

THE EXECUTIVE

A meeting of the Executive was held on 18 August 2020 at in .

PRESENT: Councillors Mayor A Preston (Chair) and Councillors D Davison, D McCabe, M L Smiles and A Waters

ALSO IN ATTENDANCE: Councillors R Arundale, T Furness, D Rooney and M Storey

OFFICIALS: C Benjamin, S Bonner, G Field, A Hoy, A Humble, R Horniman, C Lunn, G Moore, S Reynolds and I Wright

APOLOGIES FOR ABSENCE: Councillors A High, C Hobson and J Thompson (Invited Member)

DECLARATIONS OF INTERESTS

There were no Declarations of Interest made by Members at this point in the meeting.

20/27 **WELCOME AND INTRODUCTION**

20/28 **MINUTES - EXECUTIVE - 14 JULY 2020**

The minutes of the Executive meeting, held on 14 July 2020, were submitted and approved as a correct record.

20/29 **REVENUE AND CAPITAL BUDGET / PROJECTED OUTTURN POSITION AT QUARTER ONE 2020/21**

The Mayor and the Head of Financial Planning and Support submitted a report for the Executive's consideration. The report contained information on the Council's financial position at Quarter One 2020/21, including the projected effect of Covid-19 on the Council's finances.

As widely reported, the Covid-19 pandemic was having a significant impact on the financial position of all local authorities. Covid-19 financial pressures were being monitored separately from the normal non-Covid-19 financial position, and those were reported separately in paragraphs 38 to 60 of the submitted report.

The 2020/21 revenue budget for the Council was £116,397,000. A revised senior management structure within the Council had been implemented during Quarter One and the financial position was reported against that new structure. The Council's outturn position for 2020/21 for non-Covid-19 elements was projected to be an overspend of £31,000 (0.03%). The split by Directorate was shown in the table contained below paragraph 7 in the submitted report. That when added to the Covid-19 pressures, resulted in a total projected outturn pressure at year end 2020/21 of £4.435m, of which £4.404m related to Covid-19 pressures the effect of which would be included in the MTFP Update report, which was scheduled to be presented to Executive on 29 September 2020.

The detail of the variances was set out in the content of the submitted report. At Q1, 26 areas had spent +/- £150,000 of the agreed budget.

As part of the Strategic Plan 2020-23 - Progress at Year End 2019/20 report, presented to Executive 16 June 2020, the Executive approved a revised capital budget for 2020/21 of £63,303,000. Following a further review and the inclusion of new additional externally funded schemes (as detailed in paragraph 71 of the submitted report) it was currently predicted at Quarter One that the Council would spend £58,356,000 at year-end. The underspend was mainly due to delays on major schemes resulting from the Covid-19 pandemic.

Proposed virements over £150,000 at Quarter One 2020/21 were outlined in Appendix 1 and the Revised Investment Strategy to 2022/23 was included at Appendix 2 of the submitted report.

A number of questions were asked in respect of the revenue budget, the capital budget and the schemes detailed in the proposed Investment Strategy. The Mayor and the Director of Finance responded to those questions.

ORDERED

1. **That the 2020/21 revenue budget Quarter One predicted outturn of £116.428m, representing a £31,000 (0.03%) overspend, and the estimated financial effect of Covid-19 in 2020/21 of £4.404m, and the proposed actions to address this be noted.**
2. **That the proposed use of the General Fund Reserve be noted, subject to Council approval, to fund the total projected overspend in 2020/21, and that a Medium Term Financial Plan (MTFP) update report be presented to Executive on 29 September 2020.**
3. **That the proposed revenue budget virements over £150,000 (Appendix 1) be approved.**
4. **That the 2020/21 capital budget Quarter One predicted outturn of £58.356m, against a budget of £63.303m, driven in the main by delays resulting from Covid-19, be noted, and the proposed revised Investment Strategy to 2022/23 at Appendix 2 be approved.**

REASONS

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

20/30

CYCLING IN MIDDLESBROUGH; INVESTMENT AND FUTURE INFRASTRUCTURE OPPORTUNITIES

The Executive Member for Regeneration and the Director of Regeneration and Culture submitted a report for the Executive's consideration. The purpose of the report was to highlight the recent improvements to cycling infrastructure in Middlesbrough, and seek approval for the future investment opportunities identified by the Government to expand upon the existing network in Middlesbrough.

Middlesbrough Council, in partnership with Tees Valley Combined Authority, had secured a variety of funding streams to invest in the cycle network over the past 5 years, totalling £4.715m for Capital (infrastructure) and Revenue (training/education and promotion).

Although significant progress had been made, there were still gaps in the network that were required in order to allow the ambitions of doubling cycling usage by 2025. The following improvements were proposed to ensure connectivity and achieve the Council's ambitions to have "More people cycling, more often".

The Council had identified the following pieces of infrastructure that planned to assist to make the cycling network more cohesive:

- LCWIP; Linthorpe Road corridor - reallocation of road space and priority crossing points at key junctions;
- LCWIP; Marton Road Corridor - complete missing sections and providing priority junction improvements;
- Ormesby Beck - Longlands to Ladgate Lane sustainable transport corridor, including White/Blue bridge replacement to suitable standards);
- Acklam Road improvements - resurfacing, signing, lining and priority junction improvements;
- Ladgate Lane - final section of upgrade corridor improvements to Ormesby Road;
- Low Lane (connecting through to Thornaby Industrial estate);
- Stainton Way (missing links and junction improvements);
- Metz Bridge accessibility improvements;

- Borough Road - linking from Hartington to North Ormesby;
- B1365 - connecting Hemlington Grange to Acklam (including junction treatments of Coulby Farm Way, A174 and Blue Bell);
- Newport Road - connecting Roundabout with Town Centre;
- Green Lane / Keith Road - Connecting Stockton through JCUH to Skippers Lane; and
- Albert Road bus / cycle only.

The Council planned to seek and apply for funding to deliver those initiatives.

A number of questions were asked in respect of the cycling infrastructure proposals. The Executive Member for Regeneration and the Director of Regeneration and Culture responded to those questions. One query proposed re-grading the pathway, located alongside Blue Bell Beck, so that it could be officially used by cyclists. The Director of Regeneration and Culture explained that the proposal had been considered previously and there had been a large amount of public opposition. It was added however, that the proposal would be revisited to determine its feasibility.

OPTIONS

The other potential decisions that had not been recommended included:

- **Doing nothing - that was not recommended, as it would not have allowed the Council to be in a position of readiness to take advantage of the funding opportunities that had been announced. That would have resulted in a lesser chance of securing funding and not achieving the goals of increasing cycling levels.**
- **Re-assess the network proposals - that was not recommended, as the Council had over time identified the strategic routes required to make improvements for the cycle network. The Council in partnership with TVCA had also commissioned an external consultant partner to identify key routes and ensure the areas with the greatest potential to increase levels of cycling were progressed. Following that option would have been unlikely to achieve an alternate methodology and would have also been financially costly in terms, along with losing impetus of time and current national momentum to progress cycling investment in a timely manner.**

ORDERED

That the recently implemented cycle infrastructure be noted and the additional proposals to improve the network be approved, which planned to encourage further journeys made by cycle.

REASONS

Middlesbrough Council had ambitions of economic growth and regeneration, which would inevitably increase transport demand on the highway network. The current network was at capacity from a vehicular perspective, and could not sustain further pressure. As a result, the Council had to look to utilise its highway infrastructure in a more effective and efficient means, both financially and spatially. Continuing to build roads was not sustainable, and induced further vehicular demand, which further compounded the issues of congestion, traffic and environmental degradation.

The green credentials of cycling were well documented. Cycling offered an opportunity for people to travel effectively and efficiently without increasing congestion and traffic, whilst improving public health and benefitting the environment.

The decision planned to allow specific schemes to be implemented, in order to better connect the current cycle network with the Town Centre. A number of potential funding allocations had been identified, which the Council was eligible to bid for. That planned to provide assurance that the Council was progressing the most appropriate infrastructure to improve the network and make best use of the recent uptake in cycling

for both leisure and commuting trips in Middlesbrough.

The individual schemes within the proposals varied in terms of cost / benefit / risks. It was intended that those elements would be clarified and identified in full prior to commencing with a scheme, to ensure each scheme was ranked against the Council's Strategic Plan.

The proposals had been identified following consultant work from Tees Valley Combined Authority (TVCA) (such as the Local Walking and Cycling Implementation Plan - LCWIP) and also identifying routes to connect key trip generating areas, such as the Town Centre, Riverside Park and key residential areas along the Marton and Acklam Road corridors. That ensured that facilities and the local environment for people to cycle in, were provided in the most appropriate locations.

The proposals planned to aid in the delivery of the Local Implementation Plan (LIP); forming a daughter document that would be consulted upon in future years to track progress. The content of that report had not been examined by overview or scrutiny, but would be covered through the LIP adoption process.

20/31

DISPOSAL OF ADDITIONAL LAND TO THE NORTHERN SCHOOL OF ARTS

The Executive Member for Regeneration and the Director of Regeneration and Culture submitted a report for the Executive's consideration. The purpose of the report was to consider the disposal of additional Council freehold interest at the Denmark Street Car Park in order to facilitate development.

The current Northern School of Arts (NSoA) campus was located on Green Lane in Linthorpe and was constructed in the 1960s. The existing buildings were in poor condition and in need of replacement with significant backlog maintenance costs. NSoA wished to move to a new site on the Denmark Street Car Park in Middlesbrough's town centre and build a new FE facility.

On 11 July 2019, the Executive had approved disposal of the Denmark Street Car Park to the Northern School of Arts (NSoA), to enable them to relocate their Further Education (FE) facility to the town centre, bringing with it significant economic and regeneration benefits.

The original land disposal was complete, however, during the design phase it had transpired that additional land was going to be required to achieve the optimum layout for the campus, and as a result, the college were offered an option to purchase the additional land required.

Taking on that additional land exposed the NSoA to additional highways costs, that would outweigh the notional value of the additional land, and as such the net value of the land was anticipated to be nil.

The NSoA wished to exercise that option at the earliest opportunity in order to progress the project as currently planned.

OPTIONS

Do not dispose of the additional land to the NSoA - If the additional land identified was not disposed of to the NSoA:

- 1. the college would have had to reconsider their planning application and compromise on a less advantageous design, which would have at best caused delays and increased costs;**
- 2. the NSoA's architects may not have been able to find an alternative design that could have met the college's needs and planning requirements due to the constrained nature of the site, hence leading to a complete withdrawal from the project; and,**
- 3. the ongoing financial burden of annual maintenance for the additional land would have remained with the Council.**

Dispose of the additional land for a capital receipt - For the reasons highlighted in paragraphs 12-13 of the submitted report, the land had a value 'on paper' but once other factors such as use and highways costs were taken into consideration, the net value was considered to be nil. The NSoA and its lenders would not have been able to justify placing a value on the land since it was considered integral to the original site. If the Council was to insist on a fee for the additional land, the consequences would have been as stated in the paragraph above.

ORDERED

That the disposal of the additional 0.219 acres of land to the Northern School of Arts be approved at nil value to facilitate the proposed campus development.

REASONS

The additional land was an essential part of the proposed development - without it, the college would have had to compromise on their campus design, which would have also resulted in significant delays and additional costs as planning permission had already been granted on the current scheme.

It was in Middlesbrough's interests to expedite the development - in addition to the economic benefits, a new NSoA building planned to make a major contribution to Middlesbrough's regeneration ambitions:::

- 1. increasing investor confidence, acting as a catalyst to stimulate further growth;**
- 2. enhancing the visual appeal of the town centre, creating a new iconic building which would contribute to an attractive place to live work and visit;**
- 3. improving the vitality of the town centre, increasing occupancy and creating additional footfall as a result of students and staff being 'on-site' for shopping and leisure;**
- 4. increasing the diversity of the business base in the town centre from a largely retail-based offer, complementing the development of the creative industry cluster;**
- 5. consolidating the strong place brand;**
- 6. increasing use of public transport as the school extends its reach beyond the Tees Valley;**
- 7. targeting a younger audience;**
- 8. re-evaluating the leisure or 'experiential' offer;**
- 9. identifying how Middlesbrough should perform like a city in all but name; and,**
- 10. developing a plan for use of public spaces.**

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.