

Member Report

Resources – Portfolio Update



Report to: Borough Council
Report from: Cabinet Member for Resources
Portfolio: Resources
Report Date: 11 April 2024

1.0 Introduction

- 1.1. When I was appointed as the Cabinet Member for Resources last May, it was very evident that the key task for me would be to pick up where my predecessor left off in trying to ensure the financial sustainability of the Council.
- 1.2. As members are very aware, local authority finances are stretched, with factors such as inflation as well as the increased demand and costs of delivering vital services impacting councils across the country. This has seen some local authorities effectively go bankrupt, being unable to provide services within their budget. In the last six years, eight local authorities have issued a section 114 notice, notifying government of severe financial distress, compared with zero authorities declaring such a notice between 2001 and 2018.
- 1.3. Thankfully we are not in that position, but it was very apparent upon taking up my role that without decisive action that could be the case in the future. The Local Government Information Unit have stated that, without reform to local government funding, there is a risk that up to half the Councils in England will go bankrupt in the lifetime of the next parliament.
- 1.4. To tackle our financial issues at Redcar and Cleveland, this administration has sought the views of all councillors and members of staff. As members will recall over the summer months, we held several cross-party budget and transformation workshops, as well as two all-member conferences, where we worked as a team to identify solutions for balancing the budget.
- 1.5. Such is the position that local authorities are in, with resources having reduced for more than a decade, there were no easy options for balancing the budget. In effect, our options were reducing and streamlining service delivery or generating additional income. In reality, our challenge was so great that the Council has needed to use both options. I thank members for positively engaging in the budget setting process through the conferences and workshops referenced above, however as we have a legal responsibility to balance the budget, we had to take some difficult decisions.
- 1.6. Consequently, the February Borough Council meeting approved a balanced budget for the 2024/25 financial year. This included £16.4m of service investments and £7.6m of budget savings over the next year, alongside

increasing our taxation and fees and charges income.

- 1.7. We hope that taking these tough decisions will pay dividends and place the council on a sound financial footing, however without assurance over a longer-term funding settlement from government, and the unrelenting trajectory of spend in statutory services it would be unrealistic to suggest that we will not have further difficult decisions over the coming years.
- 1.8. A Local Government Information Unit [survey](#) in February 2024 showed that over 92% of councils reported financial issues due to inflation and the cost of living crisis, and that, consequently, 91% of councils, were planning to raise their Council Tax. In addition, a [Local Government Association survey](#) of member councils in the same month, showcased that 85% of councils – and 99% of single-tier or county councils - would need to make cost savings, even after additional government funding was granted in January 2024.
- 1.9. A House of Commons Committee Report on [Financial Distress in Local Authorities](#) published in January 2024 predicted local authorities face a £4 billion funding gap over the next two years, echoing a previous calculation [by the LGA](#) in December 2023.
- 1.10. The Council and the Resources portfolio must continue to tackle these national challenges and ensure that our 2024/25 budget is implemented in full, whilst continuing to explore further possibilities for cost reduction and income generation in very difficult times for local government.
- 1.11. Whilst, as you would expect, much of my time is dominated by such efforts and the budget as a whole, there is lots of other good work, that often goes unseen, within my portfolio area. Through this report I would like to share some details of the work within my portfolio area, highlighting some of the work we have been doing, as well as some of the things we'll be looking at in the future.
- 1.12. By way of reminder my portfolio incorporates the work of several interdependent teams, including Financial Services, Legal Services, Human Resources, Governance, Information Technology, Business Support, Communications and Strategic Policy. Much of the work highlighted is very much a product of the whole team.

2.0 The Corporate Plan

- 2.1 At the Borough Council meeting in December a new Corporate Plan was agreed for the council. This plan sets out our priorities for both the council and the local area. The priorities cut across all council services, striving to give young people the best start in life, supporting residents to live healthy lives and age well. This is alongside prioritising making the borough a great place to live through supporting job creation, as well as doing our best to look after the environment now and in the future.
- 2.2 Whilst, given the financial climate facing the council, it may not be possible to deliver positive change at the pace or extent that we would like, we still need to be clear about what is most important, so we can direct resources accordingly.

To take forward the priorities, a number of key strategies have been, or will be, developed to set out exactly what we will do. These will be supported by a range of actions and performance measures, with progress reported to elected members. This will enable colleagues both in the Chamber and at Committee meetings to drive improvement and ensure accountability.

2.3 Whilst the work of my portfolio cuts across all council priorities, my key emphasis will be on the priority to ensure that the organisation is strong and sustainable. The management of the budget, legal and democratic compliance, and workforce are all key to this. My portfolio will however also oversee an exciting piece of work that has been initiated to develop a new Volunteering Strategy. This strategy, which members are helping to shape through a task and finish group, will be key in shaping the council's volunteering offer and encouraging community participation.

3.0 Workforce

3.1 In December Cabinet approved a new Workforce Strategy. This document sets the strategic direction for the management of the workforce between 2023 and 2027. The priorities included within the document are set out below. Whilst this section of this report is very much a backward look, it will be the priorities which form the basis of future updates.

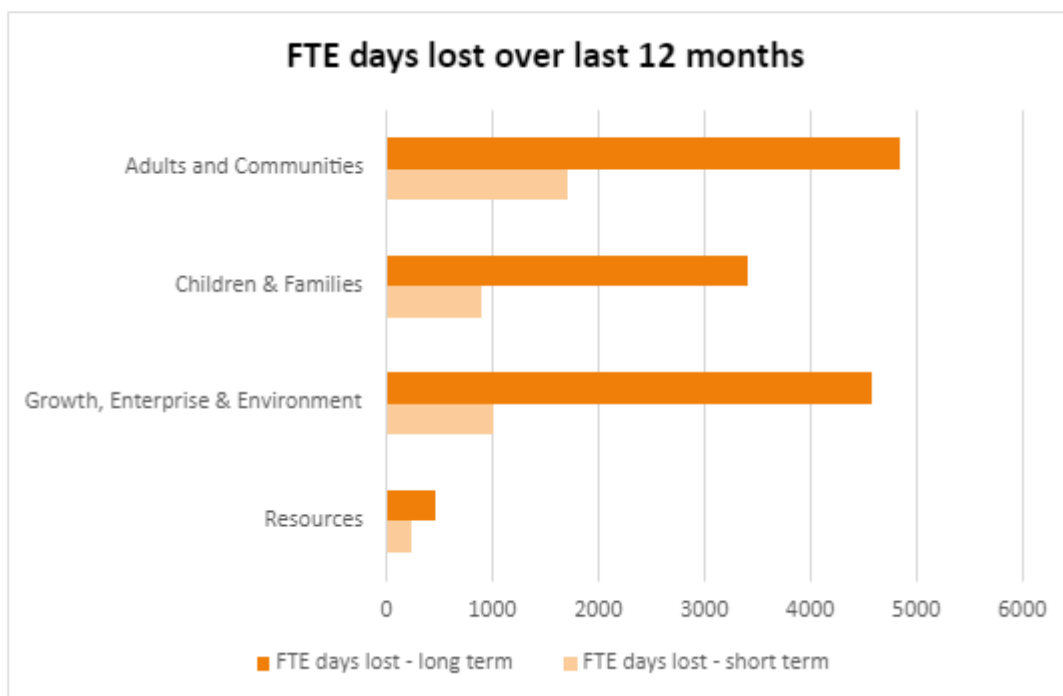
- Delivering our future
- Building leadership capacity
- Developing our workforce
- Being a great employer
- Supporting our young people and bringing in new talent
- Inclusive workforce – ensure everyone has a voice.

3.2 One of the most positive areas of my portfolio is the work we do to support young people into good, well-paid jobs. The council's apprenticeship scheme very much does this, helping to bring young people with fresh ideas and energy into the organisation. The Apprenticeship Levy also provides opportunities for existing staff to access high-quality training to aid their career development. The council secured a Princess Royal Training Award in December 2023 in recognition of the excellent work that is being done.

3.3 For the year 1 April 2023 to 31 March 2024 the organisation set itself a target of initiating 54 apprenticeships. I am happy to report that we achieved this target with 32 new apprentices starting in the organisation, as well as 22 existing members of staff starting an apprenticeship, utilising the funding from the Apprenticeship Levy. The Levy requires all organisations with a payroll over £3 million to pay 0.5% through PAYE. The money can then be drawn down from government to invest in apprenticeships and higher-level apprenticeships for staff. The council spent the full allocation available through the Apprenticeship Levy last year, which is not the case for all local authorities.

3.4 At the January Borough Council meeting colleagues in the Chamber sought details of the organisation's sickness absence rate. Further information is provided below.

3.5 For the rolling year 1 March 2023 to 29 February 2024, the organisation lost an average of 9.48 days per full-time equivalent member of staff which equates to 17,639 days lost. The following graph breaks this absence down by short-term and long-term across directorates.



3.7 Although sickness absence is higher within the Council post Covid, at the end of the 2022/2023 financial year we were the best performing Council in the Tees Valley when it comes to sickness absence. With respect to 2023/24, the half-year position April to September indicated that we were comparable to Hartlepool and Darlington but have had slightly less sickness absence than Stockton. The break down of the half-year position is as is set out in the following table (The full-year figures are due to be available in the coming weeks).

Tees Valley Council	Half year Outturn 2023/24	Half year Outturn 2022-23
Darlington	4.34	4.87
Hartlepool	4.36	5.21
Middlesborough	Not provided	
Redcar & Cleveland	4.38	4.44
Stockton	4.9	4.9

3.8 Some of the measures to support staff in the workplace include occupational health to manage health related issues and ensure staff are physically fit for their role. In addition, the organisation utilises a counselling service for staff as well as physio. Upon staff returning from sickness managers are mandated to do a return-to-work interview and a sickness absence review if necessary. Through these meetings, the individual needs of staff are considered and actioned as appropriate.

- 3.9 As set out in the Organisational Plan agreed at Cabinet in March, further detailed information on sickness absence is to be reported through the Employment Health and Safety Committee on a quarterly basis.
- 3.10 As members will be aware recruiting and retaining staff is a challenge across the local government sector. The organisation has undertaken several pieces of work in recent months to aid recruitment. This includes the digitalisation of the recruitment process through the North East Jobs platform, which has improved the speed and efficiency of getting to the recruitment market. In addition, a bespoke jobs and recruitment microsite launches this month for jobs at the council. This will be underpinned by improved internal processes which ensure jobs are posted at the same time each week.
- 3.11 The council along with the other northeast local authorities have worked with the LGA to pilot a national recruitment campaign. The early feedback has shown that this campaign has significantly increased the number of 'hits' on the North East Jobs platform, with all authorities seeing an increase in completed applications. The LGA will be presenting feedback on the campaign to national government, after which it is hoped that a national recruitment campaign will be launched for local government.
- 3.12 To ensure safety in the workplace the organisation has a range of systems and processes in place. Accident data shows that from 1 April 2023 there were a total of 87 incidents reported. These consisted of 80 minor accidents, one major and six +7day reportable incidents. Of the six 7+ day reportable, one related to manual handling, three slips, trips, falls, one hit by a vehicle moving forwards, one hit by an object when using machinery. The one major accident was caused by a slip, trip or fall. Absences for more than seven consecutive days due to an accident are required to be reported separately under RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations). During the 2022/23 year, there were 78 incidents, they consisted of 66 minor, four major and eight +7day incidents. Although overall we have seen an increase in incidents, we have seen a decrease in both major incidents and +7day absence incidents.
- 3.13 In order to deliver upon the organisation's Equality, Diversity and Inclusion Policy key work has been undertaken to launch a mandatory e-learning module which over 1,000 staff have undertaken. This module is available to members through the organisation's e-learning system, should colleagues wish to access it. As well as this, legislation requires that the authority produces annual gender pay gap and workforce profile reports. Whilst these are available on the council [website](#), key points of note are that the authority has a 9.7% pay gap in favour of women. The gender pay gap is not to be confused with equal pay, men and women doing the same job are paid the same. From a workforce profile perspective, the key point of note is that over 30% of the council's workforce is over 55 years of age.

4.0 Governance, Registration and Legal

- 4.1 Whilst the local elections last May seem like a bit of a distant memory with so much work having taken place since, they were undertaken in between this

report and that of my predecessor in February 2023. The management of the elections is a significant task, with lots of work going on behind the scenes before the public facing election day and count to ensure that they run smoothly and are compliant with legislation. With mayoral, Police and Crime Commissioner elections taking place in May and a general election to be held no later than 28 January 2025, the next municipal year will be another busy year for the team. It is also important to recognise all the work that was done to enable us elected members to hit the ground running, from the comprehensive induction through the practical things like getting our IT kit and passes sorted.

- 4.2 The Elections Act 2022 introduced several new provisions. Some of these provisions were introduced ahead local elections in May 2023, including Voter ID and accessibility requirements at polling stations. Residents without Voter ID can apply for a Voter Authority Certificate. At present around 93% of eligible voters are registered to do so. To date 486 Voter Authority Certificates have been issued. Other measures are being rolled out over the next year, including changes in absent vote application processes and time limits, new rules about postal vote handing, proxy voting limits, overseas voters and EU citizens' rights.
- 4.3 In the first ten months following the local elections 2,939 queries were received through the member enquiry system. When the enquiry system was initially introduced it was on the back of some concern being expressed by elected members that their enquiries were not being captured and actioned. Whilst there is still some work to do to ensure that all requests are fully dealt with, the system is a real step forward in the coordination of requests from colleagues. The constructive feedback provided by members is very much appreciated and useful in helping us to continually improve the service. Whilst answering and resolving the queries which come in is a whole team effort, the work by the small team who process so many requests, acting as a conduit between members and services is invaluable. For illustrative purposes in addition to the member enquiries, 1,159 Freedom of Information requests and 130 corporate complaints were received by the same team between April 1 2023 and 31 March 2024 all of which require a considered response.
- 4.4 As I highlighted at the start of this report, much of the work undertaken within my portfolio goes unseen and at times goes unnoticed until something does not work. For example, much work goes into ensuring the smooth operation of the decision-making processes of the council. Since the elections last year, there have been 95 formal council committees, which were all legally compliant. In addition to this the team supports the Police and Crime Panel. Work has also been undertaken to improve the accessibility to decision making through the continued development of the ModernGov system on the council's website.
- 4.5 A slight cause for concern is the number of elected member code of conduct complaints. There have been 31 (18 Borough, 13 Parish) since the elections in May 2023, compared to 83 between 2019 and 2023. There are a number of factors giving rise to this position but the increasing use of social media is generally viewed as a key factor in the rise in complaints. Whilst code of conduct issues of course must be managed professionally and in accordance with required procedures, the process takes time and resource to manage.
- 4.6 In 2023 government consulted on a new code for the management of

complaints. In line with the new code, a new Corporate Complaints and Compliments Procedure has been developed and will be reported to Governance Committee in the coming weeks. The key changes in the procedure relate to the timescales for responding to complaints, moving to a two-stage process as well as the requirement for an annual complaints and improvement report, reflecting on changes and lessons learned from complaints.

- 4.7 An area that perhaps members may not know sits within the Resources portfolio is the Registration Service. This team works hard to ensure legal compliance with civil registration legislation. They provide a statutory public facing service, working with residents and stakeholders locally and in the wider community, in some of the best, but also most sensitive and challenging times. The service has been under real pressure in recent times, like most registration services across the country, with increasing service demands across all aspects of registration provided by the small team, including the registration of births, deaths, marriages and citizenships.
- 4.8 During 2023-24, the service accepted of 943 notices (930 of marriage and 13 notice of civil partnership) facilitating marriage and civil partnership ceremonies across the Borough and elsewhere; solemnised 382 marriage ceremonies and performed 2 civil partnership ceremonies within the Redcar and Cleveland Borough. The ceremony demand continues to be strong in the Borough, in part as a result of a long period of restrictions associated with the pandemic, but also due to the number of attractive venues across Redcar and Cleveland.
- 4.9 The team has worked closely with colleagues in Children's Services to pilot birth registration/declaration appointments in some of our family hubs, a service offering which has been widely welcomed by residents providing them with the option to complete the registration closer to home rather than travel to the Register Office.
- 4.10 The coming year will see some changes with death certificate reform and the imminent implementation of the Medical Examiner, who is an NHS employee, as a statutory function supporting longer term plans to move towards the digitisation of the Registration Service. This will see all deaths scrutinised by the Medical Examiner who will then electronically transfer the medical certificate to the registrars, or, if required, make a referral to the coroner, removing the need for family members to collect and transfer documentation themselves. The five day key performance target time frame for registering deaths will run from the point of receipt of the medical certificate by the registrars rather than the date of death, which will likely have a positive impact on performance against the target by removing the impact of delays in the issue of the medical certificate. Other than the introduction of the Marriage Schedule System in 2021, this is one of the biggest changes to this statutory and legal function in hundreds of years.
- 4.11 In 2023 the value of regeneration and growth projects spend in Redcar and Cleveland was £26.6 million. This money came from several sources, to fund a variety of different initiatives, with each project requiring a range of contractors to deliver upon various stages of work. The Procurement and Legal teams do a lot of work to support these projects, ensuring legal compliance when appointing contractors. The team actively champion buying local, ensuring the money goes into the pockets of local suppliers. In total, which takes account of all council

services, £61.5 million was spent in the borough in 2023.

- 4.12 The Legal team also plays a key role in helping to keep our communities safe. In the period since the local elections there have been eleven successful Closure Orders. These have been a mixture of residential closures and also some Trading Standards closures. This is alongside the work done for prosecutions relating to unacceptable behaviour. The team also does a lot of work to support processes such as planning, conveyance and contract law.
- 4.13 As colleagues will be aware, recent times, especially the COVID pandemic, have strengthened the case for having robust business continuity arrangements in place, so when something unexpected occurs, the council can continue to provide services. Over the last year the team has done some good work to further strengthen arrangements including stress testing business continuity plans in critical services through planned exercises which consider a wide range of scenarios, introducing business continuity training for new managers as well as reviewing business continuity plans across the organisation to ensure that they are robust. This, of course, is in addition to risk management whereby work is done to pre-empt and mitigate risk to avoid the potential for something going wrong. Our risk management arrangements were recently audited by Veritau who gave “substantial assurance”.

5.0 Financial Services, IT and Communication

- 5.1 As the council’s budget underpins all that the organisation does, influencing the shape and level of services which are provided to residents, it has a very high profile. It is however sometimes the case that the work undertaken to manage the budget has less prominence. A great deal of work has been done by the finance team to mitigate in-year financial pressures, managing spend control measures, processing payments and overseeing the development of the council’s accounts.
- 5.2 A key team within Financial Services is the Local Taxation and Support team. As well as having the important role of overseeing work with respect to council tax and business rates, a lot of work is and will continue to help people in need of financial support. In 2023, 1,329 residents received financial support through the team. Much of this was through the Household Support Fund which provided two payments per year for families in receipt of council tax support. This Fund has been extended by the government from April 2024 until the end of September 2024, but no future schemes after this date have yet been announced.
- 5.3 The council’s Digital Strategy sets out the organisation’s approach to the digitalisation of services, improving efficiency and accessibility. Since the last portfolio report for Resources key work has been taken forward to further digitalise services. A good example of this is the development of the online portal for accessing council services. There are now 81 services available and being accessed through the portal, with over 21,500 accounts. Positive steps have also been undertaken in the development of the organisation’s online presence with 2.3 million unique page views to the council’s website in 2023.
- 5.4 Such is the nature of IT that when it is working well, we can take for granted all the work that goes on behind the scenes to enable us to do our jobs as well as

help to connect residents with our services. It is sometimes when things go wrong that we become more aware and need professional support, each month the IT service desk receives in the region of 1,200 calls, as well as in the region of 1,500 tickets raised through self-service with people needing help with their IT. Around of 90% of these requests are dealt with in the month they are opened.

- 5.5 Over the last year the team has undertaken important work to improve our IT infrastructure, as well as further enhance the security of the network. Improvement works have included integrating telephones into Teams, removing the need for phones in buildings, consolidating services on more efficient hardware saving energy and costs as well as investing in Microsoft Sentinel to improve security.
- 5.6 Keeping in touch and engaging with our residents and service users is a key priority for the council. The Communications Team has worked hard to ensure that residents are kept up to date with all that the authority does, utilising different platforms and mixed methods such as live videos. This work has seen the council's Facebook audience grow by over 2,000 to 23,500. A single Facebook post this year reached over 98,000 accounts with over 38,000 engagements. This social media is in addition to core media relations and marketing work as well as the production of the council magazine. The team has also launched a residents' newsletter which is issued monthly. The Communications Team has also been central in developing microsites for recruitment and volunteering and developing a new Public Information Network site for social care.

6.0 Summary

- 6.1 As indicated at the beginning of this report, it has been a challenging start to my role in this important portfolio. We have however taken steps to seek ensure that the organisation is strong and sustainable in the short term. Longer term sustainability will require a reduction in costs for statutory services, a continued reduction in the rate of inflation and greater certainty over future funding settlements. Whilst there is room for some optimism with significant economic development work going on in the borough, which has the potential to generate additional business rates, further difficult decisions may be required until any benefits of this potential economic growth are fully realised.
- 6.2 Finally, I would also like to thank the various teams within my portfolio for the work they do to keep the council running. As I indicated previously this work is often unseen, but it is vital and enables front line colleagues to get on and deliver services. I commend this report to Borough Council.