

**EXECUTIVE**

<b>Report title</b>	Strategic Plan 2018-22 – Progress at Quarter One 2018/19	
<b>Executive Member</b>	Councillor Nicky Walker - Executive Member for Finance and Governance	
<b>Director</b>	James Bromiley - Strategic Director of Finance, Governance and Support	
<b>Date</b>	4 September 2018	
<b>Purpose of the report</b>	To advise the Executive of progress against the 2018-22 Strategic Plan, and the Council's projected year-end financial position, at Quarter One 2018/19.	
<b>Summary of the report</b>	The report sets out performance results at Quarter One 2018/19. There is positive performance in many areas, however action is being taken throughout the remainder of the year to address spending pressures, mainly within Children's Social Care.	
<b>If this is a key decision, which key decision test applies?*</b>	Over the financial threshold (£150,000)	<b>X</b>
	Amends the Council's policy framework	
	Affects two or more wards	
	Non-key	
<b>For the purposes of scrutiny call in procedure this report is*</b>	Exempt under s.12a Local Government Act 1972	
	Urgent	
	Non-urgent	<b>X</b>
<b>If this is a confidential report, which exemption(s) from the Schedule 12a of the Local Government Act 1972 applies?</b>	Not applicable.	
<b>Decision(s) asked for</b>	<p>That the Executive notes the Council's Quarter One 2018/19 Results report (Appendix 1) and the actions to be taken to address the issues set out within it.</p> <p>That Executive approves the proposed revenue budget virements of over £150,000 (Appendix 2) and the proposed revised Investment Strategy to 2020/21 (Appendix 3).</p> <p>That Executive approves the utilisation of £392,000 of the Social Care Demand Risk Reserve to cover one-off increased demand in Adult Social Care Services in 2018/19.</p>	
<b>Impact of decision(s)</b>	Finances, performance and risk will be managed in line with the Council's Local Code of Corporate Governance, the Scheme of Delegation and agreed corporate financial regulations, and	

	effective mitigating action will be delivered to address areas of underperformance.
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### **What is the purpose of this report?**

1. To advise the Executive of progress against the 2018-22 Strategic Plan, and the Council's projected year-end financial position, at Quarter One 2018/19.

### **Why is this report necessary?**

2. The Council's Scheme of Delegation gives the Executive collective responsibility for corporate strategic performance and financial management / monitoring, together with associated action. Standing Orders and Financial Procedures require the Executive's approval for major virements between revenue budgets, and in-year changes to the Council's capital Investment Strategy.
3. On 12 June 2018, the Executive agreed a revised, streamlined approach for reporting progress against the Strategic Plan and the Council's financial position, the format of which has subsequently been agreed by Executive members and Overview and Scrutiny Board.
4. The first report in this format (Appendix 1) provides the necessary information to enable the Executive to discharge its performance and financial management responsibilities, setting out for Quarter One 2018/19:
  - a progress update against the 2018-22 Strategic Plan
  - revenue and capital budget projections and proposed amendments;
  - position statements in relation to the Council's borrowing and its reserves;
  - an update on the Council's Strategic Risk Register; and
  - actions that the Council will take in the next quarter to address performance issues.
5. Revenue budget virements above £150,000 and a revised Investment Strategy for the period to 2020/21 are attached at Appendices 2 and 3 for approval.

### **What decision(s) are being asked for?**

6. That the Executive notes the Council's Quarter One 2018/19 Results report (Appendix 1) and the actions to be taken to address the issues set out within it.
7. That Executive approves the proposed revenue budget virements of over £150,000 (Appendix 2) and the proposed revised Investment Strategy to 2020/21 (Appendix 3).
8. That Executive approves the utilisation of £392,000 of the Social Care Demand Risk Reserve to cover one-off increased demand in Adult Social Care Services in 2018/19.

### **Why is this being recommended?**

9. To enable the effective management of finances, performance and risk in line with the Council's Local Code of Corporate Governance, the Scheme of Delegation and agreed corporate financial regulations.

### **Other potential decisions and why these have not been recommended**

10. Not applicable.

## **Impact(s) of recommended decision(s)**

### ***Legal***

11. The proposed recommendations are consistent with and will promote the achievement of the Council's legal duty to achieve Best Value.

### ***Financial***

12. The financial implications of Quarter One budget monitoring are set out within Appendix 1 of the report. The Council is projecting a break-even position for 31st March 2019. The Council is currently seeing pressures in particular within Children's Social Care, as are other local authorities across the country. The actions the Council intends to put in place throughout the year, when implemented, will fully mitigate these pressures, which if not tackled could result in our spending in 2018/19 being £112,137,000 against the agreed budget of £111,285,000, a potential overspend of £852,000 or 0.77%.

### ***The Mayor's Vision for Middlesbrough***

13. The Strategic Plan and associated budgets represent the Council's contribution to the delivery of the Mayor's Vision for Middlesbrough.

### ***Policy Framework***

14. The Strategic Plan and associated budgets form part of the Council's Policy Framework. All proposed variations set out in this report are in line with authority delegated to the Executive.

### ***Wards***

15. While the activity described in this report will impact differently across wards, there are no specific ward implications from the proposed recommendations.

### ***Equality and Diversity***

16. As reported to Council in March 2018, no negative differential impact on diverse groups and communities is anticipated from the direction of travel set out in the Strategic Plan 2018-22 or the Council's planned budgetary expenditure.

### ***Risk***

17. In line with the Council's Risk Management Framework, the Council's Strategic Risk Register was reviewed in the quarter, and is summarised in Appendix 1.

## **Actions to be taken to implement the decision(s)**

18. All in-year budgetary changes will be implemented upon approval. Mitigating activity set out in the main body of the report will be implemented by Directorates as stated with progress reported to Executive at Quarter Two.

## **Appendices**

- 1 Q1 2018/19 Results
- 2 Proposed virements at Q1 2018/19
- 3 Proposed revised Investment Strategy at Q1 2018/19

## **Background papers**

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|----------|-----------|--|
| 28/03/18 | Council   | Strategic Plan 2018-22                               |
| 12/06/18 | Executive | Review of Performance and Risk Management Frameworks |