**Budget savings proposals 2019–22 – Explanatory notes**

This note provides further detail on the budget savings proposals agreed by Council on 5 December 2018 set out in Appendices 1- 3 of the Strategic Plan update, MTFP, Budget Proposals 2019-20 and Investment Strategy Review report.

If you have any further queries, please email changeprogramme@middlesbrough.gov.uk

**Appendix 1: Initiatives with no effect on front line service delivery levels**

These initiatives require no, or no further public consultation or impact assessment prior to consideration by Full Council as part of the 2019/20 revenue budget for implementation in 2019/20 or future years. Some internal consultation may be required prior to implementation if the initiatives have a significant impact on employees, and this will be undertaken by management as appropriate.

**CCC 01 Review and restructure of Street Warden and Neighbourhood Safety services, including review of working patterns, maximising on-street presence.**

The restructure will look to merge our street warden service with our community safety function, reducing overall FTE’s by 4.

Presently, wardens (who have the same level of power as members of the public) operate on four 10 hour days, followed by four days off, meaning at the most, only half of the wardens are on shift at any one time between 10am to 10pm. In reality we generally have four, sometimes less on patrol. The new shift pattern will see all wardens working a five day week with 8 hour shifts. This will increase the number of wardens on patrol even when counting for holidays and sickness to a minimum of 7 but sometimes 8 or 9.

Currently, there are an average of 3 / 4 Street Wardens on patrol at any one time; therefore reach is limited. Wardens do travel to all parts of the town to answer reports of anti-social behaviour, however general patrol work is in Central and Newport wards, along with North Ormesby and some time spent in Grove Hill. There are no regular patrols across all wards.

Patrol times will move from 10am to 10pm to either 1pm to 9pm, or 12:30 to 8:30pm, in agreement with the Trade Unions. It is expected that reduced patrols will take place on a Sunday to minimise overtime payments. These changes will mean that our busiest times see more wardens on patrol.

**CCC 03 Increase Community Learning management charge to Skills Funding Agency Grant from 16% to 20%.**

£1.6m funding received for community learning, £400k of which is utilised as a central recharge for support provided from the Council. This proposal will see that charge increased by £104k through a restructure of the service, realising efficiencies.

**CCC 11 Reduce contribution to MIMA, in-line with contract.**
Middlesbrough Council currently contributes £500k to MIMA annually, which was contracted to end in 2021. This saving represents that reduction in contract.

**CCC 12**  
**Increase income / reduce staffing costs, to ensure Orange Pip Market is self-funding.**

This proposal is made up of removal of a vacant post (0.5 FTE), exploring income generation and sponsorship opportunities.

**REG 02**  
**Capitalise street lighting maintenance costs, creating a revenue budget saving.**

Other local authorities class street lighting maintenance costs as capital, rather than revenue, so this proposal is simply a move in-line with neighbouring authorities to achieve the saving. The saving is 90% of the actual costs against street lighting maintenance to allow for cost of capitalising.

**REG 03**  
**Review and restructure within Regeneration Directorate.**

Removal of vacant posts, capitalisation of capital project staff (90% of those costs as above) and a few reductions in general expenditure.

**REG 05**  
**Remove contribution to the Tees Valley Combined Authority.**

Previously a historic £500k contribution which was subsequently reduced to £50k, to contribute to running costs of TVCA, which is now subsidised by Government.

This contribution will be removed in line with approach from other TV Local Authorities.

**REG 06**  
**Review of Transporter Bridge operational arrangements (partnership budget with Stockton Borough Council which will see half of any reduction in costs).**

Review of operational practices and a merger within ECS service.

**ECS 01**  
**Transfer of management arrangements to Area Care, including review and restructure of Pest Control service.**

Staffing review which will realise saving through upskilling of workforce to undertake multiple roles.

**ECS 02**  
**Review and restructure management in cleaning, caretaking, security and facilities management services.**

Implementation of more cost-effective security operations and review and restructure in management of above services.

**ECS 03**  
**Cease building project work and removal of associated posts, procuring work more efficiently.**
Investigate opportunities for externally commissioning work, ensuring better value for money.

**ECS 04** Refocus and reprioritise Environmental enforcement activity to achieve efficiency savings of 50% through staffing review.

Levels of enforcement activity across the teams will not reduce; refocusing activity will in fact increase however, the expectation is that other parts of their role will expand i.e. education and advice being spread across the organisation.

There has been an increase in reported fly tips of 115 during the same period between 2017 (1,181) and 2018 (1,296):

<table>
<thead>
<tr>
<th></th>
<th>Apr</th>
<th>May</th>
<th>Jun</th>
<th>Jul</th>
<th>Aug</th>
<th>Sept</th>
</tr>
</thead>
<tbody>
<tr>
<td>2018</td>
<td>249</td>
<td>218</td>
<td>193</td>
<td>251</td>
<td>202</td>
<td>183</td>
</tr>
</tbody>
</table>

**ECS 05** Increase capitalisation of highways maintenance costs, creating a revenue budget saving.

Utilising capital expenditure to undertake works on Council’s highway assets to release revenue.

**ECS 07** Reduction in Building Maintenance stand-by payments.

Utilising existing management across the department to reduce need for specific operational stand-by arrangements.

**ECS 09** Review and restructure management within Environment and Commercial Services.

Removal of existing vacant manager posts and further review of management structures, in line with additional efficiencies created across the services.

**ECS 13** Review and restructure Bereavement Services

Review and restructure of both operational and management staff across Bereavement Services

**ECS 14** Increase efficiencies within the Area Care service, including removal of seasonal workers.

Review of operational effectiveness to achieve efficiency savings. Area Care normally employ 35 seasonal staff over the summer period, April to October inclusive. The reduction of 10 seasonal staff equates to 28.5% of the seasonal intake and 8.6% of the total summer workforce.

Increased performance management and implementation of more efficient and effective ways of working, will ensure minimal impact on front line services.
FGS 01  Increase income and delivery of ongoing efficiencies within the ICT service.

Following a review of commitments against the ICT revenue budget, a list of existing contracts, maintenance and licence agreements have been identified that can be reduced by applying a consistent criteria to their review (Reduce, Consolidate, Cancel). Based on an assessment of the security risk, impact to users and availability of the ICT infrastructure, contract reductions have been identified which will deliver significant savings whilst at the same time keeping the risk and operational impact to a minimum.

FGS 03  Review and restructure accountancy and insurance services.

Staffing review incorporating staff who expressed interest in ER / VR and consideration of current vacant posts.

FGS 09  Review and restructure of Revenues and Benefits service following insourcing.

Following the insourcing of the Kier Revenues and Benefits service, a review and restructure will be implemented to remove duplication and release any efficiencies.

FGS 10  Savings from reduced Housing Benefit caseload as a result of Universal Credit roll-out.

This proposal will see a quarterly assessment of the reduction in the housing benefit caseload, resulting from the roll-out of Universal Credit, making commensurate staff reductions by removal of posts.

ASC 01  Reduction in budget for asylum seekers with additional health needs, due to historical over-provision in budget.

Budget adjustment, as part of budget setting process based on previous years' underspend.

ASC 10  More efficient delivery of Independent Supported Living services, ensuring that the support plans of the tenants fit efficiently together with reduced duplication, reducing cost by 10%.

This proposal will see a review of all Independent Supported Living schemes, reducing service provision to remove duplication, based on client assessed needs.

PHPP 03  Adjust Sexual Health Service budget to incorporate efficiencies already achieved.

Budget adjustment, as part of budget setting process.

PHPP 05  Terminate regional Fresh contract and deliver stop smoking service in-house.
Current budget for this service is £290k.

CS 04 Reduce EMAT services in line with reduced level of demand for traveller education.

EMAT is the Ethnic Minority Achievement Team and this proposal will understand the potential impact of a voluntary redundancy within the team, due to reduced demand.

Appendix 2 - Initiatives affecting front line service delivery levels

These initiatives will form part of the 2019/20 revenue budget, and will be subject to the impact assessment process and consultation either prior to consideration by Full Council as part of the 2019/20 revenue budget, or during 2019/20 for implementation in that year or future years.

CCC 05 Restructure Libraries and Hubs to ensure more efficient working practices, including reduction in reception service, and reduction in the book fund by maximum of £30k.

The book fund is currently £100,700; higher than some comparable authorities. It is expected a high quality service will be maintained, albeit with a reduced book fund (by no more than £30k). In addition, libraries and hubs will be staffed, combining some roles, minimising the impact on the customer to achieve the remainder of the efficiency.

In terms of use of libraries and hubs, statistics taken over the last 4 years locally, align with the national picture, as follows:

<table>
<thead>
<tr>
<th></th>
<th>2014/15 (000s)</th>
<th>2015/16 (000s)</th>
<th>2016/17 (000s)</th>
<th>2017/18 (000s)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Visitors</td>
<td>553</td>
<td>497</td>
<td>529</td>
<td>487</td>
</tr>
<tr>
<td>Public PC use: sessions</td>
<td>149</td>
<td>124</td>
<td>130</td>
<td>114</td>
</tr>
<tr>
<td>Public PC use: hours used</td>
<td>105</td>
<td>124</td>
<td>130</td>
<td>73</td>
</tr>
<tr>
<td>Books issued</td>
<td>331</td>
<td>285</td>
<td>246</td>
<td>216</td>
</tr>
<tr>
<td>Library borrowers</td>
<td>n/a</td>
<td>n/a</td>
<td>20</td>
<td>18</td>
</tr>
</tbody>
</table>

ECS 08 Implement wild flower bedding throughout town, with the exception of town centre.

This proposal will see the expansion of alternative flower bedding arrangements across the town, with the exception of the town centre, using wild flower bedding.

ECS 11 Cease Green Waste collections in October, as opposed to November currently, or Adjustment of Green Waste collection cycle, equating to two less collections per year, comprising of two options a) Cease Green Waste collections in October, as opposed to November currently, or b) Monthly Green Waste collections in the months of October and November.
This proposal will ensure that green waste collections will be maintained through peak season, allowing for savings to be made when less green waste is produced by Middlesbrough residents. Green waste disposal facilities at household waste recycling centre will continue to be available year round.

A summary of green waste collections for 2018 across the Tees Valley is detailed below:

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Darlington</td>
<td>n/a</td>
<td>n/a</td>
</tr>
<tr>
<td>Hartlepool</td>
<td>3 April</td>
<td>30 November</td>
</tr>
<tr>
<td>Redcar</td>
<td>1 March</td>
<td>30 November</td>
</tr>
<tr>
<td>Stockton</td>
<td>16 April</td>
<td>12 October</td>
</tr>
<tr>
<td>Middlesbrough</td>
<td>3 April</td>
<td>30 November</td>
</tr>
</tbody>
</table>

**ECS 12** Increase charges in Bereavement Services by 2.5% above agreed annual inflationary increase (5% in total), to ensure average charges are more in-line with overall Tees Valley averages for burials and cremations.

Schedule of charges 2019/20 (which assumes 2.5% inflationary increases across neighbouring authorities) will see average funeral prices remain below the Tees Valley average.

<table>
<thead>
<tr>
<th>M'bro current</th>
<th>M'bro proposed</th>
<th>S'ton</th>
<th>H'pool</th>
<th>D'ton</th>
<th>R'car</th>
<th>TV average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adult burial</td>
<td>588</td>
<td>617</td>
<td>513</td>
<td>766</td>
<td>820</td>
<td>671</td>
</tr>
<tr>
<td>Adult cremation</td>
<td>735</td>
<td>772</td>
<td>n/a</td>
<td>753</td>
<td>792</td>
<td>Not available</td>
</tr>
</tbody>
</table>

Middlesbrough will also explore the possibilities for introducing low cost funeral packages.

**ECS 17** Increase income from Newham Grange Farm, due to increased visitors and through increased ticket prices and secondary sales, reflecting the improved offer.

A proposed increase in all ticket prices of 8% in total (e.g. adult price from £3.70 to £4, child / OAP £2.80 to £3).

This initiative is proposed as part of the wider development of Newham Grange Farm, which has already seen well-received investment that has substantially increased visitor numbers.

Further developments will take place over winter 2018/19 and into 19/20 to further enhance the visitor / educational attraction.
**ASC 04** Review all contracts with warden support providers to release efficiencies.

We have a number of contracts with various housing associations for warden support. This proposal is to review the support so that only those who need the support receive it, removing any contract inefficiencies. Currently support is often linked to tenancy rather than need. Following contract review and consultation with housing providers, support will be allocated by providers on a needs-basis, as opposed to tenancy.

All tenants will be in receipt of Housing Benefit.

**ASC 05** Implement charge for Connect Service to recipients in receipt of Pension Credit Guarantee, historically funded by Supporting People Grant (since mainstreamed), in line with other users of the service in Middlesbrough and in line with other councils.

The Connect service is a pendant alarm, worn by the recipient, providing a monitor and response service and is activated by the client, when emergency assistance is required.

Other councils already charge for this service; Middlesbrough is currently the only local authority providing the service free of charge to those on Pension Credit Guarantee, across all tenures and without any need for assessment of care need. Under the proposal, those with assessed care need would be able to have the service paid for through their personal budget.

Others who request the service but do not have an assessed care need would still be able to purchase the service direct.

The proposal is that a charge will be implemented at a cost of £4.09 per week (on average). This will potentially affect 1,200 out of approximately 3,200 users, however some of these may have the cost covered by their personal budgets.

The Supporting People programme was launched in 2003 as a £1.8 billion ring-fenced grant to local authorities intended to fund services to help vulnerable people live independently. The programme brought together several funding streams, including support provided through the Housing Benefit system, into a single grant for local authorities to fund a variety of services.

Following reductions in the grant to local authorities which were announced in 2010 and since the Supporting People allocation was subsumed into the Formula Grant paid to local authorities in 2011, the allocation could no longer be separately identified.

Historically, the Supporting People grant was utilised by local authorities in different ways. One of the elements that Middlesbrough chose to utilise the grant for was to support Connect clients. In addition, the level of grant funding varied across authorities and a wide range of priorities, including homeless, domestic violence
services, gypsies and travellers, older people, people with learning disabilities, offenders etc. Direct comparisons of utilisation of the Supporting People grants cannot be undertaken, owing to the varying levels of support and how it was used between authorities.

The model will be adjusted accordingly; if an individual decides not to pay, does not take up the service and therefore less income is generated, or with fewer people delivering the service.

ASC 07 Increase administration charge (to the deceased's estate) for deferred payments, in line with other councils nationally.

Deferred payments give the opportunity for clients to defer care costs against their asset.

The increased charge involves interest against those loans which previously has not been charged. Deferred payment charges will increase from £250 to £407.

The set-up fee for deferred payment has not been increased for at least 10 years. Middlesbrough is the only Council in the region that does not charge interest from the inception of the agreement. The information below gives the comparison with our neighbouring authorities:

<table>
<thead>
<tr>
<th>Authority</th>
<th>Set-up fee</th>
<th>Annual fee</th>
<th>Interest</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hartlepool</td>
<td>£550</td>
<td>n/a</td>
<td>Charged from day 1</td>
</tr>
<tr>
<td>Redcar</td>
<td>£768</td>
<td>n/a</td>
<td>Charged from day 1</td>
</tr>
<tr>
<td>Stockton</td>
<td>£563</td>
<td>£50</td>
<td>Charged from day 1</td>
</tr>
<tr>
<td>Durham</td>
<td>£410</td>
<td>£50</td>
<td>Charged from day 1</td>
</tr>
<tr>
<td>Middlesbrough*</td>
<td>£250</td>
<td>n/a</td>
<td>Charged 90 days from date of death</td>
</tr>
</tbody>
</table>

* Current arrangement

The proposal is to move to:

| Middlesbrough* | £407 | n/a | Charged from day 1 |

PHPP 01 Reduce spend through transformation of the drug and alcohol service provision in the following areas:

a) Removal of prevention and early intervention spend (development of new schemes, capital expenditure and service improvements), working in partnership with providers to identify alternative ways of achieving service improvements

b) Reduction of drugs and dispensing costs for the services based on actual data over recent years

c) Partnership working with the NHS, Police and other agencies to seek alternative ways of funding elements of the drugs and alcohol programme where impact is shared across agencies

d) Restructure of Middlesbrough Recovering Together services in line with contracts, working across agencies to develop integrated service delivery models, providing client support for both substance misuse and social needs
e) Termination of the contribution to the regional Balance Alcohol office and developing a local offer for taking forward the prevention and tackling alcohol related harm agenda

The adjustment to the substance misuse budget will reflect national reductions in the Public Health grant, consisting of a review and restructure across substance misuse services improving access, efficiency and outcomes through partnership working.

It is anticipated that the following areas will be reduced / transformed, as a result:

- **Reduction in prevention and early intervention budget** - previously used to fund new initiatives as pilot schemes before being mainstreamed, marketing, service development, capital works and trying out new approaches, the majority of which have proved successful. Once the concept had been proved, they were often ‘mainstreamed’ in that ongoing funding would be allocated and/or they would be built into future commissioning plans; this will no longer be as easy to fund. In removing this spend, the service will work with providers to look at different ways of achieving service improvements.
- Review of drugs dispensing costs for services based on actuals data over last four years. This data has been used this to readjust budgets going forward.
- **MRT Carer post from 2020/21 onwards** - Middlesbrough Recovering Together (MRT) is the local model for delivering substance misuse recovery. The Carer post is about supporting carers for people with substance misuse. Working with the Carer’s strategic group, alternative arrangements and funding will be sought. A review of MRT services will take place, in line with contract renewal dates and working across agencies to develop integrated service delivery models that provide support for individuals’ substance misuse as well as social needs.
- **Hospital Interventions and Liaison Team (HILT) service from 2019/20 onwards** - HILT is the hospital intervention and liaison service based at the hospital, providing support for individuals presenting with drugs and alcohol related issues to access support on discharge from the hospital. Partnership working with the CCG, NHS, Police and other agencies will investigate alternative ways of funding elements of the drugs and alcohol programme, where impact is shared across agencies.
- **MRT Apprenticeships scheme from 2019/20 onwards** - Apprenticeships offered entry-level experience into the service. In future, providers will be asked to confirm where opportunities exist.
- Termination of the contribution to the regional Balance Alcohol office and developing a local offer for taking forward the prevention and tackling alcohol related harm agenda.
- The Safe Haven is a community safety and night time economy initiative aimed at providing support to individuals who are out at night in Middlesbrough and in need of health, safety and protection due to their vulnerability. It is jointly funded by the Council and the CCG and a review is underway to explore alternative funding arrangements. The Safe Haven is at risk from 2019/20 and an alternative funding model is being explored.

Whilst front line delivery is currently protected, work will begin with other service areas, transforming care and support for individuals with multiple and complex needs - new and more integrated models will emerge over the next 18 months.
The prevention and early intervention offer will be reduced, however core treatment services will be protected. As only core services are likely to remain, there will inevitably be less choice and whilst clear pathways are already in existence, there will be less proactive engagement.

**PHPP 06**  
Review council services that the Public Health grant currently contributes to, with a view to reducing non-core Public Health expenditure by 30%.

This proposal requires further development prior to consultation. In essence, a review of the Council services funded from the Public Health grant will take place to ensure they are still delivering the public health outcomes, identifying 30% efficiencies over the next two years.

The distinction of core and non-core services will be part of the review.

**Appendix 3 - Initiatives requiring further development prior to being brought forward for approval**

These are initiatives that will be subject to the impact assessment process (where necessary) and on which the Council will consult prior to consideration via either member or officer decision (as appropriate) either during 2019/20 or in future years. The likely relevant decision making body and provisional timing is listed for each proposal, which may change depending on the nature of the final proposal.

**CCC 02**  
Explore further collaboration in frontline community safety delivery with partners.

Discussions have taken place in the past with Cleveland Police as to whether there could be more effective alignment of the Street Warden service with local policing and security personnel.

By working with partners to target areas more effectively and optimise the number of uniformed officers, crime will be reduced in the town centre. Further discussions will take place with Cleveland Police to review any potential partnering arrangements.

**CCC 06**  
Explore potential for joint management arrangements of Libraries and Hubs with other councils.

Similarities with neighbouring authorities’ library and hub offer have identified potential for joint services, sharing expertise and rationalising the number of staff required (focussing on back office roles, as opposed to front-facing staff).

**CCC 08**  
Explore potential for joint management arrangements of museums with other councils.

Similarities with neighbouring authorities’ museum offer have identified potential for joint services, sharing expertise and rationalising the number of staff required (focussing on back office roles, as opposed to front-facing staff).
REG 04  Review road safety arrangements for schools.

The approach to achieving the saving will include full risk assessments, assessment of the capital infrastructure planned or in place, the potential for academies to fund their own crossing patrols, if required and other road safety measures that do not have revenue implications. Any removal of school crossing patrols will see alternative provision made.

ECS 02  Further review cleaning, caretaking, security and facilities management to ensure service costs moves towards industry averages.

This proposal will explore the review and restructure of the service to ensure more efficient operations and management, leading towards industry cost standards without impacting front line delivery.

ECS 15  Review of Area Care activities to ensure that the balance between community responsibility and the requirement for the council to undertake these services is repositioned.

The approach to delivering this initiative will be to engage with residents and businesses to agree how, in partnership, we can ensure that Middlesbrough’s open space continues to deliver against community aspirations.

ECS 18  Review the management and collection of waste in order to increase the level of recycling in Middlesbrough and move toward national recycling targets.

This review will take place following the publication of the Government’s Waste Strategy and will react to its objectives and drivers accordingly.

FGS 08  Reduce member and non-member related administration in Democratic Services.

The approach to delivering this saving will entail cessation of administration of Ward Surgery programme; members allowances and claims; school admission appeals; administration of petitions; production of street surgery cards; admin support (IT / co-tag / parking permits / business cards) and reduced support for scrutiny panels.

FGS 15  Reduce staff mileage rate from 60p to 55p per mile.

Based on usage from last year it equates to approximately a £60k saving per 5p reduction. At 55p Middlesbrough Council would still be the highest payers in the Tees Valley. Essential User Mileage rates were phased/bought out a number of years ago; no other Tees Valley local authority pays a lump sum on top of mileage.

PHPP 04  Review and restructure School Nursing and Health Visiting services.
Transformation will occur via a robust review of early help and prevention services in partnership with Children’s Services in order to improve frontline delivery and outcomes for children, young people and families proportionate with local need.

**CS 01** Review Education services that can be operated as a shared service with a neighbouring council, improving resilience and reducing duplication of costs.

Services operated with in conjunction with other authorities will offer economies of scale, greater resilience in the provision of services to schools and greater scope for income generation from schools outside of the area.