

MIDDLESBROUGH COUNCIL

AGENDA ITEM

OVERVIEW AND SCRUTINY BOARD

20 APRIL 2017

CALL IN – FUTURE OF SOUTHLANDS CENTRE
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PURPOSE OF THE REPORT

1. In accordance with Middlesbrough Council's Call In Procedure, to allow Members of the Overview and Scrutiny Board (OSB) the opportunity to consider a decision made by the Executive Sub-Committee for Property.

RECOMMENDATION

2. That the Overview and Scrutiny Board considers the decision of the Executive Sub-Committee for Property and determines whether it should be referred back to the decision making body for reconsideration.

EXECUTIVE DECISION – 22 MARCH 2017

3. A meeting of the Executive Sub-Committee for Property was held on 22 March 2017. At that meeting, consideration was given to a report of the Strategic Director for Finance, Governance and Support in respect of the future of the Southlands Centre, Middlesbrough.
4. A copy of the above report, which outlined the background to the future of the Southlands Centre and options available, is attached at **Appendix 1**.
5. The report included the following recommendations:-

That;

- a) discussions with Bidder A on the sale of the building and adjacent land for use as a business centre and community facility be ceased;
- b) officers be instructed to explore viable uses for the Southlands Centre site that are consistent with the Council's strategic priorities and produce detailed options for the future of the site and the surrounding area to be brought to Executive for consideration by September 2017; and that
- c) officers of the Economic Development and Communities directorate should work individually with tenants and community groups to assist them with their transition from the Southlands Centre.

The following additional recommendation was proposed at the meeting:-

d) That the Strategic Director for Finance, Governance and Support, in consultation with the Executive Member for Regeneration, be delegated responsibility for the detailed aspects of the package.

6. Following consideration of the submitted report, the Executive Sub-Committee for Property approved the above recommendations.

The decision was supported by the following reasons:

The current liabilities both in terms of reactive maintenance costs, employee costs and backlog of improvements needed, made Southlands an unsustainable service provision without further major investment and substantial rent increases. It was likely that such investment would still fail to make the facility sustainable in the medium term.

The proposal to dispose of the site to Bidder A did not guarantee that the centre would continue to exist in its current capacity in the medium term.

The proposal did not represent a value for money capital receipt in relation to the asset.

The recommendations sought to assist the 49 local businesses and 21 community activities to continue to provide economic and social resilience in a deprived area of Middlesbrough.

The recommendation to explore future uses for the site gave the maximum chance of the Council to be able to utilise the site for the most beneficial use for Middlesbrough.

CALL IN PROCEDURE

7. The power to call in a decision of a local authority executive body was introduced under the Local Government Act 2000. The process is intended to hold decision makers to account and ensure that executive powers are discharged properly. Call in ensures that a decision can be reviewed and reconsidered before it is implemented.

8. The procedure allows Members the opportunity to call in decisions for review by the Overview and Scrutiny Board as follows:

- A decision made by The Executive;
- A decision made by an individual Member of the Executive;
- A decision made by a committee or sub-committee of the Executive;
- A key decision made by an officer with delegated authority from the Executive; or
- A decision made under joint arrangements.

9. The process is initiated by five Members of the Council requesting a decision to be reviewed within five working days following publication of the decision and submitting a form that outlines the reason(s) for the call in.

10. Following the meeting of the Executive Sub-Committee for Property on 22 March 2017, the required call in form signed by five Members supporting the request to call in the decision outlined above was received on 29th March 2017. In addition to the five Members supporting the call in (Councillor Hubbard (who initiated the call in) and Councillors Coupe, Cox, Coupe, J Hobson, McCabe, Rathmell, Saunders).
11. The decision to be Called-In is as follows:
 1. That the decision to cease discussions with Bidder A, on the sale of the building and adjacent land for use as a business centre, be approved.
 2. That officers be instructed to explore viable uses for the Southlands centre site, which were consistent with the Council's Strategic priorities, and produce detailed options for the future of the site and surrounding area to be brought to Executive for consideration by September 2017.
 3. That officers of the Economic Development and Communities Directorate work individually with tenants and Community Groups to assist them with their transition from the Southlands centre.
12. The reasons for the call in, as submitted to the Council's Monitoring Officer, are as follows:
 1. That MBC did not exhaust all possible opportunities with Bidder A, e.g. in the same way Council officers did when entering negotiations with preferred bidder of the TAD Centre.
 2. Officers narrowed opportunities for future viable users of the Southlands Centre, Failing the Council's Strategic priorities.
 3. MBC failed to consider social value.
 4. Decision is inconsistent with the TAD Centre decision making process.
 5. Failure to demonstrate that the decision is in accordance with Council policy and procedure.
 6. Agreed financial package (£100,000) is insufficient and officers will not be able to offer alternative accommodation to all business users.
13. To assist the Overview and Scrutiny Board in the call in process, the Executive Member for Finance and Governance, the Chair of the Executive Sub Committee for Property and appropriate Council officers will be present at the meeting. The Executive Members and officers will explain the reasons and rationale behind the report and the decision that was made. The Member who initiated the call in will also be present to explain their views and concerns in respect of the decision.
14. A copy of the procedure to be followed at the meeting is attached at **Appendix 2**.
15. Having considered the submitted information, the Overview and Scrutiny Board has two courses of action available:

1. To refer the decision back to the Executive Sub-Committee for Property for reconsideration. In that case, OSB should set out in writing the nature of its concerns about the decisions.
 2. To determine that it is satisfied with the decision making process that was followed and the decision that was taken. In that event, no further action would be necessary and the Executive decision could be implemented immediately.
16. In the event that the decision is referred back to the Executive Sub-Committee, a further meeting of the sub-committee would be arranged within ten further working days. The sub-committee would then make a final decision in the light of any recommendations made by OSB.
17. Where the recommendations of OSB are not accepted in full by the relevant Executive body, the body should notify the OSB of this and give reasons for not accepting the recommendations.

BACKGROUND PAPERS

18. The following background papers were used in the preparation of this report:
- Middlesbrough Council's Constitution/Call-In Procedure.
 - Report to Executive Sub-Committee for Property - 22 March 2017.

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