

THE EXECUTIVE

A meeting of the Executive was held on 29 September 2020 at in .

PRESENT: Councillors A High (Chair), D Davison, C Hobson, D McCabe, M L Smiles and A Waters

INVITEES: Councillor J Thompson

OFFICIALS: C Benjamin, C Breheny, R Brown, G Field, R Horniman, C Lunn, G Moore, T Parkinson, S Reynolds, E Scollay and I Wright

APOLOGIES FOR ABSENCE: Mayor A Preston

DECLARATIONS OF INTERESTS

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

20/42 **MINUTES - EXECUTIVE - 1 SEPTEMBER 2020**

The minutes of the Executive meeting, held on 1 September 2020, were submitted and approved as a correct record.

20/43 **UPDATE ON PROGRESS RELATING TO THE REVISED DELIVERY PLAN FOR LOCALITY WORKING FOLLOWING COVID-19**

The Mayor and the Chief Executive submitted a report for the Executive's consideration. The purpose of the report was to provide an update on the implementation of the locality working programme and seek approval for the location of the multi-agency hubs within the pilot areas.

In July 2020, the Executive had approved an amended delivery plan for Phases 2 and 3, which had been proposed as a result of the impact of Covid-19. An update on the progress made in respect of the delivery plan was detailed at paragraph 3 of the submitted report.

Locations for multi-agency locality working in North Ormesby and Newport had been identified and a final options appraisal had now been completed.

The preferred location for the Newport Ward was the Co-operative Building on Linthorpe Road, due to the following reasons:

- the building was in a great location on the border of the locality;
- the building was already used as office space;
- the building had some IT infrastructure in place;
- the building had an addition of 5 secure parking bays at no extra charge;
- the property would be newly refurbished (blinds, carpet and decor);
- there was an open plan set up;
- there was an ability to alter existing walls where required;
- there was an ability to reserve, at no extra cost, space adjacent to office suite to allow for future expansion if needed;
- the building was accessible 24/7; and
- the building could accommodate members of the public visiting the location.

The annual cost of the building was £30,000 per year, which had been assessed as good value for money by the Council's Valuation and Estates Team.

The proposed location for the North Ormesby Ward was North Ormesby Hub on the 1st floor above the boxing gym.

Referral pathways were now understood and those had shaped the locality working operating model.

A performance management framework for each locality had been developed using the demand analysis and consultation results.

ORDERED

1. **That, for the Newport Ward, the proposed location of the Co-operative Building on Linthorpe Road be approved.**
2. **That, for North Ormesby Ward, the proposed location of North Ormesby Hub be approved.**
3. **That the budget requirement for locality working, of £57,000, be added to the Medium Term Financial Plan (MTFP).**

REASON

Approving the recommendations planned to allow the programme to deliver on the aspirations of locality working.

20/44

50 FUTURES WORK EXPERIENCE PROGRAMME UPDATE

The Executive Member for Communities and Education and the Director of Education, Prevention and Partnerships submitted a report for the Executive's consideration. The purpose of the report was to provide an update on the progress of the 50 Futures work experience programme and outline the impact of Covid-19 on the programme.

The programme was specifically targeted at Middlesbrough residents who found it most difficult to gain employment.

Target groups included:

- those who were unemployed (long and short-term);
- those who were Not in Education, Employment or Training (NEET);
- those with significant barriers to work;
- those with long-term health issues;
- those registered with Special Educational Needs and Disabilities (SEND);
- care leavers;
- ex-offenders;
- those recovering from substance misuse, mental or physical health issues; and
- those for whom previous education had not worked.

The Youth Employment Initiative (YEI) and Routes to Work (RTW) teams provided ongoing in-placement support for both the participant and manager.

Figure 1, detailed at paragraph 8 of the submitted report, summarised the 50 Futures management process.

Due to Covid-19, all placements had been suspended with a view to restarting as soon as it was safe to do so.

For the period 1 April 2019 up to 11 March 2020, figures showed:

- 54 had completed the programme;
- 29 were on the programme;
- 24 were in progress to being assigned a place;
- 4 had been referred to the volunteering team;
- 9 had moved into apprenticeships or employment; and
- 19 new applicants were awaiting first initial contact.

To date, 54 candidates had completed a 50 Futures work placement. Following completion, 9 had gained full-time employment (including apprenticeships) and 45 had demonstrated significant improvement and were now work ready.

There were currently 57 roles across Middlesbrough Council, which had been developed to support the 50 Futures programme.

Case studies highlighting the positive impact of the programme were contained at paragraph 14 of the submitted report.

Due to rising unemployment and the effects of Covid-19 on the community, support with employment across the town was vital. 50 Futures would continue to allow residents to engage in meaningful work experience, which planned to have a positive impact on their future.

To further support residents to gain experience, the Council would look to expand the 50 Futures work experience offer and work with external partners to provide further work experience placements across the town.

ORDERED

That the information contained within the report be noted.

20/45

ESTATES STRATEGY

The Executive Member for Finance and Governance and the Director of Legal and Governance Services submitted a report for the Executive's consideration. The purpose of the report was to provide information on the revision of the Council's Estates Strategy and seek approval for the adoption and implementation of changes designed to enhance current and future estate management practice.

Middlesbrough Council held a significant estate portfolio that was used to deliver services, support businesses and contributed to the well-being of the town. Continuing review of the estate and the processes used to manage the portfolio was necessary in order to provide a measured, balanced and cost effective approach to estate management.

The revised Estates Strategy, attached at Appendix A of the submitted report, continued the Council's high-level approach of splitting the portfolio into five distinct segments, predicated on the following asset use bandings:

- Direct Service Provision
- Investment
- Economic Development and Regeneration
- Community Enterprise
- Capital Receipt Programme

The revised approach being adopted by the Council followed on from the full review of the non-operational portfolio, the key findings and actions of which had been agreed and accepted by the Estates Strategy Board and approved by the Executive.

ORDERED

That the adoption and implementation of the revised Council Estates Strategy be approved.

REASONS

To provide clarity to those reliant upon, or working with asset and property related matters, ensuring that the Council implemented and complied with good estate management practice.

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

The adoption of the revised Estates Strategy planned to enhance existing estates

management processes, allowing the Council to effectively support physical and social regeneration across Middlesbrough.

Adoption of the revised Estates Strategy planned to ensure the long-term future development and sustainability of the portfolio, thus supporting the delivery of the Council's Medium Term Financial Plan (MTFP).

20/46

MEDIUM TERM FINANCIAL PLAN UPDATE

The Executive Member for Finance and Governance and the Director of Finance submitted a report for the Executive's consideration. The purpose of the report was to provide an update on the Council's Medium Term Financial Plan (MTFP) for the period to 2022/23, following the effect of the Covid-19 pandemic on the Council's finances as reported at Quarter One 2020/21.

The report set out the estimated level of additional budget savings required for the current MTFP period, and noted that additional budget savings proposals would be brought forward as part of the Medium Term Financial Plan and Budget Savings Proposals report to Executive on 24 November 2020 and then, following approval by Council on 16 December 2020, the budget savings proposals would be subject to public consultation.

The report also sought formal approval for proposed reductions and additions to the Council's current Investment Strategy and approval of the proposed revised Investment Strategy, which was attached at Appendix 1 of the submitted report.

The table contained at paragraph 9 of the submitted report summarised anticipated changes to the Council's financial position in the period to 2022/23, since the budget report to Council in February 2020.

The major change to the MTFP was the financial effect of Covid-19, which was £4.404m of the total Quarter One projected overspend of £4.435m shown for 2020/21.

There were a number of planned budget savings for 2021/22 which were proposed as part of the budget report to Council in February 2020 and were already assumed in the MTFP. Those were shown in the table at paragraph 13 of the submitted report.

The table at paragraph 15 of the submitted report detailed the major changes that had been made to the MTFP, and their financial effect, since the report to Council in February 2020.

The table at paragraph 16 of the submitted report showed that there were a number of service areas across the Council that could potentially see budget pressures as a result of the continuing effect of Covid-19 and recovery in 2021/22.

The table at paragraph 43 of the submitted report provided details of the schemes proposed to be removed from or reduced within the current Investment Strategy, along with the reasons for their removal or reduction. The table at paragraph 44 included additional investment for a number of schemes. A proposed revised Investment Strategy incorporating those changes was included at Appendix 1 of the submitted report, for approval by the Executive.

OPTIONS

The Council had no option but to monitor its financial position, addressing any potential financial pressures and any budget savings required, to ensure the Council's financial position was balanced. The updated Medium Term Financial Plan for 2020-23 planned to provide the means to achieve that in a proactive and systematic manner, while continuing to reshape the Council to lead the delivery of the priorities for Middlesbrough.

ORDERED

1. That the update of the Medium Term Financial Plan (MTFP) position for 2020-23,

- and the requirement for an estimated £3m of additional budget savings in 2021/22, be noted.
2. That the proposed reductions and additions to the Council's current Investment Strategy and the proposed revised Investment Strategy to 2022/23, contained in Appendix 1, be approved.

REASON

To enable the Council to meet its statutory responsibility to set a balanced revenue budget and to ensure that a proper framework was in place for the medium term financial management of the Council, which planned to enable the Council to take a systematic, coherent and controlled approach to addressing ongoing financial challenges over the medium-term, while maximising its contribution to the Mayor's priorities for Middlesbrough.

20/47 AYRESOME INDUSTRIES - DISPOSAL (PART A)

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 provide information on the proposal to dispose of the Council's freehold interest in Ayresome Industries.

Shown edged on the plan attached at Appendix A of the submitted report, the subject property was situated on Newport Road and occupied a visually prominent position at the entrance to Letitia Industrial Estate on a rectangular shaped site measuring @ 1.21 Acres (0.49 Ha).

The property was relatively modern in appearance and comprised an industrial unit of steel frame construction with blockwork to the lower sections, sheet metal cladding to the upper walls and a pitched/hipped roof.

Internally, the property offered both large and small workshop areas, together with associated offices and ancillary space totalling @ 2,060 Sqm (22,184 Sqft) of accommodation.

Externally, the property included an enclosed yard area to the western side of the unit, with a small external storage building accessed by a roller shutter door. The site could either be accessed via the existing vehicle entrance situated on Letitia Street, or the pedestrian entrance to the building on Newport Road.

In accordance with the savings objectives set out and approved within the Council's Change Programme, the property had been vacated and cleared during 2019, and programmed for disposal during the current financial year.

An Asset Disposal Business Case, confirming the status of the subject property as surplus to operational Council requirements, was attached as Appendix C to Part B of the report.

OPTIONS

Re-use for operational purposes - No Council operational service requirement had been identified.

Other uses - Although the property was capable of being used for other purposes, future use of the site for industrial/commercial purposes as proposed by the buyer, was preferred.

Do nothing - The property would have remained in its present state. Whilst the subject property would have been retained for potential Council use in the future, the liability and responsibility for maintaining and holding the property would have remained with the Council in the interim.

ORDERED

1. That the information contained in Part A of the report be noted; and
2. That the decision be taken once all the financial or exempt information contained in Part B of the report had been considered.

REASON

In order to meet the Council's requirements to generate capital receipts, increase annually recurring revenue streams and to bring the subject property into a far more beneficial use in the future.

The disposal of the subject parcel of land as proposed supported delivery of the Council's Medium Term Financial Plan (MTFP).

20/48

LAND NORTH OF MARTON AVENUE - PREFERRED BIDDER FOR SITE DISPOSAL (PART A)

The Executive Member for Regeneration, the Executive Member for Finance and Governance, the Director of Regeneration and Culture and the Director of Finance submitted a report for the Executive's consideration. The purpose of the report was to seek approval for the disposal of the site to the preferred bidder.

Located off Ladgate Lane (B1380), situated at the northern end of Marton Avenue, the site was a vacant, 2.14 hectare (ha) Council owned site. The majority of the site was allocated within the statutorily adopted Housing Local Plan (2014), which was subject to extensive community engagement and a public inquiry. With an additional 0.76 hectares (ha) of unallocated land available, the site had a gross development area of approximately 2.9 hectares (ha).

The site was surplus to operational requirements as confirmed by the Asset Disposal Business Case, which was attached at Appendix III to Part B of the report.

The majority of the Marton Avenue site had been allocated in the adopted Housing Local Plan, for residential use, since November 2014.

The site could deliver up to a total of 72 units, creating a high-quality development.

The site was originally split into two distinct parcels of land and competitively marketed as such through the NEPO e-tendering portal in 2019. Due to an unsatisfactory negotiation period with the preferred bidder the decision was taken to re-market the site.

Bidders were afforded the opportunity to refresh their bids in 2020. The site was marketed as one site, with all access to the site to be taken from Alan Peacock Way only, as per the redline boundary indicated in Appendix I of the submitted report.

Following the scoring of the bids, a preferred bidder had been identified.

The anticipated timescales for delivery of the site were as follows:

- Valid detailed planning application submitted - December 2020
- Planning approval - May 2021
- Legal completion - July 2021
- Start on site - August 2021

OPTIONS

Do Nothing - That was not a viable option. Failure to dispose of the site would have resulted in a loss of capital receipt, Council Tax and potential New Homes Bonus for Middlesbrough Council. The site had been allocated for housing in Middlesbrough's Local Plan, which was subject to extensive consultation. The disposal of the site planned to facilitate housing growth and support Middlesbrough's aspirations as a city that people want to live and ensuring that high-quality housing was available to all.

ORDERED

1. That the information contained in Part A of the report be noted; and
2. That the decision be taken once all the financial or exempt information contained in Part B of the report had been considered.

REASON

The disposal of the site in return for a capital receipt to the Council planned to assist in the regeneration and enhancement of Middlesbrough. The site would provide quality family housing, ensuring there was an adequate supply of housing to stem outward migration and attract new residents into the city. In addition, the sale of the site would add to the Council Tax base and, subject to central Governments 2020 spending review, provide New Homes Bonus payments.

20/49

MIDDLEHAVEN - DISPOSAL (PART A)

The Executive Member for Regeneration, the Executive Member for Finance and Governance, the Director of Regeneration and Culture and the Director of Finance submitted a report for the Executive's consideration. The purpose of the report was to provide information on the proposal to dispose of part of the Council's freehold interest in land at Middlehaven.

The subject site comprised four separate parcels of development land that formed part of the much larger, and now cleared, Council owned estate holding at Middlehaven.

Shown edged on the plan attached at Appendix A of the submitted report, the subject parcel of land measured @ 7.223 Acres (2.923 Hectares).

Located to the south of the proposed Boho X development site, the subject land sat immediately adjacent consecrated ground at the Old Town Hall and had frontage to a number of adopted roads in the area.

The subject land was considered suitable for a range of uses, including residential, commercial and leisure purposes.

The Council had received an unsolicited approach from a residential developer interested in bringing development of the site forward, with a mix of residential apartments, bungalows and houses - thereby supporting regeneration of the area via delivery of better housing choices for residents than those currently available.

An Asset Disposal Business Case, confirming the subject land as being surplus to operational Council requirements, was attached as Appendix C to Part B of the report.

OPTIONS

Re-use for operational purposes - No Council operational service requirement had been identified.

Other uses - Although the site was capable of being used for other purposes, the future use of the site for residential purposes, as proposed by the buyer, was preferred.

Do nothing - The property would have remained in its present state.

Whilst the subject land would have been retained for potential Council use in the future, the liability and responsibility for maintaining and holding the property would have remained with the Council in the interim.

The area would have been at risk of prolonged underdevelopment and lack of investment for the foreseeable future. The Council would have also lost an opportunity

to access potential streams of recurring Council Tax income, as well as a New Homes Bonus payment.

ORDERED

1. That the information contained in Part A of the report be noted; and
2. That the decision be taken once all the financial or exempt information contained in Part B of the report had been considered.

REASON

In order to meet the Council's requirements to generate capital receipts, increase annually recurring revenue streams and to bring the subject parcel of land into far more beneficial use in the future.

The disposal of the subject parcel of land as proposed supported delivery of the Council's Medium Term Financial Plan (MTFP).

20/50 **EXCLUSION OF THE PRESS AND PUBLIC**

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

20/51 **EXEMPT - AYRESOME INDUSTRIES - DISPOSAL (PART B)**

The Executive Member for Regeneration and the Director of Regeneration and Culture submitted a report for the Executive's consideration.

ORDERED

That the recommendations of the report be approved.

REASONS

The decision was supported by the following reason:

For reasons outlined in the report.

20/52 **EXEMPT - LAND NORTH OF MARTON AVENUE - PREFERRED BIDDER FOR SITE DISPOSAL (PART B)**

The Executive Member for Regeneration, the Executive Member for Finance and Governance, the Director of Regeneration and Culture and the Director of Finance submitted a report for the Executive's consideration.

ORDERED

That the recommendations of the report be approved.

REASONS

The decision was supported by the following reason:

For reasons outlined in the report.

20/53 **EXEMPT - MIDDLEHAVEN - DISPOSAL (PART B)**

The Executive Member for Regeneration, the Executive Member for Finance and Governance, the Director of Regeneration and Culture and the Director of Finance submitted a report for the Executive's consideration.

ORDERED

That the recommendations 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.