

THE EXECUTIVE

A virtual meeting of the Executive was held on 1 September 2020 at 1:00 p.m.

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

INVITEES: Councillor J Thompson

ALSO IN ATTENDANCE: Councillor L Garvey

OFFICIALS: C Benjamin, S Bonner, R Farnham, G Field, R Horniman, A Hoy, C Lunn, G Moore, T Parkinson, S Reynolds, E Scollay and I Wright

DECLARATIONS OF INTERESTS

Name of Member	Type of Interest	Item/Nature of Interest
Councillor M Smiles	Non-Pecuniary	Agenda Item 8 - Nunthorpe Medical Centre - Disposal [Part A]

20/32 **MINUTES - EXECUTIVE - 18 AUGUST 2020**

The minutes of the Executive meeting, held on 18 August 2020, were submitted and approved as a correct record.

20/33 **STRATEGIC PLAN 2020-23 - PROGRESS AT QUARTER ONE 2020/21**

The Mayor and the Chief Executive submitted a report for the Executive's consideration. The purpose of the report was to advise the Executive of progress against the 2020-23 Strategic Plan and the Council's COVID-19 Recovery Plan and outline strategic risks at Quarter One 2020/21.

The Council's Scheme of Delegation gave the Executive collective responsibility for corporate strategic performance, together with associated action.

The report provided the necessary information to enable the Executive to discharge its performance management responsibilities, setting out:

- a progress update against the 2020-23 Strategic Plan, summarising the actual and likely future impact of the COVID-19 pandemic on the Council's strategic objectives;
- an overview of progress made to date against the Council's COVID-19 Recovery Plan, addressing that impact;
- an update on the Council's Strategic Risk Register; and
- actions that the Council had taken and planned to take to address the issues raised.

In recent years the quarterly report had also set out:

- projected revenue and capital budget outturns; and
- position statements in relation to the Council's borrowing and its reserves.

Given the actual and potential impact of COVID-19 on the Council's finances in both the current and future years, the financial projections for Quarter One were presented separately to the Executive on 18 August 2020.

Going forward the financial position would continue to be presented in a separate quarterly report, but to the same meeting of the Executive as the quarterly performance and risk update to allow appropriate cross-referencing and facilitate a discussion of performance issues.

As at August 2020, progress against the Council's COVID-19 Recovery Plan (by Strategic

Plan aim and work stream) had been assessed and was detailed at paragraphs 12 to 18 of the submitted report.

Paragraphs 20 to 69 of the submitted report set out in brief the key headlines from Quarter One relating to the Council's strategic priorities, including where available current estimates of the impact of COVID-19 and future plans.

In line with the Council's Risk and Opportunity Management Policy, the corporate Strategic Risk Register (SRR) was reviewed in the quarter, and was summarised at Appendix 1.

ORDERED

1. **That the progress made in implementing the Council's Strategic Plan 2020-23 in Quarter One 2020-21 and the ongoing and likely future impact of COVID-19 on strategic objectives be noted.**
2. **That the progress made to date in implementing the Council's COVID-19 Recovery Plan be noted.**
3. **That in light of the above, the Council's updated Strategic Risk Register at Appendix 1 be noted.**

REASONS

To enable the effective management of performance and risk in line with the Council's Local Code of Corporate Governance.

20/34

FORTNIGHTLY RESIDUAL REFUSE COLLECTIONS

The Executive Member for Environment and the Director of Environment and Community Services submitted a report for the Executive's consideration. The purpose of the report was to seek approval to consult on a proposed move to fortnightly residual waste collections. However, areas that had waste collected through communal bins, predominately back alley areas, would continue to have waste collected weekly.

If the proposal was enacted, it planned to deliver a financial saving of £322K of revenue and £200k of capital.

By residents being required to manage their waste more responsibly, additional benefits would include improved recycling rates, a reduced amount of waste being sent for final disposal and a reduction in CO2 emissions.

Middlesbrough was one of the few local authorities that continued to collect residual waste on a weekly basis. Nationally, less than 13% of local authorities collected their waste weekly. In respect of the North East, Middlesbrough was one of only two areas that still had weekly residual waste collections.

The report stated that a three week online consultation was planned. Executive Members proposed that the consultation exercise should be extended to 6 weeks and that the consultation methods should be much wider, to cater for those who could not use online facilities i.e. through random surveys, radio, local press and residents being provided with the opportunity to provide feedback via telephone and in writing.

OPTIONS

The Council, following the commissioned Local Partnership works, had considered an array of options. However, those options would not deliver the required financial savings.

ORDERED

1. **That the proposal to consult on the move to Alternate Weekly (Fortnightly) Refuse Collections be approved.**

2. **That the consultation exercise be extended to 6 weeks and that the consultation methods be much wider, to cater for those who could not use online facilities i.e. through random surveys, radio, local press and residents being provided with the opportunity to provide feedback via telephone and in writing.**
3. **That the results of the consultation be presented to Full Executive for consideration in November 2020.**

REASONS

The proposed changes planned to assist the services and the Local Authority in meeting its financial savings obligations, as part of the 3:1 Change programme.

It supported the Council's Green Strategy and would greatly assist the Council in achieving a Carbon Neutral status by 2029.

20/35

GREEN STRATEGY

The Executive Member for Environment and the Director of Environment and Community Services submitted a report for the Executive's consideration. The purpose of the report was to seek approval to consult on the development of Middlesbrough Council's emerging Green Strategy.

The Green Strategy set out a programme to meet Government targets for recycling uptake and greenhouse gas emissions and make the Council more climate resilient.

The key approaches that had been proposed to ensure Middlesbrough achieved its ambitious carbon reduction and environment sustainability objectives included:

- setting Middlesbrough's carbon budget for the Council;
- setting Middlesbrough's carbon budget;
- encouraging movement towards purchasing green energy;
- increasing the level of energy saving in Middlesbrough homes and businesses;
- moving towards greener transport through enabling electric, hydrogen and other green energy solutions;
- expanding the use of cycling across the town;
- changing behaviours and attitudes toward managing waste, to promote waste reduction.
- more sustainable waste management, increased levels of recycling and green waste collection uptake;
- sustainably managing and promoting green spaces within Middlesbrough, encouraging biodiversity;
- embracing green purchasing and procurement to support the local supply base;
- increasing the level of community environmental initiatives and activities; and
- supporting active environment education programmes.

OPTIONS

Doing nothing - that was not an option, not having a strategy would have placed Middlesbrough at serious risk and target setting opportunities could have been missed.

ORDERED

That consultation commence on the adoption of the emerging Green Strategy as vehicle to deliver on the Council's obligations to address climate change.

REASONS

The implications of climate change were broad ranging and potentially damaging, the Council had a responsibility to ensure it had measures in place to mitigate and adapt to climate change. The Green Strategy planned to play a crucial role in meeting many of Middlesbrough's obligations to a carbon reduction programme.

20/36

MIDDLESBROUGH DEVELOPMENT COMPANY: STRATEGIC PLAN, CSI SITE AND BOHO VILLAGE [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 seek approval for the new Middlesbrough Development Company Limited (MDC) Strategic Plan and projects.

The overarching aim of MDC was to stimulate the property and development market in Middlesbrough. That would be achieved through the following objectives:

1. Accelerate and facilitate the delivery of new homes and commercial premises to buy or rent that meet the needs of our aspiring population and business community.
2. Help create quality places to live and work that act as a catalyst for further regeneration and growth.
3. Attract inward investment into Middlesbrough and work closely with developers and investors.
4. Promote the Council's urban living aspirations.

To achieve those objectives, MDC needed a business plan that set the strategic direction of the company but was flexible enough to accommodate new projects and opportunities as they arose. The MDC Board had agreed that the best way to achieve that would be to adopt a Strategic Plan, which stated the company's objectives, detailed how new projects would be approved, and, set out its administration, governance and funding. The new Strategic Plan was attached at Appendix 1 of the submitted report.

One of the projects that had emerged was the redevelopment of the former CSI site on Corporation Road, a prominent town centre location. The development of high-quality apartments in that location would accord with the Mayor's aspiration for high-quality urban living projects, which would raise the profile of the town centre and make it a more attractive place to live and work and would also complement the recent commercial developments in and around Centre Square. The proposal also planned to generate over £175k per year from Council Tax, based on Band A, to support the Medium Term Financial Plan. A detailed Project Plan had been produced, which proposed a preferred option for MDC to take the scheme forward in partnership with the land owner. The CSI Project Plan was attached at Appendix 1 to Part B of the submitted report.

Another project was the Boho Village. The 61 unit scheme was well designed and would again accord with the Mayor's aspiration for high-quality urban living and help kick-start the regeneration of Middlehaven. It also demonstrated the ability of the Council and MDC to proactively support and deliver projects. The project also planned to generate over £80k per year from Council Tax, based on Band A, to support the Medium Term Financial Plan. A detailed Project Plan had again been produced, which proposed that MDC take on the role of developer. It was proposed that MDC would provide funding of up to £7m to construct the scheme, and up to £1m for longer term rent backed investment. The Boho Village Project Plan was attached at Appendix 2 to Part B of the submitted report.

The detail of the deals was a matter for the MDC Board, but the Council would need to ensure that the company was adequately funded.

The report therefore recommended that the Executive approve additional Council capital borrowing of up to £24m, which would be provided to MDC in the form of a commercial loan. It was also stated that MDC would seek additional funding from Homes England's Affordable Homes Programme in respect of the CSI site, which, if received, would reduce the Council's funding requirement.

OPTIONS

In respect of the recommendation for the Council to borrow additional capital in order

to fund the CSI and Boho Village projects, other potential decisions were considered:

CSI Site

Do nothing - The developer's original intention was to work with a Registered Provider to attract the Homes England grant required to make the project financially viable. None of the local providers had been interested in the project.

Grant fund third party developer / investor - Providing grant funding to a third party would have handed over funding that could not have been recovered by the Council or MDC.

Direct project delivery by MDC - The site was in third party hands and the developer was willing, with support, to deliver the scheme. They did not want to dispose of the site and acquisition by MDC, even if possible, added construction risk on a large scheme.

Boho Village

Do nothing - Without an investment partner the scheme was very unlikely to be delivered. The developer did not have funding and registered providers had been very cautious about dealing directly with up-front payments utilised to fund construction.

Grant fund third party developer / investor - Providing grant funding to a third party would have handed over funding that could not have been recovered by the Council or MDC.

Direct project delivery by MDC - The site was optioned by the developer, so MDC could not have simply stepped in.

As part of consideration of the proposal, the Executive was required to consider exempt information which was not for publication pursuant to Paragraph 3 of 12A of the Local Government Act 1972. That information was contained in Part B of the report

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/exempt information contained in Part B of the report had been considered.

REASONS

The proposal had been put forward as the Elected Mayor of Middlesbrough had an ambition to attract an additional four thousand people to live in the town centre in the next ten years. The Mayor's ambition accorded with the priorities for Place, set out in the Strategic Plan 2020-23, which stated that the Council would:

1. develop Middlehaven as a residential, leisure and commercial centre of national significance; and,
2. build more town centre homes to boost businesses and increase vibrancy, while reducing the need to build on green space.

The establishment of a viable and vibrant city centre living concept planned to give confidence to occupiers, developers and investors that the town centre was a safe, comfortable and well managed place in which to enjoy living, learning/working and leisure time and was key to diversifying the town centre economy.

The strategic benefits to the Council from the activities of MDC included the following:

1. meeting its stated aim and objectives;
2. helping to regenerate neighbourhoods and communities;

3. **addressing housing and commercial property shortages in areas of need;**
4. **improving quality of new units;**
5. **improving speed of delivery of new projects;**
6. **assisting in the disposal of surplus Council land;**
7. **increasing Council Tax and Business Rates income;**
8. **making a positive statement of intent by the Council;**
9. **demonstrating the ability of the Council to deliver new projects;**
10. **positively impacting on the local and wider economic situation through property and construction related business and employment;**
11. **supporting local businesses; and**
12. **contributing to wider Council goals, objectives and activities.**

The project specific objectives that the Council was seeking to achieve by allocating the required funding to deliver the proposed CSI and Boho Village developments were to:

1. **enable MDC to deliver high-quality homes and apartments that contribute towards delivering the Council's urban living aspirations;**
2. **generate a long-term rental income stream for MDC; and**
3. **secure the income that would be received from the Council Tax and Business Rates generated by the scheme.**

20/37

NUNTHORPE MEDICAL CENTRE - 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 consider the proposal to dispose of part of the Council's freehold interest in land at Nunthorpe Grange Farm.

The subject parcel of land currently formed part of a much larger, and now defunct, agricultural holding at Nunthorpe Grange Farm. With a significant length of frontage on Stokesley Road to its southern boundary, the site bordered existing housing at Nunthorpe upon its western boundary.

Shown edged on the plan attached at Appendix A of the submitted report, the subject parcel of land measured @ 1.00 Acres [0.4046 Hectares]. Rectangular in shape, the site comprised an open and vacant area of agricultural land, generally flat, and with established boundary hedgerow cover.

It was proposed that access to the subject parcel of land would be taken via a new highways junction to be constructed on Stokesley Road. The design of the new arrangement planned to allow the Council to bring forward the subject site, and serve any future requirement to access the adjacent land situated to the north and east of the subject site.

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

As part of consideration of the proposal, the Executive was required to consider exempt information which was not for publication pursuant to Paragraph 3 of 12A of the Local Government Act 1972. That information was contained in Part B of the report

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/exempt information contained in Part B of the report had been considered.

REASONS

The proposal had been put forward 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 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.

20/38

RE-DESIGNATION OF THE NORTH ORMESBY SELECTIVE LANDLORD LICENSING SCHEME

The Executive Member for Regeneration and the Director for Adult Social Care and Health Integration submitted a report for the Executive's consideration. The purpose of the report was to present the evaluation report for the North Ormesby Selective Landlord Licensing Scheme, which would come to an end on 31st December 2020, and seek approval to consult on the re-designation of the North Ormesby as a Selective Landlord licensing area and the proposed fee of £765.

An evaluation of the North Ormesby Selective Landlord Licensing Scheme had been undertaken using guidance from Local Government Regulation and was attached at Appendix 1 of the submitted report.

The main findings of the evaluation were highlighted at paragraph 14 of the submitted report.

There was clear evidence that the North Ormesby Selective Landlord Licensing scheme had been a successful in increasing property safety and management standards by supporting landlords and also holding them and their tenants accountable for their behaviour. However, there was concern that without the Selective Landlord Licensing regulatory framework some landlords would revert back to the position of lower compliance with legal standards for housing, if housing inspections were not required through the scheme. Although property conditions had been improved there was still a significant risk that standards in North Ormesby could deteriorate and return to previous poor levels if not kept under review for a further 5 year period. Low levels of tenants reporting defects in their property was still seen in other areas across the town. Tenants may also revert back to poor behaviour if they were no longer referenced before taking up properties or offered support to deal with their or their family's vulnerabilities. The people living in private rented accommodation in those areas were at the most risk due to limited choices about where they lived.

Whilst it was clear the Selective Landlord Licensing scheme had resulted in improvements in the North Ormesby ward there were some minor proposed amendments to the re-designated scheme, which were highlighted at paragraph 19.

The geographical area for the proposed scheme was in line with the existing North Ormesby ward boundary as shown in Appendix 1 to the Evaluation Report.

OPTIONS

Re-designate an amended area within the area of North Ormesby for Selective Licensing and request approval for consultation - That was not recommended as the

current area was considered to cover the locations with the highest density of rented properties in the ward as well as incorporating other factors such as potential displacement of tenants and anti-social behaviour.

Do not renew the SLL designation and carry out alternative interventions to replace a formal scheme - Alternatives to Selective Licensing had been considered in 2014 prior to the designation of the current Selective Licensing areas. Those included voluntary registration and the use of traditional enforcement tools. Those would have required significant additional investment by the Council to achieve any sustainable change across the area.

There was still a need to ensure that that proactive assessment of properties and an increased focus on renting and management practices was sustained. While selective landlord licensing was not intended to be indefinite, a shift to an alternative non-regulatory approach or only relying on traditional reactive enforcement tools was not considered appropriate sustain or progress the improvements achieved.

Traditional interventions did not provide the level of engagement with landlords necessary for the desired improvements. Landlord take up of previous accreditation schemes had been very low, they tended to only engage with responsible landlords who saw a value in being part of a scheme. An example of a non-mandatory scheme was the Stockton Pluss model, which was run by landlords. Stockton Council figures showed that they had 80 members for that scheme with 539 properties and not all landlords who opposed their SLL scheme joined the accredited scheme.

Short-term proactive enforcement projects could have an impact but were not sustainable without significant investment from existing revenue budgets or grant funding.

It was proposed that the recommended action was the most appropriate course to ensure a sustainable and cost effective solution to improving management standards in the private rented sector in the designated area within North Ormesby and that a formal consultation commence.

ORDERED

In considering the Evaluation Report on the North Ormesby Selective Landlord Licensing Scheme:

1. That the commencement of appropriate consultation, relating to the re-designation and resignation of the selective landlord licensing scheme in the North Ormesby ward, be approved.
2. That the consultation to include the proposed fee of £765, to cover the cost of delivering the scheme in the designated area, be approved.
3. That the results of the consultation be presented to Full Executive for consideration in January 2021 prior to implementation.

REASONS

The SLL scheme in North Ormesby had resulted in improvements in the living and environmental conditions for those living in the area and contributed to reductions in antisocial behaviour. A re-designation of North Ormesby Selective Landlord Licensing scheme would continue to ensure that property standards were maintained, anti-social behaviour issues related to tenants were reduced and managed and that landlords were held accountable for the costs of both licensing and the property management improvements. The existing SLL designation was self-financing and, in line with the recommended changes to the scheme, the new designation would work in the same way.

The re-designation would require all privately rented properties within the identified boundaries, subject to statutory exemptions, to apply to be licensed for up to five years

and comply with the licence conditions.

The proposed fee of £765 enabled the Council to ensure the scheme was self-financing, it was calculated on the staffing requirements for the administration and regulation of the selective landlord licensing scheme.

The current boundary for the SLL scheme was to be maintained to ensure complete coverage of the area in relation to improved housing standards, environmental conditions and reduction in crime and anti-social behaviour.

Prior to designating an area, the Council was required to undertake a minimum 10 week statutory consultation with local people, businesses, landlords and partners. An outline of the consultation process was contained in paragraph 50 of the submitted report. Developing the designations for Selective Licensing in the area identified in Appendix 1 to the Evaluation Report, planned to enable the Council to sustain the improvements already achieved in North Ormesby.

In 2018 Middlesbrough Council's Scrutiny Panel reviewed the North Ormesby scheme. The Panel was extremely supportive of the scheme:

- It recognised the achievements made through SLL in the North Ormesby ward, including improving community confidence which had led to increased reporting of anti-social behaviour and crime to the SLL Team.
- It was complimentary of the work achieved, and applauded the Selective Licensing Team for their efforts.
- The Panel also learned that in November 2017, the team had been awarded Outstanding Contribution to Prevention at the Cleveland Community Safety Awards.

Throughout the investigation, the Panel made reference to the issues within Gresham and University wards and the increasing number of private rented housing properties. The Panel was of the opinion that the excellent work achieved since the introduction of Selective Licensing in North Ormesby and hoped that any future schemes would mirror the model.

20/39 **EXCLUSION OF THE PRESS AND PUBLIC**

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

20/40 **EXEMPT - MIDDLESBROUGH DEVELOPMENT COMPANY: STRATEGIC PLAN, CSI SITE AND BOHO VILLAGE [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.

20/41 **EXEMPT - NUNTHORPE MEDICAL CENTRE - 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.

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.