

MIDDLESBROUGH COUNCIL

AGENDA ITEM 3

OVERVIEW AND SCRUTINY BOARD

11 MAY 2018

<p>CALL IN –SOUTHLANDS CENTRE FUTURE OPTIONS</p>

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 SUB COMMITTEE DECISION –

3. A meeting of the Executive Sub-Committee for Property was held on 20 April 2018. At that meeting, consideration was given to a report of the Strategic Director for Finance, Governance and Support in respect of the Southlands Centre future options.
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 the Executive Sub Committee for Property;

- a. notes that despite the genuine efforts made over a two-year period, there is a lack of a viable business plan for the continuation of the facility; the continued substantial subsidy that it will require; the relatively small proportion of the large former school building benefiting the local community directly and the opportunity to provide a local community facility which is more fit for purpose in the event of closure;
- b. approves the closure of the Southlands Centre over a 6 month period to facilitate and assist the relocation of the existing licensees

- /community groups, and agrees that the Council will provide a new fit-for-purpose community facility;
- c. notes that revenue savings of £210,000 (based on 2017/18 figures) are achieved through the closure of the site;
 - d. agrees that community engagement commences in order to ascertain the requirements for a fit for purpose community facility that will serve the needs of the area;
 - e. notes that a further report will be submitted by September 2018 setting out in more detail the options with regard to the future of the site, and the new community facility; and
 - f. confirms the estimated provision of £100,000 (with the use of delegated Director's powers if more is required) as previously indicated in the report of 22 March 2017 to assist in the decant of licensees. Further work has been undertaken by officers since this report which has ascertained that this sum will adequately cover the needs of the licensees.

The decision was supported by the following reasons:

The building is in a poor state of repair and requires substantial investment. The offers from the licensees and proposed community operator would still require a substantial subsidy from the Council and there are risks associated with the offers. The recommendations provide for the making of revenue savings to support the Council's revenue budget and statutory services for the people of Middlesbrough; a period in which businesses and community groups can locate suitable alternative premises; and the ring-fencing of the capital / income streams as necessary in the event of a future decision for disposal and redevelopment to ensure that locality benefits from the re-provision of a community facility which is fit for purpose and meet current standards.

CALL IN PROCEDURE

6. 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.
7. 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.

8. 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.
9. Following the meeting of the Executive Sub-Committee for Property on 20 April 2018, the required call in form signed by five Members supporting the request to call in the decision outlined above was received on 25th April 2018. The five Members supporting the call in were (Councillor Rathmell (who initiated the call in) Councillors Hubbard, McCabe, Mohan and Saunders.
10. The decision to be Called-In is as follows:
 1. That it be noted that, despite the genuine efforts made over a two-year period, there was a lack of a viable business plan for the continuation of the facility; the continued substantial subsidy that it would require; the relatively small proportion of the large former school building benefiting the local community directly, and the opportunity to provide a local community facility which was more fit for purpose in the event of closure.
 2. That the closure of the Southlands Centre over a six-month period to facilitate and assist the relocation of the existing licensees /community groups be approved, and agreed that the Council would provide a new fit-for-purpose community facility.
 3. That it be noted that revenue savings of £210,000 (based on 2017/18 figures) would be achieved through the closure of the site.
 4. That community engagement commences in order to ascertain the requirements for a fit for purpose community facility that would serve the needs of the area.
 5. That it be noted that a further report would be submitted by September 2018, setting out in more detail the options with regard to the future of the site, and the new community facility.
 6. That the estimated provision of £100,000 (with the use of delegated Director's powers if more is required) as previously indicated in the report of 22 March 2017 to assist in the decant of licensees be confirmed. Further work had been undertaken by officers since this report which had ascertained that this sum would adequately cover the needs of the licensees.
11. The reasons for the call in, as determined as being valid by the Council's Monitoring Officer, are as follows:
 1. The Decision called-in is that of the executive Sub Committee for Property of 20 April 2018, which followed the recommendations set out at paragraphs 34 a to f of the report titled "Southlands Centre – Future Options."
 2. The above report and decision has failed to comply with Middlesbrough Council's asset disposal policy in that that Council has failed to obtain an up to date valuation for the site as the Councils (sic) own policy for

good governance is a valuation every 5 years, it has been 6 since the last valuation.

3. The Council has not sufficiently engaged with stakeholders.
12. 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 Member 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.
13. A copy of the procedure to be followed at the meeting is attached at **Appendix 2**.
14. Having considered the submitted information, the Overview and Scrutiny Board has the following courses of action available:
 - i. To refer the decision back to the Executive/Executive Sub-Committee/Executive Member/Officer for reconsideration. In that case, OSB should set out in writing the nature of its concerns about the decisions.
 - ii. To determine that it is satisfied with the decision making process that was followed and the decision that was taken by the Executive/Executive Sub-Committee/Executive Member/Officer. In that event, no further action would be necessary and the Executive decision could be implemented immediately
 - iii. Request that the decision be deferred (adjourned) until the Overview and Scrutiny Board has received and considered any additional information/evidence required to make a decision with regard to the Call-In from other witnesses not present at the committee. (The Committee need to clearly identify the relevant issues that need to be given further consideration and whether there are any specific time constraints or other implications affecting the proposed implementation of the decision.)
 - iv. Take no action in relation to the Called-In decision but consider whether issues arising from the Call-In need to be added to the Work Programme of any existing or new Overview and Scrutiny Standing Panel/OSB. (The Committee need to clearly identify the issues to be added to the Work Programme.)
 - v. If, but only if (having taking the advice of the Monitoring Officer and/or the Chief Finance Officer), the Committee determines that the decision is wholly or partly outside the Budget and Policy Framework refer the matter, with any recommendations, to the Council after following the procedure in Rule 8 of the Budget and Policy Framework Procedure Rules. Only in this case is there a continuing bar on implementing the decision.

15. 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.
16. 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

17. The following background papers were used in the preparation of this report:
 - Middlesbrough Council's Revised Call-In Procedure.
 - Report to Executive Sub-Committee for Property - 20 April 2018.

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