanced Manufacturing Park;
 - the development of Middlesbrough's rail and road connectivity; and
 - the development of new housing in the town.
35. Following review in Quarter Two, the Executive agreed a revised Investment Strategy on 21 November 2017. The table below shows projected capital expenditure at Quarter Three of £37.652m against the revised 2017/18 budget of £36.552m, or 103% of the revised budget, reflecting delivery of some schemes ahead of schedule, and some re-profiling across the Council's four-year Investment Strategy period, together with an increase in externally funded and revenue funded projects.

Department / Directorate	Revised 2017/18 Budget £'000	2017/18 Full Year Forecast £'000	2017/18 Over/ (under) spend £'000
Regeneration	14,016	14,970	954
Culture, Communities and Communications	5,993	6,186	193
Environment and Commercial Services	5,970	5,400	(570)
Public Health and Public Protection	485	485	0
Education	3,112	3,209	97
Children's Care	425	323	(102)
Prevention and Partnerships	315	315	0
Adult Social Care and Health Integration	3,005	3,114	109
Finance, Governance and Support	3,231	3,650	419
Total	36,552	37,652	1,100

36. Proposals for further reprofiling following the Quarter Three review, and explanations for major variances, agreed with Departments / Directorates, are set out below. A revised Investment Strategy for the period to 2020/21 is at Appendix 2 for approval.

37. **Regeneration:** On the 19 December 2017, the Executive approved investment of £12,523,000 in the construction of Teesside Advanced Manufacturing Park (TAMP). The Council's investment is complemented by a loan of £7,650,000 from the Tees Valley Combined Authority (TVCA), and £2,288,000 of grant from the SSI Taskforce, making a total project budget of £22,461,000.

38. The Council has received notification from the Department for Transport that a grant bid of £2,950,000 for improvement works to the A66 / Cargo Fleet Lane junction has been successful. Planned for 2019/20 the scheme will significantly reduce journey times, and include the throughabout works, central reservation barrier improvements and high mast energy efficient lighting upgrades. The Council will also submit a bid to TVCA for £750,000 of Local Growth Fund grant, and should that bid be successful then an active travel crossing upgrade will be included within the scheme.

39. TVCA has provided via the Local Growth Fund grants to the Council of:

- £410,000 for the provision of cycleway improvements at the Newport roundabout junction / Newport Road, and the provision of a cycleway along the western side of the Borough, connecting Mandale Interchange with Newport roundabout; and
- £779,000 for the provision of off-carriage cycleways along Ladgate Lane from Marton Cross roads to Acklam Road, including the installation of a signalised junction with Westwick Terrace to allow improved active travel crossing and improved traffic flows.

40. It is proposed that the following schemes be re-profiled within the Investment Strategy:

- *Town Centre Investment Pot:* £392,000 to be moved to 2018/19 as the table topping element of the Albert Road Central project requires consultation with the Royal National Institution for the Blind, and the physical works on the Grange Road project are now not expected to take place until 2018/19.
- *Stainton Way / Dixons Bank Junction:* £190,000 be moved to 2018/19 for this scheme, fully-funded through Section 106 contributions, to mitigate the additional traffic growth associated with housing growth, as formal consultation on the scheme is now not scheduled to conclude until May 2018.

- *Site Assembly At Middlehaven*: £441,000 to be moved to 2018/19 as while discussions remain ongoing with the owner of the remaining business on the site, the respective valuations regarding compensation differ. The Council will pay 90% of its consideration of compensation on 22 March 2018, and the final payment to be made once agreed in 2018/19.
- *LTP Block Budget Highways Maintenance*: £191,000 to be moved to 2018/19 to ensure that all snagging issues relating to the 2017/18 programme are funded without impacting on the 2018/19 programme of works.

41. **Culture, Communities and Communications**: It is proposed that the following schemes be re-profiled within the Investment Strategy:

- *Social Regeneration*: £125,000 to be moved to 2018/19 as while plans for expending the fund are currently being drawn up, it is not envisaged that any expenditure will be made in 2017/18.
- *Town Hall Arts Council project*: £300,000 of grant funding to be brought forward from 2018/19, as the contractor has confirmed that all works will be completed by the end of 2017/18.

42. **Environment and Commercial Services**: The Directorate programme has reduced by (£67,000) due to a transfer of funding to Regeneration for five Member's Small Schemes.

43. It is proposed that the following schemes be re-profiled within the Investment Strategy:

- *Property Asset Investment Strategy*: £193,000 to be brought forward from 2018/19, due to the demand for works to be carried out in 2017/18, mainly in Middlesbrough House.
- *Town Centre Accommodation Strategy*: £10,000 to be brought forward from 2018/19 to meet increased expenditure in 2017/18.
- *Purchase of new vehicles*: £36,000 of uncommitted funding to be moved to 2018/19.
- *Purchase of former County Depot*: £371,000 to be moved to 2018/19 as the purchase of the depot will not take place in 2017/18.
- *Crematorium*: £260,000 moved to 2018/19 as the works will not now commence until spring 2018.
- *Member's Small Schemes*: £39,000 of uncommitted funding to be moved to 2018/19.

44. **Education**: There is an increase of £100,000 (fully-funded by grant and the school) for a scheme upgrading switch / site power at Breckon Hill Primary School due to charges being levied by NEDL for the movement of power lines, and a reduction of £120,000 in the costs of the new assessment centre at Holmwood, due to lower than predicted costs following a tender exercise.

45. **Children's Care**: The Directorate's one capital scheme (Securing Services for Children with Complex Needs) has now been split into a number of projects to aid delivery, and it is proposed to move £102,000 to 2018/19 to align with the new project plans.

46. **Finance, Governance and Support**: It is proposed to increase the overall programme by £393,000 as follows:

- £55,000 in 2018/19 for further development of Liquid Logic LCS within Children's Care.
- £200,000 during 2018-20 for further development of business intelligence within Children's Services.
- £138,000 in 2017/18 for the development of ICT at BOHO (£25,000 of external funding and £113,000 of funding transferred from Regeneration).

47. It is proposed that the following schemes be re-profiled within the Investment Strategy:

- *CRM*: £26,000 to be brought forward from 2018/19 to facilitate accelerated spend in 2017/18.
- *Lights On*: £155,000 to be brought forward from future years to meet additional costs of projects where the scope of work has extended from that initially planned.

Treasury Management

Borrowing position

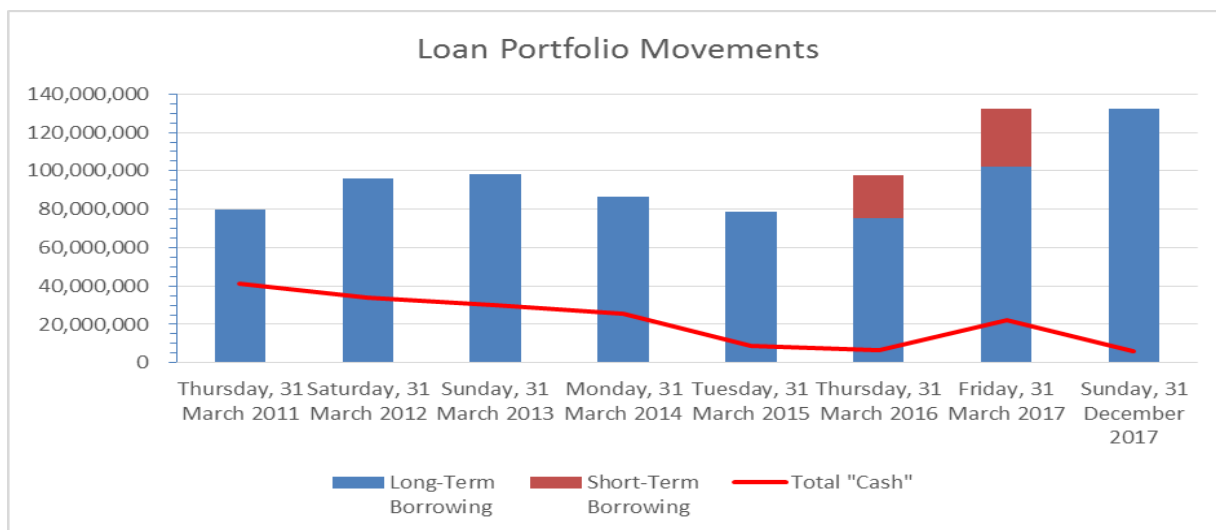
48. The balance of borrowing at 31 December 2017 was £132m (comprising £132m long-term, and £0m short-term borrowings), a decrease of £10.2m since 30 September 2017, due to the use of long-term rather than short-term borrowing to fund both the general cashflow position of the Council, and capital programme borrowing requirements, in line with expectations.

Borrowing limits

49. On 1 March 2017, Full Council approved borrowing of up to a maximum of £211.1m during 2017/18 (the Authorised Limit). At no time during Quarter Three was either the Operational Borrowing Limit (£189.4m), or the Authorised Limit, reached.

Loan Portfolio Trend

50. 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 Investment Strategy, without additional borrowings, resulting in the drawdown of short-term loans, in line with expectations and MTFP assumptions.



Reserves and Provisions

51. 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.

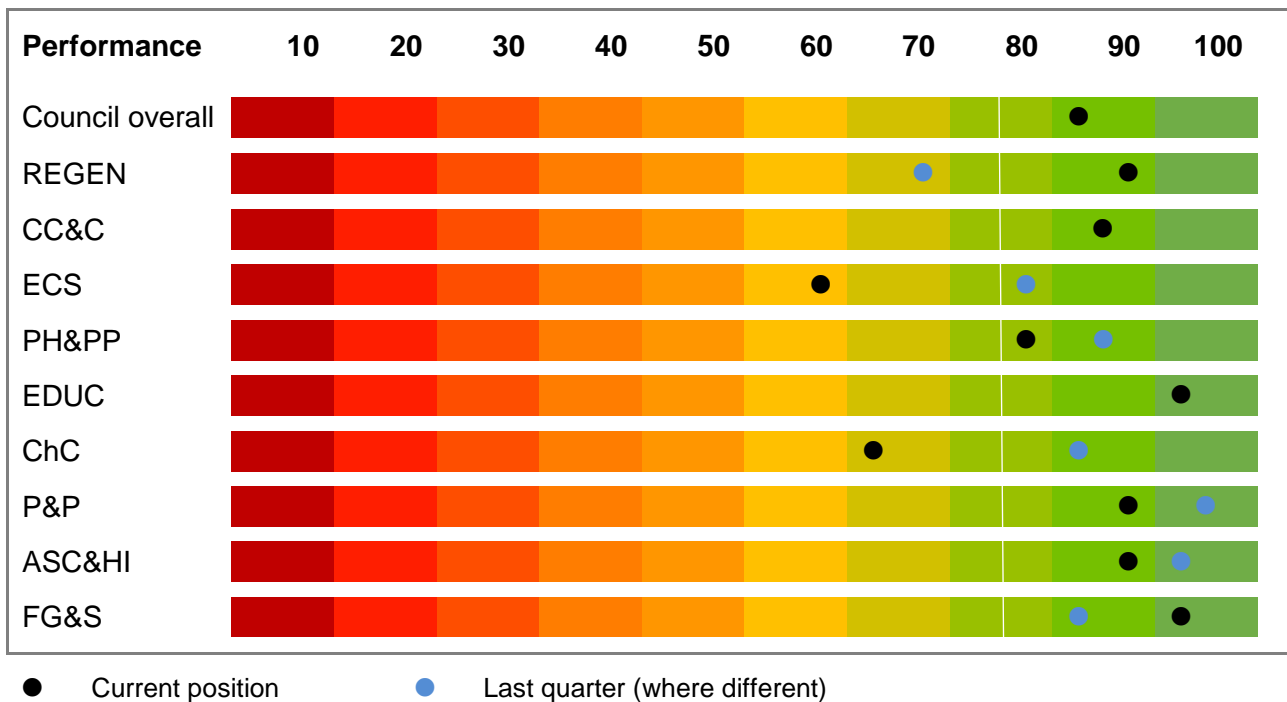
52. The following table sets out a summary of the Council's opening balance of reserves and provisions at the start of 2017/18, and the forecast position at the end of the year.

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)	7	0	13,020
Earmarked for specific purposes					
Business Rates Appeal Reserve	3,478	0	0	0	3,478
Change Fund	1,398	(594)	910	0	1,714
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	712	0	712
School Achievement Reserve	2,000	(474)	0	0	1,526
Capital Refinancing Reserve	0	0	562	0	562
Other Reserves & Provisions	9,552	(540)	563	0	9,575
	21,584	(3,117)	3,387	0	21,854
School reserves	6,552	0	0	0	6,552
Total	42,602	(4,570)	3,394	0	41,426

53. A review of the Council's reserves policy was set out in the Revenue Budget, Council Tax, Medium Term Financial Plan and Prudential Indicators 2018/2019 report to Full Council on 7 March 2018.

Performance at Quarter Three 2017/18

54. The Council's overall performance at Quarter Three 2017/18 reduced marginally from Quarter Two, though seven of nine Directorates, and the Council overall, remain projected to exceed the corporate standard of meeting 75% or more of performance targets. 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.



55. **Regeneration:** Performance improved significantly at Quarter Three, driven by improved financial performance. Key housing building measures remain broadly on target, and in with plans set out in the Middlesbrough Investment Prospectus.

56. The latest Labour Market Survey has suggested that the proportion of economically active people in Middlesbrough in employment and local wages as a proportion of the regional average have fallen. The impact of BREXIT on the local economy remains the greatest risk to the Council's strategic objectives. 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.

57. 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.

58. **Culture, Communities and Communications:** Performance overall remained unchanged at a high level in Quarter Three, with the major performance issue relating to the continued increase in anti-social behaviour in the town, with incidents still projected to exceed the 2016/17 figure and the 2017/18 target. As previously reported,

this is in line with national trends, and the Council has been working closely with Cleveland Police to trial a jointly-managed enforcement service. A report on this matter was presented to the Executive on 20 February 2018.

59. **Environment and Commercial Services:** Performance reduced significantly at Quarter Two, falling below the 75% targeted level, largely driven by the financial pressures on the Directorate and the projected reduction of in-year capital expenditure outlined above. 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 the Executive later this year.
60. **Public Health and Public Protection:** While remaining above the targeted level, performance reduced slightly at Quarter Three, largely as a result of the projected revenue underspend outlined above. 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, though as previously reported, the latest figures suggest that intermediate outcomes around behaviours 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.
61. **Education:** Performance remained unchanged and at a very high level at Quarter Three, with provisional results reported earlier in the year demonstrating increased attainment across all measures, and a narrowing of the gap to national average in many cases, now largely confirmed. As previously reported, the Executive has agreed a programme plan for expenditure of up to £2m of Council investment in school improvement, which it is expected will eradicate the remaining gap in future years, and an update on this was due at the Executive before the end of 2017/18.
62. **Children's Care:** Performance reduced significantly at Quarter Three and is below the targeted level. While both Child Protection Plan and LAC rates remain within tolerances, the Scorecard demonstrates significant pressures on the Directorate, with increased demand, not yet sufficiently mitigated by Early Help services, pressuring staff and impacting delivery. The social worker caseload measure has been amended in Quarter Three to exclude those social workers in the first year of employment and so holding a limited caseload. This demonstrates that more experienced social workers are on average carrying 20% more cases than the targeted level. Analysis and mitigation of these pressures has meant that a significant number of actions relating to the Believe in Families programme have slipped to 2018/19. Plans to address these issues were addressed in the Revenue Budget, Council Tax, Medium Term Financial Plan and Prudential Indicators 2018/2019 report to Full Council on 7 March 2018.
63. **Prevention and Partnerships:** Performance overall remained above the targeted level though reduced marginally at Quarter Three, driven by the budgetary underspend reported above and the delay in plans to develop a multi-agency offer to NEETS and joint first contact arrangements with partners. The principal issue identified within the Scorecard 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. Latest figures suggest the previously reported rise in teenage conceptions in the town has now abated.

64. **Adult Social Care:** Performance remained high and above the targeted level, though reduced marginally at Quarter Three, driven principally by the fall in the effectiveness of the reablement service. The fall in effectiveness has been a consequence, primarily, of quality problems on the part of the independent provider delivering domiciliary reablement and also of protracted staffing difficulties at Middlesbrough Intermediate Care Centre. The most effective model of reablement provision is now under review and steps are being taken to ensure that effectiveness is restored then further improved.
65. **Finance, Governance and Support:** Performance improved significantly at Quarter Three, largely driven by the improvement in financial metrics reported above. The average number of days for processing a change of circumstances for Housing Benefit, increased again to 20.19 days at Quarter Three, due to the previously reported backlog issues. It is still anticipated that the improvement plan agreed with Kier will bring performance back on track by the end of 2017/18. Again, it should be noted that any client at risk of detriment as a result of this ongoing issue is prioritised.
66. As previously reported, 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 remains Quarter Two 2018/19.
67. Revenue collection rates remained below target at Quarter Three. The previously reported gain share arrangement with Kier to improve 2017/18 Council Tax collection is expected to improve the rate by the end of the financial year, and the now agreed revised Council Tax Support scheme will result in an improved collection rate in 2018/19.
68. Other key measures in the Scorecard remain Green, with transactions undertaken via the Council's website continuing to rise significantly in line with the Council's Customer Strategy, increasing by 45% in Quarter Two.
69. **Crosscutting:** Lost productivity from sickness absence within the Council increased to 4.94% at Quarter Three from 4.42% at Quarter Two, above the target for 2017/18. 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 was launched in Quarter Three, with Directorate action plans in place, supported by a wide-ranging survey of employee health, by the end of 2017/18.
70. The Middlesbrough Community Survey was undertaken in Quarter Three. Indicators of local satisfaction with key Council services have been included within the Quarter Three Balanced Scorecards, showing in the main satisfaction at or above national polling, and a full report on the survey was presented to the Executive in March 2018.

Next steps

71. An updated action plan from budget and performance monitoring during 2017/18 is at Appendix 4. Progress on outstanding actions will be reported to the Executive at year-end. Continuing pressures were addressed within the update of the Medium-Term Financial Plan set out within the Revenue Budget, Council Tax, Medium Term Financial Plan and Prudential Indicators 2018/2019 report to Full Council on 7 March 2018.

Strategic Risk Register

72. 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 5 for information.

73. One new risk has arisen during the Quarter. The pressures with Children's Services outlined within this report constraints the ability of the Department to respond effectively to new Ofsted ILACs inspection system and increased inspection of children's services. At present this is the greatest risk to the achievement of the Council's strategic objectives, alongside the potential impact of Brexit on the national economy and economic growth locally. Another risk has increased since Quarter Two, relating to the effectiveness of early help.

74. Plans to address pressures within Children's Services and mitigate the associated risks were addressed in the Revenue Budget, Council Tax, Medium Term Financial Plan and Prudential Indicators 2018/2019 report to Full Council on 7 March 2018.

IMPACT ASSESSMENT

75. Not applicable.

OPTION APPRAISAL / RISK ASSESSMENT

76. Not applicable.

FINANCIAL, LEGAL AND WARD IMPLICATIONS

77. **Financial** – the financial implications of Quarter Three 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 the Executive's approval to increase the transfer of project savings into the Social Care Demand Risk reserve from £501,000 to £712,000, to transfer £640,000 of projected savings within Public Health and Public Protection into the Public Health

Reserve and £562,000 of projected Capital Financing savings to the Capital Refinancing Reserve at year-end; and the resulting projected revenue position at Quarter Three 2017/18, namely a budget underspend of £7,000 (or 0.01%).

81. Notes the Executive's approval of a revised Investment Strategy for the period to 2020/21 (at Appendix 1), and projected capital expenditure of £37.652m against the revised budget of £36.552m in 2017/18 (or 103% of the budget).
82. Notes the Council's borrowing at 31 December 2017 of £132m, and its forecast Reserves at 31 March 2018 of £13m, along with a further £21.8m of reserves earmarked for specific purposes, and £6.6m of School reserves, making a total of £41.4m, in line with expectations.
83. Notes the performance of Directorates at Quarter Three 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.

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Appendix 1: Revised Investment Strategy to 2020/21

	Total Funding Required						Council	External
	2016/17 Actual	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
Regeneration								
Town Centre Related Projects	731	1,065	1,032	323	0	3,151	3,141	10
Teesside Media & Innovation Village	0	60	0	440	0	500	500	0
Middlehaven Related Projects	1,976	5,771	4,391	0	0	12,138	4,851	7,287
Hemlington Grange Projects	718	426	0	3,446	0	4,590	2,590	2,000
Housing Growth	64	236	1,000	700	0	2,000	2,000	0
Teesside Advanced Manufacturing Park	0	1,500	18,445	2,516	0	22,461	12,523	9,938
Beacon Becks Phase 2	3	41	0	0	0	44	0	44
Capitalisation Of Major Schemes Salaries	140	140	140	140	140	700	700	0
Affordable Housing Via Section 106	0	0	0	5,524	0	5,524	830	4,694
Highways Infrastructure Development Section 106	90	0	0	41	0	131	0	131
Highways Infrastructure / Maintenance	1,234	0	0	0	0	1,234	1,214	20
Swedish Mission Site S106 Works	0	0	24	0	0	24	0	24
Street Lighting (Invest To Save)	2,396	124	0	0	0	2,520	2,520	0
Lower Bus Platforms	25	15	0	0	0	40	0	40
Stainton Way Dixon Bank Junction - Section 106	72	60	1,468	0	0	1,600	0	1,600
Stainton Way Western Extension - Section 106	0	86	0	0	0	86	0	86
Acklam / Hall Drive Improvements - Section 106	0	20	30	0	0	50	0	50
The Big Screen	0	0	20	480	0	500	500	0
NPIF A66 Expansion Joints & Resurfacing	0	469	0	0	0	469	0	469
A66 Throughabout	0	0	0	2,950	0	2,950	0	2,950
Newport Road & Acklam Road Improvements	0	310	100	0	0	410	0	410
Ladgate Lane Cycle Paths		500	279	0	0	779	0	779
Members Small Schemes	0	67	0	0	0	67	67	0
Grove Hill J V Projects	136	169	0	0	0	305	0	305
Gresham Projects	2,292	533	1,920	2,015	0	6,760	6,760	0
House To Home	212	54	0	0	0	266	231	35
Housing Delivery Vehicle (S106)	295	255	25	385	0	960	0	960
Empty Homes 2015 To 2018	5	32	96	436	0	569	0	569
Local Transport Plan	2,191	3,037	251	0	0	5,479	941	4,538
Completed Schemes	5,331	0	0	0	0	5,331	4,605	726
Total Regeneration	17,911	14,970	29,221	19,396	140	81,638	43,973	37,665

	Total Funding Required						Council	External
	2016/17 Actual	2017/18 Q3	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 and Communications								
Acklam Library (Section 106)	0	10	0	0	0	10	0	10
Town Hall Venue Development	1,139	5,646	0	0	0	6,785	3,422	3,363
Town Hall HLF / Arts Council Project	821	490	0	0	0	1,311	811	500
Town Hall Lighting Scheme	0	0	0	90	0	90	90	0
Cultural Transformation	0	0	0	2,000	0	2,000	1,000	1,000
Captain Cook Museum	460	40	0	0	0	500	0	500
Social Regeneration	0	0	250	125	125	500	500	0
Total Culture, Communities and Communications	2,420	6,186	250	2,215	125	11,196	5,823	5,373
	Total Funding Required						Council	External
	2016/17 Actual	2017/18 Q3	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
Environment and Commercial Services								
Stewart Park Heritage Lottery Fund Delivery Stage (Phase 2)	23	0	0	0	0	23	-169	192
Section 106 Schemes	116	30	0	0	0	146	98	48
Play Facilities	309	0	0	0	0	309	309	0
Purchase of New Vehicles	1,452	1,449	1,525	1,489	1,500	7,415	7,415	0
Capitalisation of Wheeled Bin Replacement	100	100	100	100	100	500	500	0
Capitalisation of Street Furniture/Dog Fouling & Litter Bins	55	55	55	55	55	275	275	0
Capitalisation of Highways Maintenance	275	262	275	275	275	1,362	1,362	0
Cargo Fleet Investment	180	0	0	0	0	180	180	0
Purchase of Former County Depot	0	0	371	0	0	371	371	0
Property Services Building Investment	290	290	290	290	290	1,450	1,450	0
Playground Equipment	25	25	0	0	0	50	50	0
Parks Improvement	40	40	0	0	0	80	80	0
Bereavement Services	129	53	0	0	0	182	182	0
Middlesbrough Sports Village	45	85	0	0	0	130	-274	404
Nunthorpe Playing Fields S106	0	0	100	0	0	100	0	100
Prissick Sports (S106)	54	0	0	0	0	54	4	50
Bonnygrove Park & Fairy Dell (S106)	12	0	0	0	0	12	0	12
Waste Disposal Plant Investment	0	0	2,655	0	0	2,655	2,655	0
Crematorium Works	0	0	520	0	0	520	520	0
Invest to Save Carbon Reduction	37	0	0	0	0	37	37	0
Members Small Schemes	44	0	99	60	0	203	203	0
Leisure Investment	0	200	0	0	0	200	200	0
Linthorpe Kitchen	80	0	0	0	0	80	80	0
Property Asset Investment Strategy	2,557	2,446	1,129	813	0	6,945	6,923	22
Town Centre Accommodation Strategy	0	90	910	0	0	1,000	1,000	0
Hemlington CAT	0	275	25	0	0	300	300	0
Total Environment and Commercial Services	5,823	5,400	8,054	3,082	2,220	24,579	23,751	828

	Total Funding Required						Council	External
	2016/17 Actual	2017/18 Q3	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 and Public Protection								
Health & Wellbeing Hub	809	121	0	0	0	930	630	300
Leisure Trust Investment	1,979	364	0	0	0	2,343	2,343	0
Total Public Health and Public Protection	2,788	485	0	0	0	3,273	2,973	300
	Total Funding Required						Council	External
	2016/17 Actual	2017/18 Q3	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	0	0	0	185	0	185	0	185
CERA - Capital Improvements (capital expenditure revenue allocation - DSG funded)	0	0	0	1	0	1	1	0
Block Budget (MBC COPR) Supported Capital Expenditure Formula Funding	0	0	0	250	0	250	250	0
Block Budget (Grant) School Condition Allocation	0	0	0	561	0	561	0	561
Schemes in Private Nurseries	13	0	0	0	0	13	0	13
Schemes in Maintained Primary Schools	1,344	2,552	1,732	185	0	5,813	1,497	4,316
Schemes in Primary Academies	169	71	0	0	0	240	105	135
Schemes in Maintained Secondary Schools	24	66	0	0	0	90	24	66
Schemes in Secondary Academies	115	20	0	0	0	135	0	135
Schemes in Special Schools	347	402	315	0	0	1,064	992	72
Early Years - Park House	7	5	0	0	0	12	12	0
Capitalisation of Salary Costs	94	94	94	94	0	376	235	141
Lingfield Farm - Main Building	30	0	0	0	0	30	30	0
Cleveland Unit Child Development Centre (CUDC) at JCUH-Sensory Garden	1	0	0	0	0	1	1	0
BSF - Trinity RC College - Road Access	28	0	0	0	0	28	0	28
Total Education	2,172	3,210	2,141	1,276	0	8,799	3,147	5,652
	Total Funding Required						Council	External
	2016/17 Actual	2017/18 Q3	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	0	0	50	0	0	50	0	50
Gleneagles - Kitchen and External Works	0	28	27	0	0	55	0	55
Purchase of a home for a Looked After Child in Hartlepool	0	225	25	0	0	250	0	250
Children's Homes Refurbishment work	0	70	0	0	0	70	0	70
Total Children's Care	0	323	102	0	0	425	0	425

	Total Funding Required						Council	External
	2016/17 Actual	2017/18 Q3	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 and Partnerships								
Block Budget (Grant) EFA Early Years 2 Year olds Entitlement (Trajectory Project)	0	0	0	5	0	5	0	5
Early Years - The Avenue Primary - Update Outdoor Play Area	0	2	0	0	0	2	0	2
Early Years - Hemlington Initiative Centre / Rosendale - Cont. to Bldg. Renovation	0	32	0	0	0	32	0	32
Green Lane - EY/KS1 extension and internal alterations project	0	83	0	0	0	83	0	83
Linthorpe Primary - expansion of family centre & develop outdoor space	0	156	0	0	0	156	0	156
Great Expectations	0	42	0	0	0	42	0	42
Total Prevention and Partnerships	0	315	0	5	0	320	0	320
	Total Funding Required						Council	External
	2016/17 Actual	2017/18 Q3	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 and Health Integration								
Chronically Sick & Disabled Persons Act - All schemes	488	649	647	610	610	3,004	2,984	20
Disabled Facilities Grant - All schemes	1,437	2,299	2,567	1,877	1,115	9,295	2,093	7,202
Capitalisation of Staying Put Salaries	50	50	50	50	50	250	250	0
Home Assistance Loan	34	53	137	0	0	224	184	40
Home Loans Partnership (formerly 5 Lamps)	1	0	47	0	0	48	0	48
Small Schemes	264	63	0	0	0	327	0	327
Total Adult Social Care and Health Integration	2,274	3,114	3,448	2,537	1,775	13,148	5,511	7,637

	Total Funding Required						Council	External
	2016/17 Actual	2017/18 Q3	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
Finance, Governance and Support								
WAN	24	0	0	0	0	24	24	0
Information Portal	8	0	0	0	0	8	8	0
Email Exchange	24	0	0	0	0	24	24	0
Integrated Children's System	4	0	0	0	0	4	4	0
Unified Comms VOIP Upgrade	61	0	0	0	0	61	61	0
Internet Upgrade	28	0	0	0	0	28	28	0
Switch Upgrade	63	0	0	0	0	63	63	0
IKEN	49	0	0	0	0	49	49	0
Agresso	63	0	0	0	0	63	63	0
Tees Valley Broadband	67	0	0	0	0	67	67	0
Enterprise Agreements	57	57	30	30	0	174	174	0
CISCO Enterprise Agreements	0	257	0	0	0	257	257	0
WIFI - Town Hall / Civic Centre	53	3	0	0	0	56	53	3
CRM	367	293	179	0	0	839	839	0
Town Hall Data Centre Build	628	246	0	0	0	874	874	0
LCS Development	0	0	55	0	0	55	55	0
ICT BOHO	0	138	0	0	0	138	0	138
Scanning	35	100	0	0	0	135	135	0
Customer First	274	12	0	0	0	286	286	0
Early Help Module (Children's)	0	0	224	0	0	224	224	0
Core Refresh	0	940	0	0	0	940	940	0
IT Refresh - Network Refresh	2	101	0	0	0	103	103	0
Lights On	554	412	0	305	448	1,719	1,717	2
Agile Working	326	77		0	0	403	403	0
LCS Development Capture	39	21	0	0	0	60	60	0
Business Intelligence	146	74	0	0	0	220	220	0
Replacement Server/SAN/Networking	0	0	463	0	0	463	463	0
HR Pay	438	82	0	0	0	520	508	12
ICT Infrastructure	100	100	215	215	133	763	763	0
Derisking Sites	163	637	400	100	284	1,584	1,584	0
Dashboard Development	0	100	100	0	0	200	200	0
Total Finance, Governance and Support	3,573	3,650	1,666	650	865	10,404	10,249	155
	Total Funding Required						Council	External
	2016/17 Actual	2017/18 Q3	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
All Directorates								
	36,961	37,653	44,882	29,161	5,125	153,782	95,427	58,355
Total All Directorates	36,961	37,653	44,882	29,161	5,125	153,782	95,427	58,355

Appendix 2: Balanced Scorecards – Quarter Three 2017/18

Guide to the Balanced Scorecards model

How KPIs are identified

1. 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

2. 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

3. 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

4. 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

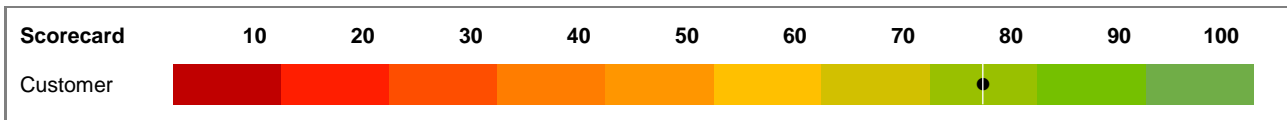
5. RAG rated performance is then converted into scores, as follows:

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.

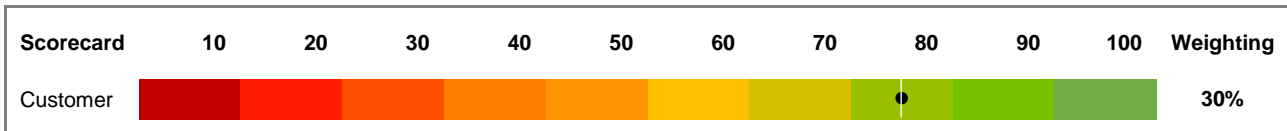
Measure	Last	Target	Current	Period	Trend	Benchmark	
C	Number of households accepted as homeless	15 (Q4 15/16)	21.25	0 pts	Q1 16/17	▲	N/A
C	Troubled Families w/ sustained and measured positive outcomes	New PI	30	2 pts	Sept 15	N/A	N/A
C	Children in Need referrals resulting in CAF step-downs	61 (Q4 15/16)	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:



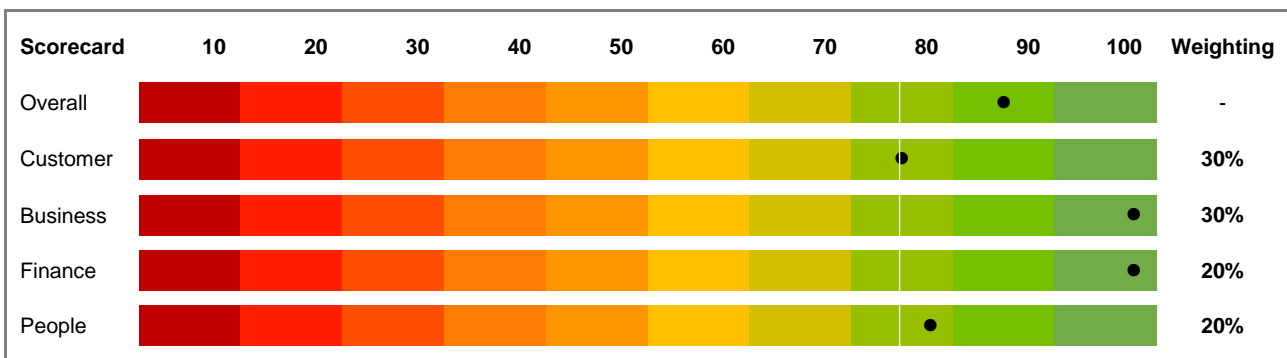
8. Each quadrant is then weighted to reflect the respective priority of each to overall performance for the area, as identified in the Strategic Plan and Directorate Delivery Plans. Weighting will be agreed with appropriate Executive Members. For example, the Finance quadrant would be more heavily weighted 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.

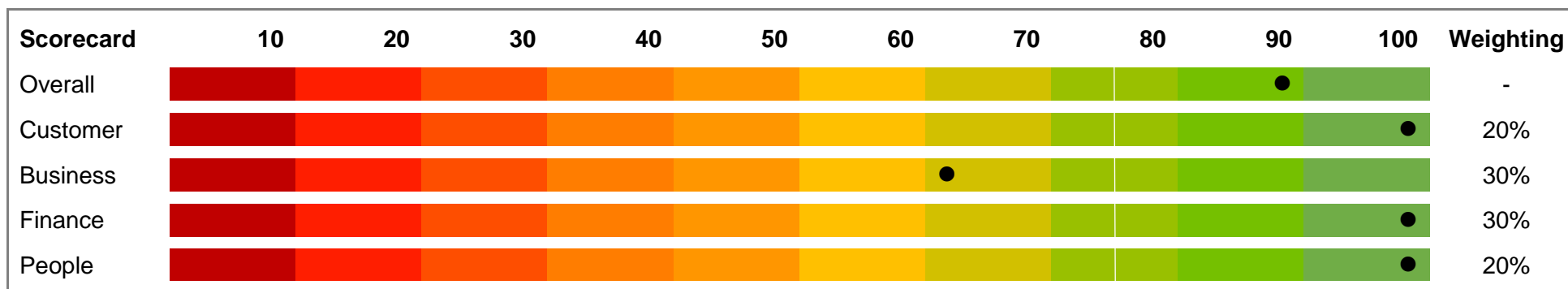


10. This means that a maximum score of 100% in this specific quadrant would contribute a maximum of 30% to the overall Scorecard. As it is, the quadrant scored 75% at Quarter One, contributing 22.5% to the overall score.

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

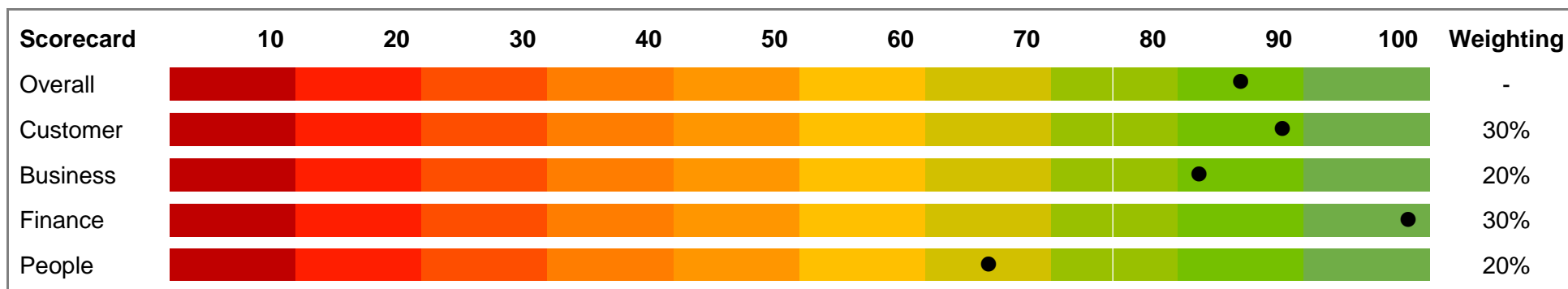


Regeneration



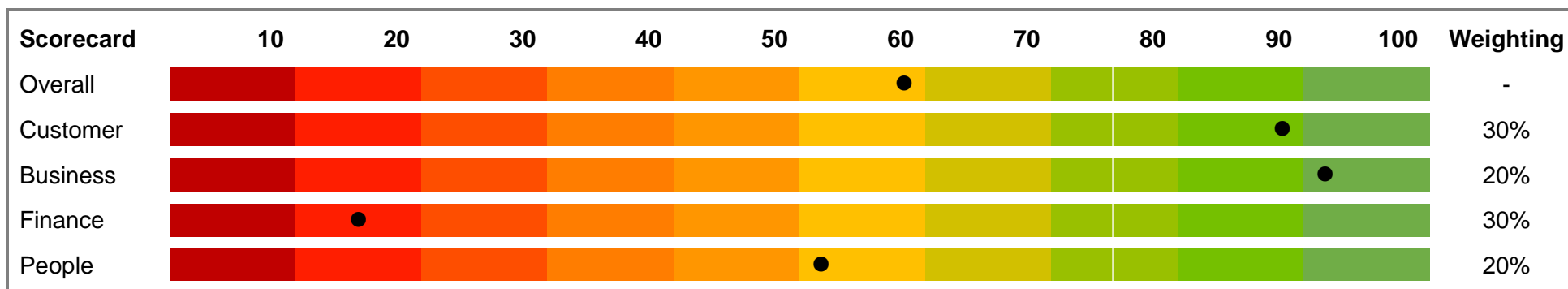
Measure	Last	Target	Current	Period	Trend	Benchmark
C Satisfaction with Middlesbrough as a place to live	New PI	70%	81%	2017/18	New PI	UK: 82% (Dec 17)
C Satisfaction with road / footpaths maintenance	New PI	50%	51%	2017/18	New PI	UK: 50% (Dec 17)
B Local gross weekly pay as %age of the NE average	97.15 (2016)	98.1%	93.47%	2017	▼	NE: £504.1
B Economically active people in Middlesbrough in employment	64.9% (Yr to Mar 17)	66.75%	65%	Yr to Sep 17	▲	NE: 70.4%
B New homes delivered (gross)	177 (Q2 17/18)	340	338	Q3 17/18	▲	N/A
B New homes built Council Tax Band D and above	102 (Q2 17/18)	113	182	Q3 17/18	▲	N/A
B Homes empty for over six months	922 (Q2 17/18)	950	903	Q2 17/18	▼	N/A
B Growth in Middlesbrough's Business Rates base	New PI	New PI	Due Q4	Quarterly	New PI	Due Q4 17/18
B Occupancy rate within town centre retail units	86% (2016/17)	85%	87%	Q1 17/18	▲	N/A
B Projected achievement of Directorate Delivery Plan actions	71% (Q2 17/18)	80%	76%	Q3 17/18	▲	Council: 85%
B Projected achievement of risk mitigation activity	92% (Q2 17/18)	90%	92%	Q3 17/18	▲	Council: 93%
F Projected expenditure of revenue budget	101% (Q2 17/18)	100%	100%	Q3 17/18	▼	Council: 99.99%
F Projected attainment of savings targets	0% (Q2 17/18)	100%	100%	Q3 17/18	▲	Council: 96%
F Projected expenditure of capital budget	107% (Q2 17/18)	95%	107%	Q3 17/18		Council: 103%
P Employees with appraisal for current financial year	69% (2016/17)	95%	100%	2017/18	▲	Council: 99%
P Working time lost to sickness absence	4.35% (Q2 17/18)	4.33%	3.46%	Q3 17/18	▼	Council: 4.94%
P Employees satisfied with working in their service area	76% (2015)	70%	80%	2016	▲	Council: 85%

Culture, Communities and Communications



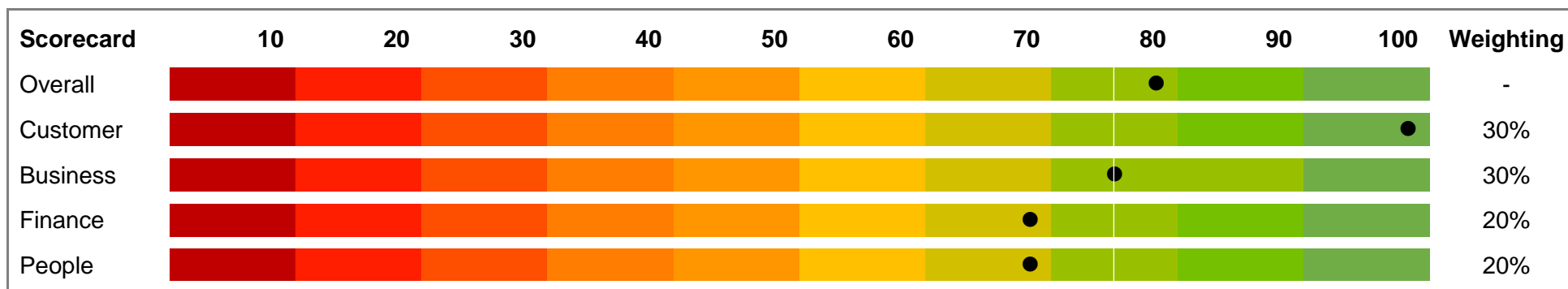
Measure	Last	Target	Current	Period	Trend	Benchmark
C Satisfaction with libraries / community hubs	New PI	70%	69%	2017/18	New PI	UK: 63% (Dec 17)
C Satisfaction with museums / galleries	New PI	70%	74%	2017/18	New PI	N/A
C Respondents feeling well informed about MBC services	New PI	60%	62%	New PI	New PI	UK: 63% (Dec 17)
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	9 (Q2 17/18)	56.25	19	Q3 17/18	▲	N/A
B Participation in cultural events	New PI	New PI	Due Q4	New PI	New PI	N/A
B Anti-Social Behaviour incidents (target 5% reduction)	7,000 (Q2 17/18)	9,391	10,369	Q3 17/18	▲	13,180 (2016/17)
B North East asylum seekers housed in Middlesbrough	17.9% (Q2 17/18)	27.5%	16.23%	Q3 17/18	▼	UK rank # 4
B Success rates on Community Learning skills programmes	86.5% (Q2 17/18)	85.5%	93%	Q3 17/18	▲	N/A
B Projected achievement of Directorate Delivery Plan actions	83% (Q2 17/18)	80%	92%	Q3 17/18	▲	Council: 85%
B Projected achievement of risk mitigation activity	100% (Q2 17/18)	90%	95%	Q3 17/18	▼	Council: 93%
F Projected expenditure of revenue budget	100% (Q2 17/18)	100%	100%	Q3 17/18		Council: 99.99%
F Projected attainment of savings targets	100% (Q2 17/18)	100%	100%	Q3 17/18		Council: 96%
F Projected expenditure of capital budget	106% (Q2 17/18)	95%	103%	Q3 17/18	▼	Council: 103%
P Employees with appraisal for current financial year	79% (2016/17)	95%	100%	2017/18	▲	Council: 99%
P Working time lost to sickness absence	4.28% (Q2 17/18)	3.52%	4.72%	Q3 17/18	▲	Council: 4.94%
P Employees satisfied with working in their service area	83.2% (2015)	70%	92%	2016	▲	Council: 85%

Environment and Commercial Services



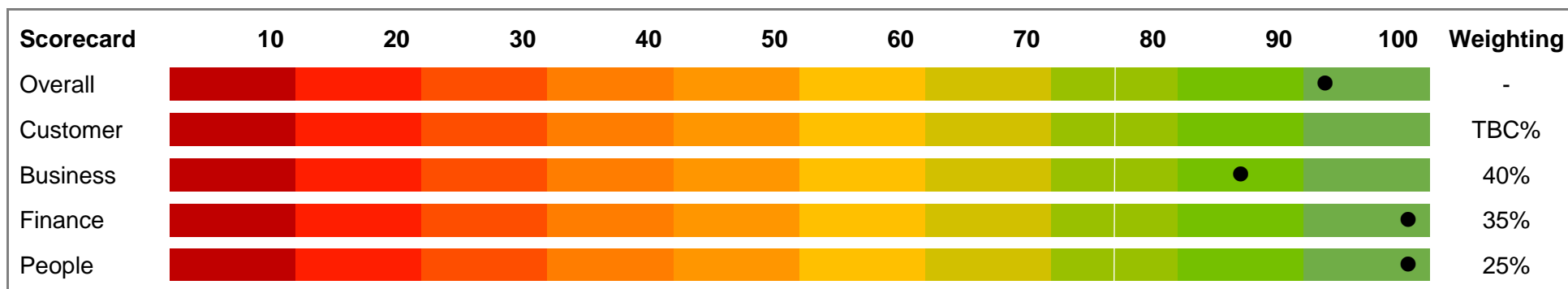
Measure	Last	Target	Current	Period	Trend	Benchmark
C Satisfaction with cleanliness of streets	New PI	70%	67%	2017/18	New PI	UK: 70% (Dec 17)
C Satisfaction with refuse and waste collection	New PI	70%	87%	2017/18	New PI	UK: 78% (Dec 17)
C Satisfaction with parks and green spaces	New PI	70%	79%	2017/18	New PI	N/A
C Average customer satisfaction with managed buildings and space	New PI	New PI	Due Q4	Quarterly	New PI	Due Q4 17/18
C Average customer satisfaction with commercial services	New PI	New PI	Due Q4	Quarterly	New PI	Due Q4 17/18
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%	94%	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%	91.7%	2017/18	▲	N/A
B Occupancy rate in commercial portfolio	95% (Q2 17/18)	88%	95%	Q3 17/18	▬	N/A
B Projected achievement of Directorate Delivery Plan actions	100% (Q2 17/18)	80%	100%	Q3 17/18	▬	Council: 85%
B Projected achievement of risk mitigation activity	86% (Q2 17/18)	90%	100%	Q3 17/18	▲	Council: 93%
F Projected expenditure of revenue budget	103% (Q2 17/18)	100%	102%	Q3 17/18	▼	Council: 99.99%
F Trading performance of commercial services (projected)	New PI	+8% p.a.	Due Q4	Q4 17/18	New PI	N/A
F Projected attainment of savings targets	51% (Q2 17/18)	100%	57%	Q3 17/18	▲	Council: 96%
F Projected expenditure of capital budget	111% (Q2 17/18)	95%	90%	Q3 17/18	▼	Council: 103%
P Employees with appraisal for current financial year	88% (2016/17)	95%	93%	2017/18	▲	Council: 99%
P Working time lost to sickness absence	4.49% (Q2 17/18)	4.58%	5.4%	Q3 17/18	▲	Council: 4.94%
P Employees satisfied with working in their service area	81% (2015)	70%	88%	2016	▲	Council: 85%

Public Health and Public Protection



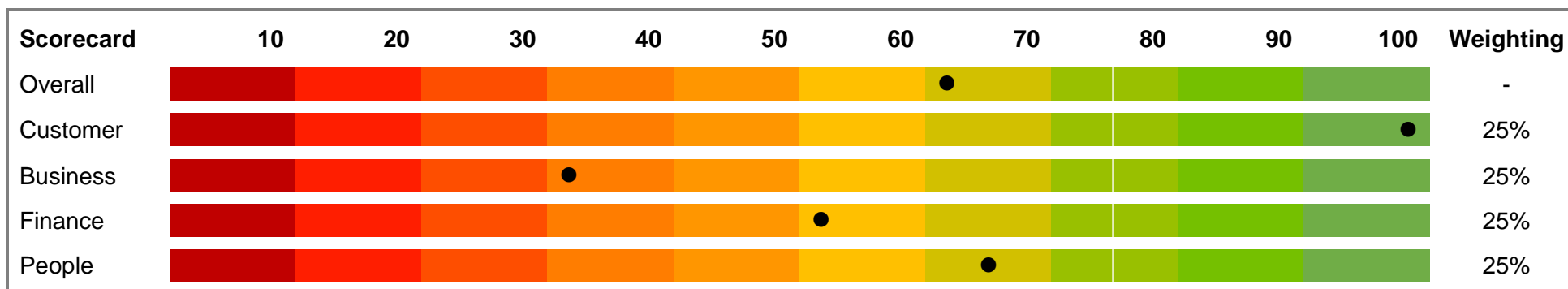
Measure	Last	Target	Current	Period	Trend	Benchmark
C Average satisfaction of clients with Public Health commissioned services	89.8% (Q2 17/18)	85%	89.1%	At Q3 17/18	▼	N/A
C Satisfaction of business with local authority regulation services	93.8% (Q2 17/18)	90%	94.5%	Q3 17/18	▲	N/A
C Satisfaction with sports and leisure services	New PI	70%	71%	2017/18	New PI	UK: 64% (Dec 17)
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	93.75% (Q2 17/18)	85%	87.5%	Q3 17/18	▼	N/A
B Attendances at Leisure Centres	409,428 (Q2 16/17)	614,142	623,445	Q3 17/18	▲	N/A
B Projected achievement of Directorate Delivery Plan actions	100% (Q2 17/18)	80%	100%	Q3 17/18		Council: 85%
B Projected achievement of risk mitigation activity	100% (Q2 17/18)	90%	100%	Q3 17/18		Council: 93%
F Projected expenditure of revenue budget	100% (Q2 17/18)	100%	77%	Q3 17/18	▼	Council: 99.99%
F Projected attainment of savings targets	100% (Q2 17/18)	100%	100%	Q3 17/18		Council: 96%
F Projected expenditure of capital budget	100% (Q2 17/18)	95%	100%	Q3 17/18		Council: 103%
P Employees with appraisal for current financial year	92% (2016/17)	95%	100%	2017/18	▲	Council: 99%
P Working time lost to sickness absence	2.79% (Q2 17/18)	1.51%	2.66%	Q3 17/18	▼	Council: 4.94%
P Employees satisfied with working in their service area	83% (2015)	70%	75%	2016	▼	Council: 85%

Education



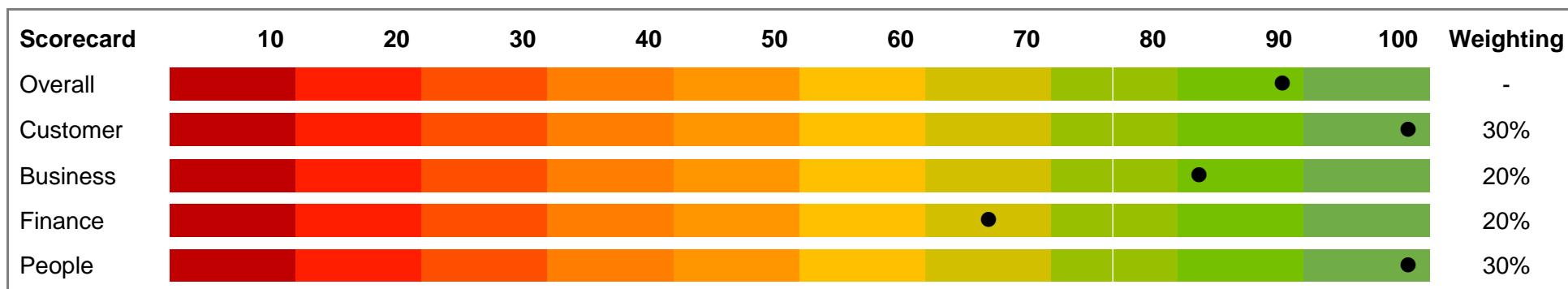
Measure	Last	Target	Current	Period	Trend	Benchmark	
C	Customer quadrant to be added in Q4 2017/18 – Scorecard weightings will then be redistributed.						
B	Children meeting Early Years 'Good Level of Development' measure	60.3% (2015/16)	64.8%	63.2%	2016/17	▲	ENG: 70.7%
B	Pupils attending a school judged 'Good' or better by Ofsted	87% (Sep 17)	82%	88.7%	At Nov 17	▲	ENG: 89.2%
B	Yr 1: Expected standard in phonics de-coding	74% (2015/16)	76.8%	76%	2016/17	▲	ENG 81%
B	KS1: Expected standard in reading	67% (2015/16)	69.3%	68%	2016/17	▲	ENG: 76%
B	KS1: Expected standard in writing	57% (2015/16)	60.2%	62%	2016/17	▲	ENG: 68%
B	KS1: Expected standard in maths	65% (2015/16)	67.8%	70%	2016/17	▲	ENG: 75%
B	KS2: Expected standard in reading, writing and maths	New PI	50.4%	61%	2016/17	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	93.7% (Jan-Sep 17)	70%	96.1%	Jan-Dec 2017	▲	ENG: 55.65% (2016)
B	Projected achievement of Directorate Delivery Plan actions	92% (Q2 17/18)	80%	100%	Q3 17/18	▲	Council: 85%
B	Projected achievement of risk mitigation activity	100% (Q2 17/18)	90%	100%	Q3 17/18	▬	Council: 93%
F	Projected expenditure of revenue budget	100% (Q2 17/18)	100%	100%	Q3 17/18	▬	Council: 99.99%
F	Projected attainment of savings targets	100% (Q2 17/18)	100%	100%	Q3 17/18	▬	Council: 96%
F	Projected expenditure of capital budget	107% (Q2 17/18)	95%	103%	Q3 17/18	▼	Council: 103%
P	Employees with appraisal for current financial year	78% (2016/17)	95%	100%	2017/18	▲	Council: 99%
P	Working time lost to sickness absence	2.78% (Q2 17/18)	3.81%	3.12%	Q3 17/18	▲	Council: 4.94%
P	Employees satisfied with working in their service area	85% (2015)	70%	88%	2016	▲	Council: 85%

Children's Care



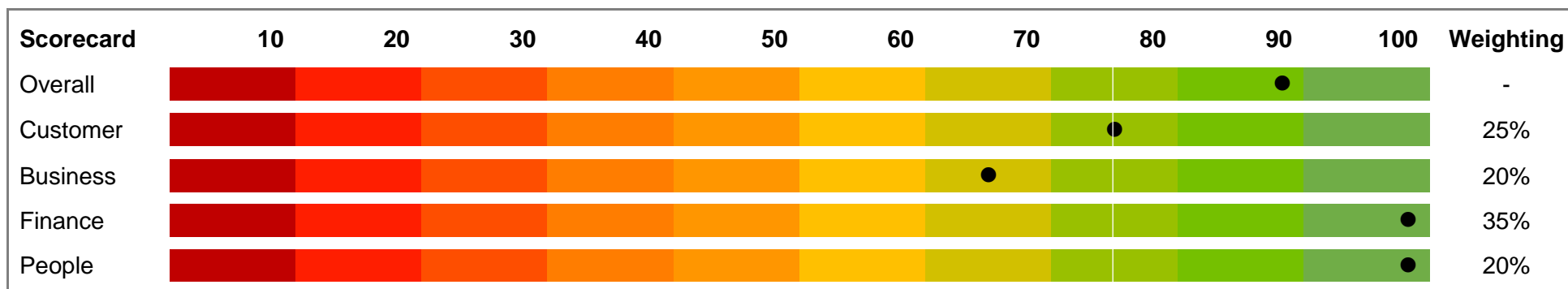
Measure	Last	Target	Current	Period	Trend	Benchmark
C Customer satisfaction with Children's Care	70% (Q2 17/18)	70%	96%	Q3 17/18	▲	N/A
B Actual demand as % of predicted demand	92.7% (Q2 17/18)	95.3%	98.7%	Q3 17/18	▲	N/A
B Number of referrals to Children's Care	1,206 (Q2 17/18)	1,875	1,976	Q3 17/18	▲	N/A
B CPP rate per 10,000	77.4 (Q2 17/18)	81.6	78.9	Q3 17/18	▲	Family Group: 63.7 (2016/17)
B LAC rate per 10,000	142 (Q2 17/18)	130.6	136.1	Q3 17/18	▼	Family Group: 102 (2016/17)
B LAC – Residential placements within Middlesbrough	85.1% (Q2 17/18)	55%	82.4%	Q3 17/18	▼	N/A
B LAC – Cases reviewed within required timescales	65.4% (Q2 17/18)	75%	63.5%	Q3 17/18	▼	N/A
B LAC – Continuous assessments completed within 45 working days	70.5% (Q2 17/18)	90%	67.8%	Q3 17/18	▼	N/A
B Caseload per social worker (non-ASYE)	New PI	20	24.4	Q3 17/18	New PI	N/A
B Projected achievement of Directorate Delivery Plan actions	83% (Q2 17/18)	80%	33%	Q3 17/18	▼	Council: 85%
B Projected achievement of risk mitigation activity	100% (Q2 17/18)	90%	100%	Q3 17/18		Council: 93%
F Projected expenditure of revenue budget	101% (Q2 17/18)	100%	103%	Q3 17/18	▲	Council: 99.99%
F Projected attainment of savings targets	100% (Q2 17/18)	100%	100%	Q3 17/18		Council: 96%
F Projected expenditure of capital budget	100% (Q2 17/18)	95%	76%	Q3 17/18	▼	Council: 103%
P Employees with appraisal for current financial year	76% (2016/17)	95%	100%	2017/18	▲	Council: 99%
P Working time lost to sickness absence	6.31% (Q2 17/18)	5.73%	7.85%	Q3 17/18	▲	Council: 4.94%
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	99.4% (Q2 17/18)	80%	96.5%	Q3 17/18	▼	N/A
C Victims of youth crime satisfied with the service	New PI	70%	100%	Q3 17/18	New PI	N/A
B Children identified for nursery readiness interventions engaged	94.3% (Q2 17/18)	65%	71.4%	Q3 17/18	▼	N/A
B MBC Early Help assessments active	344 (Q2 17/18)	250	451	Q3 17/18	▲	N/A
B Stronger Families casework resulting in positive outcomes	61% (Q2 17/18)	80%	70%	Q3 17/18	▲	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	0.5 (Q1 17/18)	1.16	0.84	Q2 17/18	▲	N/A
B U18 conceptions rate per 1,000	45.5 (Q1 16/17)	29.9	27.6	Q2 16/17	▼	UK: 17.7
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% (Q2 17/18)	94%	97.1%	Q3 17/18	▲	ENG: 94.5%
B Projected achievement of Directorate Delivery Plan actions	85% (Q2 17/18)	80%	60%	Q3 17/18	▼	Council: 85%
B Projected achievement of risk mitigation activity	100% (Q2 17/18)	90%	100%	Q3 17/18		Council: 93%
F Projected expenditure of revenue budget	100% (Q2 17/18)	100%	93%	Q3 17/18	▼	Council: 99.99%
F Projected attainment of savings targets	100% (Q2 17/18)	100%	100%	Q3 17/18		Council: 96%
F Projected expenditure of capital budget	270% (Q2 17/18)	95%	100%	Q3 17/18	▼	Council: 103%
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	3.34% (Q2 17/18)	4.87%	4.32%	Q3 17/18	▲	Council: 4.94%
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	2016/17		ENG 15/16: 19.1
B Actual demand as % of predicted demand	77.78% (Q1 17/18)	95%	44.4%	Q2 17/18	▼	N/A
B Number of contacts with Adult Social Care	5,783 (Q2 17/18)	8,250	8,347	Q3 17/18	▲	N/A
B Social Care clients receiving Self-Directed Support	100% (Q2 17/18)	100%	100%	Q3 17/18		ENG 15/16: 86.9%
B 65+ year olds still at home 91 days after discharge into reablement / rehab	76.7% (Q2 17/18)	80%	93%	Q3 17/18	▲	ENG 15/16: 75.7%
B People in a permanent nursing or residential setting per 100,000	861 (Q2 17/18)	<854	839	Q2 17/18	▼	N/A
B Permanent admissions to residential / nursing care homes per 100,000	117 (Q2 17/18)	180	169	Q3 17/18	▼	ENG 15/16: 260
B Delayed transfers of care from hospital per day per 100,000 attributable to ASC	New PI	15	14	Q3 17/18	New PI	ENG 15/16: 4.7
B %age of reablement episodes achieving identified goals	75% (Q2 17/18)	75%	62.5%	Q3 17/18	▼	N/A
B Projected achievement of Directorate Delivery Plan actions	100% (Q2 17/18)	80%	100%	Q3 17/18		Council: 85%
B Projected achievement of risk mitigation activity	88.8% (Q2 17/18)	90%	44.44%	Q3 17/18	▼	Council: 93%
F Projected expenditure of revenue budget	100% (Q2 17/18)	100%	100%	Q3 17/18		Council: 99.99%
F Projected attainment of savings targets	100% (Q2 17/18)	100%	100%	Q3 17/18		Council: 96%
F Projected expenditure of capital budget	99% (Q2 17/18)	95%	104%	Q3 17/18	▲	Council: 103%
P Employees with appraisal for current financial year	82% (2016/17)	95%	100%	2017/18	▲	Council: 99%
P Working time lost to sickness absence	5.24% (Q1 17/18)	6.68%	5.63%	Q3 17/18	▲	Council: 4.94%
P Employees satisfied with working in their service area	90% (2015)	70%	87%	2016	▼	Council: 85%

Finance, Governance and Support

Scorecard	10	20	30	40	50	60	70	80	90	100	Weighting
Overall											-
Customer											30%
Business											20%
Finance											25%
People											25%

Measure	Last	Target	Current	Period	Trend	Benchmark
C Local perception of value for money	New PI	50%	52%	2017/18	New PI	N/A
C Average customer rating of support services	81% (Q2 17/18)	70%	84.3%	2017/18	▲	Council: 82.5%
C Elected member satisfaction with support services	New PI	70%	100%	2016/17	New PI	N/A
B Service transactions undertaken via MBC website	67,468 (Q2 17/18)	66,450	144,635	Q3 17/18	▲	N/A
B ICT transactions undertaken via digital service desk	New PI	New PI	Due Q4	Q4 17/18	New PI	N/A
B Housing Benefit – average days to process changes of circumstances	15.95 (Q2 17/18)	13	20.19	Q3 17/18	▲	N/A
B Council Tax collected in-year	53.12% (Q2 17/18)	82.47%	78.44%	Q3 17/18	▲	ENG: 97.1% (2015/16)
B Business Rates collected in-year	58% (Q2 17/18)	83.19%	82.74%	Q3 17/18	▲	ENG: 98.2% (2015/16)
B Teesside Pension Fund – performance against benchmark	10% (Q1 17/18)	11.1%	10.9%	Q2 17/18	▲	N/A
B Projected achievement of Directorate Delivery Plan actions	70% (Q2 17/18)	80%	70%	Q3 17/18		Council: 85%
B Projected achievement of risk mitigation activity	93% (Q2 17/18)	90%	94%	Q3 17/18	▼	Council: 93%
F Projected expenditure of revenue budget	93% (Q2 17/18)	100%	95%	Q3 17/18	▲	Council: 99.99%
F Projected attainment of savings targets	100% (Q2 17/18)	100%	100%	Q3 17/18		Council: 96%
F Projected expenditure of capital budget	85% (Q2 17/18)	95%	113%	Q3 17/18	▲	Council: 103%
F % of Council expenditure on local goods and services	44% (Q2 17/18)	25%	43%	Q3 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	2.92% (Q2 17/18)	3.19%	3.00%	Q3 17/18	▲	Council: 4.94%
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
Regeneration	Finalise Housing Growth Strategy programme plan.	Director of Regeneration	End Q2 2017/18	Ongoing; completion in Q4.
	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 Regeneration	End Q4 2017/18	Completed; break-even position projected at Q3.
Culture, Communities and Communications	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 2018/19.
	Three year approach to events programming to be presented to Executive in November	Director of Culture, Communities and Communications	End Q3 2017/18	Underway but will be reported following appointment of new Director.
Environment and Commercial Services	Review options to improve recycling rate at report to Executive.	Director of Environment and Commercial Services	End Q3 2017/18	Ongoing; completion in Q4.
	Review Passenger Transport Service with view to mitigating budgetary pressure.		End Q2 2017/18	Completed; implementation 2018/19.
	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	Ongoing – part of range of issues to be addressed by Believe in Families programme.
	Review value of implementation of Controcc.		End Q2 2017/18	
Prevention and Partnerships	Review youth reoffending performance and develop / implement improvement plan.	Director of Prevention and Partnerships	End Q2 2017/18	Completed; 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; addressed by delegated virement at Q2.

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	
Failure to respond effectively to new Ofsted ILACs inspection system and increased inspection of children's services.	All	3	7	21	*New*
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	
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	
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	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	

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.