

MIDDLESBROUGH COUNCIL

OVERVIEW AND SCRUTINY BOARD

3 JULY 2018

BUDGET AND BALANCED SCORECARDS: YEAR-END 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 Year-End 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 transfer £712,000 of savings within Adult Social Care to the Social Care Demand Risk reserve; £507,000 of savings within Public Health to the Public Health Reserve; and £737,000 of Capital Financing savings to the Capital Refinancing Reserve.
3. Notes the Executive's approval to transfer £655,000 of Section 31 Business Rates Grant to the Business Rates Risk Reserve; and £596,000 of Section 31 Business Rates Grant and NNDR Enterprise Zone Discount to the Business Rates Relief Reserve.
4. Notes the resulting year-end revenue outturn position in 2017/18, namely a budget underspend of £287,000 (or 0.25%).
5. Notes the Executive's approval of a revised Investment Strategy for the period to 2020/21 (at Appendix 1), and capital expenditure of £34.730m against the revised budget of £37.652 in 2017/18, representing 92% of this revised budget, and 3% over delivery against the Council's initial capital budget for the year.
6. Notes the Council's borrowing at 31 March 2018 of £152m, and its General Reserves of £15.1m, along with a further £23.6m of reserves earmarked for specific purposes, and £4.4m of School reserves, making a total of £43.1m, in line with expectations.
7. Notes the performance of Directorates at year-end (Appendix 2), and the Council's updated strategic risk register (Appendix 3).
8. Considers issues raised by the report in the ongoing development of the scrutiny work programme, as appropriate.

BACKGROUND AND EXTERNAL CONSULTATION

Background

9. This report summarises the performance of the Council at Year-End 2017/18, including:

- a revenue budget outturn and progress update on savings delivery;
- issues for the Medium-Term Financial Plan arising from the above;
- a capital budget outturn and progress on capital schemes, together with a revised Investment Strategy for the period to 2020/21;
- position statements in relation to the Council's borrowing and its reserves;
- overall performance, as reflected in Directorate Balanced Scorecards; and
- the Council's current Strategic Risk Register.

10. The report presents a strong set of performance results for the Council in 2017/18, while highlighting a number of strategic issues to be addressed by Directorates, including:

- continuing overspends within Children's Care, principally due to ongoing increases in demand and the costs of placements and short breaks provision;
- a lack of real partnership engagement in the work of Children's Services, contributing to the above;
- continuing overspends within the Integrated Transport Unit due to ongoing and rising demand;
- continuing underperformance on in-year collection of Council Tax and the potential impact on the Council's finances;
- the rise in anti-social behaviour and the knock-on effect on associated measures such as youth offending; and
- the general increase in inequalities in healthy life expectancy and the rise in early deaths.

2017/18 revenue budget outturn and savings delivery

11. On 25 May 2018, the Executive approved the following transfers of underspends at year-end to reserves and provisions.

	£'000s
Outturn position before agreed transfers to Reserves and Provisions	(3,516)
Agreed transfers to Reserves and Provisions	
Adult Social Care savings to Social Care Demand Risk Reserve	712
Better Care Fund savings to Better Care Fund reserve	22
Public Health savings to Public Health Reserve	507
Capital Financing savings to Capital Refinancing Reserve	737
Section 31 Business Rates Grant to Business Rates Risk Reserve	655
Section 31 Business Rates Grant to Business Rates Relief Reserve	548
NNDR Enterprise Zone Discount to Business Rates Relief Reserve	48
Outturn position	(287)

12. Following these transfers, at year-end the Council's revenue budget expenditure for 2017/18 was £113,382,000, an underspend of £287,000 (0.25%), 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 Outturn £'000s	Over/(under) spend £'000s
Growth and Place	27,785	27,870	85
Public Health and Public Protection	120	(8)	(128)
Children's Services	32,872	34,132	1,260
Adult Social Care and Health Integration	35,511	35,106	(405)
Finance, Governance and Support	9,769	9,686	(83)
Central costs	7,612	6,596	(1,016)
Revenue outturn	113,669	113,382	(287)

13. The following table summarises delivery of approved savings required to deliver a balanced budget in 2017/18, with 96% of savings delivered at year-end.

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

14. The explanations for major variances over £150,000 have been agreed with Departments / Directorates, and are summarised below.

Growth and Place: overspend £85,000

Growth and Place	Full Year Budget £'000s	Full Year Outturn £'000s	Over/(under) spend £'000s
Regeneration	3,630	3,624	(6)
Culture, Communities and Communications	6,152	6,127	(25)
Environment and Commercial Services	18,003	18,119	116
Revenue Outturn	27,785	27,870	85

15. **Regeneration:** A pressure of £155,000 occurred on parking budgets, partly due to the adverse weather conditions in Quarter Four, however this was fully mitigated by the use of one-off income received and staff savings across the service, creating a small underspend at year-end. A revised car parking strategy was agreed by the Executive on 12 June 2018.

16. **Environment and Commercial Services:** The overspend for the Directorate decreased from the £293,000 projected at Quarter Three to £116,000 at year-end, due to significant effort to mitigate known areas of pressure through maximising income opportunities and limiting expenditure wherever possible. In addition to this, 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 overspend was driven by the following main issues:

- *Property running costs* – there was a £674,000 overspend at year-end, mainly due to not making savings on the running costs of Vancouver House (£316,000) and the Southlands Centre (£210,000 in total).
- *Building Maintenance* – there was an overspend of £242,000 at year-end due to a shortfall in income generation. A service review is now underway, with the aim of removing this pressure in future years.
- *Integrated Transport Unit* – there was a £202,000 overspend at year-end, down from the £258,000 projected at Quarter Three. Demand continues to be high, particularly for high cost ‘out of county’ child passengers, and as such it has not been possible to fully achieve savings targets for 2017/18.
- *Catering* – there was an overspend of £166,000 at year-end, mainly due to one-off expenditure incurred within the year. This pressure is not expected to continue in future years.

17. These pressures were partly mitigated by significant savings within other services within the Directorate, specifically:

- *Strategic Asset Management* – there was an underspend of (£238,000), due mainly to increased income;
- *Bereavement Services* – there was an underspend of (£374,000), due mainly to overachievement of income and savings on staffing;
- *Building Cleaning* – there was an underspend of (£152,000) due to savings on supplies and a more efficient use of staff;
- *Places and Spaces* – there was an underspend of (£182,000), due to savings on staffing and supplies; and
- *Highways and Fleet* – there was a saving of (£288,000), due mainly to a net overachievement of income.

Public Health and Public Protection: underspend (£128,000)

Public Health and Public Protection	Full Year Budget £'000s	Full Year Outturn £'000s	Over/(under) spend £'000s
Revenue Outturn	120	(8)	(128)

18. As reported previously, savings have been identified on Public Health budgets, with (£507,000) being confirmed for 2017/18. On 15 May 2018, the Executive agreed to transfer these savings into the Public Health reserve to be reinvested in Public Health outcomes, in accordance with Public Health grant conditions. The development of a South Tees Health and Wellbeing Board and the ongoing integration of health and social care services within the area will see Public Health services evolve in response to local needs within Middlesbrough, therefore it is not anticipated that savings of this order will recur in future years.

Children's Services: overspend £1,260,000

Children's Services	Full Year Budget £'000s	Full Year Outturn £'000s	Over/(under) spend £'000s
Education	528	528	0
Children's Care	29,827	31,377	1,550
Prevention and Partnerships	2,517	2,227	(290)
Revenue Outturn	32,872	34,132	1,260

19. The overspend for the Department increased significantly from the £646,000 projected at Quarter Three to £1,260,000 at year-end, driven by continuing pressures within Children's Care. Further resources were allocated to Department within 2018/19 budget setting to address these pressures.

20. **Education:** There were one-off savings totalling (£318,000), mainly arising from staff vacancies within the Achievement and Special Education Needs budgets, and unbudgeted grant income. These savings were offset by a pressure of £318,000 on Looked After Children (LAC) Pupil Premium costs. This is due to the employment 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 has been undertaken and will be implemented in full for the start of the 2018/19 academic year.

21. **Children's Care:** The £1.5m funding provided to the Directorate in 2017/18 for demand led pressures has been fully utilised, and there has been a significant overspend of £1,550,000 at year-end, increased from the £824,000 projected at Quarter Three. Major budget pressures include:

- *Residential agency placements* – while active placements increased by only two in number to 58, the cessation of high-cost complex placements assumed by the Directorate at Quarter Three have not been achieved, and there was an increase in weekly placement costs in Quarter Four, resulting in an overspend of £792,000 at year-end;
- *Resources service* – an overspend of £709,000 (16% over budget), including £263,000 (13% 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; and a £406,000 pressure (71% over budget) on short breaks respite agency costs and trips and direct payments to families, due to increased demand; and
- a further increase in the costs of the Deprivation of Liberty Safeguards (DOLS) order directed by the court in November 2017, resulting in costs of £301,000 for 2017/18.

22. The above pressures were partly mitigated by savings of (£163,000) on the Independent Fostering Agency (IFA) Placements budget, with a reduction in the number of active placements from 146 at Quarter Three to 133 at year end. This is due to a lack of availability of fostering provision appropriate to the needs of children, and is linked to the increase in residential agency placement costs.

23. Net savings of (£156,000) were also been achieved across the Directorate due to staff vacancies, early achievement of proposed 2018/19 savings from supplies and services and contracts, and the receipt of unbudgeted grant income.

24. As previously reported, if pressures with Children's Care continue to increase and expected savings in future years are not delivered, then fundamental changes to the Council's budget strategy and MTFP will be required. The Directorate continues to actively monitor budgets, review services, and work with the corporate commissioning function to identify potential efficiencies in order to avoid pressures in future years. This work includes:

- the implementation of a revised Looked After Children Sufficiency Strategy to identify current and projected needs and enable planning for future commissioning provision;
- a review of in-house and external placement provision;
- a review of decision making processes and panels; and
- an independent review of Short Breaks provision.

25. Monitoring of demand, expenditure trends, and transformation plans within Children's Care will continue to be accorded the highest priority going forward.

26. **Prevention and Partnerships:** A one-off underspend of (£175,000) on the Prevention budget was achieved, mainly due to savings from staff not yet being at the top of grade following a service review, and temporary vacancies throughout the year.

Adult Social Care and Health Integration: underspend (£405,000)

Adult Social Care and Health Integration	Full Year Budget £'000s	Full Year Outturn £'000s	Over/(under) spend £'000s
Revenue Outturn	35,511	35,106	(405)

27. Net savings of (£1,117,000) at year-end were achieved, mainly due to:

- (£452,000) from one-off staffing savings from temporary vacancies, car allowances and staff not being in the pension scheme;
- (£334,000) from a one-off net reduction in care package costs; and
- (£268,000) from one-off supplies and services savings.

28. The majority of these savings are one-offs, and due to continued uncertainty around social care needs in future years. On 15 May 2018, the Executive agreed to transfer £712,000 of the overall savings to a Social Care Demand Risk reserve, leaving an underspend of (£405,000) at year-end.

Finance, Governance and Support: underspend (£83,000)

Finance, Governance and Support	Full Year Budget £'000s	Full Year Outturn £'000s	Over/(under) spend £'000s
Revenue Outturn	9,769	9,686	(83)

29. There was a saving of (£222,000) in Valuation and Estates, due to increased income from commercial rents, and other one-off net underspends totalling (£231,000). However, the pressure on Legal Services has increased from the £212,000 projected at Quarter Three to £370,000 at year-end, mainly due to increased costs of external legal services. Further resources were allocated to the Directorate within 2018/19 budget setting to address ongoing pressures in Legal Services.

Central costs: underspend (£1,016,000)

Central costs	Full Year Budget £'000s	Full Year Outturn £'000s	Over/(under) spend £'000s
Revenue Outturn	7,612	6,596	(1,016)

30. There was a net saving of (£633,000) on the General Fund, mainly due to increased unbudgeted income relating to New Homes Bonus, charges to schools for their share of costs of the Apprenticeship Levy, savings on the Pay and Prices, and unbudgeted income from TWI.
31. A saving of (£987,000) was achieved on the Capital Financing budget from the Council having taken the opportunity to borrow at lower cost short-term interest rates during the year. On 15 May 2018, the Executive agreed to transfer £737,000 of this saving to a Capital Refinancing Reserve to fund future borrowing.
32. £1,203,000 of Section 31 Business Rates Grant and £48,000 of NNDR Enterprise Zone Discount received was not required for use in 2017/18 and Executive also agreed to transfer £655,000 of this to the Business Rates Risk Reserve, and £596,000 to the Business Rates Relief Reserve.

Medium-Term Financial Plan

33. The continuing pressures within Children's Care and Legal Services outlined above were addressed within the Revenue Budget, Council Tax, Medium Term Financial Plan and Prudential Indicators 2018/19 report to Council of 7 March 2018. However, as mentioned in paragraph 24, if the pressures in Children's Care continue to increase and expected savings in future years are not delivered, then fundamental changes to the Council's budget strategy and MTFP will be required.

2017/18 capital outturn

34. With the extension of the Council's Investment Strategy to 2020/21, the Council is now 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 is intended to attract a total of £625m of third party investment into the town and is infrastructure, supporting 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;
 - Tees 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 Three, Executive agreed a revised Investment Strategy on 20 February 2018, which increased the revised 2017/18 capital budget from £33.757m at the start of the year to £37.652m, due mainly to an increase in externally funded and

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

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

36. Following a review at year-end, the Executive agreed a number of changes to the Investment Strategy on 15 May 2018. These, together with explanations for major variances, are set out below, and a revised Investment Strategy for the period to 2020/21 is at Appendix 1.
37. **Regeneration:** On 20 February 2018, the Executive approved plans for the development of Grade A business accommodation, including an allocation of £250,000 (2017/18 and 2018/19) for the costs associated with site preparation, due diligence, specialist advice and statutory licenses with respect to the future intention to develop proposals to dispose of and develop the vacated Civic Centre site.
38. The Council has received notification from the Department for Environment, Food & Rural Affairs / Department for Transport that a grant bid for £1,813,339 (2018/19 and 2019/20) for Air Quality work, focusing on reducing emissions from road transport, has been successful. The grant will be used to carry out works which will contribute to the reduction of nitrogen dioxide emissions on two sections of the A66 which are breaching acceptable levels.
39. £543,000 of Section 106 contributions have been received from the developer in respect of the Stainsby Hall Farm development for highways works and for the provision of sports facilities.
40. The following schemes have been re-profiled within the Investment Strategy:
- *Middlehaven Relief Road:* £704,000 moved to 2018/19 due to a six week delay in the original completion date of July 2018 to enable increased design scope for the recast bridge beams, delays due to adverse weather conditions and changes to the sequence of construction of the bridge deck.
 - *Tees Advanced Manufacturing Park:* £413,000 moved to 2018/19 due to the development partner not drawing down the full allocation of its facility agreement in 2017/18.
 - *Site Assembly At Middlehaven:* £203,000 brought forward from 2018/19 relating to the purchase of the remaining business on the site, which took place on 29 March

2018. Negotiations are still ongoing regarding the final settlement with the owner, and the re-profiling is necessary to ensure that the necessary funds are available upon settlement.

41. **Culture, Communities and Communications:** There was an increase of £310,000 in 2018/19 due to the costs of the Town Hall Development being higher than anticipated due to unforeseen costs relating to the need for further asbestos removal work and additional works required due to the nature of the Town Hall's listed status and its age. It was agreed to fund this pressure from budgets held by the Directorate for the Town Hall Lighting and Cultural Transformation schemes.
42. **Environment and Commercial Services:** The Directorate's programme has increased by £153,000 in 2018/19 due to an increase in the cost of the Waste Disposal Plant Investment. A further £240,000 was been spent in 2017/18 on works required on various schemes under the Property Asset Investment Strategy. This is fully funded by contributions, so has no impact on net expenditure.
43. It was agreed that £224,000 relating to the Property Asset Investment Strategy would be brought forward from 2019/20, due to the demand for works to be carried out in 2017/18, mainly in Middlesbrough House.
44. **Adult Social Care and Health Integration:** The following schemes have been re-profiled within the Investment Strategy:
- *Prevention Services Accommodation:* £409,000 moved to 2018/19, in order to complete the purchase and refurbishment of Phoenix House, as approved by the Executive Sub-Committee for Property on 16 May 2018; and
 - *Disabled Facilities Grant:* £327,000 moved into 2018/19 to meet expenditure that was delayed in 2017/18 due to a lack of availability of contractors.
45. **Finance, Governance and Support:** It was agreed that £426,000 relating to work on bringing sites up to the standard to take to market (Derisking Sites) would be moved to 2018/19 due to a delay in work at some sites.

Treasury Management

Borrowing position

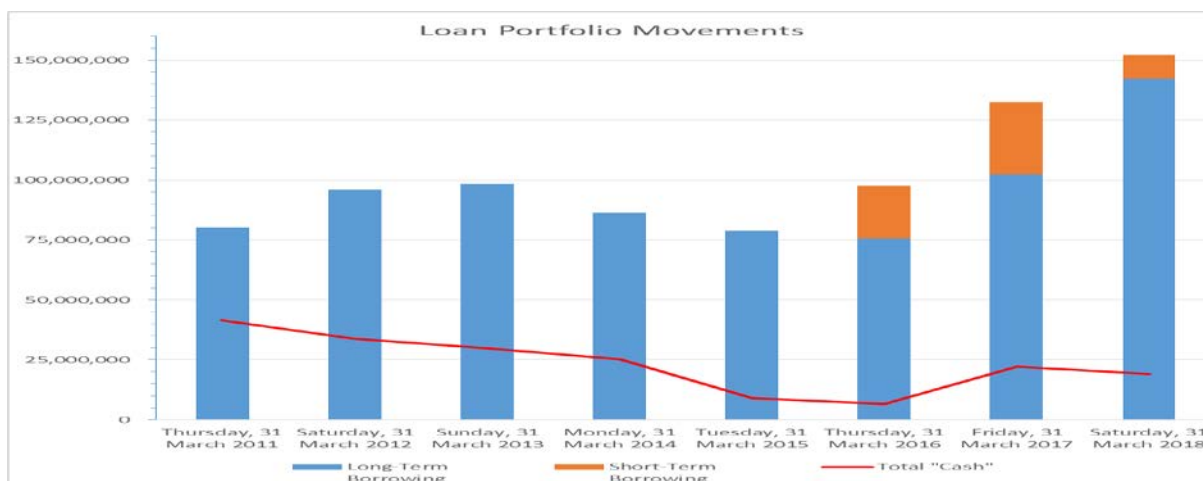
46. The balance of borrowing at 31 March 2018 was £152m (comprising £142m long-term, and £10m short-term borrowings), an increase of £20m since 31 December 2017, due to increased long and short-term borrowing to fund both the general cashflow position of the Council, and capital programme borrowing requirements, in line with expectations.

Borrowing limits

47. 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 the year was either the Operational Borrowing Limit (£189.4m), or the Authorised Limit, reached.

Loan Portfolio Trend

48. 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

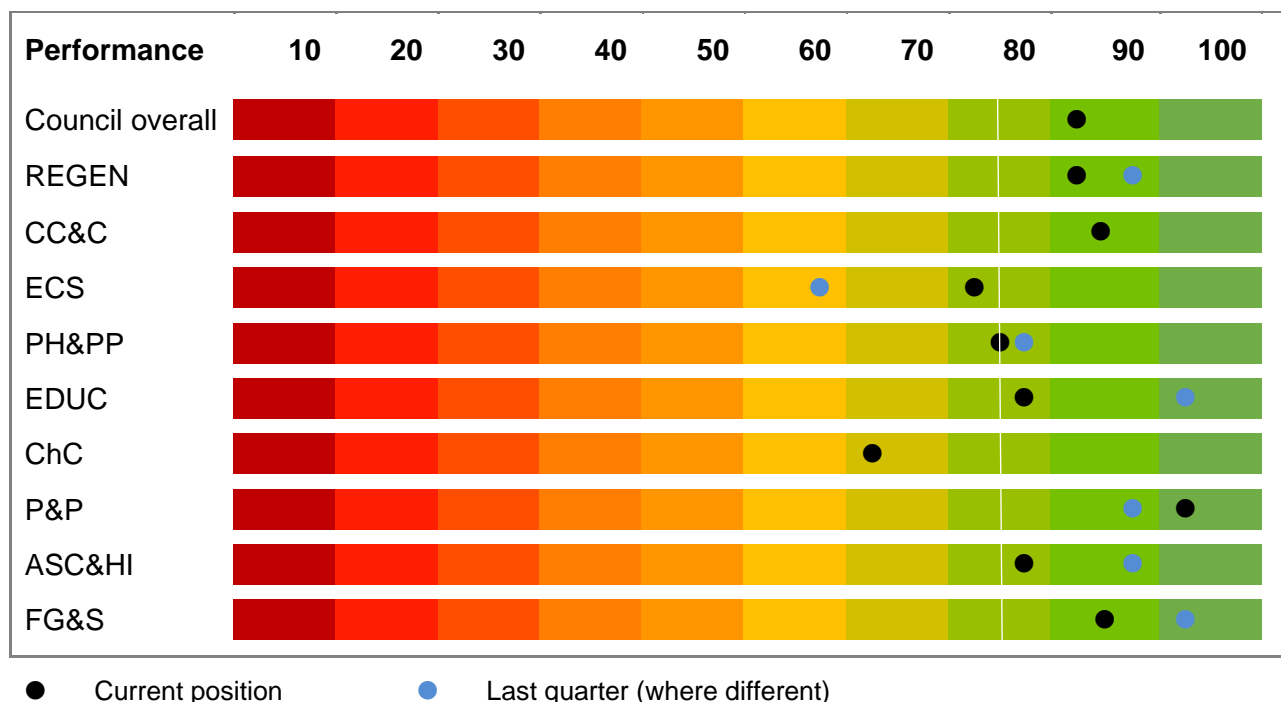
49. As part of proper financial planning, the Council holds a level of reserves and provisions as a safety net against unexpected expenditure, and to provide for anticipated events with financial implications. As part of the Strategic Plan 2016-20, it was determined that the Council's overall level of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

Reserves and Provisions	Opening Balance £'000s	Use in Year £'000s	Additional Contributions £'000s	Transfers to General Fund £'000s	Balance at Year End £'000s
General Fund	14,466	0	2,142	(1,453)	15,155
Earmarked for specific purposes					
Business Rates Risk Reserve	3,478	0	655	0	4,133
Business Rates Relief Reserve	0	0	596	0	596
Change Fund	1,398	(506)	910	0	1,802
Public Health Ring Fenced Reserve	1,662	(1,509)	507	0	660
Investment Fund	3,217	0	2,700	0	5,917
Insurance Fund	277	(243)	1,028	0	1,062
Social Care Demand Risk Reserve	0	0	712	0	712
School Achievement Reserve	2,000	(157)	0	0	1,843
Capital Refinancing Reserve	0	0	737	0	737
Other Reserves & Provisions	9,552	(8,929)	5,541	0	6,164
	21,584	(11,344)	13,386	0	23,626
School reserves	6,552	(6,901)	4,703	0	4,354
Total	42,602	(18,245)	20,231	(1,453)	43,135

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

Performance at Year-End 2017/18

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



52. **Regeneration:** Performance fell slightly between Quarter Three and year-end, as a resulted in reduced performance on capital expenditure and a 19% increase in empty homes. Work will be undertaken during the first quarter of 2017/18 to analyse the position in respect of empty homes, given the potential impact on Council Tax and New Homes Bonus revenue, though there are no concerns at this stage, as key housing building measures remain on target, and in line with plans set out in the Middlesbrough Investment Prospectus.

53. The latest Labour Market Survey continues to show a reduction in the proportion of economically active people in Middlesbrough in employment and local wages as a proportion of the regional average. 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.

54. As reported previously, four actions in the Directorate Delivery Plan for 2017/18 will slip to future years:

- commencement of disposal of Newham Hall site, due to challenges in gaining access to the site, addressing tenancy issues, 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.

55. Culture, Communities and Communications: Performance overall remained unchanged at year-end, with the major performance issue relating to the continued increase in anti-social behaviour in the town, with total incidents exceeding those in 2016/17. As previously reported, this is in line with national trends, and the Executive has now approved closer joint working arrangements with Cleveland Police to address these issues through a jointly-managed enforcement service in 2018/19.

56. Environment and Commercial Services: Though falling below the 75% targeted level, performance improved significantly in Quarter Four, largely driven by improved financial performance. 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.

57. Public Health and Public Protection: While remaining above the targeted level, performance reduced slightly again at Quarter Four. 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.

58. Education: Performance fell at Quarter Four largely due to reduced performance on risk management and capital expenditure. However, attainment results in the year were very positive, and good progress is reported on the £2m school improvement programme funded by the Council, which is expected to eradicate remaining gaps in future years.

59. Children's Care: Performance was unchanged at Quarter Four and was below the targeted level. Contacts, Child Protection Plan rates and LAC rates all increased within the quarter, with increased demand, not yet sufficiently mitigated by Early Help services, continuing to pressure staff and impact delivery. Social worker caseload fell in the quarter and approached targeted level, with some key LAC processing measures improving accordingly. Analysis in preparation for the Annual Conversation with Ofsted in May 2018 has evidenced impact on performance in many areas practice as a result of capacity issues and the experience levels of some managers in terms of driving performance up. Ongoing performance analysis will continue inform the Believe in Families transformation programme, delivering sustainable improvements from 2018/19.

60. **Prevention and Partnerships:** Performance overall increased marginally at Quarter Four, with continued improvements in key early help measures evident. Latest figures suggest a rise in reoffending among young people, with the latter clearly linked to the rise in crime and anti-social behaviour set out above.
61. **Adult Social Care:** Performance fell slightly in Quarter Four, driven by reduced capital expenditure and an increased in delayed transfers of care. Following review, performance against in reablement improved markedly in the quarter and was above target at year-end.
62. **Finance, Governance and Support:** Performance fell slightly at Quarter Four, as a result of reduced capital expenditure.
63. The average number of days for processing a change of circumstances for Housing Benefit, improved significantly in Quarter Four, falling just short of the annual target at year-end. Work will continue in 2018/19 to improve performance for this measure.
64. As previously reported, three actions in the Directorate Delivery Plan for 2017/18 have been amended:
- the removal of VFM qualifications on the 2016/17 Statement of Accounts was only partly-achieved, and work to further embed new arrangements for asset disposals required has been prioritised in the year;
 - 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.
65. While the business rates collection rate exceeded the annual target, improving from the Quarter Three projection, the council tax collection rate did not. It is expected that the agreed revised Council Tax Support scheme will result in an improved collection rate, and the Council will continue to work with its provider Kier to maximise the rate in 2018/19.
66. 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 over 75% in Quarter Four.
67. **Crosscutting:** Lost productivity from sickness absence within the Council reduced to 4.86% at Quarter Four from 4.92% at Quarter Three, though remained 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 now in development. The 2017/18 Employee Survey was undertaken in Quarter Four, with all Directorates exceeding the corporate target for 70% employee satisfaction.

Resulting actions and next steps

68. Directorates took a number of actions in-year to address financial and performance issues identified through quarterly monitoring, with these then reported to the Executive and Overview and Scrutiny Board.
69. Some actions will be taken forward in 2018/19 as set out in this report, with the additional funding provided to Children's Care in 2018/19 budgeting expected to drive significant performance, as well as financial, benefits. Progress will be reported to the Executive and Overview and Scrutiny Board throughout 2018/19, within a revised quarterly performance report, the proposed format of which will be presented to the Board at today's meeting.

Strategic Risk Register

70. In line with best practice the Council is committed to regularly reviewing its Strategic Risk Register (SRR) to ensure that it reflects the key risks to delivery of its strategic priorities. Since Quarter Three, senior managers have undertaken their regular fundamental review of the SRR and the Risk Business Partner continues to engage with departments to support regular reviews of Directorate, Head of Service and project risk registers. The results of this exercise are reflected in this summary of the updated SRR at Appendix 3.
71. This review saw two risks removed from the corporate register:
- the potential failure to respond effectively to new Ofsted ILACs inspection system and increased inspection of children's services, for which funding was provided in 2018/19 budgeting; and
 - the risk of failure to align the Strategic Plan with TVCA plans adversely affecting MTFP and Investment Prospectus progress, which is no longer considered to be a significant risk due to established partnership arrangements.
72. Seven new risks were added to the register, most notably 'inability to secure funding for schools from developers or other sources.', which now stands as the Council's most significant risk alongside the potential impact of BREXIT on the local economy.

IMPACT ASSESSMENT

73. Not applicable.

OPTION APPRAISAL / RISK ASSESSMENT

74. Not applicable.

FINANCIAL, LEGAL AND WARD IMPLICATIONS

75. **Financial** – the financial implications of Year-End monitoring are set out within the main body of the report.
76. **Ward Implications** – while the performance activity described in this report will impact differently across wards, there are no specific ward implications from the recommendations.

77. **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:

78. Notes the Executive’s approval to transfer £712,000 of savings within Adult Social Care to the Social Care Demand Risk reserve; £507,000 of savings within Public Health to the Public Health Reserve; and £737,000 of Capital Financing savings to the Capital Refinancing Reserve.

79. Notes the Executive’s approval to transfer £655,000 of Section 31 Business Rates Grant to the Business Rates Risk Reserve; and £596,000 of Section 31 Business Rates Grant and NNDR Enterprise Zone Discount to the Business Rates Relief Reserve.

80. Notes the resulting year-end revenue outturn position in 2017/18, namely a budget underspend of £287,000 (or 0.25%).

81. Notes the Executive’s approval of a revised Investment Strategy for the period to 2020/21 (at Appendix 1), and capital expenditure of £34.730m against the revised budget of £37.652 in 2017/18, representing 92% of this revised budget, and 3% over delivery against the Council’s initial capital budget for the year.

82. Notes the Council’s borrowing at 31 March 2018 of £152m, and its General Reserves of £15.1m, along with a further £23.6m of reserves earmarked for specific purposes, and £4.4m of School reserves, making a total of £43.1m, in line with expectations.

83. Notes the performance of Directorates at year-end (Appendix 2), and the Council’s updated strategic risk register (Appendix 3).

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	External Funding
	2016/17 Actual	2017/18	2018/19	2019/20	2020/21	TOTAL		
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's
Regeneration								
Town Centre Related Projects	731	1,068	1,282	323	0	3,404	3,391	13
Teesside Media & Innovation Village	0	60	0	440	0	500	500	0
Middlehaven Related Projects	1,976	5,250	4,912	0	0	12,138	4,851	7,287
Hemlington Grange Projects	718	431	0	3,441	0	4,590	2,590	2,000
Housing Growth	64	216	1,020	700	0	2,000	2,000	0
Tees Advanced Manufacturing Park	0	1,087	8,500	12,874	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
Sports Facilities Via Section 106	0	0	0	100	0	100	0	100
Affordable Housing Via Section 106	0	0	0	5,523	0	5,523	830	4,693
Highways Infrastructure Development Section 106	90	0	0	484	0	574	0	574
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	6	9	0	0	40	0	40
Stainton Way Dixon Bank Junction - Section 106	72	63	1,465	0	0	1,600	0	1,600
Longlands To Ladgate Link - Section 106	0	40	0	0	0	40	0	40
Stainton Way Western Extension - Section 106	0	148	0	0	0	148	0	148
Acklam / Hall Drive Improvements - Section 106	0	6	44	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	22	0	2,928	0	2,950	0	2,950
Newport Road & Acklam Road Improvements	0	294	116	0	0	410	0	410
Ladgate Lane Cycle Paths	0	584	195	0	0	779	0	779
Mandale Interchange	0	4	71	0	0	75	0	75
Cargo Fleet Lane	0	0	75	0	0	75	0	75
JAQU - Early Measures Funding	0	0	350	1,463	0	1,813	0	1,813
Members Small Schemes	0	68	30	0	0	98	98	0
Grove Hill J V Projects	136	146	23	0	0	305	0	305
Gresham Projects	2,292	590	1,863	2,015	0	6,760	6,760	0
House To Home	212	55	0	0	0	267	231	36
Housing Delivery Vehicle (S106)	295	244	36	385	0	960	0	960
Empty Homes 2015 To 2018	5	4	124	436	0	569	0	569
Local Transport Plan	2,191	2,917	586	0	0	5,694	910	4,784
Completed Schemes	5,331	0	0	0	0	5,331	4,605	726
Total Regeneration	17,911	14,077	20,885	31,732	140	84,745	44,223	40,522

		Total Funding Required						Council	External
	2016/17 Actual	2017/18	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		0	50	0	50		0	50
Town Hall Venue Development	1,139	6,080	366	0	0	7,585		4,222	3,363
Town Hall HLF / Arts Council Project	821	0	0	0	0	821		321	500
Cultural Transformation	0	0	0	1,840	0	1,840		840	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	6,120	616	2,015	125	11,296		5,883	5,413
	2016/17 Actual	2017/18	2018/19	2019/20	2020/21	TOTAL		Council	External
	£000's	£000's	£000's	£000's	£000's	£000's		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	1,495	1,479	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	40	13	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	2,808	0	0	2,808		2,808	0
Crematorium Works	0	3	517	0	0	520		520	0
Invest to Save Carbon Reduction	37	0	0	0	0	37		37	0
Members Small Schemes	44	4	95	60	0	203		203	0
Leisure Investment	0	81	119	0	0	200		200	0
Linthorpe Kitchen	80	0	0	0	0	80		80	0
Property Asset Investment Strategy	2,557	2,764	1,276	589	0	7,186		6,863	323
Town Centre Accommodation Strategy	0	0	1,000	0	0	1,000		1,000	0
Hemlington CAT	0	275	25	0	0	300		300	0
Total Environment and Commercial Services	5,823	5,549	8,523	2,858	2,220	24,973		23,844	1,129

	Total Funding Required						Council	External
	2016/17 Actual	2017/18	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	196	0	0	0	1,005	630	375
Leisure Trust Investment	1,979	332	0	0	0	2,311	2,311	0
Total Public Health and Public Protection	2,788	528	0	0	0	3,316	2,941	375
	Total Funding Required						Council	External
	2016/17 Actual	2017/18	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	188	0	188	0	188
CERA - Capital Improvements (capital expenditure revenue allocation - DSG)	0	0	0	1	0	1	1	0
Block Budget (MBC COPR) Supported Capital Expenditure Formula Funding	0	0	0	128	0	128	128	0
Block Budget (Grant) School Condition Allocation	0	0	0	777	0	777	0	777
Schemes in Private Nurseries	13	0	0	0	0	13	0	13
Schemes in Maintained Primary Schools	1,344	2,348	2,271	149	0	6,112	1,838	4,274
Schemes in Primary Academies	169	17	1	0	0	187	58	129
Schemes in Maintained Secondary Schools	24	76	10	0	0	110	44	66
Schemes in Secondary Academies	115	15	3	0	0	133	0	133
Schemes in Special Schools	347	301	424	0	0	1,072	996	76
Early Years - Park House	7	6	0	0	0	13	13	0
Capitalisation of Salary Costs	94	98	100	102	0	394	244	150
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	2,861	2,809	1,345	0	9,187	3,353	5,834
	Total Funding Required						Council	External
	2016/17 Actual	2017/18	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	30	0	0	30	0	30
Gleneagles - Kitchen and External Works	0	12	55	0	0	67	0	67
Purchase of a home for a Looked After Child in Hartlepool	0	204	47	0	0	251	0	251
Children's Homes Refurbishment work	0	77	0	0	0	77	0	77
Total Children's Care	0	293	132	0	0	425	0	425
	Total Funding Required						Council	External
	2016/17 Actual	2017/18	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	7	0	7	0	7
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	313	0	7	0	320	0	320

	Total Funding Required						Council Funding £000's	External Funding £000's
	2016/17 Actual £000's	2017/18 £000's	2018/19 £000's	2019/20 £000's	2020/21 £000's	TOTAL £000's		
Adult Social Care and Health Integration								
Chronically Sick & Disabled Persons Act - All schemes	488	513	783	610	610	3,004	2,984	20
Disabled Facilities Grant - All schemes	1,437	1,543	3,279	1,852	1,090	9,201	939	8,262
Capitalisation of Staying Put Salaries	50	50	50	50	50	250	250	0
Home Assistance Loan	34	7	186	0	0	227	184	43
Home Loans Partnership (formerly 5 Lamps)	1	0	47	0	0	48	0	48
Small Schemes	264	72	40	25	25	426	0	426
Total Adult Social Care and Health Integration	2,274	2,185	4,385	2,537	1,775	13,156	4,357	8,799
	Total Funding Required						Council Funding £000's	External Funding £000's
	2016/17 Actual £000's	2017/18 £000's	2018/19 £000's	2019/20 £000's	2020/21 £000's	TOTAL £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	244	228	0	0	839	839	0
Town Hall Data Centre Build	627	229	0	0	0	856	856	0
LCS Development	0	0	55	0	0	55	55	0
ICT BOHO	0	0	138	0	0	138	25	113
Scanning	35	91	9	0	0	135	135	0
Customer First	275	11	0	0	0	286	286	0
Early Help Module (Children's)	0	5	219	0	0	224	224	0
Core Refresh	0	945	0	0	0	945	945	0
IT Refresh - Network Refresh	2	101	0	0	0	103	103	0
Lights On	554	392	33	305	448	1,732	1,730	2
Agile Working	326	78	0	0	0	404	404	0
LCS Development Capture	39	20	0	0	0	59	59	0
Business Intelligence	146	61	13	0	0	220	220	0
Replacement Server/SAN/Networking	0	0	463	0	0	463	463	0
HR Pay	438	45	37	0	0	520	520	0
ICT Infrastructure	100	54	261	215	133	763	763	0
Derisking Sites	163	211	826	100	284	1,584	1,584	0
Dashboard Development	0	0	200	0	0	200	200	0
Total Finance, Governance and Support	3,573	2,804	2,512	650	865	10,404	10,286	118

	2016/17 Actual	Total Funding Required					TOTAL	Council	External
		2017/18	2018/19	2019/20	2020/21	Funding		Funding	
All Directorates	£000's	£000's	£000's	£000's	£000's	£000's	£000's	£000's	
	36,961	34,730	39,862	41,144	5,125	157,822	94,887	62,935	
Total All Directorates	36,961	34,730	39,862	41,144	5,125	157,822	94,887	62,935	

Appendix 2: Balanced Scorecards – Year-End 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

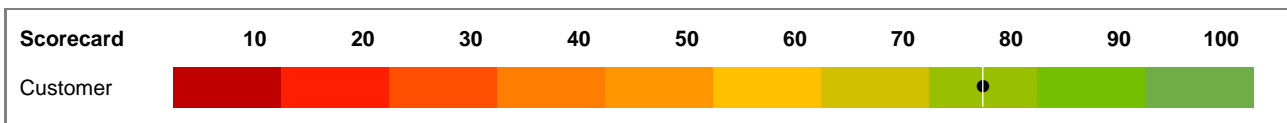
5. RAG rated performance is then converted into scores, as follows:

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.

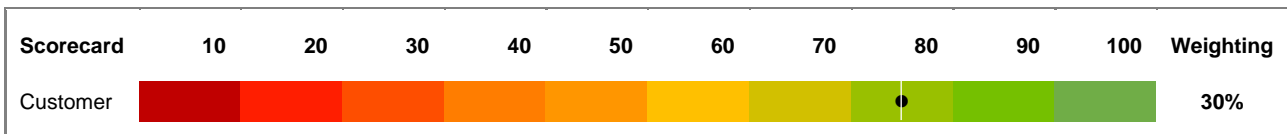
Measure	Last	Target	Current	Period	Trend	Benchmark	
C	Number of households accepted as homeless	15 (Q4 15/16)	21.25	0 pts	Q1 16/17	▲	N/A
C	Troubled Families w/ sustained and measured positive outcomes	New PI	30	2 pts	Sept 15	N/A	N/A
C	Children in Need referrals resulting in CAF step-downs	61 (Q4 15/16)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



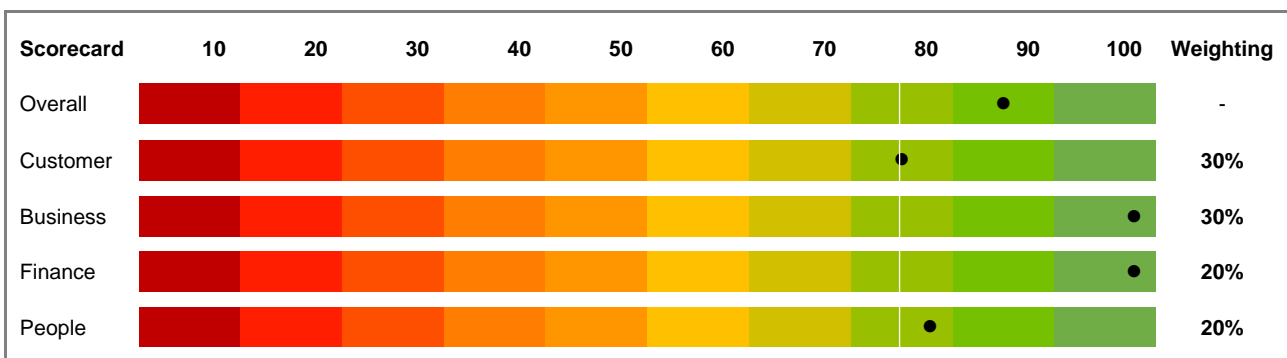
8. Each quadrant is then weighted to reflect the respective priority of each to overall performance for the area, as identified in the Strategic Plan and Directorate Delivery Plans. Weighting will be agreed with appropriate Executive Members. For example, the Finance quadrant would be more heavily weighted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

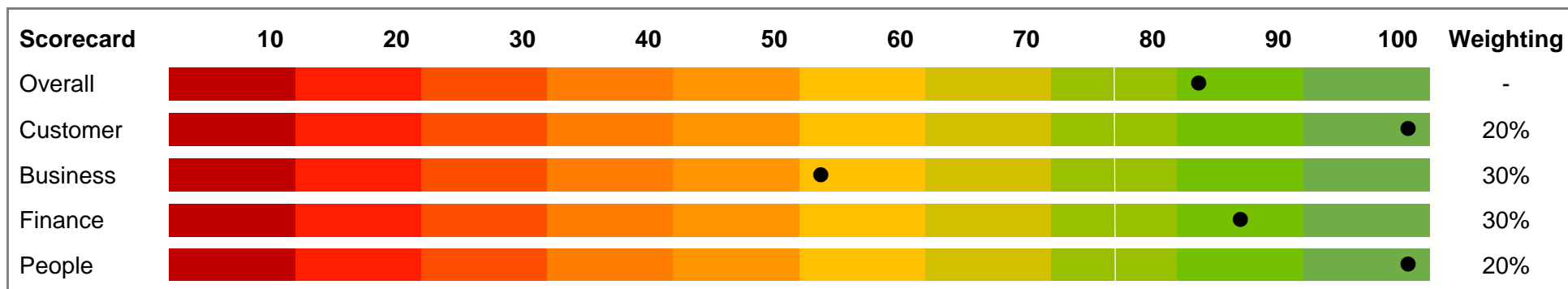


10. This means that a maximum score of 100% in this specific quadrant would contribute a maximum of 30% to the overall Scorecard. As it is, the quadrant scored 75% at Quarter One, contributing 22.5% to the overall score.

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

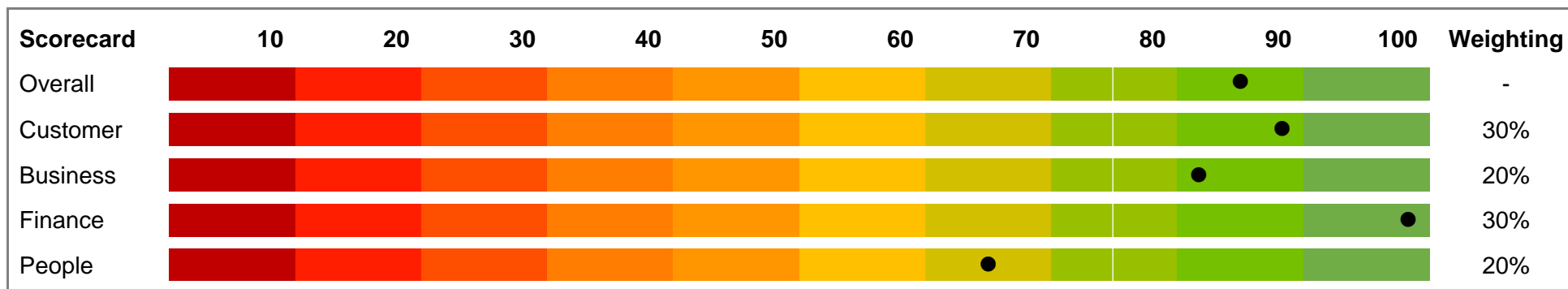


Regeneration



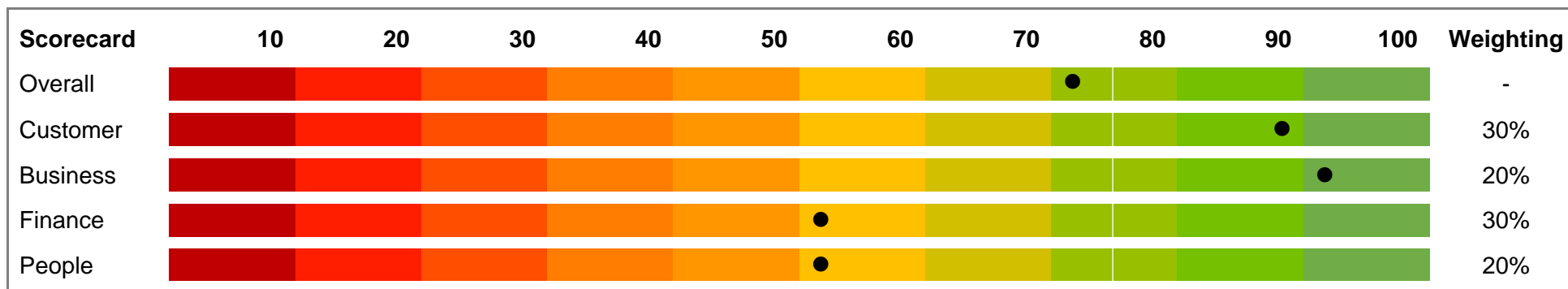
Measure	Last	Target	Current	Period	Trend	Benchmark
C Satisfaction with Middlesbrough as a place to live	New PI	70%	81%	2017/18	New PI	UK: 82% (Dec 17)
C Satisfaction with road / footpaths maintenance	New PI	50%	51%	2017/18	New PI	UK: 50% (Dec 17)
B Local gross weekly pay as %age of the NE average	97.15 (2016)	98.1%	93.47%	2017	▼	NE: £504.1
B Economically active people in Middlesbrough in employment	65% (Yr to Sep 17)	66.75%	64.1%	Yr to Dec 17	▼	NE: 70.6%
B New homes delivered (gross)	338 (Q3 17/18)	460	476	2017/18	▲	N/A
B New homes built Council Tax Band D and above	182 (Q3 17/18)	>135	220	2017/18	▲	N/A
B Homes empty for over six months	903 (Q3 17/18)	950	1,072	2017/18	▲	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	87% (Q1 17/18)	85%	87.3%	Q2 17/18	▲	N/A
B Achievement of Directorate Delivery Plan actions	76% (Q3 17/18)	80%	76%	2017/18	▲	Council: 85%
B Projected achievement of risk mitigation activity	92% (Q3 17/18)	90%	92%	Q4 17/18	▲	Council: 93%
F Expenditure of revenue budget	100% (Q3 17/18)	100%	100%	2017/18		Council: 99.75%
F Attainment of savings targets	100% (Q3 17/18)	100%	100%	2017/18		Council: 96%
F Expenditure of capital budget	107% (Q3 17/18)	95%	94%	2017/18	▼	Council: 92%
P Employees with appraisal for current financial year	69% (2016/17)	95%	100%	2017/18	▲	Council: 99%
P Working time lost to sickness absence	3.46% (Q3 17/18)	4.33%	3.78%	To Mar 18	▼	Council: 4.86%
P Employees satisfied with working in their service area	80% (2016/17)	70%	89%	2017/18	▲	Council: 82%

Culture, Communities and Communications



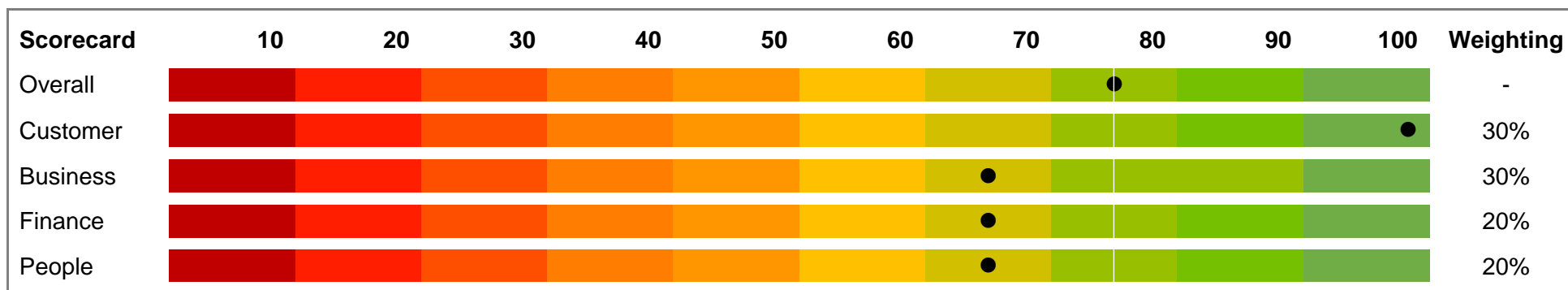
Measure	Last	Target	Current	Period	Trend	Benchmark
C Satisfaction with libraries / community hubs	New PI	70%	69%	2017/18	New PI	UK: 63% (Dec 17)
C Satisfaction with museums / galleries	New PI	70%	74%	2017/18	New PI	N/A
C Respondents feeling well informed about MBC services	New PI	60%	62%	2017/18	New 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)	75	26	2017/18	▲	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)	10,369 (Q3 17/18)	12,521	13,336	2017/18	▲	13,180 (2016/17)
B North East asylum seekers housed in Middlesbrough	16.23% (Q3 17/18)	27.5%	15.76%	2017/18	▼	UK rank # 4
B Success rates on Community Learning skills programmes	93% (Q3 17/18)	85.5%	93.4%	2017/18	▲	N/A
B Achievement of Directorate Delivery Plan actions	92% (Q3 17/18)	80%	92%	2017/18		Council: 85%
B Projected achievement of risk mitigation activity	95% (Q3 17/18)	90%	94%	Q4 17/18	▼	Council: 93%
F Expenditure of revenue budget	100% (Q3 17/18)	100%	100%	2017/18		Council: 99.75%
F Attainment of savings targets	100% (Q3 17/18)	100%	100%	2017/18		Council: 96%
F Expenditure of capital budget	103% (Q3 17/18)	95%	99%	2017/18	▼	Council: 92%
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%	4.08%	To Mar 2018	▼	Council: 4.86%
P Employees satisfied with working in their service area	92% (206/17)	70%	77%	2017/18	▼	Council: 82%

Environment and Commercial Services



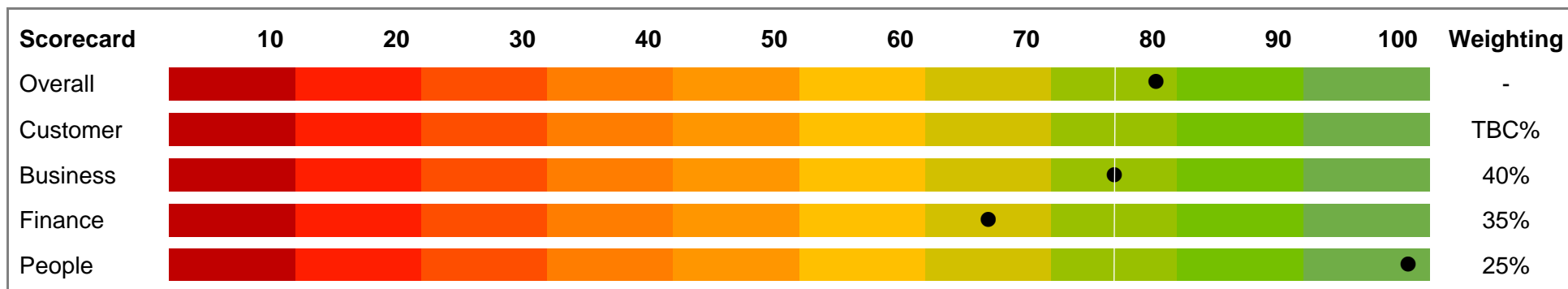
Measure	Last	Target	Current	Period	Trend	Benchmark
C Satisfaction with cleanliness of streets	New PI	70%	67%	2017/18	New PI	UK: 70% (Dec 17)
C Satisfaction with refuse and waste collection	New PI	70%	87%	2017/18	New PI	UK: 78% (Dec 17)
C Satisfaction with parks and green spaces	New PI	70%	79%	2017/18	New PI	N/A
C Average customer satisfaction with managed buildings and space	New PI	New PI	Due 18/19	Quarterly	New PI	N/A
C Average customer satisfaction with commercial services	New PI	New PI	Due 18/19	Quarterly	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%	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% (Q3 17/18)	88%	96%	Q4 17/18	▲	N/A
B Achievement of Directorate Delivery Plan actions	100% (Q3 17/18)	80%	100%	2017/18		Council: 85%
B Projected achievement of risk mitigation activity	100% (Q3 17/18)	90%	100%	Q3 17/18	▲	Council: 93%
F Expenditure of revenue budget	102% (Q3 17/18)	100%	100.6%	2017/18	▼	Council: 99.75%
F Trading performance of commercial services (projected)	New PI	+8% p.a.	Due 18/19	Q4 17/18	New PI	N/A
F Attainment of savings targets	51% (Q2 17/18)	100%	57%	Q3 17/18	▲	Council: 96%
F Expenditure of capital budget	90% (Q3 17/18)	95%	103%	2017/18	▲	Council: 92%
P Employees with appraisal for current financial year	88% (2016/17)	95%	93%	2017/18	▲	Council: 99%
P Working time lost to sickness absence	5.3% (Q3 17/18)	4.58%	5.3%	To Mar 18	▼	Council: 4.86%
P Employees satisfied with working in their service area	88% (2016/17)	70%	82%	2017/18	▼	Council: 82%

Public Health and Public Protection



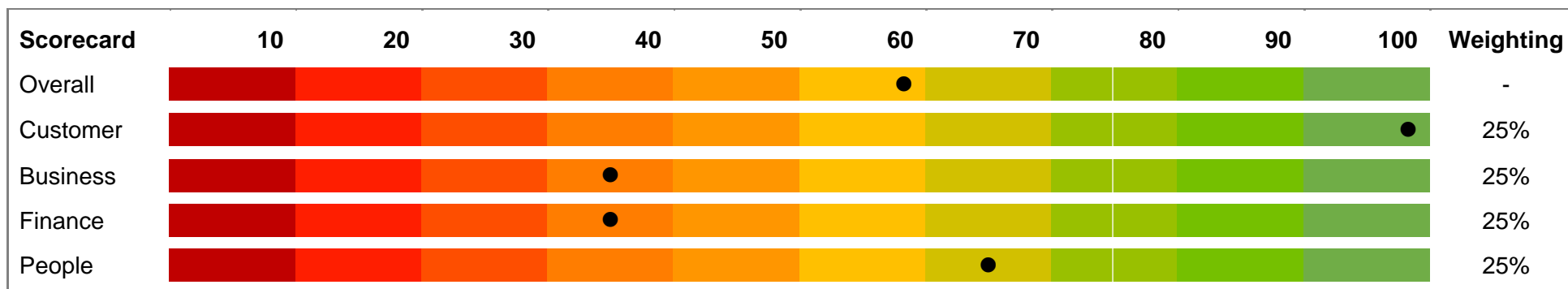
Measure	Last	Target	Current	Period	Trend	Benchmark
C Average satisfaction of clients with Public Health commissioned services	89.1% (Q3 17/18)	85%	90.9%	Q4 17/18	▲	N/A
C Satisfaction of business with local authority regulation services	94.5% (Q3 17/18)	90%	93.9%	Q4 17/18	▼	N/A
C Satisfaction with sports and leisure services 20/30/	New PI	70%	71%	2017/18	New PI	UK: 64% (Dec 17)
B Healthy life expectancy (males) – gap to national average (years)	-4.6 (2013-15)	-5.6	-5.5	2014-16	▼	ENG: 63.3 (2014-16)
B Healthy life expectancy (females) – gap to national average (years)	-4.3 (2013-15)	-2.6	-5.1	2014-16	▲	ENG: 63.9 (2014-16)
B Healthy life expectancy (males) – gap most: least affluent wards (years)	12.9 (2012-14)	-11.6	12.5	2014-16	▼	N/A
B Healthy life expectancy (females) – gap most: least affluent wards (years)	12 (2012-14)	-11.9	13	2014-16	▲	N/A
B Early deaths from all causes (standardised mortality <75)	478 (2013-15)	484	499	2014-16	▲	ENG: 334 (2016)
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% (Q3 17/18)	85%	97%	Q4 17/18	▲	N/A
B Attendances at Leisure Centres	623,445 (Q3 16/17)	818,856	846,644	2017/18	▲	N/A
B Achievement of Directorate Delivery Plan actions	100% (Q3 17/18)	80%	100%	Q4 17/18		Council: 85%
B Projected achievement of risk mitigation activity	100% (Q3 17/18)	90%	100%	Q4 17/18		Council: 93%
F Expenditure of revenue budget	77% (Q3 17/18)	100%	80%	2017/18	▲	Council: 99.75%
F Attainment of savings targets	100% (Q3 17/18)	100%	100%	2017/18		Council: 96%
F Expenditure of capital budget	100% (Q3 17/18)	95%	109%	2017/18	▲	Council: 92%
P Employees with appraisal for current financial year	92% (2016/17)	95%	100%	2017/18	▲	Council: 99%
P Working time lost to sickness absence	2.66% (Q3 17/18)	1.51%	2.63%	To Mar 2018	▼	Council: 4.86%
P Employees satisfied with working in their service area	75% (2016/17)	70%	82%	2017/18	▲	Council: 82%

Education



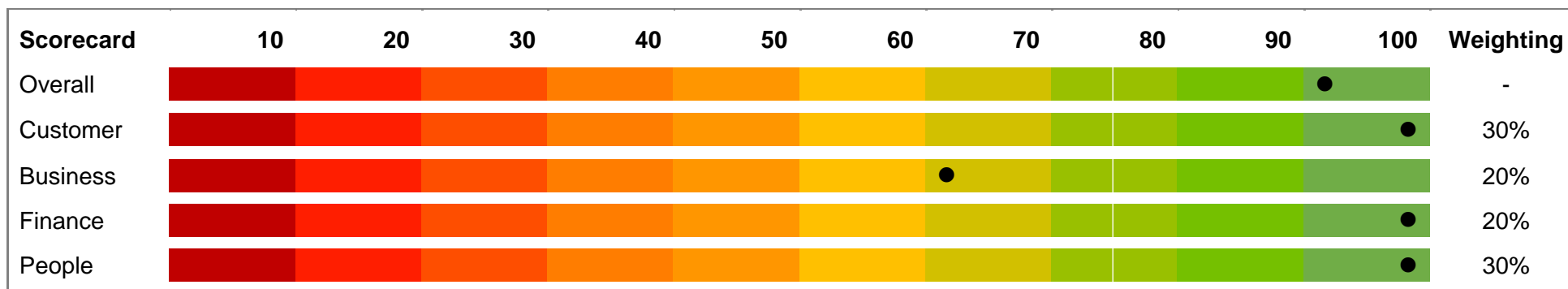
Measure	Last	Target	Current	Period	Trend	Benchmark	
C	Customer quadrant to be reconsidered in 2018/19 – Scorecard weightings will then be redistributed.						
B	Children meeting Early Years 'Good Level of Development' measure	60.3% (2015/16)	64.8%	63.2%	2016/17	▲	ENG: 70.7%
B	Pupils attending a school judged 'Good' or better by Ofsted	88.7% (Nov 17)	82%	88.7%	At Feb 18		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%	58.4%	2016/17	▲	ENG: 59.1%
B	Attendance rate in secondary schools	93.1% (2015/16)	94.8%	93.2%	2016/17	▲	ENG: 94.8%
B	Education Health & Care Plans completed within 20 weeks	96.1% (Jan-Dec 17)	70%	94.9%	Jan 17-Jan 18	▼	ENG: 55.65% (2016)
B	Achievement of Directorate Delivery Plan actions	100% (Q3 17/18)	80%	100%	2017/18		Council: 85%
B	Projected achievement of risk mitigation activity	100% (Q3 17/18)	90%	75%	Q4 17/18	▼	Council: 93%
F	Expenditure of revenue budget	100% (Q3 17/18)	100%	100%	2017/18		Council: 99.75%
F	Attainment of savings targets	100% (Q3 17/18)	100%	100%	2017/18		Council: 96%
F	Expenditure of capital budget	103% (Q3 17/18)	95%	89%	2017/18	▼	Council: 92%
P	Employees with appraisal for current financial year	78% (2016/17)	95%	100%	2017/18	▲	Council: 99%
P	Working time lost to sickness absence	3.12% (Q3 17/18)	3.81%	2.47%	To Mar 18	▼	Council: 4.86%
P	Employees satisfied with working in their service area	88% (2016/17)	70%	85%	2017/18	▼	Council: 82%

Children's Care



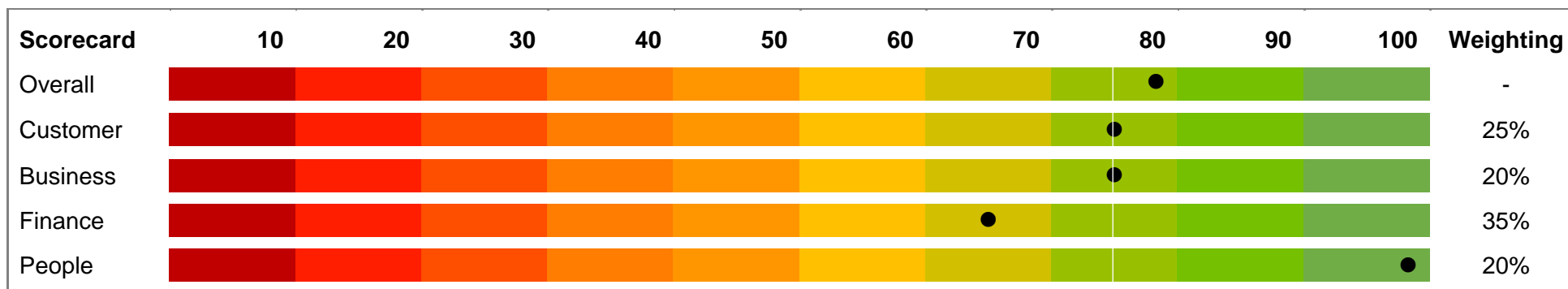
Measure	Last	Target	Current	Period	Trend	Benchmark
C Customer satisfaction with Children's Care	70% (Q2 17/18)	70%	96%	Q3 17/18	▲	N/A
B Actual demand as % of predicted demand	98.7% (Q3 17/18)	95.3%	95.4%	Q4 17/18	▼	N/A
B Number of referrals to Children's Care	1,976 (Q3 17/18)	2,500	2,753	2017/18	▲	N/A
B CPP rate per 10,000	78.9 (Q3 17/18)	81.6	82.66	2017/18	▲	Family Group: 63.7 (2016/17)
B LAC rate per 10,000	136.1 (Q3 17/18)	130.6	141	2017/18	▲	Family Group: 102 (2016/17)
B LAC – Residential placements within Middlesbrough	82.4% (Q3 17/18)	55%	83%	Q4 17/18	▲	N/A
B LAC – Cases reviewed within required timescales	63.5% (Q3 17/18)	75%	74.1%	2017/18	▲	N/A
B LAC – Continuous assessments completed within 45 working days	67.8% (Q3 17/18)	90%	65%	2017/18	▼	N/A
B Caseload per social worker (non-ASYE)	24.4 (Q3 17/18)	20	21.1	2017/18	▼	N/A
B Achievement of Directorate Delivery Plan actions	33% (Q3 17/18)	80%	33%	2017/18		Council: 85%
B Projected achievement of risk mitigation activity	100% (Q3 17/18)	90%	100%	Q4 17/18		Council: 93%
F Expenditure of revenue budget	103% (Q3 17/18)	100%	105%	2017/18	▲	Council: 99.75%
F Attainment of savings targets	100% (Q3 17/18)	100%	100%	2017/18		Council: 96%
F Expenditure of capital budget	76% (Q3 17/18)	95%	91%	2017/18	▲	Council: 92%
P Employees with appraisal for current financial year	76% (2016/17)	95%	100%	2017/18	▲	Council: 99%
P Working time lost to sickness absence	7.85% (Q3 17/18)	5.73%	7.4%	To Mar 18	▼	Council: 4.86%
P Employees satisfied with working in their service area	90% (2016/17)	70%	71%	2017/18	▼	Council: 82%

Prevention and Partnerships



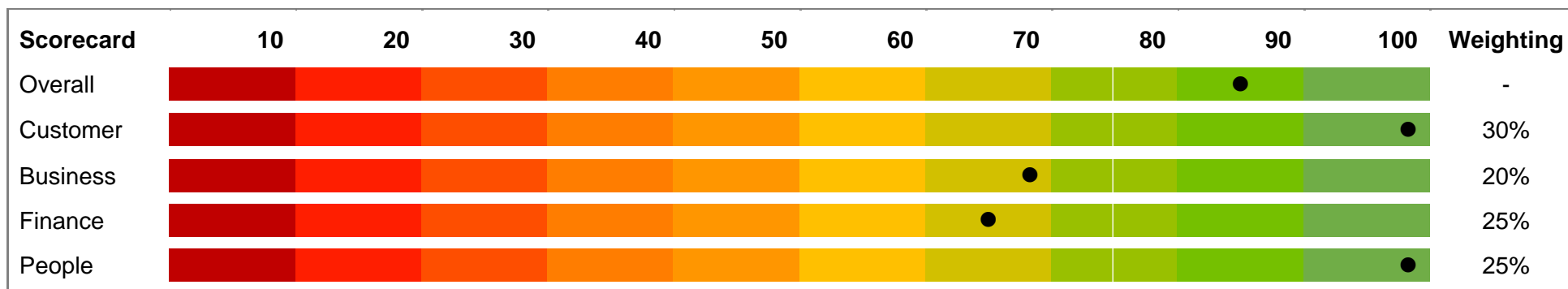
Measure	Last	Target	Current	Period	Trend	Benchmark
C Customer satisfaction with Stronger Families	96.5% (Q3 17/18)	80%	99.7%	Q4 17/18	▲	N/A
C Victims of youth crime satisfied with the service	100% (Q3 17/18)	70%	100%	Q4 17/18	▬	N/A
B Children identified for nursery readiness interventions engaged	71.4% (Q3 17/18)	65%	76.7%	Q4 17/18	▲	N/A
B MBC Early Help assessments active	451 (Q3 17/18)	250	519	Q4 17/18	▲	N/A
B Stronger Families casework resulting in positive outcomes	70% (Q3 17/18)	80%	75.7%	Q4 17/18	▲	N/A
B Troubled Families w/ sustained and measured positive outcomes	75 (Q2 17/18)	200	211	Apr-Dec 17	▲	N/A
B U18 conceptions rate per 1,000	27.6 (Q2 16/17)	29.9	37.4	Q3 16/17	▲	UK: 17.7
B Rate of proven re-offending by young offenders	0.84 (Q2 17/18)	1.16	1.18	Q3 17/18	▲	N/A
B 16-17 year olds not in education, employment or training (NEET)	5.9% (Dec 16-Feb17)	<6.6%	4.2%	Dec 17-Feb 18	▼	ENG: 6.0%
B 16-17 year olds with suitable offer of learning	97.1% (Q3 17/18)	94%	97.1%	Q4 17/18	▬	ENG: 94.5%
B Achievement of Directorate Delivery Plan actions	60% (Q3 17/18)	80%	60%	2017/18	▬	Council: 85%
B Projected achievement of risk mitigation activity	100% (Q3 17/18)	90%	80%	Q4 17/18	▼	Council: 93%
F Expenditure of revenue budget	93% (Q3 17/18)	100%	100%	2017/18	▲	Council: 99.75%
F Attainment of savings targets	100% (Q3 17/18)	100%	100%	2017/18	▬	Council: 96%
F Expenditure of capital budget	100% (Q3 17/18)	95%	99%	2017/18	▼	Council: 92%
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	4.32% (Q3 17/18)	4.87%	4.65%	To Mar 18	▲	Council: 4.86%
P Employees satisfied with working in their service area	N/A	70%	84%	2017/18	N/A	Council: 82%

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	8,347 (Q3 17/18)	11,000	10,995	2017/18	▼	N/A
B Social Care clients receiving Self-Directed Support	100% (Q3 17/18)	100%	100%	2017/18		ENG 15/16: 86.9%
B 65+ year olds still at home 91 days after discharge into reablement / rehab	93% (Q3 17/18)	80%	87.5%	2017/18	▼	ENG 15/16: 75.7%
B People in a permanent nursing or residential setting per 100,000	839 (Q3 17/18)	<854	841	Q4 17/18	▲	N/A
B Permanent admissions to residential / nursing care homes per 100,000	169 (Q3 17/18)	260	241	Q4 17/18	▲	ENG 15/16: 260
B Delayed transfers of care from hospital per day per 100,000 attributable to ASC	14 (Q3 17/18)	19	21%	Q4 17/18	▲	ENG 15/16: 4.7
B %age of reablement episodes achieving identified goals	62.5% (Q3 17/18)	75%	78%	Q4 17/18	▼	N/A
B Achievement of Directorate Delivery Plan actions	100% (Q3 17/18)	80%	100%	2017/18		Council: 85%
B Projected achievement of risk mitigation activity	44.44% (Q3 17/18)	90%	87%	Q4 17/18	▲	Council: 93%
F Expenditure of revenue budget	100% (Q3 17/18)	100%	99%	2017/18	▼	Council: 99.75%
F Attainment of savings targets	100% (Q3 17/18)	100%	100%	2017/18		Council: 96%
F Expenditure of capital budget	104% (Q3 17/18)	95%	70%	2017/18	▼	Council: 92%
P Employees with appraisal for current financial year	82% (2016/17)	95%	100%	2017/18	▲	Council: 99%
P Working time lost to sickness absence	5.63% (Q3 17/18)	6.68%	5.88%	To Mar 18	▲	Council: 4.86%
P Employees satisfied with working in their service area	87% (2016/17)	70%	90%	2017/18	▲	Council: 82%

Finance, Governance and Support



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% (Q3 17/18)	70%	84.3%	2017/18	▲	Council: 82.5%
C Elected member satisfaction with support services	100% (2016/17)	70%	91%	2017/18	▼	N/A
B Service transactions undertaken via MBC website	144,635 (Q3 17/18)	79,400	255,162	2017/18	▲	N/A
B ICT transactions undertaken via digital service desk	New PI	40%	44%	Q4 17/18	New PI	N/A
B Housing Benefit – average days to process changes of circumstances	20.19 (Q3 17/18)	13	13.9	2017/18	▼	N/A
B Council Tax collected in-year	78.44% (Q3 17/18)	94.3%	92.8%	2017/18	▲	ENG: 97.1% (2015/16)
B Business Rates collected in-year	82.74% (Q3 17/18)	98.7%	98.9%	2017/18	▲	ENG: 98.2% (2015/16)
B Teesside Pension Fund – performance against benchmark	10.9% (Q2 17/18)	11.1%	11.3%	Q3 17/18	▲	N/A
B Achievement of Directorate Delivery Plan actions	70% (Q3 17/18)	80%	70%	2017/18		Council: 85%
B Projected achievement of risk mitigation activity	94% (Q3 17/18)	90%	93%	Q4 17/18	▼	Council: 93%
F Expenditure of revenue budget	95% (Q3 17/18)	100%	94%	2017/18	▼	Council: 99.75%
F Attainment of savings targets	100% (Q3 17/18)	100%	100%	2017/18		Council: 96%
F Expenditure of capital budget	113% (Q3 17/18)	95%	77%	2017/18	▼	Council: 92%
F % of Council expenditure on local goods and services	43% (Q3 17/18)	25%	31%	Q4 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	3.00% (Q3 17/18)	3.19%	3.01%	To Mar 18	▲	Council: 4.86%
P Employees satisfied with working in their service area	81% (2016/17)	70%	81%	2017/18		Council: 82%

Appendix 3: 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).	REGEN	4	5	20	
Inability to secure funding for schools from developers or other sources.	EDUC	4	5	20	*New*
MTFP process failures e.g. incorrect assumptions resulting in unforeseen / unmitigated 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.	REGEN / CCC	3	5	15	
Increased risk of harm to children and young people, in particular due to instability caused by Social Care transformation.	ChC	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.	ChC / EDUC	3	5	15	
Reduced outcomes and incurred costs through failure to implement effective strategic and delivery partnerships.	All	3	5	15	
Failure to deliver required transformation of services, culture change or savings.	All	3	5	15	
Failure to have in place a detailed approach to the EU General Data Protection Regulation.	FGS	3	5	15	*New*
Failure to respond effectively and efficiently to legislative changes places the Council in breach of statutory duties.	All	2	7	14	
Failure to improve SEND arrangements.	EDUC	2	5	10	*New*

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.

Risk	Directorates affected	Current risk level			Trend
		Probability	Impact	Score	
Corporate governance failure.	FGS	3	3	9	*New*
Inability to recruit and retain key staff.	FGS	3	3	9	*New*
Centre Square Development does not deliver financial return / savings.	REGEN	3	3	9	*New*
Corporate values are not owned and embedded.	FGS	3	3	9	*New*