

MIDDLESBROUGH COUNCIL

COUNCIL

6 DECEMBER 2017

STRATEGIC PLANNING 2018-21

THE ELECTED MAYOR OF MIDDLESBROUGH

PURPOSE OF THE REPORT

1. This report:

- presents for initial consideration the Council's proposed strategic priorities for 2018-21, which once finalised following consultation, will form the basis of its Strategic Plan for this period;
- refreshes the Council's Medium-Term Financial Plan to 2020/21, reflecting and supporting the delivery of the proposed strategic priorities; and
- sets out proposed savings initiatives for this period, which, subject to consultation, will inform the 2018/19 Budget and those of future years.

EXECUTIVE SUMMARY

- In March 2018, the Council will update its medium-term Strategic Plan for the period 2018-21. In advance of this, this report sets out for stakeholder consultation the Council's proposed strategic priorities for this period, across the core themes of Business Imperatives, Physical Regeneration, and Social Regeneration (set out at Appendix A).
- The report also refreshes the Council's Medium-Term Financial Plan (MTFP) to 2020/21, reflecting and supporting the delivery of its strategic priorities. Following analysis of spending pressures and commitments against the anticipated funding position, the MTFP identifies that savings of £22.1m are required for the 2018-21 period.
- Proposals equivalent to £18.6m (£5.8m for 2018/19) have been developed from work undertaken to date within Phase 3 of the Council's Change Programme, and are set out at Appendices B-D. Appendices B and C are proposed for inclusion in the Council's 2018/19 revenue budget, which will be considered by Council on 7 March 2018. Those proposals in Appendix C will require stakeholder consultation, and assuming approval by Council, this will be completed alongside consultation on the proposed strategic objectives, by 31 January 2018. Proposals in Appendix D will be developed further for consideration in future budget setting.

- A further £3.5m in savings are required for 2019-21. It is anticipated that these will be identified via ongoing work within Phase 3 of the Change Programme and reported to Council in 2018/19 as part of the 2019/20 strategic planning process.
- This is a stable medium-term position for the Council, though it needs to be held against increased uncertainty in respect of the funding of local government in the medium to long-term, with the Government now signalling changes to policy proposals around local 100% retention of business rates. It now appears highly likely there will be a full Spending Review implemented for the 2020/21 financial year onwards. In response to this and other issues, the Council has undertaken a review of its General Fund balances, and has increased the targeted level to £7.5m (6.25% of net spending) by the end of 2021. This is in addition to the agreed contingency of £1.2m per annum across the current MTFP period.
- The Council will maintain its commitment to invest £76.8m 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. Additional capital resources of £10.320m are also available in the event that investment opportunities arise in the period to further grow the town's economic base and / or deliver revenue savings for the Council.
- Following consultation, the 2018/19 Budget setting report will be presented to Council for approval on 7 March 2018. The Strategic Plan for 2018-21 will then be presented to Council on 28 March 2018.

BACKGROUND

2. The Strategic Plan is the Council's overarching business plan, outlining its contribution to the Mayor's Vision for Middlesbrough and providing a broad overview of high-level improvement activity in the medium term, within the financial parameters outlined in its Medium-Term Financial Plan (MTFP). The Plan is central to the Council's corporate governance framework and is updated annually. It is also the basis of the Council's performance management framework, with progress reviewed on a quarterly basis and reported to Executive and Overview and Scrutiny Board.
3. In March 2017, Council approved a Strategic Plan for 2017-21 focused on investment, growth and efficiency, incorporating an MTFP and Investment Strategy for the same period. This report commences the process of refreshing the Strategic Plan for the 2018/21 period.

Strategic Plan to 2021

4. In the past year, the Council's approach to delivering the Mayor's Vision for Middlesbrough in 2025 – *Fairer, Safer, Stronger* has crystallised around three strategic themes:
 - **Business Imperatives** – Ensuring that the Council operates efficiently and effectively, so that Physical and Social Regeneration outcomes are maximised.

- **Physical Regeneration** – Investing in Middlesbrough to provide and improve facilities which act to increase the town’s reputation, create social opportunity, and improve the Council’s finances.
 - **Social Regeneration** – Working with our communities and other public service organisations to improve the lives of Middlesbrough’s residents.
5. Furthermore, the Middlesbrough Investment Prospectus (a key contributor to the ‘Physical Regeneration’ theme), launched in March 2017, has provided a new benchmark for key corporate strategies and plans.
6. As such, the opportunity will now be taken to introduce a more streamlined Strategic Plan, in the style of the Investment Prospectus, which will:
- set out clearly how the Council contributes to the Mayor’s Vision, and be organised around the three strategic themes outlined above;
 - celebrate successes and ‘sell’ the Council’s plans for the future;
 - be more useful in communicating the above the staff, partners, residents and businesses; and
 - inform a more streamlined approach to strategic performance management from 2018/19.
7. The Strategic Plan for 2018-21 will be presented to Council for consideration on 28 March 2018 following agreement of the 2018/19 Budget. To inform the development of the document, it is proposed that the Council consults on its proposed strategic priorities for the 2018-21 period, which are set out at **Appendix A**. The proposed priorities are consistent with the commitments and direction of travel outlined in the Middlesbrough Investment Prospectus, the agreed approach to the development of a Social Regeneration Strategy for the town, the Annual Governance Statement action plan, and other key improvement plans; and is reflective of feedback from recent Peer Reviews of the Council and its services undertaken by the Local Government Association.
8. The following sections of this report set out:
- the Council’s refreshed Medium-Term Financial Plan to 2020/21, reflecting and supporting the delivery of the proposed strategic priorities; and
 - the proposed savings initiatives for this period, which, subject to consultation, will inform the 2018/19 Budget, and those of future years.

MTFP to 2021

9. The Council maintains a MTFP that:
- accurately analyses the current financial climate and the medium-term horizon, including the range of spending pressures facing the Council;
 - addresses the savings requirements for 2018-21 and beyond, through transformational efficiency initiatives managed through Phase 3 of the Council’s Change Programme;
 - focuses investment on growing the town’s economic base to improve local prosperity, and secure a robust and independent income stream to fund the Council’s services; and

- utilises accumulated balances in a planned and prudent way to smooth out savings required year-on-year, and to pump prime transformational activity.

10. The following table summarises anticipated changes to the Council's financial position in the period to 2020/21:

	2018/19 £ms	2019/20 £ms	2020/21 £ms	Total £ms
Spending pressures	9.822	12.928	12.563	35.313
Government funding reductions	3.575	2.430	0.557	6.562
Local funding increases	(2.772)	(4.286)	(3.851)	(10.909)
Budget gap	10.625	11.072	9.269	30.966
Savings proposed	(5.755)	(6.134)	(6.739)	(18.628)
<i>Use of reserves</i>	<i>(4.870)</i>	<i>(3.802)</i>	<i>(0.200)</i>	<i>(8.872)</i>
In-year budget position (Savings to be identified)	0.000	1.136	2.330	3.466

11. The following assumptions have been applied in refreshing the Council's MTFP.

Spending pressures

Pay awards and inflation

12. There has been much debate recently about the potential lifting of the longstanding public sector pay cap, without any concrete proposals for local government. The current assumption of a 1% annual pay award has therefore been maintained at this stage.

13. Contractual inflation at a total cost of £5.0 million has been assumed in the period. No provision has been made for inflation for supplies and services; it is expected any inflationary pressures in this area will be met from efficiency savings.

14. While the long-term trend in inflation stands at circa 2.5%, the Council currently assumes a 1% p.a. rise in fees and charges. Proposals for changes to fees and charges have been considered as part of Phase 3 of the Change Programme, and are set out at Appendix B. If agreed by Council in March 2018, the proposed increases will form part of future medium-term financial planning.

Living Wage

15. In line with the 2025 Vision for Middlesbrough, the Council is committed to ensuring that its lowest paid employees receive the Living Wage Foundation hourly rate, and a total of £4.2m has been provided over the period to fund this commitment.

Living Wage Foundation	2018/19 £ms	2019/20 £ms	2020/21 £ms
Additional in-year	0.743	1.469	2.030
Cumulative	0.743	2.212	4.242

16. In addition, increases in the rebranded minimum wage (the National Living Wage), will impact upon organisations – principally care providers – who are contracted to carry

out functions on behalf of the Council. A further £2.6m has been allocated over the period to cover the increases in costs expected as a result of these pressures.

Statutory minimum wage (National Living Wage)	2018/19 £ms	2019/20 £ms	2020/21 £ms
Additional in-year	0.789	0.794	1.040
Cumulative	0.789	1.583	2.623

Demand pressures

17. The Council will continue to make provision for increased demand for children's social care. However, there are proposals within Phase 3 of the Change Programme (at Appendix B) to revise the service model to reduce and better manage demand, and as such it is expected that this funding will not be required.

Children's Social Care	2018/19 £ms	2019/20 £ms	2020/21 £ms
Additional in-year	1.500	1.500	1.500
Cumulative	1.500	3.000	4.500

18. At this stage, it has been assumed that no further funding will be required will be required to address demand growth within Adult Social Care and the Passenger Transport Service.

Government funding reductions

19. Government funding has been assumed to fall during the period to 2021. It is now not at all clear what the position on local retention of business rates will be, as the Government appears to be signalling changes to the policy proposals around 100% local retention. In addition, the potential impact of Brexit on the local economy remains the greatest risk to the Council's strategic objectives. It is highly likely there will be a full Spending Review implemented for the 2020/21 financial year onwards. At this stage, it is assumed that any changes will not result in a further reduction in Council funding for 2020/21:

Funding Stream	2018/19 £ms	2019/20 £ms	2020/21 £ms
Revenue Support Grant	4.517	4.575	11.959
Business Rates Top Up	(0.827)	(0.944)	(12.937)
New Homes Bonus	0.392	(0.085)	0.835
Housing Benefit Administration Grant	0.150	0.150	0.000
Education Services Grant	0.174	0.000	0.000
Public Health Grant	2.278	0.730	0.700
2017/18 ASC Support Grant	0.761	0.000	0.000
Improved Better Care Fund	(3.870)	(1.996)	0.000
Total:	3.575	2.430	0.557

Local funding increases

20. Local funding has been assumed to increase during the same period:

Funding Stream	2018/19 £ms	2019/20 £ms	2020/21 £ms
Council Tax: Core	(1.546)	(1.813)	(1.781)
Council Tax: Adult Social Care Levy	(0.983)	(0.983)	(0.000)
Local Share of Business Rates	(0.612)	(0.938)	(1.518)
Collection Fund surplus	0.921	0.000	0.000
Increases in fees and charges in line with inflation	(0.552)	(0.552)	(0.552)
Total:	(2.772)	(4.286)	(3.851)

21. While there is a direction of travel towards self-funding for local authorities, as noted above there is now increased uncertainty in respect of how and when this will be implemented. Previous assumptions in relation to local funding have therefore been maintained i.e. that from 2020, Government support to local government through the Revenue Support Grant will no longer exist, and councils will need to be self-funding, through Council Tax, Business Rates, and other localised sources of income. This is a major driver of the Council's Investment Strategy, with income of £4.8m per annum anticipated from activity set out in the Middlesbrough Investment Prospectus to 2019/20, when the Local Government Finance System is set to be reviewed.

22. As such, and in accordance with changes introduced by Government in 2015 on the limits for such increases, it is assumed that the Council will increase Council Tax by 1.99% per annum, and also apply the Adult Social Care Precept (as introduced by the then Chancellor of the Exchequer George Osborne in the November 2015 Spending Review) in every year of the period, to meet anticipated demand for social care. This is in line with the Government's own assumptions within the Local Government Finance Settlement (LGFS). This position will be kept under close scrutiny, and will again be reviewed ahead of the 2018/19 Budget setting report to be brought forward in March 2018.

23. In the 2017/18 LGFS the Government introduced the flexibility for councils with responsibility for Adult Social Care to increase Council Tax by up to 3% in 2017/18 and 2018/19 as long as the precept does not total more than 6% in the period 2017 to 2020. The Council has opted to continue with increases of 2% in each financial year as previously assumed in order to help protect residents from sharp Council Tax increases.

Savings requirement and proposals

24. The refreshed MTFP identifies that savings of £22.1m are required for the period 2018/19 to 2020/2021. Proposals equivalent to £18.6m have been derived from work undertaken to date within Phase 3 of the Council's Change Programme (as set out below), with a further £3.5m to be identified in 2019/20 and 2020/21. It should be noted that £2.8m of additional income has been identified within the *Growing our economic base* theme of the programme, following refinement of previous estimates, but this is incorporated within assumptions around local funding increases.

Theme	2018/19 £ms	2019/20 £ms	2020/21 £ms
Return on Investment: Improving commerciality through fair pricing, efficiency improvements, and new income streams.	(1.922)	(3.747)	(5.207)
Value for Money: Driving savings from commissioned services and current and future procurement.	(0.310)	(0.525)	(0.860)
Partnerships and Integration: Joining up with partners and integrating services to achieve significant efficiencies in infrastructure costs.	(0.410)	(1.300)	(3.320)
Digital Strategy: Moving towards full digitisation of the Council's back office by 2021.	(0.633)	(1.423)	(1.963)
Believe in Families: Achieving a step-change in children's social care, moving to a strengths-based model with a change in underlying culture and practice.	(2.480)	(4.894)	(7.278)
Total:	(5.755)	(11.889)	(18.628)

25. The proposals are set out in Appendices B-D of this report, as follows:

- Appendix B** Initiatives for 2018/19 and beyond, either legally requiring no public consultation, or where consultation has already been completed (i.e. either having no public impact, or having been already impact-assessed, mitigated where possible and / or justified).
- Appendix C** Initiatives that will be subject to the impact assessment process and on which the Council will specifically consult prior to implementation for 2018/19.
- Appendix D** Initiatives for the period 2019-21 that *may* require separate consultations and / or impact assessments in future years as proposals are further developed.

26. Initiatives outlined within Appendices B and C are proposed for inclusion within the Council's 2018/19 Budget, subject to agreement and, where relevant, further consultation. Proposals in Appendix D will be developed further for consideration in future budget setting.

Investment Strategy

27. Over the period 2016/17 to 2020/21 the Council is investing £76.8m of its own resources in growing the town's economic base, driving financial self-sufficiency via growth in Council Tax, Business Rates and income from commercial activity, and transforming how the Council delivers its services, minimising service reductions and job losses over this period. This investment will support major regeneration schemes outlined in the Middlesbrough Investment Prospectus, such as:

- the Snow Centre development in Middlehaven;
- the development of a premier office development in Centre Square;
- the refurbishment of Middlesbrough Town Hall;
- Teesside Media and Innovation Village;
- Teesside Advanced Manufacturing Park;
- the development of Middlesbrough's rail and road connectivity; and

- the development of new housing in the town.

28. The investment comprises £6.9m of identified revenue resources and £69.9m of capital, which will require additional borrowing with the following impact:

Revenue cost of investment	2018/19 £ms	2019/20 £ms	2020/21 £ms
Additional in-year	0.667	0.763	0.259
Cumulative	0.667	1.430	1.689

29. Full Council approved an Investment Strategy for 2017-21 on 29 March 2017. This has been reprofiled by Executive throughout 2017/18 following quarterly monitoring, in line with its constitutional powers. The current Investment Strategy is at **Appendix E** for reference. The next full review of the strategy will be brought forward within the 2018/19 Budget setting report, to be considered by Council on 7 March 2018.

30. Provision has also been made within the MTFP for additional capital resources of £10.320m in the period 2016-21 to be available in the event that investment opportunities arise to grow the town's economic base and / or deliver revenue savings for the Council.

Use of Reserves and Balances

31. Over the period to 2021, the Council plans to utilise £8.9m of its general balances in order to smooth budget savings requirements. This will allow time to plan future savings effectively to ensure that there is the minimum possible impact on residents and service users.

32. Over the MTFP period, the Council intends to use £4.1m from its Change Fund in order to support transformational activity, including the time-limited resourcing of projects, the provision of specialist technical advice and services, and the training of employees.

33. The Council plans to use £5.3m of revenue balances, as part of its Investment Strategy. The Council has also set aside £2m to invest in school improvement between 2017/18 and 2019/20.

34. Since March 2017, a fundamental review of the required level of General Fund balances has been undertaken using guidance from the Chartered Institute of Public Finance and Accountancy, and is summarised below.

Assumptions	Financial standing / assessment of impact	Estimate £ms
Treatment of inflation and interest rates.	Current provision for inflation stands at 1% p.a. for pay and income, and 1.5% for contracts. A 1% increase in inflation would cause a net pressure of £1.2m, so it is prudent to provide for an increase of between 1% and 2%.	1.200 – 2.400
Estimates of the level and timing of capital receipts.	Variations in the level and timing of receipts have always fallen within tolerances and in line with variations in expenditure. No change is therefore proposed.	0

Assumptions	Financial standing / assessment of impact	Estimate £ms
Treatment of demand-led pressures.	Based on current modelling, no specific additional funding, other than that outlined in this report, is required for growth in demand, however it is prudent to provide for a modest upturn in demand which may arise in a single financial year after mitigation activity. The MTFP is regularly adjusted to cater for demand-led pressures where such pressures can be identified in advance, whereas this refers to pressures arising within the financial year.	0.800 – 1.200
Treatment of planned efficiency savings / productivity gains.	Savings of £18.6m are planned for the period to 2021. Delivery of savings plans over the past three years has stood at 95%. It is therefore prudent to provide for underachievement of between 2.5-7.5% going forward.	0.465 – 1.395
Financial risks inherent in any significant new funding partnerships, major outsourcing arrangements, or major capital developments.	All such financial risks have been appropriately provided for in existing contractual and budgeting arrangements. No change is therefore proposed.	0
Availability of reserves, Government grants and other funds to deal with major contingencies, and the adequacy of provisions.	Appropriate provision has been made, with earmarked reserves standing at £14.2m at 31 March 2017. No change is therefore proposed.	0
General financial climate to which the authority is subject.	The Council's funding position from 2020/21 onwards remains uncertain.	3.000 – 4.600
Total recommended General Fund balance at 31 March 2021		5.465 – 9.595

35. This review concluded that to withstand the uncertainties around future Government funding, and the risks in major areas of spending, it is prudent to target a General Fund level of £7.5m (6.25% of net spending) for the end of the MTFP period i.e. 31 March 2021.

Contingency

36. Following an assessment of the level of uncertainty within the MTFP, particularly in the areas of demand forecasting and the lack of knowledge around the likely level of Business Rates appeals, an overall contingency of £1.2m per annum has been provided for 2018/19, 2019/2020 and 2020/21.

Consultation

37. Consultation on the proposed strategic priorities in Appendix A will be progressed up to the end of January 2018. Initiatives outlined within Appendices B and C are proposed for inclusion within the Council's 2018/19 Budget. Those in Appendix C will require specific consultation with stakeholders. Again, this will now be progressed to the end of January, and appropriate impact assessments undertaken.

38. The Council will also publish the strategic priorities and relevant savings proposals on its website, with an associated questionnaire, to seek feedback. Specifically in relation to the proposed strategic priorities, respondents will be asked to state whether they support the priorities, and if not why; and what other priorities they would propose for the Middlesbrough. The Council will seek to maximise participation in the consultation, publicising it through all media channels. A programme of stakeholder and public engagement on the proposed priorities will also be delivered. The output of this process will be reported to Council on 7 March 2018, seeking confirmation of 2018/19

Budget proposals. An Ad Hoc Scrutiny Panel considered the proposals on 17 November 2017, and its suggestions have informed this report. A schedule of explanatory additions made to the text of the 21 November 2017 report to Executive on these matters following engagement with scrutiny is at **Appendix F**. A member briefing was held on 21 November 2017.

39. Preliminary discussions with potential partners for services outlined within the theme of 'Partnerships and integration' in Appendix D will also now commence, and the outcome of these will be reported to Council in due course.

Next steps

40. A further report will be presented to Council on 7 March 2018, which will:

- again refresh the MTFP following the Local Government Finance Settlement, set the 2018/19 Budget, and associated savings initiatives and targets; and
- comply with the Public Sector Equality Duty and set out any impacts identified from initiatives proposed to meet savings targets for 2018/19.

41. Following this, the Strategic Plan for 2018-21 will be recommended to Council on 28 March 2018.

IMPACT ASSESSMENT

42. The proposed strategic priorities for 2018-21 (Appendix A) have been subject to a Level 1 (screening) Impact Assessment, which is at **Appendix G** of this report. No negative differential impact on diverse groups and communities is anticipated from the direction of travel set by these priorities.

43. As stated above, savings proposals for 2018/19 and beyond have been initially assessed and categorized in Appendices B-D. Those in Appendices B and C are proposed for inclusion within the Council's 2018/19 Budget, and as such the Council must ensure that, in line with the Public Sector Equality Duty, impacts on those with protected characteristics are assessed, mitigated where possible and / or justified. Appendix B sets out proposals that are considered to require no, or no further consultation, with impact assessments also either not required, or already completed and approved. Those in Appendix C will be subject to impact assessment either prior to the presentation of the 2018/19 Budget report to Council in March 2018, or during 2018/19 prior to the decision to implement the initiative being taken. Those in Appendix D may require separate consultations and / or impact assessments in future years as proposals are further developed. It should be noted that there may be some movement between appendices if it becomes clear that this is necessary, with further work undertaken as appropriate.

OPTION APPRAISAL / RISK ASSESSMENT

44. The Council has no option but to address its savings challenges. The 2018-21 Strategic Plan will provide the means to achieve this in a proactive and systematic manner, while continuing to reshape the Council to lead the delivery of the 2025 Vision for Middlesbrough.

45. The approach outlined in this report requires the planned and prudent use of reserves and balances over the period to 2021. Failure to utilise these reserves would jeopardise the deliverability of transformational savings.

46. The Council's Strategic Plan is underpinned by its Strategic Risk Register, which is reported to Executive on a quarterly basis.

FINANCIAL, LEGAL AND WARD IMPLICATIONS

47. **Financial implications** – This report sets out savings proposals for 2018-21. It is proposed that those in Appendices B and C will form part of the Council's 2018/19 Budget and will now be the subject of public consultation, where appropriate. The 2018/19 Budget will be presented to Council on 7 March 2018.

48. **Ward Implications** – The proposed strategic priorities for 2018-21, and the associated savings proposals for this period, will affect all wards.

49. **Legal Implications** – The Council has a legal duty to set a balanced budget. The Strategic Plan forms part of the Council's core policy framework, as set out in its constitution. The approach outlined within the document will enable the Council to operate within the resources available and continue to meet its many statutory duties, including the Duty of Best Value.

RECOMMENDATIONS

50. It is recommended that Council approves the proposed strategic priorities for 2018-21 (Appendix A) for public consultation to inform the next iteration of the Strategic Plan, to be considered by Council on 28 March 2018.

51. It is recommended that Council notes the Medium-Term Financial Plan position for 2018-21, and agrees the proposed savings initiatives for 2018-21 (Appendices B-D), with – subject to public consultation where appropriate – Appendices B and C forming part of the Mayor's 2018/19 Budget, and Appendix D being further developed for consideration in future budget setting.

REASONS

52. To enable the Council to take a systematic, coherent and controlled approach to addressing ongoing financial challenges over the medium-term, while maximising its contribution to the 2025 Vision for Middlesbrough.

BACKGROUND PAPERS

29/03/17 Full Council, Strategic Plan 2017-21

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Appendix A: Proposed strategic priorities for 2018-21

Business Imperatives

BI01	Improving the financial performance of services for which the Council charges, and seeking new income streams to assist the Council in addressing its financial gap, through the development of a Commercial Strategy.
BI02	Achieving greater value for money in the procurement of services, to assist the Council in addressing its financial gap.
BI03	Exploring new operating models for the delivery of Council services, to assist the Council in addressing its financial gap.
BI04	Increasing the availability and use of online and telephone contact as a means of accessing Council services, to assist the Council in addressing its financial gap.
BI05	Introducing a unit cost budgeting approach to identify further efficiencies, to assist the Council in addressing its financial gap.
BI06	Ensuring that business management practices including the management of finance, performance, projects, risks and assets are fit for purpose, ensure good governance, and achieve good outcomes for our communities.
BI07	Gaining a greater understanding of the needs of our customers and partners, introducing new mechanisms to strengthen communication and consultation activity.
BI08	Becoming recognised as a good employer, with employees that are happy in their jobs and deliver our strategic priorities.

Physical Regeneration

PR01	Creating a Middlesbrough 'brand' to improve the town's reputation, attract new investment, visitors and residents, and enhance civic pride.
PR02	Developing Middlehaven as an education, leisure, sports and entertainment destination of national significance.
PR03	Growing our business base, with new commercial workspace and a supportive environment for innovation sectors.
PR04	Improving Middlesbrough's rail connectivity, stimulating investment in the Historic Quarter to encourage business growth, and continuing to improve our road network.
PR05	Transforming and restructuring Middlesbrough's town centre to create an iconic and regional destination for media, digital creativity, learning and leisure.
PR06	Developing Centre Square as the Tees Valley's premier office location, and a major hub for cultural and leisure activity.
PR07	Building 1,800 new homes in Middlesbrough to meet the needs and aspirations of a growing population.
PR08	Creating more affordable housing to develop balanced, sustainable communities where people want to live, applying a 15% target on appropriate sites.
PR09	Working with local communities to drive the regeneration of Middlesbrough's disadvantaged estates, for example those within North Middlesbrough, and to implement our empty homes strategy.

Social Regeneration

SR01	Working with our partners to engage and empower local communities in the transformation of Middlesbrough, and the reform of local public services.
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SR02	Strengthening the local economy, creating 800 new jobs, and increasing the amount of local commissioning undertaken by the Council.
SR03	Increasing local employment levels, ensuring our communities are able to access the opportunities arising from the physical and economic regeneration of Middlesbrough, and increasing the average weekly wage.
SR04	Taking action to promote financial inclusion and reduce income inequality within the town, including improving community advice and welfare services, and launching Middlesbrough's Community Bank.
SR05	Transforming children's social work and early help, to enable more families to stay together where it is safe for them to do so, and reducing the need for children to be looked after by the Council.
SR06	Increasing educational and vocational attainment for all children and adults, working with nurseries, schools, colleges, Teesside University, other education and vocational training providers and local employers.
SR07	Improving local health and wellbeing, and reducing health inequalities within the town, focusing particularly on self-care, community-led prevention and early intervention.
SR08	Joining up health and social care, working with partners, including education providers, to keep children and adults healthy, avoid admissions, and improve discharge and out of hospital care.
SR09	Ensuring we continue to promote the welfare of our children and young people and vulnerable adults, and protect them from harm, abuse and neglect.
SR10	Improving the town's physical environment, working with local communities to ensure that our roads, streets and open spaces are well-designed, clean and safe.
SR11	Improving community life, working with local residents to ensure that all adults and children and young people feel safer and happier with the place that they live, and to reduce loneliness and social isolation.
SR12	Developing a new Culture Strategy for the town, investing in our museums and other cultural assets, and leading the Tees Valley's 2025 UK City of Culture bid.

Appendix B: Proposals legally requiring no, or no additional, consultation

The following are initiatives for 2018/19 and beyond, either legally requiring no public consultation, or where consultation has already been completed (i.e. either having no public impact, or having been already impact-assessed, mitigated where possible and / or justified).

Ref	Initiative	2018/19 savings (£)	2019/20 savings (£)	2020/21 savings (£)
Return on Investment				
ROI 01	Increase income overall from fees and charges by 2.5% per annum – reflecting the long-term trend in inflation – rather than 1% per annum as currently.	965,000	1,003,000	1,042,000
ROI 02	Recharge 8% central overheads to customers to ensure that the Council fully recovers the cost of providing chargeable services, where this is not already achieved.	177,000	0	0
ROI 03	Recharge 8% central overheads to new grant-funded and capital expenditure to ensure that the Council fully recovers the cost of supporting delivery in future.	150,000	0	0
ROI 04	Recharge costs of paying the Living Wage Foundation rate to cleaning staff to local schools on a phased basis.	0	170,000	170,000
Value for Money				
VFM 01	Deliver 5% savings on procurement card expenditure by achieving greater discounts from sellers through bulk purchasing.	50,000	150,000	250,000
VFM 02	Savings from new frameworks for consultancy and agency workers, which reduce rates paid by the Council.	20,000	20,000	0
VFM 03	Implement a revised delivery model for sheltered housing support provided by Thirteen Housing Group, ensuring that clients receive the number time they need, rather than a set amount.	130,000	0	0
VFM 04	Cease funding separate Community and Adolescent Mental Health Services (CAMHS) for Looked After Children, with assurance that the service will continue to be provided via the central CAMHS team, with no reduction in service accessibility or quality.	110,000	0	0
VFM 05	Achieve 15% reduction in current expenditure on subscriptions, books and publications by using digital services.	0	45,000	20,000
VFM 06	Increase income from advertising contracts.	0	0	50,000
VFM 07	Savings from improved contracting and contract management on new contracts.	0	0	15,000
Partnerships and Integration				
P&I 01	Savings from vacancies in developing the joint Public Health service with Redcar and Cleveland BC.	100,000	0	0
P&I 02	Savings from the planned reduction in costs as part of the Council's contract with its leisure provider.	100,000	150,000	(90,000)

Ref	Initiative	2018/19 savings (£)	2019/20 savings (£)	2020/21 savings (£)
Digital				
DIG 01	Reduced expenditure on current ICT applications from cessation, rationalisation and capitalisation.	25,000	50,000	50,000
DIG 02	10% reduction in expenditure on mileage claimed, as a result of the take up of mobile and remote working.	0	25,000	25,000
Believe in Families				
BIF 01	Savings arising from a 5% reduction per annum in Looked After Children numbers through improvements in early help and restorative approaches to keep families safely together.	647,000	614,000	584,000
BIF 02	Non-utilisation of MTFP funding for Looked After Children growth, which would not be required due to the projected reduction in numbers and resulting savings outlined in BIF 01.	1,500,000	1,500,000	1,500,000
BIF 03	Reduction in Staying Put 18+ budget due to utilisation of unbudgeted grant funding.	103,000	0	0
BIF 04	Savings from vacancies in the central Community and Adolescent Mental Health Services budget.	50,000	0	0

Appendix C: Proposals requiring consultation prior to implementation for 2018/19

The following are initiatives that will be subject to the impact assessment process and on which the Council will specifically consult prior to implementation for 2018/19.

Ref	Initiative	2018/19 savings (£)	2019/20 savings (£)	2020/21 savings (£)
Return on Investment				
ROI 05	Increase fees and charges for relevant services over and above 2.5% in 2018/19 only to bring them in line with neighbouring local authorities and / or other providers, with relevant service users being consulted where appropriate.	178,000	0	0
ROI 06	While retaining the free for two hours car parking offer in certain car parks, increase income from short and long-stay car parks, reviewing pricing and capacity and usage.	100,000	100,000	150,000
ROI 07	Deliver ongoing efficiency improvements within Environment and Commercial Services, with no reduction in service quality.	272,000	147,000	98,000
ROI 08	Absorb separate grounds maintenance team for schools within the wider area care team, with no reduction in service quality.	30,000	0	0
ROI 09	Cessation of parts of the Ayresome Industries operation due to lack of demand for goods produced and to remove continuing budget pressure, ensuring the staff are redeployed into other Council services, or supported to obtain appropriate alternative employment.	50,000	130,000	0
Partnerships and Integration				
P&I 03	Savings from joint commissioning of Public Health services with Redcar and Cleveland BC.	110,000	0	0
P&I 04	Jointly commission with local partners a single offer for adults with multiple complex needs, achieving a 20% saving in current expenditure, with no reduction in service quality.	30,000	370,000	1,000,000
P&I 05	Implement partnership model with the Voluntary and Community Sector for the delivery of community advice and welfare rights, achieving a 20% saving in current expenditure.	40,000	0	0
P&I 06	Establish a joint Community Safety service with one or more local partners, in line with the Mayor's Promise on this issue within the 2025 Vision for Middlesbrough, achieving a 10% saving in current expenditure.	30,000	20,000	50,000
Digital Strategy				
DIG 03	Implement service review within the Performance and Partnerships service to realise savings from digital initiatives such as online self-serve for customers.	100,000	50,000	50,000
DIG 04	Implement digital mail and digital purchasing in tandem, reducing the manual interventions required in these processes and other associated costs.	350,000	150,000	0

Ref	Initiative	2018/19 savings (£)	2019/20 savings (£)	2020/21 savings (£)
Digital Strategy				
DIG 05	Continue to move customer (external and internal) processes 'online' where possible in line with the Council's Customer Strategy, reducing administration expenditure.	158,000	315,000	315,000
Believe in Families				
BIF 05	Improve efficiency of children's social work support through process improvements, contract reviews and reduction in additional staffing costs (e.g. overtime).	100,000	0	0
BIF 06	Signpost families to Department for Work and Pensions as the appropriate agency for the payment of short-term benefit advances, reducing the Council's discretionary expenditure in this area.	80,000	0	0

Appendix D: Proposals requiring further development and future consultation for implementation from 2019/20 onwards

The following are initiatives for the period 2019-21 that *may* require separate consultations and / or impact assessments in future years as proposals are further developed.

Ref	Initiative	2018/19 savings (£)	2019/20 savings (£)	2020/21 savings (£)
Return on Investment				
ROI 10	Review the schools meals service to improve its efficiency and commerciality, without compromising the quality of the offer to children and parents.	0	75,000	0
ROI 11	Review waste collection services to improve their efficiency and commerciality, including a review of charging for appropriate services.	0	200,000	0
Partnerships and Integration				
P&I 07	Subject to future negotiations, establish joint Environment services with one or more local authorities and / or Registered Social Landlords, achieving a 10% saving in current expenditure.	0	250,000	850,000
P&I 08	Subject to future negotiations, establish joint Highways and Transport services with one or more local authorities, achieving a 10% saving in current expenditure.	0	100,000	210,000
Digital Strategy				
DIG 06	Implement online eligibility checks and other self-assessment tools with Adult and Children's Social Care, reducing the volume of social worker assessments required.	0	0	100,000
DIG 07	Savings from improved efficiencies within Adult Social Care resulting from the take-up of agile working.	0	100,000	0
DIG 08	Implement mobile working within neighbourhood services, including area care, public protection and the integrated warden service, resulting in back office savings.	0	100,000	0
Believe in Families				
BIF 07	Review edge of care services, foster care and residential care in line with the principles of the Believe in Families programme.	0	300,000	300,000

Appendix E: Revised Investment Strategy to 2020/21

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

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

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

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

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

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

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

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

Appendix F: Explanatory additions made to the report following Ad Hoc Scrutiny Panel

Reference(s)	Addition(s) made, in <i>italics</i>
Page 2, para 4 and Executive Summary	<p>Amended to incorporate definitions of Physical Regeneration, Social Regeneration and Business Imperatives, and reordered so that Business Imperatives are first in the list. Appendix A, and other references in the report, also amended accordingly.</p> <ul style="list-style-type: none"> • <i>Business Imperatives</i> – <i>Ensuring that the Council operates efficiently and effectively, so that Physical and Social Regeneration outcomes are maximised.</i> • <i>Physical Regeneration</i> – <i>Investing in Middlesbrough to provide and improve facilities which act to increase the town’s reputation, create social opportunity, and improve the Council’s finances.</i> • <i>Social Regeneration</i> – <i>Working with our communities and other public service organisations to improve the lives of Middlesbrough’s residents.</i>
Page 4, para 14 and Appendix B, ROI 01	<p>Addition as follows to incorporate reference to the trend in inflation which underpins the proposal for increased fees and charges made in Appendix B (ROI 01). Appendix B also amended accordingly:</p> <p><i>While the long-term trend in inflation stands at circa 2.5%, the Council currently assumes a 1% p.a. rise in fees and charges. Proposals for changes to fees and charges have been considered as part of Phase 3 of the Change Programme, and are set out at Appendix B. If agreed by Council in March 2018, the proposed increases will form part of future medium-term financial planning.</i></p> <p><i>ROI 01 Increase income overall from fees and charges by 2.5% per annum – reflecting the long-term trend in inflation – rather than 1% per annum as currently.</i></p>
Page 5, para 19	<p>Addition as follows to incorporate reference to Brexit:</p> <p><i>Government funding has been assumed to fall during the period to 2021. It is now not at all clear what the position on local retention of business rates will be, as the Government appears to be signalling changes to the policy proposals around 100% local retention. In addition, the potential impact of Brexit on the local economy remains the greatest risk to the Council’s strategic objectives. It is highly likely there will be a full Spending Review implemented for the 2020/21 financial year onwards. At this stage, it is assumed that any changes will not result in a further reduction in Council funding for 2020/21:</i></p>
Page 6, para 21	<p>Addition as follows to include reference to impact to date and anticipated future impact of investment in Middlesbrough:</p> <p><i>While there is a direction of travel towards self-funding for local authorities, as noted above there is now increased uncertainty in respect of how and when this will be implemented. Previous assumptions in relation to local funding have therefore been maintained i.e. that from 2020, Government support to local government through the Revenue Support Grant will no longer exist, and councils will need to be self-funding, through Council Tax, Business Rates, and other localised sources of income. This is a major driver of the Council’s Investment Strategy, with income of £4.8m per annum anticipated from activity set out in the Middlesbrough Investment Prospectus to 2019/20, when the Local Government Finance System is set to be reviewed.</i></p>
Page 7, para 25	<p>Add to description of Appendix B as follows, and amend other references in the report, as appropriate. Full descriptions also included in Appendices B-D.</p> <p><i>Appendix B</i> <i>Initiatives for 2018/19 and beyond, either legally requiring no public consultation, or where consultation has already been completed (i.e. either having no public impact, or having been already impact-assessed, mitigated where possible and / or justified).</i></p>

Reference(s)	Addition(s) made, in <i>italics</i>
Page 8, para 32	<p>Addition as follows to further explain Change Fund investment:</p> <p>Over the MTFP period, the Council intends to use £4.1m from its Change Fund in order to support transformational activity, <i>including the time-limited resourcing of projects, the provision of specialist technical advice and services, and the training of employees.</i></p>
Page 9, table	<p>Additions to line on 'Treatment of demand-led pressures' as follows:</p> <p>Based on current modelling, no specific additional funding, <i>other than that outlined in this report</i>, is required for growth in demand, however it is prudent to provide for a modest upturn in demand which may arise in a single financial year after mitigation activity. <i>The MTFP is regularly adjusted to cater for demand-led pressures where such pressures can be identified in advance, whereas this refers to pressures arising within the financial year.</i></p>
Page 9, para 38	<p>Additions to read:</p> <p><i>The Council will also publish the strategic priorities and relevant savings proposals on its website, with an associated questionnaire, to seek feedback. Specifically in relation to the proposed strategic priorities, respondents will be asked to state whether they support the priorities, and if not why; and what other priorities they would propose for the Middlesbrough. The Council will seek to maximise participation in the consultation, publicising it through all media channels. A programme of stakeholder and public engagement on the proposed priorities will also be delivered. The output of this process will be reported to Council on 7 March 2018, seeking confirmation of 2018/19 Budget proposals. An Ad Hoc Scrutiny Panel considered the proposals on 17 November 2017, and its suggestions have informed this report. A schedule of explanatory additions made to the text of the 21 November 2017 report to Executive on these matters following engagement with scrutiny is at Appendix F. A member briefing was held on 21 November 2017.</i></p>
Appendix A, PR08	<p>Added to proposed priority to read:</p> <p><i>Creating more affordable housing to develop balanced, sustainable communities where people want to live, applying a 15% target on appropriate sites.</i></p>
Appendix A, PR09	<p>Added to proposed priority to read:</p> <p><i>Working with local communities to drive the regeneration of Middlesbrough's disadvantaged estates, for example those within North Middlesbrough, and to implement our empty homes strategy.</i></p>
Appendix B, BIF02	<p>Added to proposed initiative to read:</p> <p><i>Non-utilisation of MTFP funding for Looked After Children growth, which would not be required due to the projected reduction in numbers and resulting savings outlined in BIF 01.</i></p>
Appendix C, P&I04	<p>Added to proposed initiative to read:</p> <p><i>Jointly commission with local partners a single offer for adults with multiple complex needs, achieving a 20% saving in current expenditure, with no reduction in service quality.</i></p>

Appendix G: Level 1: Initial screening assessment – Proposed strategic priorities for 2018-21

Subject of assessment:	Strategic priorities 2018-21 (Provisional)			
Coverage:	Overarching / crosscutting			
This is a decision relating to:	<input checked="" type="checkbox"/> Strategy	<input type="checkbox"/> Policy	<input type="checkbox"/> Service	<input type="checkbox"/> Function
	<input type="checkbox"/> Process/procedure	<input checked="" type="checkbox"/> Programme	<input type="checkbox"/> Project	<input type="checkbox"/> Review
	<input type="checkbox"/> Organisational change	<input type="checkbox"/> Other (please state)		
It is a:	New approach:	<input type="checkbox"/>	Revision of an existing approach:	<input checked="" type="checkbox"/>
It is driven by:	Legislation:	<input checked="" type="checkbox"/>	Local or corporate requirements:	<input checked="" type="checkbox"/>
Description:	<p>Key aims, objectives and activities</p> <p>This document sets out the Council's proposed strategic priorities for the 2018-21 period for consultation. The finalised priorities will inform the Strategic Plan for 2018-21, which will set out in full the Council's approach to maximising its contribution to the 2025 Vision for Middlesbrough during a period of ongoing financial contraction. It will communicate the Council's change plans to all stakeholders, and provides the basis of the Council's corporate performance management framework.</p> <p>Statutory drivers</p> <p>Local Government Act 1999 – the plan represents a key element of the Council's approach to the delivery of Best Value. Equality Act 2010 – the performance management framework underpinning the plan incorporates the Council's agreed Equality Objectives.</p> <p>Differences from any previous approach</p> <p>Consultation on the proposed priorities will inform the annual refresh of the Council's medium-term Strategic Plan. The refresh will be finalised following as approval of the 2018/19 Budget in March 2018. It is consistent with the target operating model and design principles for the Council and its services agreed by Council in past Change Programme and Strategic Plan documents.</p> <p>Key stakeholders and intended beneficiaries</p> <p>Elected Members and Council employees, local communities and businesses, partners.</p> <p>Intended outcomes</p> <p>To maximise the Council's contribution to the 2025 Vision while addressing financial pressures from Central Government budget austerity, a growing demand for services, and increasing costs.</p>			
Live date:	As soon as the report is approved.			
Lifespan:	Financial years 2018/19 to 2020/21.			
Date of next review:	The Strategic Plan will be monitored on a quarterly basis, and reviewed and refreshed annually.			

Screening questions	Response			Evidence
	No	Yes	Uncertain	
Human Rights Could the decision impact negatively on individual Human Rights as enshrined in UK legislation?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No. None of the proposed priorities will contravene Human Rights as identified in national legislation.
Equality Could the decision result in adverse differential impacts on groups or individuals with characteristics protected in UK equality law? Could the decision impact differently on other commonly disadvantaged groups?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No. The proposed priorities describe how the Council will support the delivery of the 2025 Vision for Middlesbrough, which incorporates the Council's equality objectives for the period 2016-20, and ensures that due regard is given to the need to promote equality in relation to access, provision, uptake and outcomes. Progress against finalized Strategic Plan will be tracked through the Council's performance management framework. As a result, there are no concerns that the priorities could have a disproportionate adverse impact on groups or individuals with characteristics protected in national legislation.
Community cohesion Could the decision impact negatively on relationships between different groups, communities of interest or neighbourhoods within the town?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No. The proposed priorities support the 2025 Vision for Middlesbrough, which includes commitments to improve community cohesion. As a result, there are no concerns that the proposed priorities could have an adverse impact on community cohesion.
Vision for Middlesbrough Could the decision impact negatively on the achievement of the Vision for Middlesbrough? Does the decision impact on statutory duties associated with these key objectives?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No. The proposed priorities positively support the achievement of the Vision by clearly articulating the Council's contribution. Achievement of the Strategic Plan will enable the Council to continue to fulfil all statutory requirements.
Organisational management / transformation Could the decision impact negatively on organisational management or the transformation of the Council's services as set out in its transformation programme?	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	No. The proposed priorities fully align with design principles for change previously agreed by the Council.
Assessment completed by:	Paul Stephens, Head of Performance and Partnerships		LMT approver:	James Bromiley, Strategic Director of Finance, Governance and Support
Date:	30 October 2017		Date:	30 October 2017