

THE EXECUTIVE

A meeting of the Executive was held on 20 March 2020 at in .

PRESENT: Councillors A High (Chair), B Cooper, D McCabe, M Smiles and A Waters.

OFFICIALS: C Benjamin, R Horniman and C Lunn.

APOLOGIES FOR ABSENCE: Mayor A Preston and Councillors D Davison, C Hobson and J Thompson.

The Chair wished to have it noted that a number of officers were either working from home or looking to manage contingency planning meetings in respect of the Covid-19 virus

DECLARATIONS OF INTERESTS

Name of Member	Type of Interest	Item/Nature of Interest
Councillor B Cooper	Non Pecuniary	Council's representative on the Tees Valley Combined Authority Airport Panel.

19/91 WELCOME AND EVACUATION PROCEDURE

The Chair welcomed all in attendance to the meeting and read out the fire evacuation procedure.

19/92 ESTATES STRATEGY - COMMERCIAL PROPERTY PORTFOLIO REVIEW

The Executive Member for Finance and Governance and the Strategic Director of Finance, Governance and Support submitted a report for the Executive's consideration. The purpose of the report was to provide an update on the implementation of the Council's Estates Strategy, and seek approval for changes designed to enhance current and future Estate Management Practice.

In addition to the promotion of economic, social and environmental well-being, the primary objective of the Council in holding a Portfolio suitable for commercial use was to grow the revenue income stream associated with that asset base. Whatever the make-up of the Portfolio, it needed to be proactively managed and developed if the Council was to maximise its income opportunities.

Maintaining the income stream and developing the opportunities for its growth may have required targeted investment by the Council if it was to improve, extend or even sustain the life of some of its assets. In addition to that primary consideration, there was also a need to review existing processes to identify and consider whether the acquisition and disposal of assets was required in order to generate further income streams and deliver cost savings.

The recommendations generated by the review of the Non Operational Portfolio included the following proposed developments in respect of the Council's Estates Strategy:

- The timely programmed review and renewal of specifically identified occupation agreements in order to generate potential savings on an annual basis.
- Focussed management of complex, multi-let assets, such as Middlesbrough Bus Station, Broadcasting House and the Enterprise Centres to ensure optimum performance of the assets.
- The identification, and where possible, vacation, re-appropriation and letting of under-utilised assets particularly those being occupied/held by Council service users.
- Further identification of, and investigation into poorly performing assets, so as to determine whether there was a case for disposal in order to limit potential long-term cost liability.
- Further identification of, and investigation into the Council's best performing assets, to

enable consideration to be given to future investment in order to maintain and enhance current income streams.

- Adoption of protocol for the treatment of assets occupied by charitable, community and voluntary organisations, as well internal Council users, so as to ensure that operational/maintenance costs were met by the respective occupiers.
- Adoption of a consistent policy for the management of assets occupied by Council service users, so as to ensure that the notional rent charge applicable was reflected in the Non Operational Portfolio income targets on an annual basis.
- Adoption of a standardised approach to the granting of, and future management (including whole life costing) of premises subject to Community Asset Transfer (CAT).
- Adoption of a standard approach to the calculation and collection of service charge demands.
- Transfer of records relating to the Council's Enterprise Centres to the Estates module of TF Cloud. It was also proposed that protocol for authorising licence based occupation be formalised, and the process/terms on which start-up (licence) occupiers move forward, on and into intermediate stage lease agreements was clarified for consistency.
- Undertake a review of ground leases held by the Council to determine whether disposal/retention of the same should be considered going forward.
- To formalise the accounting adjustments required where assets and property that were subject to disposal should continue to be credited to the income account in order to mitigate any possible loss of revenue stream against target.
- To agree that future income generated via the Non Operational Portfolio was correctly coded to the appropriate Cost Centre rather than to the originating/holding Service User Team.
- Produce a standard protocol to govern the monitoring, management and recovery of debt in relation to the whole of the Non Operational Portfolio.
- Produce a standard protocol and approach for working with utility companies to grant wayleaves, easements and deeds for supply infrastructure and substation requirements.

The Director of Legal and Governance Services highlighted that, since assuming the role, responsibility for chairing the Estate Strategy Board now fell within her remit, as opposed to that of the Strategic Director of Finance, Governance and Support, who was noted in the submitted report.

ORDERED

That in accordance with the continuing implementation of the Council's Estates Strategy:

1. **The outcome of the Non Operational Land and Property Portfolio Review be noted.**
2. **The adoption of the recommendations, made in respect of the future management and development of the Council's Estate, be approved.**

REASONS

To provide clarity to those reliant upon, or working with asset and property related matters, ensuring that the Council implements and complies with good Estate Management Practice.

To ensure a fair and auditable process was in place for the future management of the whole of the Non Operational portfolio.

Implementation of the outcome recommendations would enhance existing Estates Strategy processes, allowing the Council to effectively support physical and social regeneration across Middlesbrough.

Adoption of the outcome recommendations would ensure the long-term future development and sustainability of the Portfolio, thus supporting the delivery of the

Council's Medium Term Financial Plan.19/93 **EXCLUSION OF THE PRESS AND PUBLIC**

The resolution to exclude the press and the public was agreed.

19/94 **CONFIDENTIAL - TEESSIDE INTERNATIONAL AIRPORT LIMITED (TIAL) JOINT VENTURE CONSENT**

The Mayor and the Director of Legal and Governance Services submitted a report for the Executive's consideration.

ORDERED

That the recommendation of the report be approved.

REASONS

The decision was supported by the following reason:

For reasons outlined in the report.

The decision(s) will come into force after five working days following the day the decision(s) was published unless the decision becomes subject to the call in procedures.