

AGENDA ITEM 13

Report of: The Elected Mayor of Middlesbrough; Chief Executive

Submitted to: Council, 15 March 2019

Subject: Strategic Plan 2019-2022

Summary**Proposed decision(s)**

That Council approves the proposed Strategic Plan for 2019-2022.

Report for:	Key decision:	Confidential:	Is the report urgent?
Decision	Yes – over the financial threshold, amends the Council's policy framework and affects two or more wards.	No	Not applicable

Contribution to delivery of the 2018-22 Strategic Plan

Business Imperatives	Physical Regeneration	Social Regeneration
The report refreshes the Strategic Plan for 2019-2022, ensuring that it remains current and reflective of major developments of the past year and those anticipated in the coming three years.		

Ward(s) affected

Implementation of the priorities outlined within the proposed plan will positively impact on all wards in Middlesbrough.

What is the purpose of this report?

1. This report seeks Council's approval of the proposed revised Strategic Plan for the period 2019-2022 for consideration by Full Council on 4 March 2019.

Why does this report require a member decision?

2. The Strategic Plan is the Council's overarching business plan for the medium-term, and is refreshed on an annual basis. The plan is one of ten documents within the Council's Policy Framework. Full Council is required to approve these documents, as set out in Article 4.2 of the Constitution.

Report Background

3. On 28 March 2018, Council approved a Strategic Plan for 2018-2022 that clearly sets out how the Council contributes to the Elected Mayor's Vision for Middlesbrough, organised around three interrelated strategic aims of business imperatives, physical regeneration and social regeneration.
4. The strategic priorities set out in the plan were informed by consultation with elected members, local residents, businesses and partners, and reflected feedback received in the 2017 Middlesbrough Community Survey.
5. The design of the plan is aligned with that of the Middlesbrough Investment Prospectus, and for the first time for any such Council document, received the Plain English Campaign's Crystal Mark accreditation.

Progress in delivering the Strategic Plan in 2018/19

6. Progress in delivering the plan is reported to the Executive and to Overview and Scrutiny Board on a quarterly basis. This most recent report to the Executive (22 February 2019) sets out positive performance in many areas, with 26 of the 30 priorities within the current plan on target to be achieved by 2022, and 17 of 28 measures of success showing improvement.
7. Key highlights in 2018/19 have included:
 - receipt of an unqualified Value for Money opinion from the Council's external auditor for 2017/18, following significant improvements in the management of projects, capital expenditure and asset disposals in recent years;
 - significant progress made in the delivery of the Council's people strategy, including the embedding of the new corporate values, and a host of new employee engagement initiatives;
 - the launch of the Council's first digital strategy, with a continued increase in the number of customer transactions taking place online, and a supporting information strategy to transform ways of working in future years;
 - major progress achieved in physical regeneration, with all KPIs within the Middlesbrough Investment Prospectus on target to be achieved, the launch of a new city centre strategy and key independent reports demonstrating growth in the number of local jobs, the local consumer and digital sectors, and visitor numbers;
 - with partners in the Tees Valley Combined Authority, the Council agreed the £588m Tees Valley Investment Plan for 2019-2029, which will make a significant contribution

to the achievement of the Strategic Economic Plan for the Tees Valley and the priorities set out in the Strategic Plan, particularly around transport;

- the reopening of Middlesbrough Town Hall to great acclaim following a successful £8m regeneration scheme, and the launch of a new Cultural Strategy for the town as part of the Council's commitment to prioritising culture ahead of the Tees Valley City of Culture bid 2025;
- the launch of the Middlesbrough place brand to improve the town's reputation, attract new investment, visitors and residents, and add to civic pride;
- positive action taken to address income inequality and promote financial inclusion within the town, with a provider for the South Tees Community Bank appointed, and the insourcing of revenues and benefits services from Kier Business Services; and
- the formation with partners of a Housing Delivery Vehicle, allowing the Council to build more affordable homes in the town in future years.

8. Current challenges to the achievement of the Strategic Plan currently fall into three interrelated areas:

- i. As set out in the Revenue Budget, Council Tax, Medium Term Financial Plan (MTFP) and Capital Strategy 2019/20 report agreed by Council on 4 March 2019, the Council has experienced a significant reduction in funding from Government since 2013/14, and a greater than average increase in local demand for services, particularly within adult and children's social care. While the Council has a robust MTFP for the Strategic Plan period, the future model of local government funding from 2020/21 remains uncertain, and any significant further reductions in Government funding would require a fundamental review of the MTFP.
- ii. It is widely accepted that public sector austerity has contributed to the widening of inequality gaps in the UK, and this adds to the challenge posed to the Council and its partners in reducing income and health inequalities in particular. The approval by the Executive in January 2019 of a Social Regeneration Prospectus, to be implemented from 2019/20, is critical to addressing these issues, in partnership with local communities, in an integrated manner, adding significant value to the work already underway to improve local health, educational attainment and employability, among other key issues.
- iii. At the time of writing, there is a strong prospect of the UK exiting the European without a withdrawal agreement and an agreement on the future trading arrangement. The North East is the only region of England with a surplus in goods trade with the EU, and also has the highest per capita EU funding of any English region. It is widely accepted that the North East will suffer the greatest hit to GVA in the event of a 'no-deal' Brexit (estimated at a 16% reduction in the Government's own analysis). This scenario would have significant consequences for the local economy, public services and local communities. Council will consider a report on Brexit, associated issues and planning at today's meeting.

Strategic Plan 2019-2022

9. The proposed Strategic Plan for 2019-2022 is attached at Appendix 1 and was endorsed by the Executive at its meeting of 4 March 2019.
10. The plan sets out a comprehensive programme of activity to promote improved quality of life across Middlesbrough, which meets the Council's legal obligations and is within its financial means.

11. In view of the medium-term horizon of the plan, only minor changes have been made to the document agreed by Council on 28 March 2018:
- facts and figures (e.g. in relation to demographics, resources or services) have been updated where appropriate;
 - the 'How are we doing?' section has been updated to reflect the highlights for 2018/19 outlined above;
 - in view of projected overspends within 2018/19, a new priority has been added within the business imperatives aim on the need for the Council to develop and deliver balanced budgets in each year of the MTFP period; and
 - priorities within the social regeneration aim have been amended to reflect the content of the Social Regeneration Prospectus agreed by the Executive, and some priorities have been moved between social and physical regeneration, again in line with this document.
12. Following agreement of the text of the plan, the document will be reset in the design agreed by Council in March 2018 and an application made to the Plain English Campaign for the document's Crystal Mark to be renewed (there may be slight wording changes as a result of the PCE's editing). After this the finalised document will be circulated to all members and employees.
13. Each year Directorates deliver a range of actions that contribute to the achievement of the Council's overall strategic priorities. Priorities for 2019/20 have now been agreed and are attached at Appendix 2 for information.
14. Key contributory activity to the Council's strategic priorities to be progressed during 2019/20 will include the implementation of the Social Regeneration Prospectus and launch of the Community Action Fund, and launch of the second Investment Prospectus. Progress against all priorities will be reported to the Executive on a quarterly basis throughout 2019/20 as part of the Strategic Plan update report.
15. The Elected Mayor of Middlesbrough will handover to a successor following the May 2019 elections, and it is expected that the new Mayor will wish to amend the Vision to reflect her / his personal priorities for the town, and this in turn is likely to require a more fundamental review of the Council's Strategic Plan. It is anticipated that the revised versions of these documents will be presented to the Executive and Council later in 2019, with timings to be confirmed in agreement with the incoming Mayor.

What decisions are being asked for?

16. That Council approves the proposed Strategic Plan for 2019-2022.

Why is this being recommended?

17. To ensure that the Council's overarching business plan remains fit for purpose, enabling a systematic, coherent and controlled approach to addressing the Council's ongoing financial challenges over the medium-term, while maximizing its contribution to the 2025 Vision for Middlesbrough.

Other potential decisions and why these have not been recommended

18. It is imperative that the Council effectively articulates and communicates an overarching plan to direct activity across Directorates towards the achievement of corporate strategic objectives. The only other feasible decisions therefore relate to the structure of the document, and its horizon (i.e. reverting to an annual plan). It is strongly in the Council's interest to plan over the medium-term, in line with the indicative budgets over this period outlined by the Government. The proposed document achieves this while providing an appropriate level of detail for all audiences on the Council's planned activity over this period.

Impact(s) of recommended decision(s)

Legal

19. Implementation of the Strategic Plan will enable the Council to operate within the resources available to it, and continue to meet its various statutory duties, including the overarching Duty of Best Value.

Financial

20. Activity set out in the Strategic Plan for implementation during 2019/20 forms part of the Council's revenue and capital budgets for the year, approved by Council on 4 March 2019. Other planned activity in the period to 2021/22 is considered to be deliverable within the agreed capital programme and the indicative revenue budgets outlined by Government, as outlined in the Council's Medium-Term Financial Plan. In outlining a programme delivering performance improvement within reduced resources, the Strategic Plan demonstrates how the Council will deliver value for money for the taxpayer in the medium-term.

Policy framework

21. The Strategic Plan forms parts of the Council's Policy Framework and as such must be agreed by Full Council. Approval of the Plan will update the Policy Framework.

Equality and diversity

22. The proposed Strategic Plan has been subject to a Level 1 equality impact assessment (at Appendix 3). This identified that no negative differential impact on diverse groups and communities within Middlesbrough is anticipated from the activity set out in the Plan.

Risk

23. The proposed Strategic Plan sets out a range of activity to address the key risks set out within the Council's Strategic Risk Register, which is reported to the Executive on a quarterly basis.

24. Approval of the proposed Strategic Plan will positively impact on risk O8-054 in the Strategic Risk Register – 'Failure to ensure legal compliance, organisational effectiveness and / or achievement of objectives impacted by failure to operate an effective corporate governance framework and associated processes'.

Actions to be taken to implement the decision

25. The Strategic Plan is implemented through the Council's Performance and Risk Management Framework, which provides for quarterly progress updates to Executive in line with the requirements of the Scheme of Delegation, and to Overview and Scrutiny Board.

Appendices

- 1 Proposed Strategic Plan 2019-22
- 2 Directorate Priorities 2019/20
- 3 Proposed Strategic Plan 2019-22 – Impact Assessment

Background papers

28/03/18 Council Strategic Plan 2018-22

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