

THE EXECUTIVE

A meeting of the Executive was held on 18 December 2018 at 1:00 p.m. in Mandela Room, Town Hall, Middlesbrough.

PRESENT: Councillors Mr D Budd (Chair), C M Rooney (Vice Chair); J Brunton Dobson, D Rooney, J Rostron, M Thompson and N J Walker and L Young.

PRESENT AS OBSERVERS: S Bonner - Legal & Democratic Services
K Flynn - Marketing & Communications Officer
A Hoy - Middlesbrough Council Press Office
D Johnson - Labour Group Political Assistant
A Metcalfe - Local Democracy Reporter

OFFICIALS: J Bromiley, R Brown, J Dixon, K Parkes, T Parkinson and E Scollay.

APOLOGIES FOR ABSENCE: Councillor M Carr

DECLARATIONS OF INTERESTS

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

18/44 **MINUTES - EXECUTIVE - 20 NOVEMBER 2018**

The minutes of the Executive meeting held on 20 November 2018 were submitted and approved as a correct record.

18/45 **MINUTES - EXECUTIVE SUB-COMMITTEE FOR PROPERTY - 26 SEPTEMBER 2018**

The minutes of the Executive Sub-Committee for Property meeting held on 26 September 2018 were noted.

18/46 **CIVIC COMMUNITY AWARDS**

The Mayor and the Chief Executive submitted a report that sought approval to introduce an annual Civic Community Awards scheme, which would incorporate the current Citizen of the Year Award.

Following Executive approval of the town-wide Social Regeneration Policy in September 2017, work had been undertaken with residents, partners and community organisations to provide a community view on social issues and ways in which those issues could be addressed.

Discussions had centred around strengths, challenges and solutions to social issues affecting:

- employment outcomes
- health and wellbeing outcomes
- educational and vocational outcomes
- community life outcomes
- physical neighbourhood outcomes

Work had highlighted the important contribution that changing perceptions and creating aspiration could make to improvements in outcomes. Positive stories and recognition that created civic pride was an important component of that work.

Consideration had therefore been given to an extension of the current Citizen of the Year Award to an annual event that celebrated and recognised the contribution of individuals, community organisations and business in delivering social regeneration ambitions.

It was therefore proposed that an annual awards ceremony be introduced, taking place in April

of each year.

The categories for a total of 15 awards would reflect social regeneration outcomes.

OPTIONS

Other potential decisions and why those had not been recommended

Do nothing - This option was not recommended because Middlesbrough Council was seeking wider public participation and engagement in the creation and delivery of its social regeneration ambition.

ORDERED

That the proposal for the introduction of Civic Community Awards be approved.

REASONS

The Civic Community Awards sought to involve and recognise those communities, businesses and extraordinary people living in Middlesbrough who tirelessly supported their friends, neighbours and their communities. They would also provide inspirational stories that would be used to generate different perceptions of Middlesbrough and create ambition in its communities. This would link with the Council's Place Brand strategy.

18/47

'50 FUTURES': A NEW APPROACH TO WORK EXPERIENCE THAT FORMS A KEY ELEMENT OF THE COUNCIL'S COMMITMENT TO THE SOCIAL REGENERATION AGENDA

The Executive Member for Culture and Communities and the Executive Director for Growth and Place submitted a report that sought approval to introduce the '50 Futures' programme.

Executive approved the town-wide Social Regeneration Policy in September 2017. Since that time, work had been undertaken with residents, partners and community organisations to provide a community view of social issues and ways in which those issues could be addressed.

In respect of employment, the public were clear in their view that there was unequal access to employment and an over reliance on zero hours contracts, which did little to assist in resolving poverty and debt issues.

In direct response to the issue, the 50 Futures programme had been created.

The 50 Futures programme was a radical new approach to provide meaningful work experience opportunities to those in the community who found it most difficult to get a job. That included, for example, long-term unemployed from Middlesbrough's most deprived wards, care leavers, people with a learning disability and ex-offenders.

50 Futures would provide over 50 new and meaningful adult work experience placements within the Council, which would run several times a year. It would provide opportunities for a minimum of 100 people per year and it was hoped that other employers would join the programme.

Over the period September to November 2018 numerous Council directorates had developed and submitted a variety of roles for potential work experience candidates. Further details of those roles were detailed in the submitted report.

It was envisaged that the programme would be launched early in the New Year and promoted through a series of media avenues, with the first intake of people in March 2019.

OPTIONS

Other potential decisions and why those had not been recommended

There was the option of continuing work experience programmes in the more traditional untargeted way. However, this did not provide the significant social benefits of 50 Futures and it did not align with the Mayor's ambitious vision for the communities of Middlesbrough.

ORDERED

That the introduction of the '50 Futures' programme be approved.

REASONS

The project was a key element of the Council's direct contribution to Social Regeneration. The 50 Futures approach was unique in the Tees Valley and it could be used as a stepping stone to encourage other businesses to get involved in similar initiatives to help people move on. The project would use existing Council resources to work together for the benefit of the participant. The programme was targeted at those most in need and would have a real impact on their lives as well as the local community.

Approval of the project was the most appropriate course of action as it complemented and enhanced existing programmes whilst allowing the cost to be absorbed through existing grant funding. The programme was possible as all the resources were already in place.

18/48

MIDDLESBROUGH PLACE BRAND

The Executive Member for Culture and Communities and the Executive Director of Growth and Place submitted a report that sought approval for the new Middlesbrough Place Brand.

One of the Council's Corporate Priorities for 2018/19 was the launch of a new place brand for Middlesbrough and the report sought approval of the place brand, associated work and its launch.

Over a period of 12 months, a comprehensive engagement, consultation and design process had been undertaken in partnership with Hemingway Design, which had included both businesses and residents of the town.

The aim of the place brand was: "To improve the town's reputation, attract new investment, visitors and residents, and enhance civic pride."

The objectives of the place brand were to:

- describe Middlesbrough, consistently and comprehensively
- change the perceptions of Middlesbrough
- increase the recognition of Middlesbrough
- create desire and demand for Middlesbrough
- instil confidence and excitement in Middlesbrough

One of the most powerful aspects of a place branding campaign, was the shared narrative - the story that encapsulated the essence of Middlesbrough.

The new dynamic Middlesbrough logo brought together the three core themes of past, present and future and adopted the strapline Can do people, Can do place.

A campaign had been developed as part of the branding that was considered to have particular resonance locally, this was the Brilliantly Boro campaign. To support the social regeneration agenda, the Brilliantly Boro campaign could become a catalyst to improve

external perceptions and generate local pride by showcasing communities, assets and positive associations that made Middlesbrough brilliant.

The brand story, logo design and Brilliantly Boro campaign were all featured in the submitted report.

OPTIONS

Other potential decisions and why those had not been recommended

The alternative to the introduction of the new place brand was to continue with a mix of identities for Middlesbrough that left potential visitors and investors confused as to the purpose of the place. That would not have the same impact as a professionally developed brand such as the one proposed.

The alternative approach would see Middlesbrough's identity continue to develop, but would take longer to unite what Middlesbrough represents. During that time opportunities would be missed, as potential investors looked at alternative locations that had a stronger identity than Middlesbrough.

ORDERED

1. **That the new Middlesbrough place brand be approved.**
2. **That a 12-month launch programme for the Middlesbrough place brand be approved.**
3. **That the implementation of the Middlesbrough place brand be delegated to Executive Member for Culture and Communities: Mick Thompson and Director of Culture, Communities and Communication: Adam Allen.**

REASONS

Over a 6 month period Hemingway Design gathered information about Middlesbrough through:

- **a review of relevant primary and secondary research, economic information, local strategies, and recent consultancy reports**
- **an analysis of the touch points' where audiences interact with the place**
- **a focus group discussion with the local SME business and education sector**
- **an online place brand portal and perceptions survey that gathered over 400 responses**
- **an analysis of the online opinion from bloggers, regional news sites and national media;**
- **a social media analysis**
- **workshops at MIMA and Orange Pip and one-to-one conversations with local businesses, residents and visitors**

From that analysis Hemingway Design developed the proposed brand as the Place brand for Middlesbrough in the future.

The brand had been developed in collaboration with the Middlesbrough Branding Group, made up of the key Middlesbrough stakeholders, who on 27 September agreed to support and where appropriate adopt the proposed brand for Middlesbrough.

The costs associated with the implementation of the place brand would be covered from existing budgets over the coming year.

Governance and Support submitted a report to set the council tax base for the financial year 2019/2020 by the statutory deadline of 31 January 2019.

The starting point for the calculation of the 2019/2020 tax base was the number of dwellings on the Valuation List, provided by the Valuation Officer. The figures were also adjusted for exempt dwellings and for dwellings subject to disabled relief.

The number of chargeable dwellings in each band was further adjusted for discounts, exemptions and disregards.

The resultant figure (line 1 of Appendix A) was the total equivalent number of dwellings which were then converted using ratios (in line 2) into the number of Band D equivalents (line 3), specified in the 1992 Act. For 2019/2020, the equivalent number of Band D properties was calculated at 34,505.5.

The council tax base was finally determined by multiplying the sum of the Band D equivalents by the Authority's estimated collection rate, which had been assumed at 97.4% for 2019/2020. That was the estimate of the percentage of the 2019/2020 Council Tax set which would be collected in total not the expected in year collection rate in 2019/2020. The resulting council tax base for 2019/2020 for the whole of Middlesbrough (Appendix A) was 33,608, rounded to a whole number.

The regulations also required a council tax base to be calculated for parishes, and similar calculations had been made for the parishes of Nunthorpe (Appendix B) and Stainton & Thornton (Appendix C). The council tax bases for 2019/2020 were 2,120 and 779 respectively, rounded to whole numbers.

The billing authority had to notify the major authorities (Cleveland Police and Crime Commissioner and Cleveland Fire Authority) of its council tax base within seven days of making the calculation, or no later than 31st January 2019.

OPTIONS

Other potential decisions and why those had not been recommended

Not applicable to this report, as the Council had no option but to calculate a council tax base as it was a statutory requirement.

ORDERED

1. **That the council tax base for 2019/2020 as 33,608 be endorsed.**
2. **That 2,120 and 779 as the council tax bases for the parishes of Nunthorpe and Stainton & Thornton respectively for 2019/2020 be endorsed.**
3. **That the report be presented to Council on 16 January 2019, and that following approval the Police and Crime Commissioner, the Cleveland Fire Authority and the Parish Councils be notified of the 2019/2020 council tax base.**

REASONS

The recommendations were supported by the following reasons: -

1. **The Local Government Finance Act 1992 required a billing authority to calculate its council tax base for each financial year.**
2. **The method of calculation was specified in the Local Authorities (Calculation of Council Tax Base) Regulations 2012, which required the calculation to be approved before 31st January in the year proceeding the relevant financial year.**

Governance and Support submitted a report that sought approval for the Council Tax Support (CTS) scheme for 2019/2020.

From 1 April 2013, the Government replaced the national Council Tax Benefit scheme with a new CTS scheme to be designed and administered by Local Authorities. The Government passed this responsibility to Councils with a 10% cut in the grant funding and prescribed that pensioners must be no worse off under any local scheme. That translated into an effective reduction in funding for working age claimants of 20% and meant that some residents, many of whom had previously been required to pay nothing, now had to pay at least 20% of their Council Tax. Middlesbrough's scheme was approved by full Council on 9 January 2013 and remained unaltered (apart from some minor legislative changes) until 2018/2019 when the scheme was amended to bring regulations in line with the current Housing Benefit scheme, whilst also increasing the amount of support provided to 85% for working age residents. That meant residents claiming CTS had a minimum of 15% of their Council Tax to pay as opposed to the previous 20% charge. For a Band A property, that meant additional support of £62.27 per year was provided by the Council if there were two or more adults resident in a property, and £46.70 per year if one adult was resident.

As part of the revisions for the current financial year, the CTS scheme also granted full exemption from Council Tax for Care Leavers until they turned 22 years of age. A total of 38 Care Leavers had received this exemption during 2018/2019.

The current CTS scheme was working well with no challenges to the regulations. Central Government made some slight changes to the prescribed regulations in late December / early January each year which would be incorporated to the new scheme. Apart from those minor changes, it was not recommended to alter any other elements.

OPTIONS

Other potential decisions and why those had not been recommended

The Council could reduce the amount of support awarded. However, as indicated earlier in the report, the Council recognised the financial challenges placed on residents through the Government's welfare reforms when amending the scheme for 2018/2019 therefore that was not considered a viable option.

In addition, the Council was not in a financial position to consider awarding additional support without affecting other Council services. If that were to be considered, a full consultation exercise would also need to be carried out which had not taken place during the current financial year.

ORDERED

That the Council Tax Support (CTS) scheme for 2019/2020 be approved and submitted for consideration at the full Council meeting of 16 January 2019.

REASONS

The Council recognised the financial challenges faced by some residents due to the Government's welfare reforms when increasing the amount of support provided through the CTS scheme in 2018/2019. In addition, the Department for Work and Pensions had rolled out the full Universal Credit service in Middlesbrough from 3 October 2018 which would mean a significant amount of working age residents would move onto the new benefit over the coming months. As Universal Credit merged six state benefits into one monthly payment and could cause initial budgeting issues, it was not recommended to change the Council Tax Support scheme.

As the only changes to the scheme were minor legislative changes set by Central Government, no stakeholder consultation had been carried out. Similarly, those proposals had not been examined by the Overview and Scrutiny Board or by a Scrutiny Panel due to the scheme remaining the same.

18/51 AD HOC SCRUTINY PANEL - COUNCIL TAX COLLECTION - SERVICE RESPONSE

The Ad Hoc Scrutiny Panel had undertaken a review of Council Tax Collection in Middlesbrough. A copy of the full report was attached at Appendix 1.

The Scrutiny Panel made 4 recommendations upon which a response was sought from the relevant service area.

The Executive Member for Finance and Governance and the Executive Director of Finance, Governance and Support submitted a service response to the recommendations of the Ad Hoc Scrutiny Panel. A copy of the response was attached at Appendix 2.

The Chair of the Ad Hoc Scrutiny Panel Scrutiny Panel presented the final report to the Executive.

The Executive Member for Finance and Governance presented the service response.

The Executive was in agreement that (with regard to recommendation c) and the proposed action) in order to assist with reviewing collection processes, formal representation should be sought from the Financial Inclusion Group.

ORDERED

1. **That the content of the Ad Hoc Scrutiny Panel's Final Report on Council Tax Collection be noted; and**
2. **That the Action Plan developed in response to the Scrutiny Panel's recommendations be approved and in respect of recommendation c) formal representation be sought from the Financial Inclusion Group to assist in reviewing collection processes.**

REASON

It was a requirement that Executive formally considered the Scrutiny Panel's report and confirmed the Service Area's response to the Panel's accompanying plan.

18/52 MIDDLESBROUGH INTEGRATED TRANSPORT STRATEGY 2018-2028

The Executive Member for Economic Development and Infrastructure and the Executive Director of Growth and Place submitted a report that sought approval of the "Integrated Transport Strategy" and supporting document "Developing Middlesbrough's Highway Infrastructure" .

The proposed documents required approval as they would determine the future transport priorities for the Council, which would assist in delivering economic growth for Middlesbrough. The plans both supported and assisted in the delivery of the Council's Investment Prospectus.

Population growth in Middlesbrough had increased for the first time in generations with people attracted to the opportunities presented in the growing economy. In evaluating the impact of future housing sites, and the inevitable trajectory of population growth, consideration had to be given to the impact upon Middlesbrough's transport network. It was therefore vital that an appropriate transport strategy was in place to support it.

The Integrated Transport Strategy sought to build on the City scale ambitions of Middlesbrough by providing a fully integrated Transport network, which not only provided ease of access within the authority boundary but also provided a gateway to the rest of the Tees Valley; bringing centres closer together.

The strategy identified how different modes of travel could be integrated together to provide a seamless transport network, which would facilitate economic growth.

An integrated transport network, which promoted and incentivised sustainable travel would reduce dependence on the private car which released capacity on the road network without the reliance on expensive highway improvement schemes. The released capacity would then enable further development and growth to occur.

A copy of the Integrated Transport Strategy was attached at Appendix I of the submitted report.

The Developing Middlesbrough's Highway Infrastructure programme set out a mixture of road widening, signalisation and new road construction that would be critical to supporting the town's future growth plans. The plan would be used by the Council as both a strategic document to guide future project development, and also as a lobbying tool where external investment was required. The plan was included as Appendix II of the submitted report.

As over £20 million of external funding would be required to deliver the full programme, setting out these plans for the network would be essential to future discussions with Tees Valley Combined Authority and the Department for Transport.

Also essential to future discussions with the Tees Valley Combined Authority, would be the proposals to develop a park and ride rail station at Nunthorpe. The need to develop such a facility was included within the Integrated Transport Strategy, and would be a key feature of any future discussions around transport improvements required in Middlesbrough.

OPTIONS

Other potential decisions and why those had not been recommended

Do nothing. If the Council did not approve and endorse the plans, that would result in a significant challenge to delivering the requirements to mitigate the impact of economic growth across Middlesbrough.

That would result in reduced cohesion between the local strategic requirements and regional strategy resulting in a dis-jointed approach; which presented a weaker plan for seeking future funding bids.

ORDERED

- 1. That the Integrated Transport Strategy, to support the wider economic growth of Middlesbrough, and the pursuit of external funding to enable delivery be approved.**
- 2. That the Developing Middlesbrough's Highway Infrastructure Plan, to support development of the road network, and the pursuit of external funding to enable delivery be approved.**
- 3. That the commitment to work jointly with Redcar and Cleveland Council and TVCA to bring forward Nunthorpe Parkway be endorsed.**

REASONS

The recommended decision would enable the Council to progress delivering improvements and investigating further opportunities to secure the required funding to deliver the strategy.

The Council had an ambitious investment and growth prospectus, which would provide challenges to the local transport network. Approval and endorsement of the two plans would ensure that all foreseeable improvements were in place to mitigate the impact of growth in Middlesbrough; ensuring minimal impact on residents, businesses and ensure that transport did not inhibit future potential inward investment and growth beyond the period of the Investment Prospectus.

HOUSING DELIVERY VEHICLE - PREFERRED DELIVERY MODEL - PART A

The Executive Member for Economic Development and Infrastructure and the Executive Director of Growth and Place submitted a report that sought approval to establish a Housing Delivery Vehicle (HDV) and endorsement of the associated Business Plan.

In June 2018, a Housing Delivery report was submitted to the Executive that set out that the Council was embarking on the most ambitious house building programme in recent history. The report highlighted the Council's commitment to ensuring that housing growth occurred in a more balanced way, and was based on the principles of well-designed neighbourhoods with a sense of place and identity, with access to schools, green spaces amenities and transport. The report stated that to ensure that commitment was reflected in the housing product being developed, and to facilitate the sustainable growth of the town, there was a need to take a pro-active role in determining what was built and where. It was concluded that some form of 'special purpose' housing delivery vehicle would provide the Council with the ability to exert influence over the market, and address the identified gaps.

Following a decision by Executive in June 2018 to intervene in the housing market in order to exert greater control over the pace and quality of housing development across the town, a Shadow Board was established and an options appraisal undertaken to identify a preferred delivery model.

The Shadow Board subsequently developed objectives for the HDV and engaged an experienced consultant to lead the implementation process, working alongside Council officers from appropriate services including: Regeneration; Planning; Finance; and, Legal. The objectives of the HDV were to:

1. deliver homes to buy or rent, that meet the needs of our aspiring population
2. accelerate delivery of the housing required to support population and economic growth
3. create quality places to live that act as a catalyst for further regeneration and investment
4. increase long-term income streams that support the Council's Medium Term Financial Plan (MTFP)

The Consultant's review concluded that the creation of a Wholly Owned Company Limited by Shares was the most appropriate way forward in terms of meeting the Council's objectives.

The Executive commended the work undertaken to create the Housing Delivery Vehicle (HDV) and thanked all those involved.

OPTIONS**Other potential decisions and why those had not been recommended**

Other delivery models were considered but not recommended as the specialist advice and subsequent due diligence confirmed that a Wholly Owned Company Limited by Shares would best achieve the Council's objectives.

Furthermore, in November 2018, the final report of the Economic Development, Environment and Infrastructure Scrutiny Panel's investigation into HDVs recommended that in order for Middlesbrough Council to take a pro-active role in re-shaping the local housing market, as well as Middlesbrough's landscape, the Council should establish its own HDV in the form of a wholly owned Company Limited by Shares.

ORDERED

That the following be approved:

1. **The creation of a Housing Delivery Vehicle in the form of a Wholly Owned Company Limited by Shares;**

2. **The Business Plan (attached as confidential Appendix 1 to Part B of the report), which proposed the development of three Council owned sites, Gresham (Phase 1), Beechwood and Hemlington North, subject to satisfactory due diligence;**
3. **The establishment of a Company Board to provide strategic direction and set operational parameters, with the following interim Directors: Kevin Parkes; Councillor Lewis Young; and Councillor Denise Rooney;**
4. **Delegate the appointment of the Company's Secretary to the Council's Monitoring Officer;**
5. **A budget for up-front costs that will be incurred prior to the Company set-up, (funded from Section 106 affordable housing resources) as referred to in Paragraph 47 in Part B of the report;**
6. **A funding package, comprising part equity, part loan, on terms to be compliant with state aid regulations and subject to satisfactory due diligence of individual site proposals, as referred to in Paragraphs 15 to 23 in Part B of the report;**
7. **Delegation of the approval of the terms of the funding package to the Strategic Director of Finance, Governance and Support, following consultation with the Executive Member for Finance and Governance;**
8. **Delegation of the Council's function as Company shareholder to the Elected Mayor; and,**
9. **The commencement of a process to appoint a Managing Director of the Company.**

REASONS

Following an options appraisal, a Wholly Owned Company Limited by Shares was considered to be the most effective delivery model for successfully developing and operating a Housing Delivery Vehicle.

An experienced consultant had been appointed who had led the development of the HDV to that point, subject to due diligence by Council officers and the Shadow Board. It was considered imperative that the Managing Director was in post when the Company starts trading in April 2019.

The Council's Housing Strategy (2017-20) referred to the Strategic Housing Market Assessment (2016), which identified a need for an additional 200 affordable homes per annum over the period 2016-34. The HDV would help achieve the need for more good quality affordable housing in the town.

18/54 **EXCLUSION OF THE PRESS AND PUBLIC**

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

18/55 **CONFIDENTIAL - HOUSING DELIVERY VEHICLE (HDV) - PREFERRED DELIVERY MODEL - PART B**

The Executive Member for Economic Development and Infrastructure and the Executive Director of Growth and Place submitted a report that sought approval to establish a Housing Delivery Company and endorsement of the associated Business Plan.

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.