

OVERVIEW AND SCRUTINY BOARD (SPECIAL MEETING)

A meeting of the Overview and Scrutiny Board (Special Meeting) was held on 9 January 2015.

PRESENT: Councillors N J Walker, (Chair), R Mallon, (The Mayor), Clark (as substitute for Cole), E Dryden, C Hobson, Junier, Kerr (as substitute for P Purvis), Sanderson, P Sharrocks, M Thompson, J A Walker and M B Williams

ALSO IN ATTENDANCE: I Campbell, (UNISON), B Coppinger, (PCC), J Daniels (MFIG), B Dinsdale, (Erimus Board), Simon Gregory (STCCG), Z Lewis, (Middlesbrough College), A McDonald MP, N Milburn (Barratt Homes) and Dr V Nanda (STCCG)

OFFICERS: A Crawford and N Sayer

APOLOGIES FOR ABSENCE Councillor J G Cole, Councillor P Purvis, Councillor F McIntyre.

DECLARATIONS OF INTERESTS

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

1 MAYOR'S STRATEGIC PRIORITIES AND DIRECTION OF TRAVEL

The Chair of the Board welcomed everyone to the meeting and indicated that, as outlined in the submitted report, one of the key aims of the meeting was for the Mayor to set out his key strategic priorities and direction of travel and for each of the invited partners to provide comment on those priorities particularly in relation to the organisation or body they were representing. The Chair added that feedback from Members of the Board was also key.

As a means to help those discussions, the Chair also provided guidance on how the meeting was to be structured.

The Mayor's Strategic Direction of Travel

The Mayor in presenting his strategic direction of travel, an outline of which had been circulated with the agenda, stressed that a pre requisite was 'money'. Simply put the less money the Council had the less flexible it could be in doing the things it wanted to do. As a means of better understanding the overall financial position of local government, he also felt that it was his duty as Mayor to have a broader understanding of national and international economic issues.

In this regard he provided an overview of oil prices and the possible risks associated with both inflation and deflation and the fact that a 1% rise in inflation could mean additional costs of £1m to the Council. The Mayor also referred to the Chancellor of the Exchequer's comprehensive spending review announcement in October 2010 when he announced significant public spending cuts. The Mayor at the time had said that they were too deep and too savage resulting in the Council having to make significant long term savings. He added that he felt austerity would be with us until at least 2024 and although the Council had already achieved savings of £60m, much more was required. He believed the eventual figure could be in the region of £121m - £145m.

In terms of national economic issues, the Mayor felt that the deficit was not the key issue, it was public borrowing and its continued and predicted increase which he felt could eventually go above 85% of Gross Domestic Product. Public finances were in his opinion going in the wrong direction.

The Mayor indicated that if public borrowing was to continue to rise, there would be further significant public spending cuts. Whilst some of those savings would be found through welfare cuts, the Department of Communities and Local Government would still be hit. He felt therefore that further savage cuts could well be on the way and that Middlesbrough would again be hit disproportionately.

In terms of Council pressures, the Mayor referred to a growing proportion of the budget having to focus on supporting children in care and adult social care, particularly in relation to the issue of dementia.

The Mayor, in reference to the key sources of Council resources, referred to the negative impact a falling population would have on the future levels of funding. In his view, the main reason why people had moved away was that we were not building the type of houses they were looking to buy. He felt that there had to be more balanced housing offer and mentioned, for example, that only 7% of all housing fell within Band D. Given the additional income that the Council received through more house building (e. g. Council Tax), he was of the view that we needed, as was happening now, to build more. Evidence was also suggesting that people were buying them.

The Mayor indicated that as the Government was unlikely to provide the Council with any additional funding, we had to be more self-financing and that he looked to housing developers to re-invest the town with the construction of new houses, 440 of which he felt were required each year up until 2029.

He acknowledged that whilst building took place on brownfield sites, construction also took place on greenfield sites. However as the land could be in private ownership, land owners could advance their own planning applications.

In terms of the Marton corridor the Mayor indicated that a key element of the traffic problems experienced resulted from 30,000 plus people commuting from outlying areas into Middlesbrough each working day.

Partner Feedback

Following the Mayor's statement the following responses were made:

Cleveland Police and Crime Commissioner - Barry Coppinger referred to the concise and helpful document prepared by the Mayor and welcomed the partnership working which was evident at the meeting. He also highlighted the cuts within the public sector and that Middlesbrough had been treated unfairly in this regard. He also confirmed that he agreed with the Mayor's priorities.

In respect of vulnerable children and adults and whenever there was an incident involving a vulnerable person going missing, it would always be a police priority. However he did express a wider concern that the police were becoming the 'first resort' for certain issues (e.g. providing an 'ambulance service') when they should be considered as the 'last' resort. In terms of growing pressures, the Commissioner referred to cyber-crime and fraud which were to some degree unseen crimes and becoming an ever increasing challenge. He also referred to the high and unacceptable levels of crime and anti-social behaviour on which he had asked for and received an action plan. Whilst the night time economy in the town centre was important, he supported the issue of minimum pricing of alcohol.

The Commissioner in acknowledging that 'we were all shrinking together', stated that there was a greater than ever need for more joint working and sharing of resources, such as the use of and operating out of the town's community hubs.

Chair of the Financial Inclusion Group (FIG) - John Daniels started by raising two questions - if 83% of older people would need residential care was any research being undertaken to assess why this figure was so high and was a strategy to be put in place?

In terms of financial Inclusion issues, John indicated that FIG's main focus had been on supporting those people who lacked financial resilience and the rise in mental health problems. Given the cuts within the public sector, partnership working backed up with supporting commitments had been important. An example of which was the advisory and support service, delivered by partners, operating out of the Grove Hill and Thorntree Community Hubs. It had so far realised additional benefits to residents amounting to £1.9m

together with the provision of debt advice amounting to £1.0m. As a consequence of this work, one of the wider benefits was that residents would be in a better position to pay their Council Tax, thus increasing Council revenues.

The Mayor in response to the questions raised indicated that over 380 children were currently in care and a considerable amount of work was taking place on how the number of children going into care could be reduced. Generational issues, for example, were being examined together with the high levels of deprivation and the intensity of dementia that the town was having to deal with. The Mayor however accepted that we needed to do more.

Chair of Erimus - Brian Dinsdale welcomed scrutiny's innovation and he saw the challenges facing Middlesbrough as being town-wide and not simply one just for the Council. He also hoped that this would simply not be a one-off event and he supported the long term nature of the Mayor's plan. It was also good to see growth as a remedy for which new housing was a very important element.

He added that in making any assumptions that people would come back to Middlesbrough, we had to ask the question 'why would they?' In answering this it was important that we identified the town's offer and Erimus would be happy to help in this regard. He added that this could also include, for example, joint working on dementia, market rents and tenure issues. He added that the Housing Association did have some resources that could be used in conjunction with other organisations and bodies to support such joint working.

From Erimus' perspective he stated that the organisation was losing tenants and voids were on the increase. This was connected in part to the welfare reforms and as part of mitigating actions being taken; Erimus was improving its offer to tenants through, for example, better energy conservation measures.

South Tees CCG - Dr V Nanda referred to increased pressures within the health sector including the increased health care needs arising from a rise in the number of older people and the fact that there was an increasing number of children being referred on who had mental health problems.

In response to those demands, reference was made to a number of initiatives which included greater investment in the Children and Adolescent Mental Health Service (CAMHS), the IMProVE Programme which sought to improve services for the vulnerable, elderly and those with long-term conditions. This included providing healthcare in a home setting rather than in a hospital.

South Tees CCG - Simon Gregory referred to national health funding issues and the fact that more of the additional funding had been allocated in the south because of higher population growth rates. Accordingly, he stated that if anything that could be done to increase local populations, from a funding perspective that would be welcome.

Principal Middlesbrough College - Zoe Lewis in acknowledging that Middlesbrough had been hit disproportionately, endorsed more house building. In doing so however she added that it must not be the only strategy - jobs were important too. In College she mentioned the concerns young people had in securing employment and that when they left how important it was for many of them in getting jobs that were local. Zoe also felt that the ambition for growth was right and whilst the College had invested, it was still facing a 30% cut in funding.

She felt that Middlesbrough as a place had to make a unique offer and that a Tees Valley Strategy was required to help promote and 'sell' the area. The LEP and the Chamber of Commerce, for example, could be key players in this regard.

Whilst the identified areas of protection (children and vulnerable adults) were right, sight must not be lost on the increase in mental health, suicide and self-harm problems; issues she was coming across on an increasing basis with young people. On the back of this, whilst she welcomed more partnership working, it needed to include more involvement from the health sector.

Barratt Homes - Neil Milburn welcomed the Mayor's recognition of the importance of house building to the local economy and as an example outlined some of the benefits that had arisen as a result of the Grey Towers development. He did however indicate that the availability of trained labour was a key issue for Barratts. There was perhaps a need for a better link between education and building programmes as, for example, more brick laying apprentices were needed. Mention was also made of the fact that the employment of local labour could also help with the local 'policing' of sites.

Questions were raised by the Principal of Middlesbrough College on the number of apprentices being taken on and whether, as raised by the Mayor, there needed to be conversation between the Council and housing developers on this issue.

UNISON - Ian Campbell referred to early intervention funding and how this might assist with improving the number of positive outcomes.

The Member of Parliament - Andy McDonald highlighted the fact that we lived in a unique place that had a significant industrial heritage and a very resilient community.

He acknowledged that we needed to identify the town's 'attractors' and given the location of the meeting, he highlighted such examples as Middlesbrough College, the Football Stadium and the new hotel being built in the town centre. Further thought should also be given on how to bring more people into the town. In this regard he mentioned our high performing primary schools and our secondary school sector which was on the way on up and which needed maintaining.

In looking across the Tees Valley he highlighted opportunities through a combined authority and the local enterprise partnership and how European funding destined for this area could be unlocked through such bodies. Andy added that connectivity was also a key issue to other major conurbations.

In terms of funding, he referred to the town having one of the highest rates of benefits sanctions in the Country as well as having being hit disproportionately by Government spending cuts. He felt that in the calculation of such government grants, the issue of 'need' had to be seen as a key factor.

Overview and Scrutiny Board (OSB) Feedback

The following issues were raised by OSB Members:

Reference was made to the links between the Police, Middlesbrough College and the Health Sector and whether we had available, the number and costs that followed those young people who might have received services/support from all three bodies? On the back of this a Member asked whether there might be some advantages in having pooled resources in helping to support such people.

The Mayor agreed that there need to be more co-ordination and that more information was required on the issue.

A member stated that a previous strength had been partnership working and was concerned that this might reduce. It was important that past successes were not forgotten and were kept going.

A question was posed that if people were to come back to Middlesbrough, the things they would look for would be new housing and good education. It was felt that we needed to get to the top of the league table in this regard. Furthermore the Member also stated that reducing the Council Tax would help and expressed concern as to Council Tax collection rates and the additional income that could be achieved if those rates were improved.

A Member indicated that they were satisfied that house building would help combat a spiral of decline but wondered if all our stakeholders were aware of this approach? If the population was to remain static, the member felt that all relevant stakeholder strategies needed to reflect

this.

Reference was made to the Stronger Families Programme and how well it was working, the fact that nearly 600 families had been turned around and that it had now attracted additional government funding of £200,000.

A reference was made to a paternalistic and dependency culture a Member felt had developed and that community resilience would not be addressed by agencies simply doing all the work.

In response to the fall in Council Tax rates, a Member indicated that this might have been in part due to the changes in Council Tax benefit brought in as part of the welfare reforms.

Mayoral Summary

The Mayor indicated that his document was not prescriptive and whilst the Council has some control over its destiny, he felt more house building would bring added benefits.

In terms of attracting people to the town, the housing had to be in the right location and of the right quality. He felt therefore that it was in areas such as South Middlesbrough where people would come.

In terms of the town's population, the Mayor stated that it had not declined for some years and provided some statistics on the size of working age population, the level of people in receipt of some kind of benefit and those who travelled into the town on a daily basis.

The Mayor acknowledged that the size of the skilled workforce had to increase and referred to the number of skilled workers who would leave the Tees Valley and the need to ensure that they were replaced. He also referred to a recent report he had taken to his Executive that covered such issues and the need, for example, to get into schools in seeking to promote those skills that were in demand. He added that those skills should also include knowing how to write CVs and interview techniques and in assisting schools in this regard, he felt that the Football Club Foundation, with its well-known branding, could well be of help here.

He felt that one key prerequisite to growth was addressing the skills agenda.

In terms of transport issues along Marton Road, he felt that a significant number of users were from outside the town and included, for example, those working at or visiting the hospital. He added that putting a road in at the back would help together with the new rail halt. He also welcomed the proposed new direct rail link with London and how this might attract new companies to the Town.

In terms of not accepting the Council Tax freeze grant, he felt that the focus had to be on dealing with the deficit and public borrowing. He added that if it had been accepted, whilst there was a small additional amount for one year, over the longer term the Council would lose significant amounts of money further down the line.

AGREED that the information received be submitted to a special meeting of the Overview and Scrutiny Board for further consideration.