

Shaping our future together

Our medium-term plan 2019-20 to 2021-22



let's talk
Newcastle

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1. Foreword from the Leader of the Council, Councillor Nick Forbes

The three-year plan presented here confirms two essential truths about our city; that the damage caused by government austerity is far from over, but also that Newcastle remains a national success story.



Since the days of the coalition government in 2010 local authorities have lost a combined £16 billion. In Newcastle, we embark now on another three years of difficult decisions which will see £60 million taken from us.

That money is lost in many forms. From government refusing to provide adequate funds for care services, to new burdens placed on councils by ministers for which little or no funding is made available.

After the first few years of austerity we warned that local government was at the cliff edge. In the last year we have seen that warning become reality, as the first councils issue the spending warnings that effectively see them go bust.

In Newcastle, by the end of this budget cycle we will have lost £327 million since 2010. That equals an astonishing £696 per household.

Instead of the government funding that once underpinned essential services, the burden is now passed to local businesses and households. But Council Tax is a blunt and inefficient tool. A 1% increase in Council Tax or the adult social care precept for Newcastle raises around £1 million whereas 1% for Surrey raise some £7 million.

The loss of our Revenue Support Grant, which was used to compensate for differential tax bases, compounds the scale of the challenge we face.

On top of Council Tax bills comes the government's adult social care precept, asking local families to pay the care costs which government once covered. What all this means is that as we look to our future we know we are on our own, and that in order to succeed we must grow our city's economy.

A three-year plan is vital to this. It gives people time to plan for the reductions to come and lets us transform services with the minimum impact on residents.

By being honest about the difficult decisions we have to make, we as a city can come together and ensure Newcastle remains a great place to live, work and visit.

We seek to protect where possible frontline services. We know our residents take pride in their neighbourhoods, and we will support them despite these cuts. We know also that businesses are keen to invest in our city, and we will work with them to create more and better jobs.

There are difficult decisions to come, but we remain committed to maintaining Newcastle as the Great North City.

2. Statement from the Chief Executive, Pat Ritchie

In this plan we set out our financial and delivery proposals for the next three years. Despite the enormous financial challenges we have faced in the past eight years we have delivered much. And, looking forward, we will continue to deliver on our ambitions, transforming services and achieving positive change across the city.



We continue to face a substantial financial challenge. There is no doubt the sustained period of austerity has had a profound impact on the council and city. Alongside cuts from government, we face unprecedented rising demand for children's and adults' social care requiring us to continually innovate to manage demand whilst supporting the city's most vulnerable people. And, we have to manage ongoing risk and uncertainty including future local government funding, universal credit rollout and Brexit.

Nevertheless, our ambition for Newcastle is undiminished. Our proposals will continue to drive growth and investment whilst providing value for money, high-performing services. We have been at the forefront of service transformation in recent years. We have taken bold decisions such as changing the way we deliver leisure services and sustaining the city's much-loved parks. These decisions are delivering real benefits for people. Alongside this, we are seeing impressive new housing growth and investment in a road network fit for the future. Flagship developments like Newcastle Helix signal our ambition for Newcastle to be a world leader in research, innovation and smart use of data.

We have only achieved this by working closely with communities, partners and businesses. Yet there is much more to do and the scale of the current challenge will require us to deepen our collaboration with partners to transform, innovate and redesign services as well as securing investment in the city's future.

Working with councils in North Tyneside and Northumberland we have secured devolution of powers and funding to the North of Tyne area. The new Combined Authority will create a dynamic and inclusive economy across the North of Tyne connecting people to new opportunities generated from £600m of additional investment in the area.

This plan will be subject to extensive consultation with residents and partners in the coming months. We will listen to all views and ensure our proposals are well understood. We are clear our proposals involve difficult choices and this has become increasingly challenging each year. We are able to overcome these challenges only through the creativity and commitment of our staff and partners. I would like to thank them again for their ongoing dedication and the great job that they do.

3. Financial Assurance Statement, Director of Resources, Tony Kirkham

The council must set a balanced budget each year. As the council's designated finance officer, I have a legal duty to report to City Council in March 2019 on the robustness of the council's budget and the adequacy of reserves.

The council has a strong track record of developing and delivering robust financial plans. In 2012, the council set out a three-year budget which left us better prepared to support the city through a prolonged period of reduction in public sector spending.



With the continuation of austerity and financial pressures unlikely to ease in the years ahead, we again produced a three-year budget in 2017 which looked forward to 2020. We have now set out our approach to adapting to further anticipated budget reductions over the medium term to 2022. This is against a very challenging fiscal backdrop which has seen a number of high profile councils have concerns raised about their financial sustainability requiring specific government intervention.

My current assessment is that although the council is facing some in-year pressures, we are largely on track to achieve the tough budget limits for 2018-19. The proposals set out can secure a balanced budget for 2019-20 and provide a firm basis for the development of the budget for future years.

Reserves, whilst relatively low, are adequate for the risks we face and can support the transformation programme that is set out. However, reserves are a one-off source of funding and the council needs to make permanent reductions in its net expenditure. As a result, reserves cannot be used to avoid permanent savings. I am also confident that, subject to the approval of individual business cases, the proposals outlined for capital investment can be funded through available capital receipts and resources, and the income or cost reductions from those investments.

4. What is this document for?

This report and its appendices set out our plan for the years 2019-20 to 2021-22.

This is structured around our five key themed priorities:

- Employment: creating more and better jobs.
- Education and Skills: the best learning opportunities for all.
- Environment: a clean, green and safe Newcastle.
- Health and Social Care: a healthy, caring city.
- Housing: building more and better homes.

It explains the challenges and opportunities facing the council and city. We summarise what we can achieve working with partners and communities. And we are honest about where our choices are more limited and there are difficult decisions to be made. The plan sets out how we raise and spend money in your neighbourhoods and across Newcastle now and in the coming years.

Despite declining funding from government and increasing costs, we remain ambitious and confident in the future for Newcastle. Our proposals reflect this.

We need your views on the proposals set out in this plan. And, we welcome your ideas on what we, residents, partners and businesses can do together to drive Newcastle forward.

Our financial position remains very challenging. The past eight years have seen an incredible effort by us and our partners to maintain and transform services as well as continuing to invest in the future. Nationally, there is debate on whether government has signalled the end of its policy of austerity. The financial pressures have not gone away.

Over the period to 2022, we will have had to save a staggering £327 million due to government cuts and increasing cost pressures. Without a substantial reversal in the cuts we have had over the past eight years, this represents a massive, ongoing reduction in the city's budget for services and investment in growth and jobs. Over the next three years, we need to save £60 million, with £16.9 million required in 2019-20.

This plan should be read alongside a number of supporting documents, all available on our website at www.newcastle.gov.uk/budget:

- Appendix 1 – Revenue and capital plan
- Appendix 2 – Summary of service proposals
- Appendix 3 – Cumulative impact assessment
- Integrated impact assessments for changes to services in 2019-20

5. The financial challenge

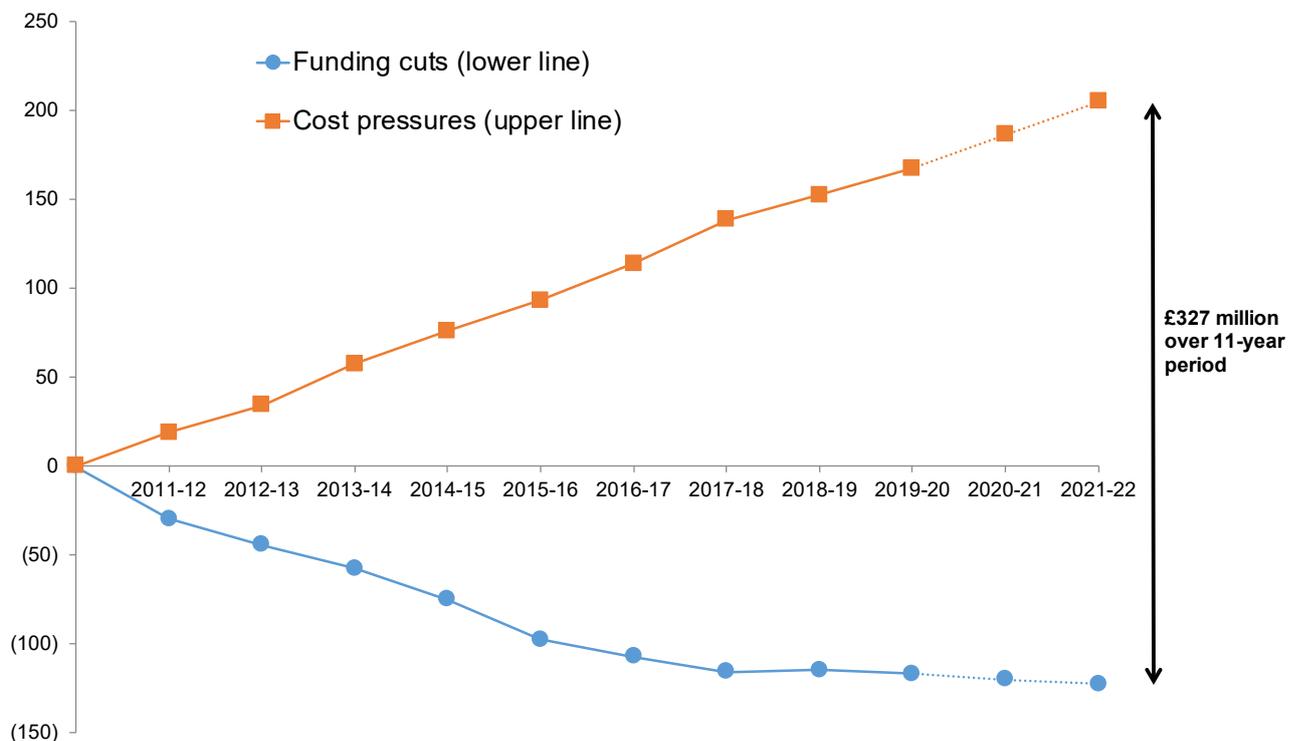
Newcastle has faced cuts that are unfair and disproportionate, more than twice the national average since 2010. By 2019-20 we will be in the ninth year of austerity. Over the period to 2022, we will have had to save a staggering £327 million due to government cuts and increasing cost pressures. Over the next three years, we need to save £60 million. The funding gap in 2019-20 is £20 million, assuming an increase in Council Tax, the savings requirement is £16.9 million.

At the same time the city has seen the introduction of Universal Credit and the bedroom tax among other measures, reducing the spending power of some of our most vulnerable households. We have done well to manage these cuts in a controlled manner, transforming services through innovation and taking a medium-term rather than a short-term approach.

At the time of writing our proposals, government published its budget, which contains a number of provisions that may impact on council finances. However, we will not know the precise effect of these provisions for Newcastle until we receive our detailed finance settlement from government in December.

Demand for our services continues to rise. The number of vulnerable adults (including, frail, elderly people or those with learning disabilities) and vulnerable children (for example those at risk of domestic violence, harm or neglect) are all increasing. This is alongside other cost pressures such as the £17 million cost of implementing the National Living Wage and increases in cost of supplies and services through inflation.

Chart 1 – savings achieved / required from 2011-12 to 2021-22 (cumulative)



We know from 2020 onwards, we are on our own. Within two years almost all our funding from government will have gone - meaning the city's services will be almost entirely dependent on Council Tax, business rates and income we can raise from other sources. By this time, government will have effectively shifted responsibility for funding key services from central government to local tax payers.

Over the period of government's austerity programme we have worked together with partners and communities to sustain services and neighbourhoods in the face of unprecedented and disproportionate cuts. We have managed this through a programme of:

- **Ensuring all services are operating as efficiently as possible.** We have delivered substantial reductions in senior management posts and at the same time, we have had to reduce the council's central support functions (for example policy and communications, legal and IT services). We have also taken difficult decisions to make frontline services more efficient such as introducing alternate, weekly bin collections.
- **Transforming service delivery.** Recognising the limits on making efficiencies, we have radically reformed the way we deliver some services. This has been in response to both financial pressures and changing demand. In social care, we have implemented new ways of delivering better outcomes for adults who need support. We have transformed our approach to working with people with complex needs, allowing us to maintain or improve outcomes for people whilst achieving savings. Our ambitious build programme has provided a wide range of high-quality housing with support options for people of all ages and needs and this will continue with 11 brand new schemes over the next two years. And we have sustained a vibrant sport and leisure offer across the city by working with a national not-for-profit organisation.
- **Working in partnership.** As resources have shrunk, we have had to develop new ways of working with communities and partners. Whilst this has been challenging for all, we have also taken this opportunity to give communities more control over services and assets in their neighbourhoods, for example in transferring assets to community ownership. And our pioneering Parks Trust will be a nationally leading example of a partnership and community-based approach to sustaining and enhancing city assets.
- **Introducing fair charges.** For some services, particularly where these are not universal, it is fair and sensible to introduce or increase charges to help pay for delivery of services or related equipment. For example City Council previously agreed to introduce charges for replacement bins and we will now move ahead to implement this decision.
- **Investing in assets.** We have taken the decision to invest in key assets to achieve long-term efficiencies and secure future income to sustain services. For example the refurbishment of the Civic Centre enables us to reduce buildings by locating more staff in one place. At the same time, we will raise new income from renting Civic Centre office and commercial space to organisations. We plan to raise an additional £450,000 from this during the next three years. We will also

continue to deliver commercial development to increase income by a further £500,000 during the same period.

- **Making tough choices.** Given the scale of the cuts we have faced, difficult decisions on services have been inevitable. We have only closed services as a last resort, instead seeking to sustain services albeit at a reduced level. For example we have continued to deliver a network of community libraries by reducing opening hours, rationalising the network and working with communities and partners on shared-delivery models.

6. Our response to the financial challenge moving forward

We are a strong council with clear values and a plan for the future, building on the work we've done over the last eight years to address our continuing financial challenge. We are a co-operative, financially responsible, efficient, customer-focussed, creative and collaborative in all that we do. Being a fit-for-purpose council underpins all our work, enabling the delivery of the five priority themes.

Transforming our services

Despite huge reductions in our funding and capacity, we have grown in our confidence and ability to galvanise and lead the city. We are leading the way in showing others how council services can be transformed. We are a progressive organisation – willing to try new ways of doing things and providing a test bed for new ideas and innovation.

The Newcastle Parks Trust is a groundbreaking example of our ability to innovate. The establishment of the Trust is a UK first and will see the National Trust, Heritage Lottery, communities and other partners working together to ensure our parks flourish into the future.

Our model of community hubs and libraries will enable us to maintain a network of libraries in communities alongside our fantastic City Library. However, to do this we will need to shorten opening hours. We are clear, whilst our transformation programme is helping to sustain services, we cannot avoid difficult decisions.

We will continue developing and improving our digital customer service offer so residents and visitors find it simple and convenient to transact with us online. New, reliable and safe technology will enable our customers to apply, pay, report online either from their own devices or from our network of supported digital resources across the city. We will help and enable those who cannot use digital technology.

We have invested in digital technology to transform services, delivering enhanced customer experience alongside savings. We have piloted smart technology in waste collection, street lighting, housing, social care provision and traffic signals. Moving forward, we will appoint a 'tech partner' to push the boundaries on how smart technology can be deployed in the delivery of services.

We have also embraced bold, new thinking on the long-term future of services and the city as a whole. Last year, we established an independent Waste Commission of leading experts to challenge the city on how we reduce, re-use and recycle more waste. Our new Waste Strategy will set out what we will do as an organisation to respond to the Commission's recommendations, recognising this requires us to work together with partners and communities.

We will continue investing in transformation. But service reform doesn't always need to be complex. We will also take sensible, straightforward decisions to improve our

services, for example we are bringing repair and maintenance of waste equipment back in-house because it is more cost-effective to do so.

Securing investment in our communities through our commitment to social value

We believe social value - as well as financial value - is important and should be considered in all our decisions, particularly where we are commissioning and procuring from partner organisations. We have made changes to our ways of working to make sure we consider social value in every part of our commissioning and procurement cycle.

Our Newcastle Social Value Commitment means wherever we can we will work to spend our funding locally, keep a focus on what communities say is valuable to them, show ethical leadership and make green and sustainable choices.

Last year, we spent over £180 million with organisations within Newcastle and almost £269 million with organisations in the North East. Next year, we anticipate some 40% of our influenceable spend will be with organisations within Newcastle and 65% in the North East. We expect 15-20% of that spend to be with voluntary and community organisations.

As a major employer and investor, we recognise the significant impact our own actions can have and we also know that positive impact can be vastly increased if partners work together. With this in mind, we are working hard to communicate the steps we have taken to secure and measure social value and to promote this message among our partners.

Buying goods and services from local organisations is part of our much wider approach to community wealth building. This draws on a much wider set of powers, resources and community assets we can bring to help generate and sustain community wealth.

For example the Newcastle Fund has played a vital part in sustaining community-based initiatives in partnership with the voluntary and community sectors over the past seven years. It has supported vulnerable people and increased individual and community wellbeing. And it has given people routes into employment through volunteering opportunities. Like all our services and investments, we will have to take difficult decisions on the Newcastle Fund in the coming three years. But, we are committed to continuing the fund as a key part of our community wealth building.

We will also continue to unleash the power of council-owned assets in communities. By offering residents greater ownership of these assets, we give them shared interest in their community wealth. To date, 16 facilities have transferred to communities, with negotiations ongoing on a further 12 facilities. We know asset transfer is not always straightforward, with complex issues to work through. Our ongoing support for these transfers represents a substantial investment in building community wealth.

We have also created a £1 million Life Chances Fund to improve access to economic opportunity for the city's most deprived residents. Working with partners, the Life Chances Fund will help people overcome barriers to employment. This will help fulfil their potential, making a positive, sustainable difference to communities.

Strengthening our partnership working

In recent years we have achieved so much by working in partnership. The bold developments at Newcastle Helix and the Stephenson Quarter ably demonstrate our ability to deliver in partnership game-changing commercial deals to secure investment and jobs for people. We have protected some of the most vulnerable people in the city through partnership approaches to financial inclusion and preventing homelessness. And, with the National Trust and communities we have developed a groundbreaking model to sustain and enhance the city's much-treasured parks.

We have also developed innovative models of shared delivery with Your Homes Newcastle for Building and Commercial Services. And we have managed to secure a bright future for both the City Hall and City Pool by developing partnership agreements with partnership providers.

During the next three years, we will build on our strong track record of delivering in partnership. A key priority will be working closely with our health partners to make the best possible use of the Newcastle Health and Social Care Pound. Through this we will test new ways of delivering health and social care in a way that provides a better service while also making efficiencies.

The establishment of a Combined Authority for the North of Tyne Area is, first and foremost, a once-in-a-generation opportunity to secure our vision for a strong and inclusive economy. Together we will use our Inclusive Growth Fund of £600 million over the next 30 years to grow the economy across the North of Tyne, ensuring this growth creates decent job opportunities for all residents. This is expected to generate £1.1 billion for the local economy, create 10,000 new jobs and leverage £2.1 billion in private sector investment.

And our deal has secured local control over the adult education budget. We will use this to develop approaches to education and skills based on local need, giving people the skills they need to access employment and develop their careers.

We will also use closer working with North Tyneside and Northumberland councils as an opportunity to explore new and shared ways of working.

Making Newcastle digital by design

Newcastle has a long history of innovation and we are embracing digital opportunities for our services and to improve outcomes.

We have already made substantial investment in digital technology to transform services. This has improved customer experience and helped us to make necessary savings. For example we are currently piloting the use of smart technology in waste

collection, street lighting, housing, social care provision and traffic signals. Our Smart Street demonstrator has focused on pulling together data from multiple data sources (such as bins, lights, CCTV, air quality) to help us manage out city better.

Whilst we have been highlighted nationally for our ambitious thinking in how we use innovative technology, we recognise there is more to do as we move forward.

An important part of our plans is to appoint a tech partner to develop and deploy smart technology in the delivery of our public services. This partner will work with us to apply world-class technology, innovation, skills and expertise to improving efficiency and customer outcomes.

The potential opportunities from this way of working include:

- Supporting vulnerable people in their homes at reduced cost.
- Promoting digital inclusion.
- Making Newcastle a greener, cleaner environment to live in.
- Helping to attract inward investment and growing entrepreneurship.

Securing new sources of income

Revenue from sales, fees and charges form an important part of our income to fund services. This is becoming ever more critical as funding from government reduces and councils are forced to be more self-sufficient. In short, we have no choice but to replace government funding with local income.

Our approach is to maximise income through a combination of:

- **Taking advantage of available commercial opportunities.** For example raising over £120,000 from selling advertising on the city's bus shelters.
- **Making best use of our property assets.** We will increase income from renting office space at the Civic Centre as part of our refurbishment programme. We plan to raise an additional £450,000 from this during the next three years. This is in addition to our increasing commercial revenues by a further £500,000.
- **Trading council services.** We already raise income from some services and over the next three years more services will deliver new or increased income streams. For example by 2021-22 we plan to generate additional income of £100,000 from energy management contracts we have with clients. We do not propose general inflationary increases across all our fees and charges. But, we have made sensible proposals to increase income from trading, sales, fees and charges where these are reasonable. For example we propose increases to fees for legal, audit, risk and insurance services.

Each new business in Newcastle not only brings new jobs, but also helps sustain services through business rate income. Our investments in city centre and neighbourhood infrastructure as well as new development sites will ensure we maintain a strong retail offer and attract new business to the city.

Taking difficult decisions on Council Tax to protect vital services

We are proposing to increase Council Tax by 2.95% in 2019-20. In addition, a precept increase of 1.0% will part-fund the huge cost pressures in adult social care. Government expects councils to use this precept to increase Council Tax to part-fund rising social care costs. We believe this is unfair as it moves the burden of addressing the social care funding crisis from government to local tax payers. However we have no choice but to apply this increase to maintain services to some of the city's most vulnerable people and indeed, government assumes we will apply this increase in full. The remaining increase of 2.95% will part-fund the cost pressure and funding cuts across other services. This will mean a total increase of 3.95%. For an average Band D household this means an increase of around £5.20 per month over a 12-month period.

We perform well in collecting Council Tax for the city on your behalf. Our collection rates are amongst the highest within core cities and North East local authorities. But, we know some households struggle to pay Council Tax. We are committed to supporting those on low incomes and developed a new Council Tax reduction scheme for 2018-19, providing reductions for those most in need. We are now also proposing to increase the Council Tax premium payable on empty properties in line with the recent change in the regulations. This will generate extra income for services and encourage owners to put their empty properties to good use.

Investing in our staff

Our staff play an important part in delivering our vision. They continue to provide high-quality services, making a real difference to Newcastle. Staff have shown remarkable resilience, helping us to innovate and change. They are great staff, doing great things for a great city.

Our latest staff survey reflected the extent to which our staff are prepared to go the extra mile to deliver for the people of Newcastle and we must do our part as an employer to recognise their commitment.

As one of the largest employers in the city, we have championed job quality, opportunity and fair pay through our sustained commitment to the Newcastle Living Wage. Last year, this was increased from £8.25 an hour to £8.45 for our staff, exceeding government's Statutory Living Wage of £7.83 an hour. We are now increasing this again, to £8.75, effective from October 2018.

The Newcastle Living Wage boosts the earnings of over 1,150 of our employees. Not only does this ensure a decent standard of living for all our staff, but the city's economy also benefits as families spend this money locally. Unlike the National Living Wage, our policy has no age qualifying criteria attached to it.

We want to find ways, within available resources, for more people to access the Newcastle Living Wage. Commissioned service providers will continue to be involved in contract design, so that we can maximise opportunities to improve social value including workforce terms and conditions.

We anticipate, overall, our budget proposals will result in a reduction of around 40 full-time equivalent posts in the council in 2019-20. We are committed to doing all we can to avoid making compulsory redundancies during this period.

7. Employment: creating more and better jobs

Being in good-quality work represents security, dignity, self-respect and hope for the future. We want Newcastle to be a city where everyone, regardless of background or circumstances, has a choice of good-quality, fairly-paid job opportunities.

We continue to drive growth in all that we do, both to create jobs and help fund our ambitions for the city. This is more important as we move to raising more of the money we spend through retaining business rate income. Every new business we attract to the city will not only bring jobs, they will also help fund our ambitions for the city. The city's business base has been growing consistently since 2011, with the total number of businesses now standing at 7,925.

This three-year plan will help ensure all our residents can contribute to and benefit from economic growth. The number of our residents in work is near record levels, however we recognise there is more to be done.

Investing in more and better jobs

Capital investment plays an important role in improving economic opportunities across all parts of the city, boosting the economy, creating jobs and supporting skills. Our continued investment in growth and jobs has played a vital part in stimulating business confidence in Newcastle and laying foundations for future growth. Our capital programme serves as a catalyst for greater private investment in the city.

Our capital programme will see us invest almost £360 million in projects across the city in the coming three years. This will be an investment, not just in the economy but across our priorities. For example we will invest over £5 million in road and pavement improvement and over £2 million in grants for disabled facilities.

This will also help deliver savings to manage financial pressures, for example new residential schemes for people receiving social care support.

There will also be considerable progress at Newcastle Helix where, working with our partners Newcastle University and Legal and General, we are bringing forward exciting academic, commercial and residential developments. The energy centre and district heating system for the site will also be completed in 2019-20.

In the subsequent two years we will be investing in the public realm on Pilgrim Street alongside office and retail developments by the major land owner. Investments in the quays and the north bank of the Tyne will also be progressed in 2020-22.

New schools and other facilities to support the delivery of new homes on our strategic housing sites will also be progressed during this period.

Despite our financial pressures, we will continue to work with Invest Newcastle to deliver on-going development and investment in the city's key employment sites, increasing jobs in the city. Already, this year this figure has reached over 400.

Supporting residents into work

At 5.8% the unemployment rate in Newcastle is at its lowest level since 2005, with 4,000 fewer people unemployed in the city in the 12 months to June 2017. We will support unemployed people in the city to secure job and training opportunities.

Since 2014, Newcastle in partnership with other councils has delivered Generation NE, a devolved £4.5 million youth employment project. The project has supported over 4,500 young people at a cost that compares favourably to similar, national services. The project has delivered ambitious targets and innovated, particularly in its use of digital channels.

In the last year, through the Targeted Recruitment and Training project (TRT), 69 unemployed Newcastle residents have commenced jobs on TRT sites and 26 in new apprenticeships and work placements. The Skills Hub, based in the City Library has supported 149 people into work, and 54 into training or work experience. This enables all communities to share the benefits of investment and development.

Investing in transport

We will continue to invest in the city's transport infrastructure for the benefit of residents and businesses. This will include:

- Developing and delivering on an air quality feasibility study that will contribute to cleaner air for all our communities for generations to come.
- Continuing to improve infrastructure in the city centre, including pedestrianisation.
- Ongoing investment in major highways maintenance and improvement.
- Developing local cycling and walking plans.

Developing smarter parking

Parking is critical to keeping the traffic flowing safely around our city, ensuring residents have priority parking near their homes and maintaining a balance between a healthy environment and the needs of shops and business. We are continually improving these services, for example pay-by-phone and pay-by-card services. Moving forward, we will implement a range of changes to the service and parking charges to improve efficiency and make savings, including:

- Reviewing provision of Blue Badge parking. This will include charging Blue Badge holders for off-street parking, whilst providing a one-hour grace period after their paid-for parking expires.
- Reducing the Shopmobility service from six days per week to three and no longer offer free parking to members of the scheme.
- Reviewing Sunday and evening parking charges and the distribution and pricing of resident parking permits.
- Closing the Grainger Town multi-storey car park overnight, only allowing access for fob (permit) holders.
- Improving energy efficiency and use of technology within car parks.
- Seeking new opportunities such as on-street parking and advertising.

Building a vibrant city

In recent years we have worked hard to attract leading national and international cultural and sporting events to Newcastle, including the Great Exhibition of the North and Rugby World Cup fixtures. These events create jobs and help attract future investment. We will continue to ensure Newcastle is positioned as an attractive place for major events and access external funding to support this.

Next year, Newcastle will be proud to host the Heineken Champions Cup and European Challenge Cup at St James' Park. We are playing a key part - providing a fan village focusing on providing a family experience and associated activities at sites across the city. We will also host the World Transplant Games in 2019, welcoming 2,000 athletes from across the world to compete across 15 events in venues across the region.

We will continue to invest in events that not only attract visitors and create jobs but, are important to the wellbeing and happiness of all our communities. These include the Christmas Lights switch on, New Year's Eve Celebration, Chinese New Year, Pride and the Newcastle Mela.

8. Education and skills: the best learning opportunities for all

Education

We want Newcastle to be recognised as a great place to be born, grow up, raise a family and develop a career. Having the best start in life sets us up for better learning, improved opportunities for life and better career prospects. This commitment is at the heart of our plans to become a UNICEF child-friendly city.

Working in partnership with schools enables us to raise standards and educational attainment. We are aiming to tackle long-term educational challenges of attendance, improving attainment and enabling more young people to access higher education.

Working with partners to offer help to families who need it ensures we are protecting the most vulnerable in our city. Intervening early to tackle problems before they escalate is key to our approach.

Investing in the best learning opportunities for all

Attainment in our primary schools is the highest for many years. Children in Newcastle build on a strong start in the early years to make good progress through primary education, with disadvantaged children performing particularly well. Most pupils have at least matched, if not consistently exceeded, the national average for the last three years.

Funding for schools continues to be under pressure. It's estimated that per pupil funding in England fell by 8% between 2010 and 2018, while running costs have increased. Despite young people's growing needs and increasing demand for our statutory services, the city has not received any extra funding to meet these additional pressures.

Although the education landscape and funding streams are in a state of flux, we will focus on tackling long-term education priorities for the city through:

- Continuing to embed the new school-led model of educational improvement in partnership with head teachers.
- Improving support to schools for the most vulnerable pupils to raise their attendance, improve their educational outcomes and reduce exclusions.
- Continuing to implement the outcomes of the high-needs review, leading to better targeting of support and provision for the most vulnerable children.
- Developing support for post-16 students - Maintaining the Newcastle Bursary Scheme in partnership with 13 schools in the city supports 16-19 year olds from low income families to stay in education and fulfil their potential.
- Continuing our programme of investment to create additional, good-quality school places where they are needed.

Supporting children and families

In Newcastle, as nationally, we are experiencing rising demand and greater complexity in our children requiring social care.

We believe we are now experiencing a national funding crisis for children's social care and without radical action by government in the form of more funding, the position is unsustainable. To put this in local context, we have seen a 41% increase in the number of children requiring assessment, help and protection over the past year alone.

This is important because we know if we are unable to make change with these families, they ultimately escalate to higher-cost services, meaning the children have more troubled lives and are in need of more specialist help.

We believe increased demands on children's social care are linked to the pressures on families resulting from a combination of welfare reforms and reductions in support services to families most need.

Our plan during the coming three years is to intervene earlier to support more children to remain safe and well cared for at home. Children and their families will benefit from highly skilled and passionate staff, able to provide the right support tailored to the needs of families. For example we will continue to promote the 1001 Critical Days from conception to age two - aiming for the North of Tyne to become a centre of excellence, supporting parents to develop a secure and responsive relationship with their baby and laying the foundations for improving outcomes in childhood and in adulthood. We will bring more family support services and activities into community settings and will seek additional funding at national, regional and local levels to deliver a rounded offer to families with a range of needs.

For those children that do become looked after, we want their experience of growing up in Newcastle to be as positive as their peers. We will continue to make the case to government on funding for children's social care and will seek additional funding to deliver our three-year vision. We will:

- Invest in our workforce so they have the skills and capacity to provide high-quality early support to vulnerable children and families.
- Continue to grow our Foster a Future service and grow our ambitious Build a Future service, so that more vulnerable children have the opportunity to grow up in loving family homes.
- Transform and expand our residential services, underpinned by high-quality therapeutic support, so that the most vulnerable children and young people have better access to placements that meet their needs.
- Strengthen our offer to young people who have experienced time in care by introducing a Council Tax exemption from April 2019.
- Begin discussions about integrated family support before and after statutory children's social care involvement.
- Consider where we can further improve services by working with partners, building on the successful launch of the North East Regional Adoption Agency.

9. Environment: a clean, green and safe Newcastle

Everyone has the right to live in a clean, pleasant and safe neighbourhood. And we have a duty to protect the environment for future generations.

Newcastle produces 142,000 tonnes of waste, with over eight million collections a year from 132,500 homes. As a growing city this is set to increase further. It costs in the region of £14 million a year to collect and dispose of the city's waste. Taking a radical approach to waste management will be critical to ensuring the city operates within sustainable environmental and financial limits. We are continuing to explore how people can be encouraged to reduce, recycle and reuse waste, responding to the recommendations of the Newcastle Waste Commission and by pursuing those who flytip rubbish in our city.

Investing in a clean Newcastle

In the next three years, we will continue to transform the local services that are vitally important to residents. We will work with communities, partners and businesses to take forward the ideas and innovations from the city's independent Waste Commission. Reducing waste and increasing re-use and recycling is everyone's responsibility and we aim to make Newcastle a leader in how we deal with waste as well as reducing future cost pressures in the longer term.

We will also continue to make our local services more effective and efficient by:

- Negotiating with our existing contract providers and re-procuring for the future to minimise the cost of waste disposal.
- Investing in modern vehicles, equipment and digital technologies to improve efficiency and effectiveness.
- Investing in enforcement and monitoring activities to ensure waste is disposed of properly and those who dump rubbish in our city are pursued.
- Review the operation of Household Waste Recycling Centres in line with our new Waste Strategy, reducing the cost and closing Brunswick Household Waste Recycling Centre.
- Maintaining our waste disposal machinery in-house as this represents better value for money.
- Reviewing waste charges for organisations, including for those organisations that have previously received this service free of charge.
- Supporting communities and partners, enabling communities to do more for themselves to create decent neighbourhoods.

Community hubs and libraries

Our Community Hubs and Libraries services play a key role in supporting digital, financial and social inclusion and literacy in its widest sense. Our libraries are safe, trusted community spaces, providing opportunities to engage with vulnerable people, and helping residents access other support services.

Our challenging financial circumstances mean we now need to make further savings across our hubs and libraries. We are determined to make these changes while maintaining a citywide library network and preserving the City Library. Doing so requires us to take difficult decisions on opening hours. Our proposed changes include:

- Closer working with Your Homes Newcastle to deliver contact centre services.
- Changing City Library weekday opening hours to 5pm on three days, retaining 7pm closing on two days and closing on a Sunday.
- Expert library and information officers will work between City Library and local branches.
- Offering commercial letting space in the City Library and sharing accommodation in other libraries.
- Moving the East End Library to the Shields Road Customer Service Centre.

Keeping communities safe

Newcastle continues to be one of the safest large cities in the UK. But in line with national trends, there have been increases locally in recorded crime. Most of this increase is linked to improvements in crime recording and victim confidence to report crimes to the police. However, we are also starting to see indications of actual increases in crime. Despite this, our Resident's Survey 2017 indicates a very high proportion of residents feel safe in their local area (87%) and the city centre (81%).

With police and other partners, we will remain focused on preventing and reducing crime through the Safe Newcastle partnership by tackling issues such as burglary and violent crime.

Through income generation, we will continue to maintain public space CCTV, work to tackle hate crime and prevent domestic violence and abuse. However, there will be an impact on the level of support we are able to provide for safe neighbourhoods work. To minimise this impact, we have secured funding for additional staff to support the continued delivery of safe neighbourhoods work in areas where there are Your Homes Newcastle tenants.

To support this, we will continue to provide a range of regulatory services and environmental services, responding to complaints about noise, littering, dog fouling, flytipping, vandalism and graffiti.

We continue to work with partners including, the Youth Offending Team, schools, community groups and police to tackle issues and reduce community tensions when they surface. But, as resources reduce, we will work ever closer with partners and communities to continue to support community cohesion.

10. Health and social care: a healthy, caring city

We want to make sure that people are able to live healthy fulfilling lives and to have the right health and care support when they need it. Newcastle's population has a growing proportion of older people, more people who have complex needs and greater numbers of people with recognised learning and physical disabilities.

Channelling Newcastle's warm and generous spirit into how we ensure support opportunity and care for all who need it is important. We are committed to helping people live well and independently in their own homes, maintaining contact with family and friends and being part of their communities.

We will use our powers to promote health across the city. We will continue to integrate public health improvement in our decisions and across services.

Promoting public health

Our vision for public health continues to be the improvement of the health of the whole population, while narrowing the gap in wellbeing and health across the city, and between the city and the rest of the country.

Action on public health is increasingly part of broader action by us in areas as diverse as economic development and action on transport and air quality. This recognises that the greatest impacts are likely to be achieved through small changes across the population rather than large changes for a small number of people.

Encouragingly, we have continued to make progress in key areas of health improvement such as smoking reduction – prevalence of smoking in the city was, in the most recent figures, at an all-time low of 15.2% of the adult population having fallen from 24.9% in 2013.

Promotion of good mental health features increasingly in our thinking, and specific work with partner organisations on Time to Change and mental health awareness will continue.

Providing opportunities to be active

Ensuring our city encourages people to be active is a key means to improve wellbeing and health. Most of our leisure services provision has now been transferred to a social enterprise. Those leisure staff who have remained in the council are now integral to public health delivery, working to ensure opportunities for physical activity and relaxation are available to all.

Alongside this, we will work with partners to invest in support activity and health in the whole population, for example through the major developments planned for sports provision at Bullocksteads and Blakelaw. In addition, we will use the community infrastructure levy on new developments to invest in open space, green infrastructure and children's play areas in the city's neighbourhoods.

We remain on-track to address government-imposed cuts to the public health budget and will work hard to minimise impacts on services. No reductions in service are planned in the coming year, although for the longer term we expect to need to prioritise spend on those areas of greatest impact.

We are preparing for the transfer of parks and allotments to an innovative Parks Trust. The Newcastle Parks Trust underlines our ability to innovate to ensure the city's most-loved assets can continue to flourish for years to come. We have worked closely on this with the National Trust and Heritage Lottery Fund as well as through extensive engagement with communities. Our Parks Trust, the first of its kind in the UK, will take over the running of parks and allotments in 2019.

We will prioritise future investment in children's play areas, refreshing and re-furbishing play facilities across the city and enabling limited resources to be allocated fairly and effectively over the next three years. We will make the most of one off funding we receive through Section 106 funding from developments, future airport dividend, sponsorship, the community infrastructure levy and local funds.

Investing in culture

The cultural sector in the city continues to grow in value and reputation and is an important contributor to economic development, public health, quality of life and inclusion. Although we can no longer provide direct financial support, we continue to invest in culture through the Newcastle Culture Investment Fund and by facilitating low-cost borrowing for capital projects which enhance the cultural offer.

We will continue to work with the culture and tourism sectors over the coming year with the aim of:

- Enhancing their resilience and independence.
- Optimising their opportunities for growth and development.
- Ensuring cultural assets reflect, represent and enrich the lives of all residents and visitors.

Supporting vulnerable adults

We provide critical services daily to some of the city's most vulnerable adults, including people of working age who have physical disabilities and/or learning difficulties.

We have transformed the way we deliver and commission our adult social care services over the last eight years and are successfully managing demand for these services in the face of increasing pressure.

For instance, between 2014-15 and 2017-18, the number of requests for services increased from 9,708 to 10,413, but at the same time the number of people requiring long-term support has reduced from 5,623 people to 4,961 through effective management of demand. This reflects the work done by our Prevention Hub which ensures over half of the people who make contact with us about social care needs end up having no need for long-term support.

We recognised in 2016 that we had reached the limit of what we could do by just reducing staff numbers. That position has not changed. While we continue to explore new ways of working and testing out new ways of doing things, we cannot deliver our day-to-day services and transformation with fewer staff. This required making hard decisions about the support we provide.

Our proposals for 2019-20 and beyond are focussed on two principles - making sure we provide a level of support that is appropriate and proportionate to the needs of people and ensuring we provide the right types of support that enable people to live as independently as possible.

To achieve this, we will:

- Continue to ensure we apply national standards of eligibility for care whilst working to manage, where possible, high demand for those services. We will continue to invest in digital prevention as a way of reducing demand.
- Manage demand for high-cost services by developing alternatives and ensuring appropriate support is available for people in their own communities. For example promoting our new day service at the Welford Centre, expanding our Extra Care offer and introducing more efficient ways of providing support to people through the night.
- Continue to invest in new services to ensure people have access to support that is appropriate to their needs. This includes opening new schemes to support people with a learning disability, Autism, or both and younger adults who need support as a result of being vulnerable.

Key to all of this will be working with our health partners on testing out new ways of delivering health and social care. We will do this in a way that maximises independence and promotes individual outcomes whilst also making efficiencies across a range of services. Through this we will ensure that we get the most from the Newcastle health and care pound. We will develop a health and care alliance with our health partners, particularly the Hospitals Trust, to achieve this.

In addition, we will continue to make best use of temporary funding provided through grants to deliver innovative services like Time to Think and our overnight re-ablement service.

We will also continue to work closely with the NHS on the integration of care, strengthening of intermediate care services and provision of support for children and young people. And we are supporting development of preventive approaches for the NHS Plan.

11. Housing: building more and better homes

We believe everyone deserves to live in a decent home, have good quality community facilities in their local neighbourhoods and be supported if they have particular housing needs.

Having a home in a safe attractive neighbourhood is fundamental to residents and the future of our city. We are committed to ensuring there is sufficient quantity, choice and variety of housing for local people.

We are building more new homes for families who want to live in Newcastle, delivering much-needed affordable new housing and making more specialist properties available so that older, vulnerable or disabled people can continue living independently in the local community.

Our positive approach and recent achievements

We are ideally positioned to take advantage of new opportunities and to build on our already strong record in delivering housing. Over 4,000 (net) homes have been built over the last five years. The last two years alone have seen record highs with over 1,000 homes being built. This is the highest level of new housing development seen in the city for the past 30 years.

We have used own assets to gap fund new housing development, contributing directly to nearly half of those new homes delivered over the past five years. A quarter of these have been new affordable homes. We have taken an active role in housing delivery across all tenures, using land assets to draw in investment and meet housing need. As part of this, we are delivering more housing with care schemes to meet the needs of people who require care and support.

Investing in more and better homes

In order to meet the needs of existing and future residents, the city requires:

- A different social housing offer – to keep pace with changing economic and population needs.
- More homes that are accessible and attractive to older people and those with long term disabilities.
- Specialist housing with care offer as an alternative to institutional care.
- A range of tenures to attract and retain households (private rented, market sale, shared ownership, affordable rent, social rent).
- Moving from a hostel to a Housing First approach to respond to residents experiencing homelessness and severe and multiple disadvantage.

To achieve our housing priorities, we will:

- Undertake a comprehensive review of our housing and land assets to ensure the maximum value is made of our stock.

- Through the new North of Tyne Combined Authority, ensure we are ready to deliver the housing needed and to lever government and private investment.
- Review specialist housing needs across a range of groups for both adults and children to ensure the right services to help people maintain independence.
- Continue to invest in making the best use of existing housing stock by bringing more empty private homes back into use. We will also continue to support private landlords and consult on proposals to extend selective licensing areas.
- Use our land, assets and grant-funding regimes and work with a range of house builders, registered providers and Homes England to deliver new homes and greater housing choice.
- Provide advice support and information to vulnerable people, using face-to-face and digital methods.
- Through the nationally accredited Care and Repair Newcastle service, provide at least 300 Disabled Facility Grants to assist people to live independently in a home of their choice.
- Undertake a review of our Disability Service to ensure policies and standards reflect customer experience and promote a right first-time approach.
- Under the One Public Estate initiative, work with partners, Homes England and other public sector bodies to review land and other assets, developing a comprehensive long-term pipeline of housing sites.

We have been recognised by government as an area of high housing demand and bid for additional borrowing headroom in the Housing Revenue Account. This additional borrowing will be used in conjunction with Right to Buy receipts to deliver around 70 two-bedroom older persons bungalows and 60 three-bedroom general needs houses. The recent scrapping of the Housing Revenue Account debt cap will enable us to go further, delivering affordable homes our city needs and, at the same time, creating good-quality job opportunities.

The recent budget announcement that additional government funding will be made available through the Housing Infrastructure Fund (HIF) helps us to build on our previous success in attracting investment in housing. Working with Homes England and our North of Tyne Combined Authority partners, we were successful in securing provisional funding of £16.8 million from the HIF for three large development sites. Through the extension to HIF we will make the case for further investment in a number of strategic sites throughout the city.

Active inclusion

Providing the right housing to people and families is a fundamental building block of growing and sustaining communities across the city. So too is tackling inequalities and supporting people to overcome challenges to living a stable, happy life. Our active inclusion approach is about delivering just that, helping people have somewhere to live, to have an income, to be financially included and to access employment.

We will build on our Active Inclusion Newcastle partnership approach that has helped us to have the highest homelessness prevention rate and the lowest rough sleeping rate of the core cities.

Over the next three years, we will work towards an integrated offer for families needing to access our Early Help and Active Inclusion services. This will help to give them more control over when and in what order they receive different types of practical and emotional support.

We aim to further reduce the number of people sleeping rough in Newcastle from our already very low levels. Through focused partnership working and a learning approach to solving problems that individual people at risk of rough sleeping face, statutory and voluntary organisations will be able to accommodate people with the most complex needs. Critically will be able to help them stay in accommodation for the long term. The public will be fully engaged in our city plan to end rough sleeping and will know how they can help.

To promote inclusion for everyone in the city, over the next three years we will:

- Begin discussions about our vision for integrated Active Inclusion and Early Help services with professional stakeholders and families.
- Continue our trailblazing work to implement Inclusion Plans for everyone at risk of homelessness, responding with partners to the needs of individuals and families affected by welfare reform, although we will have to reduce our Supporting Independence Scheme budget by 5%.
- Review the connections between Welfare Rights and our social care business finance function to identify opportunities for efficiency.
- Roll out our exciting Street Zero place-based partnership aiming to end rough sleeping in Newcastle by 2022, five years ahead of government's target.

12. What happens next

By setting out a three-year plan we are able to start conversations now with residents and partners, give people time to plan for the proposals set out and let's us transform services with the minimum impact on residents.

We know we do not have all the answers. We are publishing this draft plan now to allow residents, businesses and community organisations to understand and comment on what is being proposed. It is subject to consultation until 6 January 2019 and we encourage everyone to have their say on the proposals set out.

Feedback received through consultation will be considered along with any announcements that impact upon our financial position. An updated version of this plan will be presented to Cabinet in February, reflecting any changes made to the proposals in response to feedback or announcements. Cabinet will be asked to recommend the three-year plan to City Council who will debate and vote on the plan at their meeting on 6 March 2019.

You tell us your views think by completing a survey on www.letstalknewcastle.co.uk, where we also have short videos and the detailed integrated impact assessments for proposed changes to services in 2019-20.

We have also relaunched our People's Budget online simulator that allows users to take on the role of a councillor and decide where to make reductions to budgets or generate income in some services to set a balanced budget. To take part in the People's Budget visit www.letstalkbudget.org.uk.